HALF-YEAR FINANCIAL REPORT
JUNE 30, 2019

DiaSorin S.p.A.
Via Crescentino (no building No.) - 13040 Saluggia (VC)
Tax I.D. and Vercelli Company Register n. 13144290155

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CORPORATE BODIES

BOARD OF DIRECTORS	(appointed on April 24, 2019)
Chairman	Gustavo Denegri
Deputy Chairman	Michele Denegri
Chief Executive Officer	Carlo Rosa (1)
Directors	Giancarlo Boschetti Stefano Altara Chen Menachem Even Franco Moscetti (2) Giuseppe Alessandria (2) (3) Roberta Somati (2) Fiorella Altruda (2) Francesca Pasinelli (2) Monica Tardivo (2) Luca Melindo Tullia Todros (2) Elisa Corghi (2)
BOARD OF STATUTORY AUDITORS	
Chairman	Monica Mannino
Statutory Auditors	Ottavia Alfano Matteo Michele Sutera
Alternates	Romina Guglielmetti Cristian Tundo
INDEPENDENT AUDITORS	PricewaterhouseCoopers S.p.A.
COMMITTEES	
CONTROL, RISKS AND SUSTAINABILITY COMMITTEE	Franco Moscetti (Chairman) Giancarlo Boschetti Roberta Somati
COMPENSATION AND NOMINATING COMMITTEE	Giuseppe Alessandria (Chairman) Michele Denegri Elisa Corghi
RELATED-PARTY COMMITTEE	Franco Moscetti (Chairman) Giuseppe Alessandria Roberta Somati

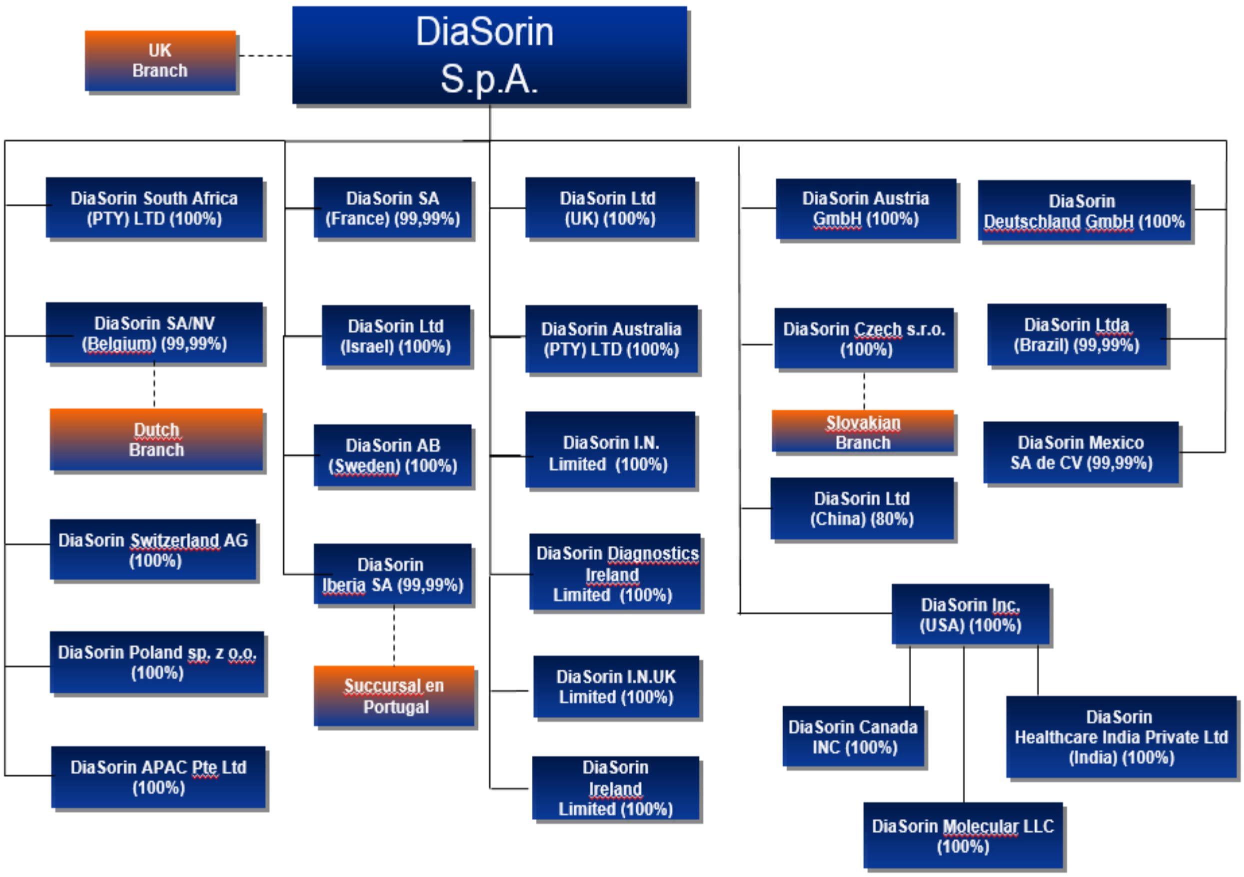
(1) General Manager
(2) Independent Director
(3) Lead Independent Director

THE GROUP

DiaSorin is an Italian multinational Group listed on the MTA (automated stock market) in the FTSE MIB Index, organized and managed by Borsa Italiana S.p.A.

For over 50 years, DiaSorin has been operating as a leading company in a highly innovative and competitive market, that of laboratory diagnostics, developing, manufacturing and marketing diagnostic tests to give reliable and swift answers to healthcare professionals on the condition of their patients' health.

STRUCTURE OF THE GROUP AT JUNE 30, 2019



OUR BUSINESS

DiaSorin develops, manufactures and markets tests for the diagnosis of infectious diseases or hormonal disorders.

The clinical areas

Our offer comprises both high routine tests and specialty tests on a vast range of clinical areas:

- Infectious Diseases
- Gastrointestinal Infections
- Bone and Mineral
- Endocrinology
- Hypertension
- Oncology
- Onco-hematology
- Autoimmunity

The diagnostic tests are aimed at both private and hospital analysis laboratories worldwide, in immunodiagnostics and molecular diagnostics markets.

Immunodiagnostics	***Molecular Diagnostics***
Technology based on the detection of antibodies to highlight the presence of diseases in a sample of human fluid.	*Technology that allows to diagnose a pathology by detecting specific RNA or DNA sequences (nucleic acids) in patients' biological fluids or in their abnormal cells.*

Both technologies are based on:

- Testing kits (reagents and consumables);
- Technological platforms (according to the different technology used).

Diagnostic Kits

The DiaSorin diagnostic tests are biological components aimed at determining the presence of specific elements (virus, hormone, etc.) in the patient's blood sample.

These cutting-edge diagnostic products can identify the presence of the desired element even in small quantities and with a high degree of specificity in the patient's sample.

Our technological platform

Analysis of the biological sample aimed at detecting the presence of a specific element is carried out by instruments based on specific technologies.

In **immunodiagnostics**, DiaSorin offers the market proprietary-based platforms on CLIA technology, to fully automate the diagnostic procedure and providing high flexibility of use in terms of menu.

DiaSorin offers also immunodiagnostic solutions based on ELISA technology appropriate for the diagnosis of a few parameters but with high volumes (i.e. blood banks).

In **molecular diagnostics**, DiaSorin offers the market diversified proprietary platforms based on 2 nucleic acids amplification technology (PCR and qLAMP), to diagnose viral infections or liquid tumors, through the qualitative and quantitative determination of viral load or genetic mutations in patient's biological sample.

OUR GLOBAL PRESENCE

The Group headed by DiaSorin S.p.A. is made of 26 companies and 4 branches on the 5 continents; it produces its own tests at 6 manufacturing facilities located around the world.

DiaSorin distributes its tests and platforms all over the world through its commercial subsidiaries, present in Europe, the United States, Mexico, Brazil, China, Australia, India and Israel. In other Countries, the Group operates through an international network of over 200 independent distributors.

CONSOLIDATED FINANCIAL HIGHLIGHTS

Income statement *(€ thousands)*	**1st half 2019[(3)]**	**1st half 2018**
Net revenues	350,257	331,178
Gross profit	243,276	226,841
EBITDA [(1)]	139,256	128,184
Operating result (EBIT)	110,196	103,034
Net profit for the period	83,987	80,857

Statement of financial position *(€ thousands)*	**6/30/2019[(3)]**	**12/31/2018**
Capital invested in non-current assets	526,284	491,080
Net invested capital	685,165	629,424
Net financial position	62,000	75,311
Shareholders' equity	747,165	704,735

Cash flow statement *(€ thousands)*	**1st half 2019[(3)]**	**1st half 2018**
Net cash flow for the period	16,965	(54,750)
Free cash flow [(2)]	69,501	69,164
Capital expenditures	25,533	22,876
Number of employees	1,951	1,982

[(1)] Looking at the data on the Table, the Board of Directors defines EBITDA as the "operating result (EBIT)" before amortization of intangibles and depreciation of property, plant and equipment.
[(2)] Free cash flow is the cash flow from operating activities, counting utilizations for capital expenditures but before interest payments and acquisitions of companies and business operations.
[(3)] First half 2019 figures include the application of the new Leases Standard, IFRS 16, adopted by the Group applying the retrospective simplified approach with no restatement of comparative figures.

OVERVIEW OF THE GROUP'S PERFORMANCE IN THE FIRST HALF OF 2019 AND COMPARISON WITH 2018

THE FOREIGN EXCHANGE MARKET

In the first half of 2019, the average exchange rate of the euro gained value vis-à vis the main currencies in which the Group operates compared to the first six months of 2018. The euro appreciated against the Brazilian real (+4.8%) and the Australian dollar (+2.0%). Conversely, the euro depreciated against the U.S. dollar (-6.7%), the Chinese yuan (-0.5%), the Mexican peso (-6.2%) and the British pound (-0.7%).

The exchange rate of the euro at June 30, 2019 depreciated vis-à vis the main currencies in which the Group operates compared to December 31, 2018. Specifically, the euro lost in value against the U.S. dollar (-0.6%), the Brazilian real (-2.1%), the Mexican peso (-3.0%) and the Chinese yuan (-0.7%); the euro appreciated slightly against the British pound (+0.2%).

The table below provides the average and end-of-period exchange rates of the main currencies used by the Group (source: Banca d'Italia) for the periods under comparison.

Currency	Average exchange rates		Exchange rates at		
	1st half 2019	1st half 2018	6/30/2019	6/30/2018	12/31/2018
U.S. dollar	1.1298	1.2104	1.1380	1.1658	1.1450
Brazilian real	4.3417	4.1415	4.3511	4.4876	4.4440
British pound	0.8736	0.8798	0.8966	0.8861	0.8945
Swedish kronor	10.5181	10.1508	10.5633	10.4530	10.2548
Swiss franc	1.1295	1.1697	1.1105	1.1569	1.1269
Czech koruna	25.6845	25.5005	25.4470	26.0200	25.7240
Canadian dollar	1.5069	1.5457	1.4893	1.5442	1.5605
Mexican peso	21.6543	23.0850	21.8201	22.8817	22.4921
Israeli shekel	4.0898	4.2584	4.0607	4.2627	4.2972
Chinese yuan	7.6678	7.7086	7.8185	7.7170	7.8751
Australian dollar	1.6003	1.5688	1.6244	1.5787	1.6220
South African rand	16.0434	14.8913	16.1218	16.0484	16.4594
Polish zloty	4.2920	4.2207	4.2496	4.3732	4.3014
Indian rupee	79.1240	79.4903	78.5240	79.8130	79.7298
Singapore dollar	1.5356	n.a.	1.5395	n.a.	n.a.

KEY EVENTS IN THE FIRST SIXTH MONTHS OF 2019

In the first six months of 2019, DiaSorin continued to develop and launch new products both in the immunodiagnostics (CLIA technology) and molecular diagnostics segments.

In April, DiaSorin announced the launch in the CE market of the Vitamin B12 and Folate tests for the diagnosis and treatment of anaemia.

In May, the company received clearance to launch in Europe and in the United States the Elastase-1 quantification test to support the diagnosis of chronic exocrine pancreatitis; it is worth to highlight this is the first test in the world available on CLIA technology.

In molecular diagnostics, DiaSorin received FDA clearance for its new VZV Direct assay for commercialization in the United States. The new molecular diagnostic test enables the detection of varicella-zoster virus (VZV) from CSF and serves as an effective tool to aid in the diagnosis of meningitis and encephalitis.

In May, the company rolled out its new Liaison XS CLIA analyzer, available in Europe from the second half of 2019. LIAISON XS, which is planned to be launched whitin 2020 in the U.S. and 2021 in China, aims at expanding the Group commercial presence in small and medium-sized laboratories.

In June, DiaSorin announced the extension of the agreement on the use of QuantiFERON technology for the development of an ultra-sensitive test to diagnose Lyme disease in its early stage, as well as in the later stages of the infection, through the combined use of the test under development with those already existing in DiaSorin CLIA catalogue.

On June 11, 2019, DiaSorin presented its new Industrial Plan, outlining the strategic drivers over the next 4 years and providing its 2019-2022 guidance. Additional information is available in the Investor Relations section at www.diasoringroup.com.

OPERATING PERFORMANCE OF THE DIASORIN GROUP IN THE FIRST HALF OF 2019

In the first half of 2019, the DiaSorin Group **revenues** were **€350,257 thousand** (€331,178 thousand in the first half of 2018), up 5.8% compared to the first half of 2018 (+3.7% at CER).

The growth differential between constant exchange rates and current exchange rates led to a positive impact of ca. €6.9 million on revenues, mainly due to the revaluation of the U.S. dollar, only partially offset by negative effects on the Brazilian real.

The first half of 2019 recorded a positive trend in CLIA products that, net of Vitamin D, increased by 11.7% (+10.5% at CER), whilst Vitamin D sales increased by 1.0% (-2.6% at CER).

Revenues from molecular tests increased by 5.1% (-0.9% at CER) versus the first half of 2018. This trend was due mainly to the downturn in revenues from molecular tests, as a result of a moderate season compared to the positive peak registered in 2018. It should be noted that revenues from other molecular tests recorded a growth of more than 30% in the period.

Revenues from Elisa technology increased by 4.6% (2.7% at CER), whilst instrument sales and other revenues were down 10.4% (-11.0% at CER), mainly as a result of lower sales in the export market.

The **gross profit** of the period was **€243,276 thousand**, up 7.2% as against €226,841 thousand in the first half of 2018, equal to 69.5% of revenues (68.5% in 2018).

In the first half of 2019, **EBITDA** amounted to **€139,256 thousand** (€128,184 thousand in 2018,) up 8.6% or €11,072 thousand compared to the first half of 2018. EBITDA incidence to revenues increased to 39.8% in 2019 from 38.7% in 2018.

It should be noted that, when excluding the impact of exchange rates, EBITDA grew by 6.0% compared to 2018, with an incidence to revenues equal to 39.6 percentage points.

EBIT amounted to **€110,196 thousand** (€103,034 thousand in the first half of 2018), equal to 31.5% of revenues, up 7.0 percentage points compared to the first half of 2018.

N**et financial expenses** were **€1,119 thousand**, as against net financial income of €1,297 thousand in the first half of 2018; the change in the periods under comparison was due mainly to the fair value revaluation, occurred in 2018, of shares previously held in DiaSorin Trivitron Healthcare Private Limited following the acquisition of its total control.

Income taxes amounted to **€25,090 thousand** (€23,474 thousand in 2018), with a tax rate of 23.0%, in line with 2018 tax rate, equal to 22.5%.

The **net profit** of the period was **€83,987 thousand,** up €3,130 thousand or 3.9% compared to the first six months of 2018, with an incidence on turnover of 24.0% (24.4% in the first half of 2018).

REVIEW OF THE GROUP'S OPERATING PERFORMANCE AND FINANCIAL POSITION

FOREWORD

The accounting standards applied to prepare this Half-Year Consolidated Financial Report are consistent with those used for the Annual Consolidated Financial Statements at December 31, 2018 except as otherwise stated in the Notes to the Condensed Half-Year Consolidated Financial Statements – paragraph "New accounting standards".

OPERATING PERFORMANCE IN THE FIRST HALF 2019 AND COMPARISON WITH 2018

(€ thousands)	**1st half 2019**	**% of revenues**	**1st half 2018**	**% of revenues**
Sales and service revenues	350,257	100.0%	331,178	100.0%
Cost of sales	(106,981)	30.5%	(104,337)	31.5%
Gross profit	**243,276**	**69.5%**	**226,841**	**68.5%**
Sales and marketing expenses	(70,422)	20.1%	(65,003)	19.6%
Research and development costs	(23,303)	6.7%	(22,232)	6.7%
General and administrative expenses	(34,335)	9.8%	(31,920)	9.6%
Total operating expenses	**(128,060)**	**36.6%**	**(119,155)**	**36.0%**
Other operating income (expense)	(5,020)	1.4%	(4,652)	1.4%
Non-recurring amount	*(949)*	*0.3%*	*(1,019)*	*0.3%*
EBIT	**110,196**	**31.5%**	**103,034**	**31.1%**
Net financial income (expense)	(1,119)	0.3%	1,297	0.4%
Profit before taxes	**109,077**	**31.1%**	**104,331**	**31.5%**
Income taxes	(25,090)	7.2%	(23,474)	7.1%
Net profit	**83,987**	**24.0%**	**80,857**	**24.4%**
EBITDA (1)	**139,256**	**39.8%**	**128,184**	**38.7%**

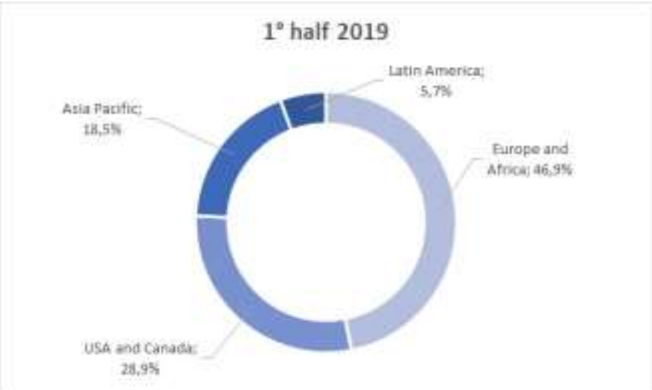
(1) The Board of Directors defines EBITDA as the "Operating Result", gross of amortization and depreciation of intangible and tangible assets. EBITDA is a measure used by the Company to monitor and evaluate the Group's operating performance and is not defined as an accounting measure in IFRS and therefore shall not be considered an alternative measure for assessing the Group's operating result performance. Since the composition of EBITDA is not regulated by the reference accounting standards, the criterion of determination applied by the Group may not be homogeneous with that adopted by other operators and/or groups and therefore it may not be comparable.

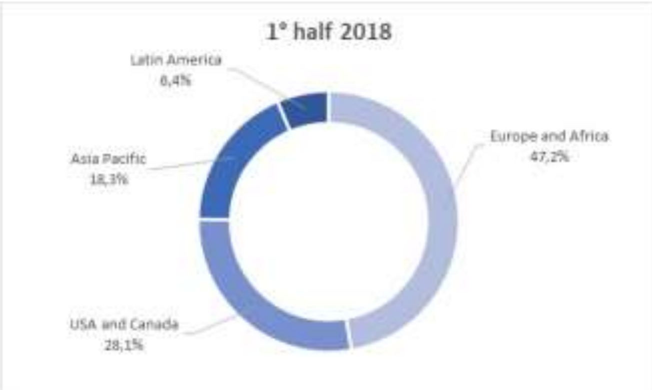
NET REVENUES

In the first half of 2019, the DiaSorin Group generated revenues for €350,257 thousand (€331,178 thousand in the first half of 2018). A breakdown of revenues by geographic region of destination is provided below.

Breakdown of revenues by geographic region

(€ thousands)	**1st half 2019**	**1st half 2018**	**% Change at current exchange rates**	**% Change at constant exchange rates**
Europe and Africa	164,319	156,180	+5.2%	+5.1%
USA and Canada	101,235	93,186	+8.6%	+1.6%
Asia Pacific	64,660	60,651	+6.6%	+6.3%
Latin America	20,043	21,161	-5.3%	-5.2%
Total	**350,257**	**331,178**	**+5.8%**	**+3.7%**





Europe and Africa

Europe and Africa sales region generated sales for €164,319 thousand, up 5.2 percentage points (+5.1% at CER) compared to the same period of 2018. It should be noted that almost all the main countries concerned showed an increase in sales of the period.

The most significant changes of the period are as follows:

i) Revenues were up by 21.6 percentage points in Italy, on the back of CLIA sales and, in particular, Latent Tuberculosis, PCT and Stool Testing;

ii) Revenues increased by 0.7% in the German market, mainly as a result of the positive contribution provided by Stool Testing, Infectious Diseases and Hepatitis, partially offset by lower ELISA sales;

iii) Downward trend in the French market, down -3,3%, primarily following the introduction of new policies that limited public reimbursement of certain specialty tests.

iv) Revenues from distributors network were down 20.7% (-21.8% at CER), mainly due to the seasonality of some tenders and lower instruments sales.

USA and Canada

In the first half of 2019, the region generated revenues for €101,235 thousand, up 8.6% (+1.6% at CER) compared to the first half of 2018 (€93,186 thousand).

Immunodiagnostic sales were up 9.9% (+2.8% at CER), driven by the upward trend in CLIA tests, net of Vitamin D, partly offset by the decline in Vitamin D sales.

Sales of molecular tests were up 5.5% (-1.5% at CER): the negative performance of flu tests resulting from a moderate season compared to the positive peak registered last year was offset by the positive performance of the rest of the panel, with a growth of more than 20% at CER.

Asia Pacific

Total revenues recorded in the first half of 2019 amounted to €64,660 thousand, up 6.6% (+6.3% at CER) versus the first half of 2018.

The change (at CER) is the net result of:

i) Upward trend in sales generated in the Chinese market, with a growth of 10.7% versus the first six months of 2018, mainly on the back of CLIA tests (Thyroid, Infectious Diseases, Hepatitis and Prenatal Screening);

ii) Growth of 10.7% in sales generated in the Australian market, driven by solid CLIA performance (Infectious Diseases, Gastrointestinal Infection and Prenatal Screening), as well as sales of molecular kits and instruments.

Latin America

In the first half of 2019, the Latin American sales region recorded revenues €20,043 thousand, down 5.3 percentage points (-5.2% at CER), as against €21,161 thousand in the first half of 2018.

The change (at CER) is due to:

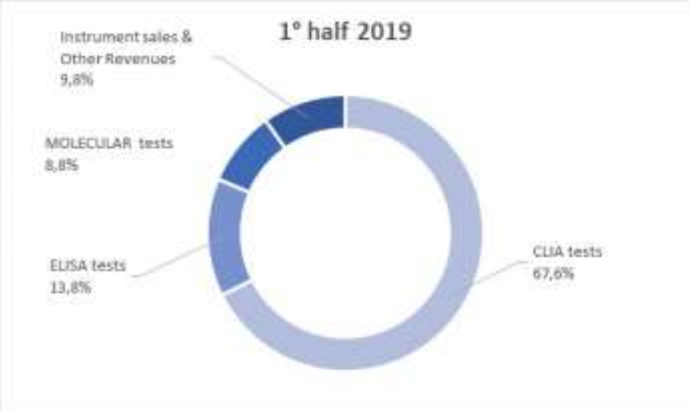
i) sales in the Brazilian market, down 8.2 percentage points; the result was penalized by Vitamin D and ELISA Murex sales;

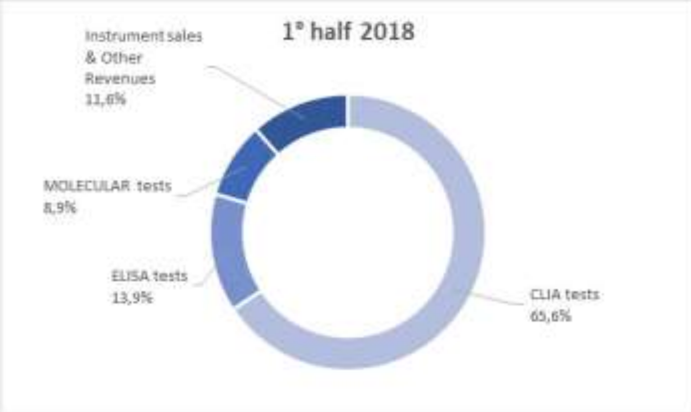
ii) sales in the Mexican market, up 11.0%, primarily driven by the positive contribution from CLIA sales, specifically Infectious Diseases, Hepatitis and Autoimmunity;

iii) sales from distributors, down 9.0%, mainly due to lower instruments sales.

Breakdown of revenues by technology and installed base

(€ thousands)	**1st half 2019**	**1st half 2018**
CLIA tests	67.6%	65.6%
ELISA tests	13.8%	13.9%
MOLECULAR tests	8.8%	8.9%
INSTRUMENT SALES & OTHER REVENUES	9.8%	11.6%
Total	**100.0%**	**100.0%**





In the first six months of 2019, CLIA sales accounted for 67.6% of total Group revenues. The increase versus the first six months of 2018 (equal to 65.6%) is the net result of the growing percentage of revenues represented by Infectious Diseases and Latent Tuberculosis sales, offset by a lower contribution provided by instrument sales and other revenues. The percentage of total revenues represented by ELISA sales (13.9% in the first six months of 2018 versus 13.8% the first six months of 2019) and molecular sales (8.9% in the first six months of 2018 versus 8.8% in the first six months of 2019) was substantially stable.

Lastly, as to the installed base trend, in the first six months of 2019 net placements amounted to 212 instruments, for an overall total of 8,061 units installed. LIAISON XL new installations were 250.

OPERATING PERFORMANCE

The gross profit was €243,276 thousand, up 7.2% as against a gross profit of €226,841 thousand in the first half of 2018; the ratio of gross profit to revenues was 69.5% (69.4% at CER), compared to 68.5% in the same period of 2018. The change was primarily the result of a different mix (geography and product) in the periods under comparison and the positive impact of the initiatives undertaken in the last two years to improve the supply chain efficiency.

Operating expenses amounted to €128,060 thousand, up 7.5 percentage points compared to the first half of 2018: their ratio to total revenues equal to 36.6% versus 36.0% in the first half of 2018.

Sales and marketing expenses were €70,422 thousand, an increase of €5,419 thousand or 8.3% compared to 2018 (€65,003 thousand). This item consists mainly of costs related to the sale force and costs incurred to launch new products, as well as costs of the technical support provided to customers. The ratio to total revenues increased slightly (20.1% in the first half of 2019 versus 19.6% in the first half of 2018).

Research and development costs of €23,303 thousand increased by €1,071 or 4.8%; their ratio to total revenues was equal to 6.7%, in line with the first half of 2018.

General and administrative expenses totaled €34,335 thousand: their ratio to total revenues equal to 9.8 percentage points (9.6% in the first half of 2018).

Other operating expenses, amounting to €5,020 thousand (€4,652 thousand in the first half of 2018) include €949 thousand in non-recurring expenses, mainly to support extraordinary operations.

In the first six months of 2019, EBITDA amounted to €139,256 thousand (€128,184 thousand in 2018), up 8.6% or €11,072 thousand compared to the first half of 2018, with an incidence to revenues of 39.8% in 2019 from 38.7% in 2018. The result is due both to the increase in the gross profit, as commented above, and to the positive impact of IFRS16 accounting standard being applied from January 2019. When excluding the exchange rates impact, EBITDA grew by 6.0% in absolute value compared to 2018, equal to 39.6 percentage points of revenues.

In the first six months of 2019, EBIT amounted to €110,196 thousand (€103,034 thousand in the first half of 2018), equal to 31.5% of revenues and up 0.3% compared to the same period of 2018.

FINANCIAL INCOME AND EXPENSE

In the first half of 2019, net financial expense amounted to €1,119 thousand, as against net financial income of €1,297 thousand in the first half of 2018. As highlighted in the comments on results, the change in the periods under comparison was due mainly to the fair value revaluation of shares previously held in DiaSorin Trivitron Healthcare Private Limited following the acquisition of its total control in 2018.

Interest expense and other charges decreased to €2,188 thousand (€2,692 thousand in the first half of 2018).

Net exchange rate differences on other financial balances, which were positive by €158 thousand (positive by €907 thousand in 2018) mainly referred to the impact of exchange rates fluctuation on subsidiaries' financial balances denominated in foreign currencies.

PROFIT BEFORE TAXES AND NET PROFIT

The first half of 2019 ended with a result before taxes of €109,077 thousand, up 4.5% compared to € 104,331 thousand in the first half of 2018, equal to 31.1% of revenues (31.5% in 2018). Income taxes were €25,090 thousand, as against income taxes of €23,474 thousand in 2018. The tax rate was 23.0%, basically in line with 2018 tax rate (22.5%).

Lastly, the net profit for the first six months of 2019 was €83,987 thousand, up 3.9% versus €80,857 thousand in 2018, with an incidence on revenues of 24.0%, down slightly compared to the first six months of 2018 (equal to 24.4%) as a result of the combined factors commented above.

STATEMENT OF FINANCIAL POSITION OF THE GROUP AT JUNE 30, 2019

A condensed statement of financial position of the Group at June 30, 2019 is shown below:

(€ thousands)	**6/30/2019**	**12/31/2018**
Goodwill and intangible assets	372,031	373,084
Property, plant and equipment	125,284	94,981
Other non-current assets	28,969	23,015
Net working capital	219,584	201,016
Other non-current liabilities	(60,703)	(62,672)
Net invested capital	**685,165**	**629,424**
Net financial position	**62,000**	**75,311**
Shareholders' equity	**747,165**	**704,735**

Non-current assets increased to €526,284 thousand at June 30, 2019 compared to December 31, 2018 (€491,080 thousand), mainly following the right of use amount recognized in tangible assets for the first application of IFRS 16 accounting standard – Leases starting from January 1, 2019.

The amount was impacted by the exchange rates trend, resulting in an impact of ca. €2 million as at June 30, 2019.

Other non-current liabilities were €60,703 thousand, a decrease of €1,969 thousand compared to December 31, 2018 and include employees benefits and provisions for risks and charges.

A breakdown of the net working capital is provided below:

(€ thousands)	**6/30/2019**	**12/31/2018**
Trade receivables	136,264	131,092
Inventories	167,484	160,396
Trade payables	(52,101)	(57,286)
Other current assets/liabilities (1)	(32,063)	(33,186)
Net working capital	**219,584**	**201,016**

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

Net working capital increased by €18,568 thousand in the first half of 2019.

Trade receivables increased by €5,172 thousand compared to December 31, 2018 as a result of the revenues trend.

The increase of €7,088 thousand in inventories compared to December 31, 2018 was due to higher manufacturing volumes to support increased sales.

Trade payables decreased by €5,185 thousand due to seasonal swings in purchases.

At June 30, 2019, the **net consolidated financial position** was **positive by €62,000 thousand**, including lease liabilities recognized following the adoption of IFRS 16 – Leases starting from January 1, 2019.

Additional details are provided in the consolidated statement of cash flow.

A condensed consolidated net financial position schedule is shown below:

(€ thousands)	**6/30/2019**	**12/31/2018**
Cash and cash equivalents	**90,068**	**73,103**
Liquid assets (a)	**90,068**	**73,103**
Other current financial assets (b)	**43,990**	**23,422**
Current bank debt	(42,231)	(20,601)
Derivatives financial instruments	(34)	(532)
IFRS16 current financial liabilities	(4,932)	-
Current financial liabilities (c)	**(47,197)**	**(21,133)**
Net current financial assets (d)=(a)+(b)+(c)	**86,861**	**75,392**
Non-current bank debt	-	(81)
IFRS16 non-current financial liabilities	(24,861)	-
Non-current financial liabilities (e)	**(24,861)**	**(81)**
Net financial position (f)=(d)+(e)	**62,000**	**75,311**

At June 30, 2019, **shareholders' equity** of **€747,165 thousand** (€704,735 thousand at December 31, 2018) included 1,225,601 treasury shares, equal to 2.19% of the share capital, valued at €85,393 thousand.

ANALYSIS OF CONSOLIDATED CASH FLOWS

A complete statement of cash flows is provided in the financial statement schedules. A review of the main statement items and of the changes that occurred compared with the corresponding period in 2018, is provided below:

CONSOLIDATED CASH FLOWS		
(€ thousands)	**6/30/2019**	**6/30/2018**
Cash and cash equivalents at beginning of period	**73,103**	**159,340**
Net cash from operating activities	92,721	88,389
Cash used for investing activities	(24,323)	(20,951)
Cash used from/(for) financing activities	(26,594)	(118,619)
Acquisitions of subsidiaries and business operations	(4,415)	(4,462)
Change in net cash before investments in financial assets	***37,389***	***(55,643)***
Investments in financial assets	(20,424)	893
Change in net cash	***16,965***	***(54,750)***
Cash and cash equivalents at end of period	**90,068**	**104,590**

At June 30, 2019, available **liquid assets** held by the Group stood at **€90,068 thousand**, an increase of €16,965 thousand compared to December 31, 2018.

In the first half of 2019, the cash flow from operating activities increased to €92,721 thousand from €88,389 thousand in the first half of 2018. Tax payment increased to €20,612 thousand in 2019 from €13,218 thousand in 2018, primarily due to the U.S. subsidiary (resulting from tax payment due dates) and the one-off exit tax payment in Ireland to divest the operating activities in Dublin and transfer certain intangible assets to Italy.

Investing activities absorbed cash for €24,323 thousand, as against €20,951 thousand in the first half of 2018. In addition, development costs of €8,270 thousand were capitalized in the first half of 2019, as against development costs of €8,991 thousand in 2018. Capital expenditures for medical equipment were €8,679 thousand (€7,032 thousand in the first half of 2018).

The **free cash flow** was **€ 69,501 thousand**, in line with €69,164 thousand in the first half of 2018. It is worth to highlight the one-off exit impact on the first half of 2019 following the divestment of the Irish business activities.

The net cash from financing activities amounted to €26,594 thousand, as against €118,619 thousand in the first half of 2018.

Dividend distribution amounted to €49,165 thousand (€46,830 thousand in the first half of 2018), credit lines available to the Group's Parent Company were €22,000 thousand, the exercise of stock option amounted to €3,365 thousand (in the first half of 2018, the purchase of treasury shares for the Stock Option Plans amounted to €60,399 thousand), and €3,091 thousand for lease payments following the application of the new IFRS 16 accounting standards.

In the first six months of 2019, investments in financial assets include term deposits exceeding three months opened by the US subsidiary for an amount of €20,533 thousand.

OTHER INFORMATION

The Group had 1,951 employees at June 30, 2019 (1,971 employees at December 31, 2018).

ENTRIES RESULTING FROM NON-RECURRING, ATYPICAL AND/OR UNUSUAL TRANSACTIONS

As required by Consob Communication No. DEM/6064296 of July 28, 2006, the Company declares that, in the first six months of 2019, the Group did not execute atypical and/or unusual transactions, as defined in the abovementioned Communication, according to which atypical and/or unusual transactions are transactions that, because of their significance/material amount, type of counterpart, subject of the transaction, method of determining the transfer price and timing of the event (proximity to the end of a reporting period), could create doubts with regard to: the fairness/completeness of the financial statement disclosures, the existence of a conflict of interest, the safety of the corporate assets and the protection of minority shareholders.

The Group did not execute non-recurring transactions in the first six months of 2019.

TRANSACTIONS WITH RELATED PARTIES

In the normal course of business, DiaSorin S.p.A. engages on a regular basis in commercial and financial transactions with its subsidiaries, which are also Group companies. These transactions, which are executed on standard market terms, consist of the supply of goods and services, including administrative, information technology, personnel management, technical support and consulting services, which produce receivables and payables at the end of the year, and financing and cash management transactions, which produce income and expenses.

The impact of these transactions on the single items of the statement of financial position, the income statement and the cash flow is summarized in the condensed half-year consolidated financial statements.

The “Procedure for Related-Party Transactions” for 2019 can be consulted on the company’s website (www.diasoringroup.com).

SIGNIFICANT EVENTS OCCURRING AFTER JUNE 30, 2019 AND BUSINESS OUTLOOK

No significant events occurred after June 30, 2019.

CONSOLIDATED INCOME STATEMENT

(€ thousands)	Notes	1st half 2019	*Amount with related parties*	1st half 2018	*Amount with related parties*
Sales and service revenues	(1)	350,257		331,178	425
Cost of sales	(2)	(106,981)		(104,337)	
Gross profit		**243,276**		**226,841**	
Sales and marketing expenses	(3)	(70,422)		(65,003)	
Research and development costs	(4)	(23,303)		(22,232)	
General and administrative expenses	(5)	(34,335)	(2,402)	(31,920)	(2,441)
Other operating income (expenses)	(6)	(5,020)		(4,652)	
non-recurring amount		*(949)*		*(1,019)*	
EBIT		**110,196**		**103,034**	
Net financial income/ (expense)	(7)	(1,119)		1,297	
Profit before taxes		**109,077**		**104,331**	
Income taxes	(8)	(25,090)		(23,474)	
Net profit for the period		**83,987**		**80,857**	
Broken down as follows:					
- amount attributable to Parent Company's shareholders		83,987		80,808	
- amount attributable to minority interests		-		49	
Earnings per share (basic)	**(9)**	**1.54**		**1.45**	
Earnings per share (diluted)	**(9)**	**1.53**		**1.45**	

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(€ thousands)	**1st half 2019**	**1st half 2018**
Net profit for the period (A)	**83,987**	**80,857**
Other comprehensive gains/(losses) that will not be reclassified subsequently to gain/(loss) of the period:		
Gains/(losses) on remeasurement of defined benefit plans	(147)	3
Total other comprehensive gains/(losses) that will not be reclassified subsequently to gain/(loss) of the period (B1)	**(147)**	**3**
Other comprehensive gains/(losses) that will be reclassified subsequently to gain/loss of the period:		
Gains/(losses) from translation of financial statements of foreign branches	2,624	6,527
Gains/(losses) on fair value measurement of receivables	(6)	(53)
Gains/(losses) on "Net investment hedge"	-	-
Total other comprehensive gains/(losses) that will be reclassified subsequently to gain/(loss) of the period (B2)	**2,618**	**6,474**
TOTAL OTHER COMPREHENSIVE GAINS/(LOSSES), NET OF TAX (B1) +(B2) =(B)	**2,471**	**6,477**
TOTAL COMPREHENSIVE GAINS/(LOSSES) (A)+(B)	**86,458**	**87,334**
Including:		
-amount attributable to Parent Company’s shareholders	86,458	87,285
-amount attributable to minority interests	-	49

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ thousands)	**notes**	**6/30/2019**	***Amount with related parties***	**12/31/2018**	***Amount with related parties***
ASSETS					
Non-current assets					
Property, plant and equipment	(10)	125,284		94,981	
Goodwill	(11)	163,354		162,616	
Other intangibles	(11)	208,677		210,468	
Equity investments	(12)	27		27	
Deferred-tax assets	(13)	26,790		20,958	
Other non-current assets	(14)	2,152		2,030	
Total non-current assets		*526,284*		*491,080*	
Current assets					
Inventories	(15)	167,484		160,396	
Trade receivables	(16)	136,264		131,092	
Other current assets	(17)	23,564		26,847	
Other current financial assets	(18)	43,990		23,422	
Cash and cash equivalents	(18)	90,068		73,103	
Total current assets		*461,370*		*414,860*	
TOTAL ASSETS		**987,654**		**905,940**	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

(€ thousands)	**notes**	**6/30/2019**	***Amount with related parties***	**12/31/2018**	***Amount with related parties***
LIABILITIES AND SHAREHOLDERS' EQUITY					
Shareholders' equity					
Share capital	(19)	55,948		55,948	
Treasury shares	(19)	(85,393)		(87,784)	
Additional paid-in capital	(19)	18,155		18,155	
Statutory reserve	(19)	11,190		11,190	
Other reserves and retained earnings	(19)	663,278		549,096	
Net profit for the period attributable to shareholders of the Parent Company		83,985		158,128	
Equity attributable to shareholders of the Parent Company		*747,163*		*704,733*	
Other reserves and retained earnings attributable to minority interests		2		-	
Net profit for the period attributable to minority interests		-		2	
Equity attributable to minority interests		*2*		*2*	
Total Shareholders' equity		**747,165**		**704,735**	
Non-current liabilities					
Non-current financial liabilities	(20)	24,861		81	
Provisions for employee benefits	(21)	33,081		32,659	
Deferred-tax liabilities	(13)	5,424		5,050	
Other non-current liabilities	(22)	22,198		24,963	
Total non-current liabilities		*85,564*		*62,753*	
Current liabilities					
Trade payables	(23)	52,101		57,286	
Other payables	(24)	42,081	503	50,520	132
Current tax liabilities	(25)	13,546		9,513	
Current financial liabilities	(20)	47,197		21,133	
Total current liabilities		*154,925*		*138,452*	
Total liabilities		**240,489**		**201,205**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**987,654**		**905,940**	

CONSOLIDATED STATEMENT OF CASH FLOWS

(€ thousands)	**1st half 2019**	***Amount with related parties***	**1st half 2018**	***Amount with related parties***
Cash flow from operating activities				
Net profit for the period	83,987		80,857	
Adjustment for:				
- Income taxes	25,090		23,474	
- Depreciation and amortization	29,060		25,150	
- Financial expense/ (income)	1,119		(1,297)	
- Additions to/ (Utilizations of) provisions for risk	(2,045)		903	
- (Gains)/Losses on sales of non-current assets	145		(2,129)	
- Additions to/ (Reversals of) provisions for employee severance indemnities and other benefits	577		419	
- Stock option reserve	1,838		1,041	
- Currency translation reserve on operating activities	(1,069)		1,793	
- Change in other non-current-assets/liabilities	(6,454)		(2,260)	
Cash flow from operating activities before changes in working capital	**132,248**		**127,951**	
(Increase)/Decrease in current receivables	(4,473)		(3,829)	
(Increase)/Decrease in inventories	(7,269)		(11,752)	
Increase/(Decrease) in trade payables	(5,298)		(7,932)	
Increase)/Decrease in other current items	(772)	371	(1,105)	
Cash from operating activities	**114,436**		**103,333**	
Income taxes paid	(20,612)		(13,218)	
(Paid)/ collected interests	(1,103)		(1,726)	
Net cash from operating activities	**92,721**		**88,389**	
Investments in intangibles	(8,907)		(9,840)	
Investments in property, plant and equipment	(16,626)		(13,036)	
Divestments of property, plant and equipment	1,210		1,925	
Cash used in regular investing activities	**(24,323)**		**(20,951)**	
Acquisitions of subsidiaries and business operations	(4,415)		(4,462)	
Cash used in investing activities	**(28,738)**		**(25,413)**	
(Redemptions)/Collections of loans and other liabilities	18,555		(12,370)	
(Issuance)/Repayments of term deposit	(20,424)		893	
(Purchase)/Sale of treasury shares	3,365		(60,261)	
Dividends distribution	(49,165)		(46,830)	
Cash used in financing activities	**(47,669)**		**(118,568)**	
Foreign exchange translation differences	651		842	
Change in net cash and cash equivalents	**16,965**		**(54,750)**	
Cash and cash equivalents at beginning of period	**73,103**		**159,340**	
Cash and cash equivalents at end of period	**90,068**		**104,590**	

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(€ thousands)	Share capital	Treasury shares	Additional paid-in capital	Statutory reserve	Currency translation reserve	Stock option reserve	Reserve for treasury shares	Other reserves and retained earnings	Profit/(loss) of the period	Group interest in shareholders' equity	Minority interest in shareholders' equity	Total interest in shareholders' equity
Shareholders' equity at 12/31/2017	**55,948**	**(22,183)**	**18,155**	**11,190**	**748**	**1,029**	**22,183**	**514,469**	**139,878**	**741,417**	**538**	**741,955**
Appropriation of previous year's profit	-	-	-	-	-	-	-	139,878	(139,878)	**-**	**-**	**-**
Dividend distribution	-	-	-	-	-	-	-	(145,250)	-	**(145,250)**		**(145,250)**
Stock options and other changes	-	-	-	-	-	927	-	114	-	**1,041**	**-**	**1,041**
Sale/(Purchase) of treasury shares	-	(60,399)	-	-	-	-	60,399	(60,261)	-	**(60,261)**	**-**	**(60,261)**
Profit for the period	-	-	-	-	-	-	-	-	*80,808*	***80,808***	*49*	*80,857*
Other changes in the comprehensive income statement	-	-	-	-	*7,065*	-	-	*(50)*	-	***7,015***	*(538)*	*6,477*
Comprehensive profit for the period	-	-	-	-	7,065	-	-	(50)	80,808	**87,823**	(489)	**87,334**
Shareholders' equity at 6/30/2018	**55,948**	**(82,582)**	**18,155**	**11,190**	**7,813**	**1,956**	**82,582**	**448,900**	**80,808**	**624,770**	**49**	**624,819**
Shareholders' equity at 12/31/2018	**55,948**	**(87,784)**	**18,155**	**11,190**	**13,472**	**3,847**	**87,784**	**443,993**	**158,128**	**704,733**	**2**	**704,735**
Appropriation of previous year's profit	-	-	-	-	-	-	-	158,128	(158,128)	**-**	**-**	**-**
Dividend distribution	-	-	-	-	-	-	-	(49,231)	-	**(49,231)**		**(49,231)**
Stock options and other changes	-	-	-	-	-	1,217	-	621	-	**1,838**	**-**	**1,838**
Sale/(Purchase) of treasury shares	-	2,391	-	-	-	-	(2,391)	3,365	-	**3,365**	**-**	**3,365**
Profit for the period	-	-	-	-	-	-	-	-	*83,987*	***83,987***	-	*83,987*
Other changes in the comprehensive income statement	-	-	-	-	*2,624*	-	-	*(153)*	-	***2,471***	-	*2,471*
Comprehensive profit for the period	-	-	-	-	2,624	-	-	(153)	83,987	**86,458**	-	**86,458**
Shareholders' equity at 6/30/2019	**55,948**	**(85,393)**	**18,155**	**11,190**	**16,096**	**5,064**	**85,393**	**556,723**	**83,987**	**747,163**	**2**	**747,165**

NOTES TO THE CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION AND SCOPE OF CONSOLIDATION

General information

The DiaSorin Group is specialized in the development, manufacturing and distribution of immunodiagnostics and molecular diagnostics tests.

The Group's Parent Company, DiaSorin S.p.A., is in Via Crescentino (no building No.), Saluggia (VC).

Principles for the preparation of the condensed half-year consolidated financial statements

The accounting standards applied to prepare this Half-Year Consolidated Financial Report are consistent with those used for the Annual Consolidated Financial Statements at December 31, 2018 except as otherwise stated in the Notes to the Condensed Half-Year Consolidated Financial Statements – paragraph "New accounting standards".

These condensed half-year consolidated financial statements were prepared in compliance with the International Financial Reporting Standards ("IFRSs"), as issued by the International Accounting Standards Board ("IASB") and adopted by the European Union. The designation IFRSs also includes the International Accounting Standards ("IASs") that are still in effect and all of the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

This half-year report was prepared in accordance with the requirements of the relevant international accounting standard (IAS 34 - Interim Financial Reporting).

These notes provide information in summary form, in order to avoid duplicating information published previously, as required by IAS 34. Specifically, these notes discuss only those components of the income statement and balance sheet the composition or change in amount of which require comment (due to the amount involved or the type of transaction or because an unusual transaction is involved) in order to understand the Group's operating performance, financial performance and financial position.

Consequently, these condensed half-year consolidated financial statements do not provide all of the disclosure required in the annual financial statements and should be read in conjunction with the annual financial statements prepared for the year ended December 31, 2018.

When preparing interim financial statements, management is required to develop estimates and assumptions that affect the amounts shown for revenues, expenses, assets and liabilities in the financial statements and the disclosures provided with regard to contingent assets and liabilities on the date of the interim financial statements. If such estimates and assumptions, which were based on management's best projections, should differ from actual events, they will be modified appropriately when the relevant events produce the abovementioned differences.

As a rule, certain valuation processes, particularly the more complex processes such as determining whether the value of non-current assets has been impaired, are carried out fully only in connection with the preparation of the annual financial statements, when all the necessary information is available, except when there are impairment indicators that require an immediate evaluation of any impairment losses that may have occurred.

The process of preparing the condensed half-year consolidated financial statements included developing the actuarial valuation required to compute the provisions for employees benefits and value the stock option plan.

The income tax liability is recognized using the best estimate of the weighted average tax rate projected for the entire year referable to the companies included in the scope of consolidation.

In this consolidated half-year report, all amounts are denominated in euros and rounded to thousands of euros, unless otherwise stated.

In the condensed half-year consolidated financial statements, the same consolidation principles and accounting principles have been used as those used to prepare the annual report, except for IFRSs which came into effect since 2019, as described below.

Financial statement presentation formats

The financial statements are presented in accordance with the following formats:

- in the income statement, costs are broken down by function. This income statement format, also known as a “cost of sales” income statement, is more representative of the Group’s business than a presentation with expenses broken down by nature because it is consistent with internal reporting and business management methods and with international practice in the diagnostic industry;
- in the statement of financial position, current and non-current assets liabilities are shown separately;
- the statement of cash flows is presented in accordance with the indirect method.

Scope of consolidation

These condensed half-year consolidated financial statements include the financial statements of DiaSorin S.p.A., the Group’s Parent Company, and those of its subsidiaries.

Subsidiaries are those companies over which the Group exercises control pursuant to IFRS 10, or when the Group is exposed, or has right to variable returns from its involvement with the subsidiary and, meanwhile, has the ability to affect those returns through its power over the subsidiary.

Subsidiaries are consolidated line by line from the date the Group obtains control until the moment when control ceases to exist.

The Group has neither subsidiaries with significant minority interest, nor unconsolidated structured entities and it is not subject to significant restrictions concerning interest in subsidiaries.

The scope of consolidation changed compared to December 31, 2018 as it includes DiaSorin APAC Pte Ltd - a wholly-owned subsidiary located in Singapore - established in 2019.

A list of direct and indirect investments in subsidiaries at June 30, 2019 and December 31, 2018 is provided below:

Company	Country	At June 30, 2019		At December 31, 2019	
		% held by the Group	% minority interest	% held by the Group	% minority interest
Direct interest					
DiaSorin S.A/N.V.	Belgium	100%	-	100%	-
DiaSorin Ltda	Brazil	100%	-	100%	-
DiaSorin S.A.	France	100%	-	100%	-
DiaSorin Iberia S.A.	Spain	100%	-	100%	-
DiaSorin Ltd	United Kingdom	100%	-	100%	-
DiaSorin Inc.	USA	100%	-	100%	-
DiaSorin Mexico S.A de C.V.	Mexico	100%	-	100%	-
DiaSorin Deutschland GmbH	Germany	100%	-	100%	-
DiaSorin AB	Sweden	100%	-	100%	-
DiaSorin Ltd	Israel	100%	-	100%	-
DiaSorin Austria GmbH	Austria	100%	-	100%	-
DiaSorin Czech s.r.o.	Czech Republic	100%	-	100%	-
DiaSorin Diagnostics Ireland Limited	Ireland	100%	-	100%	-
DiaSorin Ireland Limited	Ireland	100%	-	100%	-
DiaSorin I.N.UK Limited	Ireland	100%	-	100%	-
DiaSorin I.N. Limited	Ireland	100%	-	100%	-
DiaSorin South Africa (PTY) Ltd	South Africa	100%	-	100%	-
DiaSorin Australia (Pty) Ltd	Australia	100%	-	100%	-
DiaSorin Ltd	China	80%	20%	80%	20%
DiaSorin Switzerland AG	Switzerland	100%	-	100%	-
DiaSorin Poland sp. z o.o.	Polonia	100%	-	100%	-
DiaSorin APAC Pte Ltd	Singapore	100%	-	-	-
Indirect interest					
DiaSorin Canada Inc	Canada	100%	-	100%	-
DiaSorin Healthcare India Private Limited	India	100%	-	100%	-
DiaSorin Molecular LLC	USA	100%	-	100%	-

A complete list of the investee companies containing information about head office locations and the Group’s ownership percentage is provided in Annex I.

New accounting standards

Below are the international accounting standards, interpretations and amendments to existing accounting standards and interpretations or specific provisions contained in the standards and interpretations approved by IASB:

Description	**Endorsed at the date of this document**	**Date of effect envisaged by the standard**
IFRS 16 Leases	Yes	Financial years as from 1 January 2019
Amendments to IFRS 9: Prepayment Features with Negative Compensation	Yes	Financial years as from 1 January 2019
IFRIC 23 Uncertainty over Income Tax Treatments	Yes	Financial years as from 1 January 2019
Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures	Yes	Financial years as from 1 January 2019
Annual Improvements to IFRSs 2015-2017 Cycle	Yes	Financial years as from 1 January 2019
Amendments to IAS 19: Plan Amendment, Curtailment or Settlement	Yes	Financial years as from 1 January 2019
Amendments to IFRS 3: Definition of a Business	No	Financial years as from 1 January 2020
Amendments to IAS 1 and IAS 8: Definition of Material	No	Financial years as from 1 January 2020
Amendments to the Conceptual Framework	No	Financial years as from 1 January 2020
IFRS 17 Insurance Contracts	No	Financial years as from 1 January 2021

The Group did not apply early adoption for accounting standards and/or interpretations the adoption of which will be mandatory for reporting periods beginning after January 1, 2019. An assessment is being carried out to analyze the potential effects of introducing these amendments in the consolidated financial statements.

New accounting standards adopted by the Group

This note presents the impact of the adoption of the accounting standards “IFRS 16 - Leases and IFRIC 23 - Uncertainty over Income Tax Treatments” on the consolidated financial statements and describes the new accounting standards that are being applied as of January 1, 2019, to the extent that they differ from those applied in the previous periods.

Other amendments which came into force as of January 1, 2019 had no material impact on the Consolidated Financial Statements at June 30, 2019.

IFRS 16 – Financial Instruments

On May 13, 2016, the IASB issued IFRS 16 – Leases replacing IAS 17 – Leases, and interpretations of IFRIC 4 - Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases—Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The new standard provides a new lease definition and introduces a criterion based on control (right of use) of an asset to distinguish leasing contracts from service contracts, identifying as discriminants: the identification of the asset, the right to replace it, the right to obtain substantially all of the economic benefits deriving from the use of the asset and the right to manage the use of the asset underlying the contract.

The standard establishes a single recognition and measurement model of lease contracts for the lessee providing for the recognition of the leased asset also operating under assets against a financial liability, providing the possibility not to recognize as a lease contracts concerning “low-value assets” and leases with a lease term of 12 months or less. On the contrary, this standard does not include significant changes for lessors.

Impact of the adoption

The Group adopted IFRS 16 applying the simplified retrospective method as at January 1, 2019 for its first application, with the recognition of financial liabilities on lease contracts and corresponding value of the right of use measured on the residual contractual payments at the transition date. Specifically, in relation to lease contracts that were previously classified as operating leases, the Group recognized a financial liability and a right of use equal to the current value of future residual payments at the transition date, discounted using the incremental borrowing rate applicable at the transition date for each contract.

When applying IFRS 16, the Group used the exemption permitted by the standard in relation to short-term lease across all its business, extending such exemption to leases expiring in 2019. Equally, the Group used the exemption permitted by the standard for the contracts related to low-value assets (for this purpose, the Group considered assets that do not exceed €5 thousand, when new). For these contracts, the introduction of IFRS 16 did not require recognition of financial liability of the lease and relevant right of use, but rental costs continued to be recognized in the income statement on a straight-line basis over the length of the corresponding contracts.

The new IFRS 16 accounting standard introduced certain elements of professional judgement requiring the definition of accounting policies and use of assumptions and assessments related to lease term and calculation of the discounted rate. With respect to lease term, the Group analyzed the total of the lease contracts, defining the “non-cancellable” period for each of them, along with the effects of any clauses to extend or early terminate the lease if the lessee is reasonably certain to exercise such options. Specifically, as for property lease, this assessment considered facts and specific circumstances concerning each asset. As to other categories of assets, primarily company cars, the Group considered it unlikely to exercise any extension or early termination clauses considering the Group’s usual practice.

As indicated above, with regard to the discount rate, the Group adopted the incremental borrowing rate to determine financial liabilities of lease contracts. This rate varies according to the different country and reference currency of the lease contract and represents the interest rate the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The process to assess and determine impacts deriving from the application of the new standard as at the transition date (January 1, 2019) involved different stages, including a complete mapping of contracts that could potentially contain a lease and the analysis of these contracts in order to ensure that they include the main significant provisions to comply with IFRS 16. The implementation of the new accounting standard required IT tools, control and compliance models and related process to be updated and modified.

The following table shows the impacts of the IFRS 16 on the statement of financial position as at the transition date:

(€ thousands)	**December 31, 2018**	**Effects of IFRS 16 adoption**	**January 1, 2019**
ASSETS			
Property, plant and equipment	94,981	30,550	125,531
Goodwill	162,616	-	162,616
Other intangibles	210,468	-	210,468
Equity investments	27	-	27
Deferred-tax assets	20,958	-	20,958
Other non-current assets	2,030	-	2,030
Total non-current assets	*491,080*	30,550	521,630
Inventories	160,396	-	160,396
Trade receivables	131,092	-	131,092
Other current assets	26,847	(213)	26,634
Other current financial assets	23,422	-	23,422
Cash and cash equivalents	73,103	-	73,103
Total current assets	*414,860*	(213)	414,647
TOTAL ASSETS	**905,940**	**30,337**	**936,277**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity	**704,735**	-	**704,735**
Non-current financial liabilities	81	26,037	26,118
Provisions for employee benefits	32,659	-	32,659
Deferred-tax liabilities	5,050	-	5,050
Other non-current liabilities	24,963	87	25,050
Total non-current liabilities	*62,753*	26,124	88,877
Trade payables	57,286	-	57,286
Other payables	50,520	(225)	50,295
Current tax liabilities	9,513	-	9,513
Current financial liabilities	21,133	4,438	25,571
Total current liabilities	*138,452*	4,213	142,665
Total liabilities	**201,205**	**30,337**	**231,542**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**905,940**	**30,337**	**936,277**

A reconciliation of lease liabilities at January 1, 2019 to operating lease commitments at December 31, 2018 is as follows:

(€ thousands)	**January 1, 2019**
In scope IFRS 16 operating lease commitments as at December 31, 2018	**38,889**
Extension options and other changes	2,127
Undiscounted financial liabilities for operating leases at January 1, 2019	*41,016*
Discounting effect	(10,541)
Financial liabilities for operating leases resulting from the transition to IFRS 16 at January 1, 2019	**30,475**

The table below provides the rights of use and financial liabilities recognized following the application of IFRS 16 at January 1, 2019 on each operating segment in accordance with IFRS 8:

(€ thousands)	**Italy**	**Europe**	**North America**	**Rest of the World**	**Consolidated**
Rights of use	12,432	3,894	10,310	3,915	**30,550**
Financial liabilities	12,275	3,870	10,534	3,796	**30,475**

The weighted average incremental borrowing rate applied to the financial liabilities recognized at January 1, 2019 was 4.8%.

The income statement for the period includes higher depreciation charges from right-of-use assets amounting to €2,723 thousand, interest expense on leases equal to €668 thousand and lower lease payments amounting to €3,091 thousand.

IFRIC Interpretation 23 – Uncertainty over income tax treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately;
- The assumptions an entity makes about the examination of tax treatments by taxation authorities;
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates;
- How an entity considers changes in facts and circumstances.

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

The Group applies a significant degree of judgement in identifying the uncertainties on the tax treatment of income taxes. As the Group operates in a complex multinational environment, it has assessed whether the Interpretation may have affected its interim consolidated financial statements.

Based on the analysis carried out, no impact on the consolidated financial statements occurred arising from the application of the interpretation as at January 1, 2019.

Other information

The Group had 1,951 employees at June 30, 2019 (1,971 at December 31,2018).

The table below shows the exchange rates used to translate amounts reported by companies that operate outside the euro zone:

Currency	Average exchange rates		Exchange rates at		
	1st half 2019	1st half 2018	6/30/2019	6/30/2018	12/31/2018
U.S. dollar	1.1298	1.2104	1.1380	1.1658	1.1450
Brazilian real	4.3417	4.1415	4.3511	4.4876	4.4440
British pound	0.8736	0.8798	0.8966	0.8861	0.8945
Swedish kronor	10.5181	10.1508	10.5633	10.4530	10.2548
Swiss franc	1.1295	1.1697	1.1105	1.1569	1.1269
Czech koruna	25.6845	25.5005	25.4470	26.0200	25.7240
Canadian dollar	1.5069	1.5457	1.4893	1.5442	1.5605
Mexican peso	21.6543	23.0850	21.8201	22.8817	22.4921
Israeli shekel	4.0898	4.2584	4.0607	4.2627	4.2972
Chinese yuan	7.6678	7.7086	7.8185	7.7170	7.8751
Australian dollar	1.6003	1.5688	1.6244	1.5787	1.6220
South African rand	16.0434	14.8913	16.1218	16.0484	16.4594
Polish zloty	4.2920	4.2207	4.2496	4.3732	4.3014
Indian rupee	79.1240	79.4903	78.5240	79.8130	79.7298
Singapore dollar	1.5356	n.a.	1.5395	n.a.	n.a.

ANALYSIS OF FINANCIAL RISKS

The financial risks to which the Group is exposed include market risks and, to a lesser extent, credit risk and liquidity risk.

The table below lists material assets and liabilities in accordance with the requirements of IFRS 9:

		6/30/2019			12/31/2018		
(€ thousands)	Notes	Carrying value	Assets at amortized cost	Assets at fair value with changes in Comprehensive Income Statement	Carrying value	Assets at amortized cost	Assets at fair value with changes in Comprehensive Income Statement
Trade receivables	(16)	136,264	123,140	13,124	131,092	119,326	11,766
Other current financial assets	(18)	43,990	43,990	-	23,422	23,422	-
Cash and cash equivalents	(18)	90,068	90,068	-	73,103	73,103	-
Total current financial assets		***270,322***	***257,198***	***13,124***	***227,617***	***215,851***	***11,766***
Total financial assets		**270,322**	**257,198**	**13,124**	***227,617***	***215,851***	**11,766**

		6/30/2019			12/31/2018		
(€ thousands)	**Notes**	**Carrying value**	**Liabilities at amortized cost**	**Liabilities at fair value**	**Carrying value**	**Liabilities at amortized cost**	**Liabilities at fair value**
Long-term borrowings from banks	(20)	-	-	-	81	81	-
Financial lease liabilities (IFRS 16)	(20)	24,861	24,861	-	n.a.	n.a.	n.a.
Financial derivatives	(20)	-	-	-	-	-	-
Total non-current financial liabilities		***24,861***	***24,861***	***-***	***81***	***81***	***-***
Trade payables	(23)	52,101	52,101	-	57,286	57,286	-
Current borrowings from banks	(20)	42,231	42,231	-	20,601	20,601	-
Financial lease liabilities (IFRS 16)	(20)	4,932	4,932	-	n.a.	n.a.	n.a.
Financial derivatives	(20)	34	-	34	532	-	532
Total current financial liabilities		***99,298***	***99,264***	***34***	***78,419***	***77,887***	***532***
Total financial liabilities		**124,159**	**124,125**	**34**	**78,500**	**77,968**	**532**

With regard to the above, the classification of financial assets and liabilities measured at fair value in the statement of financial position, according to the fair value hierarchy, concerned derivative financial instruments at 30 June, 2019. These instruments are classified at level 2 and registered in current financial liabilities (for an amount equal to €34 thousand). The change in the fair value of these instruments is recognized in the income statement.

The carrying amount of financial assets and liabilities valued at amortized cost represents a reasonable approximation of their fair value in the reference period.

Risks related to fluctuations in foreign exchange and interest rates

The Group is exposed to market risk deriving from currency and interest rate fluctuations as it operates in an international framework in which transactions are made in different currencies and interest rates.

The Group is exposed to the interest rate risk in connection with variable-rate financial liabilities. As of June 30, 2019, borrowings totaled €72,058 thousand, of which €29,793 thousand for lease liabilities recognized following the adoption of the new IFRS 16 accounting standard. Assuming a fluctuation of 2 percentage points in interest rates on medium- and long-term borrowings, the resulting impact on the financial expense recognized in the income statement would be equal to € 0.4 million.

The same analysis was performed for the receivables assigned without recourse to the factoring company, for an amount equal to €23,942 thousand in the first six months of 2019. This computation was made because the factoring company charges a variable fee tied in part to the Euribor. An increase of 2 percentage points would result in an increase in financial expense of €0.2 million.

Some Group subsidiaries are located in countries that are not members of the European Monetary Union. Since the Group's reporting currency is the euro, the income statements of these companies are translated into euros at the average exchange rate for the year. Consequently, even if revenues and margins were to remain equal when stated in the local currency, fluctuations in exchange rates could have an impact on the euro amount of revenues, expenses and operating results due to the translation into the consolidation currency. A 5% change in the exchange rates of all of the currencies used by the Group would have an impact on the income statement of about €2.3 million.

The euro amount attributed to assets and liabilities of consolidated companies that use reporting currencies different from the euro could vary as a result of changes in exchange rates. As required by the accounting standards adopted by DiaSorin, these changes are recognized directly in equity by posting them to the currency translation reserve. A 5% change in all foreign exchange rates would have an impact of about €20 million on the currency translation reserve.

In order to mitigate the foreign exchange risk related to the currency fluctuations, the Group's Parent Company executed currency forward sales requiring the recognition of a negative fair value of €34 thousand at June 30, 2019 (negative fair value of €532 thousand at December 31,2018).

With regard to the above, the classification of financial assets and liabilities measured at fair value in the statement of financial position, according to the fair value hierarchy, concerned derivative financial instruments at 30 June 2019 classified at level 2 and registered in other current financial liabilities.

Credit risk

The Group's receivables present a low level of risk since most of these receivables are owed by public institutions.

At June 30, 2019, past-due trade receivables were equal to about 12% of revenues. These receivables were held mainly by the Group's Parent Company and by the Brazilian, Spanish and French subsidiaries. These past-due receivables were covered by an allowance for doubtful accounts amounting to €8,888 thousand. In addition, in order to bridge the gap between contractual payment terms and actual collection times, the Group assigns its receivables to factors without recourse for receivables owed by Italian public entities.

A breakdown of the provision for doubtful accounts in respect of trade receivables at June 30, 2019 is as follows:

(€ thousands)

Type	Expiring	0-90	91-180	181-360	Beyond 360	Total due	Total receivables from third-party
Trade receivables	102,776	27,312	3,120	2,761	9,191	42,384	145,160
Expected loss rate	**0%**	**2%**	**5%**	**22%**	**82%**	**22%**	**n.a.**
Provision for doubtful account	(9)	(625)	(142)	(610)	(7,511)	(8,888)	(8,897)
Net value	**102,767**	**26,686**	**2,979**	**2,152**	**1,680**	**33,497**	**136,264**

Liquidity risk

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

Management believes that the funds and credit lines currently available, when combined with the resources generated by operating and financing activities, will enable the Group to meet the obligations resulting from its capital investment programs, working capital requirements and the need to repay its indebtedness upon maturity.

Bank loans were €42,231 thousand at June 30, 2019, fully due within the following year.

Financial lease liabilities recognized following the adoption of IFRS 16 amounted to €29,793 thousand at June 30, 2019, of which €4,932 due within the following year and €15,737 thousand with a due date of more than 5 years.

Cash and cash equivalent were €90,068 thousand at June 30, 2019.

SEGMENT INFORMATION

In accordance with IFRS 8, the Company designated the geographic regions where it operates as its operating segments.

The Group's organization and internal management structure and its reporting system are segmented as follows: Italy and U.K. Branch, Europe (Germany, France, Belgium and the Netherlands, Spain and Portugal, Ireland, Austria, Great Britain, Scandinavia, Czech Republic, Slovakia, Switzerland and Poland), North America (United States and Canada) and Rest of the World (Brazil, Mexico, Israel, China, Australia, India, Singapore and South Africa).

The Group is characterized by an organization of its commercial structure by geographic regions, which was adopted to accommodate the Group's geographic expansion and strategic initiatives. The logic of this new organization reflects the destination of the Group's sales, dividing the sales areas into four regions: Europe and Africa, North America, Latin America, Asia Pacific and China.

As a result, the communication of the financial data of the DiaSorin Group to the financial markets and the investing public is being changed to show revenue data aligned with its organization by regions.

The schedules that follow show the Group's operating and financial data broken down by geographic region identifying, as required by IFRS 8 paragraph 5:

a. Activities generating revenues and expenses (including revenues and expenses relating to transactions with other components of the same entity);
b. Operating results that are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
c. Discrete financial information about assets, liabilities, revenues and expenses.

No unallocated common costs are shown in the abovementioned schedules and hence each segment is equipped with comprehensive independent organizations (sales, technical support and accounting) fully capable of exercising its function. Moreover, the Italy segment invoices each quarter to the other segments the activities costs that are incurred centrally by the Corporate division to support Group's companies.

Eliminations refer primarily to inter-segment margins that are eliminated at consolidation. Specifically, the elimination of the margin earned by the Italy segment through the sale of equipment to other segments is carried out both at the result and investment levels. The margin generated by products sold by the manufacturing locations to the commercial branches but not yet sold to outsiders is eliminated only at the result level.

Segment assets include all operating items (non-current assets, receivables and inventory) but not tax-related items (deferred-tax assets) and financial assets, which are shown at the Group level.

The same approach was used for segment liabilities, which include operating items (mainly trade payables and amounts owed to employees) but do not include financial and tax liabilities or shareholders' equity, which are shown at the Group level.

(€ thousands)	ITALY		EUROPE		NORTH AMERICA		REST OF THE WORLD		ELIMINATIONS		CONSOLIDATED	
	1ST half 2019	1ST half 2018	1ST half 2019	1ST half 2018	1ST half 2019	1ST half 2018	1ST half 2019	1ST half 2018	1ST half 2019	1ST half 2018	1ST half 2019	1ST half 2018
INCOME STATEMENT												
Revenues from customers	83,904	77,441	98,436	99,265	108,031	98,455	59,886	56,017	-	-	350,257	331,178
Inter-segment revenues	111,961	103,779	8,485	13,759	32,879	26,973	193	237	(153,518)	(144,748)	-	-
Total revenues	**195,865**	**181,220**	**106,921**	**113,024**	**140,910**	**125,428**	**60,079**	**56,254**	**(153,518)**	**(144,748)**	**350,257**	**331,178**
Segment EBIT	**41,450**	**46,413**	**12,124**	**12,794**	**52,694**	**41,952**	**4,430**	**4,694**	**(502)**	**(2,819)**	**110,196**	**103,034**
Unallocated common costs											-	-
Operating margin											**110,196**	**103,034**
Other net income/(expense)											-	-
Financial income/(expense)											(1,119)	1,297
Result before taxes											**109,077**	**104,331**
Income taxes											(25,090)	(23,474)
Net result											**83,987**	**80,857**
OTHER INFORMATION												
Investments in intangibles	5,371	4,877	7	12	3,210	4,581	319	370	-	-	8,907	9,840
Invest. in prop.plant.equip.	7,328	5,258	6,196	2,295	3,711	4,926	2,131	1,864	(1,161)	(1,307)	18,205	13,036
Total investments	**12,699**	**10,135**	**6,203**	**2,307**	**6,921**	**9,507**	**2,450**	**2,234**	**(1,161)**	**(1,307)**	**27,112**	**22,876**
Amortization in intangibles	(4,088)	(3,612)	(3,159)	(2,088)	(6,108)	(5,567)	(397)	(405)	2,095	662	(11,657)	(11,010)
Depreciation of prop.plant.equip.	(6,297)	(5,032)	(4,414)	(3,729)	(4,996)	(4,453)	(2,925)	(2,425)	1,229	1,499	(17,403)	(14,140)
Total amortization and depreciation	**(10,385)**	**(8,644)**	**(7,573)**	**(5,817)**	**(11,104)**	**(10,020)**	**(3,322)**	**(2,830)**	**3,324**	**2,161**	**(29,060)**	**(25,150)**

(€ thousands)	ITALY		EUROPE		NORTH AMERICA		REST OF THE WORLD		ELIMINATIONS		CONSOLIDATED	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018	06/30/2019	12/31/2018	06/30/2019	12/31/2018	06/30/2019	12/31/2018	06/30/2019	12/31/2018
STATEMENT OF FINANCIAL POSITION												
Segment assets	394,927	375,752	175,669	131,981	348,933	335,788	62,544	62,346	(155,294)	(117,437)	826,779	788,430
Unallocated assets											160,875	117,510
Total assets	**394,927**	**375,752**	**175,669**	**131,981**	**348,933**	**335,788**	**62,544**	**62,346**	**(155,294)**	**(117,437)**	**987,654**	**905,940**
Segment liabilities	97,995	104,240	70,754	76,117	30,585	35,367	38,642	40,010	(88,514)	(90,306)	149,461	165,428
Unallocated liabilities											91,028	35,777
Shareholders' equity											747,165	704,735
Total liabilities and shareholders' equity	**97,995**	**104,240**	**70,754**	**76,117**	**30,585**	**35,367**	**38,642**	**40,010**	**(88,514)**	**(90,306)**	**987,654**	**905,940**

DESCRIPTION AND MAIN CHANGES

Consolidated income statement

1. Net revenues

In the first six months of 2019, net revenues, which are generated mainly through the sale of diagnostic kits, were €350,257 thousand (€331,178 thousand in the first six months of 2018), up 5,8% compared to the first six months of 2018 (+3.7% at CER).

A breakdown of revenues by geographic region is provided below:

(€ thousands)	**1st half 2019**	**1st half 2018**	**% Change at current exchange rates**	**% Change at constant exchange rates**
Europe and Africa	164,319	156,180	5.2%	5.1%
USA and Canada	101,235	93,186	8.6%	1.6%
Asia Pacific	64,660	60,651	6.6%	6.3%
Latin America	20,043	21,161	-5.3%	-5.2%
Total	**350,257**	**331.178**	**5.8%**	**3.7%**

2. Cost of sales

Cost of sales amounted to €106,981 thousand, as against €104,337 thousand in the first half of 2018. The item includes €7,229 thousand in royalty expense (€7,546 thousand in the same period of 2018), costs incurred to distribute products to end customers of €5,330 thousand (€5,918 thousand in the first half of 2018) and the depreciation of medical equipment held by customers, which amounted to €8,424 thousand (€8,421 thousand in 2018).

3. Sales and marketing expenses

Sales and marketing expenses were €70,422 thousand, as against €65,003 thousand in the first half of 2018. This item consists mainly of marketing costs incurred to promote and distribute DiaSorin products, costs attributable to the direct and indirect sales force and the cost of the technical support offered together with the Group-owned equipment provided to customers under gratuitous loan contracts.

4. Research and development costs

In the first half of 2019, the research and development costs amounted to €23,303 thousand (€22,232 thousand in the same period of 2018) and include all of the research and development outlays that were not capitalized equal to €12,891 thousand (€12,528 thousand in the same period of 2018), costs incurred to register the products offered for sale and meet quality requirements totaling €7,561 thousand (€7,134 thousand in the first half of 2018) and the amortization of capitalized development costs equal to €2,851 thousand (€2,570 thousand in the first half of 2018). In the first six months of 2019, the Group capitalized new development costs of €8,270 thousand, as against €8,991 thousand in the first half of 2018.

5. General and administrative expenses

General and administrative expenses, which include expenses incurred for corporate management activities, Group administration, finance and control, information technology, corporate organization and insurance, amounted to €34,335 thousand in the first half of 2019, versus €31,920 thousand in the same period of 2018.

6. Other operating income (expense)

The table that follows provides a breakdown of other operating income and expense:

(€ thousands)	**1st half 2019**	**1st half 2018**
Trade-related foreign exchange gains/losses	170	(707)
Tax liabilities	(387)	(453)
Accruals to doubtful debts and provisions for risks and charges	(504)	(846)
Out-of-period items and other operating income (expense)	(3,350)	(1,627)
Non-recurring expenses	(949)	(1,019)
Other operating income (expense)	**(5,020)**	**(4,652)**

The item includes income and expenses from operations that cannot be allocated to specific functional areas (such as gains and losses on asset sales, government grants, insurance settlements, reversals of unused provisions, additions to provisions for risks, incidental taxes and fees, contingent income and charges).

As regards provisions for risks and charges, Law n. 125 of 08/06/2015 extended the pay-back mechanism to medical devices on the basis of which any amount exceeding the ceiling on public expenditure for the purchase of medical devices shall be paid by the supplying companies. Due to the lack of implementing decrees to specify how to compute the payback measure, the Company carried out the best possible estimate allocating €600 thousand in the first half of 2019 (€900 thousand in 2018).

In 2019, non-recurring expenses include €949 thousand from the divestment of the Irish manufacturing facility.

7. Financial expense/ (income)

The table below provides a breakdown of financial income and expense:

(€ thousands)	**1st half 2019**	**1st half 2018**
Factoring transactions fees	(247)	(135)
Interest and other financial expenses	(1,890)	(2,416)
including: interest expense on leases	*(668)*	*n.a.*
Interest on pension funds	(297)	(276)
Gain from business combination	-	2,430
Interest and other financial income	1,158	787
Foreign exchange differences and financial instruments	157	907
Net financial income (expense)	**(1,119)**	**1,297**

In the first half of 2019, net financial expense amounted to €1,119 thousand versus net financial income of €1,297 thousand in the first half of 2018.

Interest expense and other charges were €2,188 thousand, down from 2018 (€2,692 thousand in the first half of 2018).

Net exchange rate differences on other financial items, which were positive by €158 thousand (positive by €907 thousand in 2018), mainly referred to the impact of exchange-rate fluctuations on subsidiaries’ financial balances denominated in foreign currencies.

8. Income taxes

Income taxes recognized in the income statement amounted to €25,090 thousand in the first half of 2019 (€23,474 thousand in the same period of 2018). The tax rate was 23.0%, basically in line with 2018 tax rate (22.5%).

9. Earnings per share

Basic earnings per share amounted to €1.54 in the first half of 2019 and to €1.45 in the same period of 2018; diluted earnings per share amounted to €1.53 in the first half of 2019, as against €1.45 in the first half of 2018. Basic earnings per shares were computed by dividing the net profit attributable to the shareholders by the weighted average number of shares outstanding during the year (54,672,483 at June 30, 2019 and 55,826,369 at June 30, 2018).

The dilutive effect of stock option plans granted by DiaSorin S.p.A and determined by excluding tranches assigned to a price higher than the average price of the ordinary shares in 2019 is not relevant.

Consolidated statement of financial position

10. Property, plant and equipment

The table below shows the changes that occurred in this account as of June 30, 2019:

(€ thousands)	At December 31, 2018	Additions	Impact of IFRS 16 first adoption	Depreciations	Divestments	Translation differences	Reclassifications and other changes	At June 30, 2019
Land	2,361	-	-	-	-	1	-	2,362
Buildings	6,859	29	-	(310)	-	13	233	6,824
Plant and machinery	14,271	1,022	-	(1,719)	(25)	23	80	13,652
Manufacturing and distribution equipment	49,092	9,966	-	(11,135)	(1,048)	289	1,659	48,823
Other assets	12,045	752	-	(1,516)	(54)	26	253	11,506
Construction in progress and advances	10,353	4,857	-	-	(162)	20	(2,444)	12,624
IFRS 16 right of use	-	1,578	30,550	(2,723)	(30)	118	-	29,493
Total property, plant and equipment	**94,981**	**18,204**	**30,550**	**(17,403)**	**(1,319)**	**490**	**(219)**	**125,284**

At June 30, 2019, rights of use refer to buildings for €24,795 thousand in (€26,350 thousand at January 1, 2019), and other assets, specifically vehicles for €4,698 thousand (€4,200 thousand at January 1, 2019).

Additions to manufacturing and distribution equipment include purchases of medical equipment amounting to €8,679 thousand as against €7,032 thousand in the first half of 2018. Depreciation for the period was €8,424 thousand, as against €8,421 in the same period of 2018.

11. Goodwill and other intangible assets

A breakdown of intangible assets as of June 30, 2019 is as follows:

(€ thousands)	At December 31, 2018	Additions	Change in the scope of consolidation	Amortizations	Translation differences	Divestments and other changes	At June 30, 2019
Goodwill	162,616	-	-	-	738	-	163,354
Development costs	68,269	8,270	-	(2,851)	314	-	74,002
Concessions, licenses and trademarks	73,608	462	-	(4,358)	173	388	70,273
Customer relationships	63,790	-	-	(3,918)	263	(200)	59,935
Industrial patents and intellectual property rights	3,308	80	-	(446)	8	(5)	2,945
Advances and other intangibles	1,492	95	-	(84)	17	-	1,520
Total intangible assets	**373,084**	**8,907**	**-**	**(11,657)**	**1,514**	**183**	**372,031**

Goodwill amounted to €163,354 thousand at June 30, 2019. The increase versus December 31, 2018 reflects the translation difference related to the goodwill allocated to DiaSorin Brazil, DiaSorin North America and DiaSorin South Africa CGUs, for an amount equal to €738 thousand.

Lastly, there are no impairment indicators identified for intangible assets with an indefinite useful life; therefore, no impairment test was carried out as of June 30, 2019. A full impairment test will be carried out in connection with the preparation of the annual financial statements.

12. Equity investments

Unconsolidated equity investments amounted to €27 thousand at June 30, 2019, and no changes occurred compared to December 31, 2018.

13. Deferred-tax assets and deferred-tax liabilities

Deferred-tax assets were €26,790 thousand (€20,958 thousand at December 31, 2018). They relate to consolidated companies that have deferred-tax assets in excess of deferred-tax liabilities and to consolidation adjustments. Deferred-tax liabilities, which amounted to €5,424 thousand (€5,050 thousand at December 31, 2018) relate to consolidated companies that have deferred-tax liabilities in excess of deferred-tax assets.

Deferred-tax assets were recognized in the financial statements when their future use was deemed to be probable. The same approach was used to recognize the benefit provided by the use of tax loss carry forwards, most of which, under current laws, can be brought forward indefinitely. Based on the multi-year plans prepared by the Group's management, the Group is expected to generate sufficient taxable income in future years to allow for the full recovery of the abovementioned amounts.

An analysis of deferred-tax assets, net of offsettable deferred-tax liabilities, is provided below:

(€ thousands)	**6/30/2019**	**12/31/2018**
Deferred-tax assets	26,790	20,958
Deferred-tax liabilities	(5,424)	(5,050)
Total net deferred-tax assets	**21,366**	**15,908**

The change between the periods under comparison is due to the recognition of deferred-tax assets related to the tax impact of intangible assets that have been transferred following the restructuring of the Irish manufacturing facility.

14. Other non-current assets

Other non-current assets were €2,152 thousand at June 30, 2019 (€2,030 thousand at December 31, 2018). They consist mainly of receivables from the Group Parent's Company, Belgian, Brazilian, U.S. and Chinese subsidiaries due beyond 12 months.

15. Inventories

A breakdown of inventories, which amounted to €167,484 thousand, is provided below:

	6/30/2019			**12/31/2018**		
(€ thousands)	**Gross amount**	**Provisions for write-downs**	**Net amount**	**Gross amount**	**Provisions for write-downs**	**Net amount**
Raw materials and supplies	50,039	(2,253)	47,786	48,469	(2,436)	46,033
Semi-finished goods	54,956	(2,333)	52,623	49,542	(2,155)	47,387
Finished goods	69,820	(2,745)	67,075	68,934	(1,958)	66,976
Total	**174,815**	**(7,331)**	**167,484**	**166,945**	**(6,549)**	**160,396**

The increase of €7,088 thousand in ending inventories compared to December 31, 2018 is due to the increase in manufacturing volumes to support the upward trend in first-half 2019 revenues.

The table below shows the changes that occurred in the provisions for inventory write-downs:

(€ thousands)	**6/30/2019**	**12/31/2018**
Opening balance	**6,549**	**7,003**
Additions for the period	1,268	1,069
Utilizations/Reversals for the period	(513)	(1,586)
Translation differences and other changes	27	63
Ending balance	**7,331**	**6,549**

16. Trade receivables

Trade receivables were €136,264 thousand at June 30, 2019 (€131,092 thousand at December 31, 2018). The increase compared to December 31, 2018 was due to the upward trend revenues of the period.

The table that follows shows the changes that occurred in the allowance for doubtful accounts, which amounted to €8,897 thousand, versus December 31, 2018:

(€ thousands)	**6/30/2019**	**12/31/2018**
Opening balance	**8,882**	**9,615**
Additions for the period	172	459
Utilizations/Reversals for the period	(242)	(892)
Translation differences and other changes	85	(300)
Ending balance	**8,897**	**8,882**

In order to bridge the gap between contractual payment terms and actual collection times, the Group uses factoring transactions to assign its receivables without recourse. In the first six months of 2019, the receivables assigned by the Group's Parent Company amounted to €23,942 thousand in the first half of 2019 (€14,411 thousand in the same period of 2019).

17. Other current assets

Other current assets amounted to €23,564 thousand (€26,847 thousand at December 31, 2018) and include tax credits amounting to €12,488 thousand (€16,033 thousand at December 31, 2018), accrued income and prepaid expenses for insurance, interest and contributions equal to €5,071 thousand (€3,860 thousand at December 31, 2018).

18. Cash and cash equivalents and current financial assets

Cash and cash equivalents amounted to €90,068 thousand at June 30, 2019 (€73,103 thousand at December 31, 2018). They consist of balances in banks accounts and short-term bank deposits. More detailed information is provided in the Statement of Cash Flows above.

Current financial assets amounted to €43,990 thousand at June 30, 2019 and include term deposits exceeding three months opened by DiaSorin Inc. (USD 50,221 million).

19 Shareholders' equity

Share capital

At June 30, 2019, the fully paid-in share capital consisted of 55,948,257 million common shares, par value of 1 euro each. No changes occurred compared with December 31, 2018.

Treasury shares

At June 30, 2019, the amount of treasury shares was 1,225,601 (2.19% of the share capital) totaling €85,393 thousand. At December, 31, 2018 treasury shares amounted to 1,291,007 (2.3% of the share capital) totaling €87,784 thousand. The decrease of €2,391 thousand versus December 31, 2018 was due to the exercise of some tranches related to the 2014 and 2016 Stock Option Plans.

Additional paid-in capital

This reserve amounted to €18,155 thousand at June 30, 2019 and no changes occurred compared to December 31, 2018.

Statutory reserve

This reserve amounted to €11,190 thousand at June 30, 2019 and no changes occurred compared to December 31, 2018.

Other reserves and retained earnings

A breakdown of other reserves and retained earnings is as follows:

(€ thousands)	**6/30/2019**	**12/31/2018**	**Change**
Currency translation reserve	16,096	13,472	2,624
Reserve for treasury shares	85,393	87,784	(2,391)
Stock option reserve	5,064	3,847	1,217
Gains/losses on remeasurement of defined benefit plans	(7,302)	(7,155)	(147)
Gains/losses on the fair value measurement of receivables	(67)	(61)	(6)
Retained earnings	566,725	453,840	112,885
IFRS transition reserve	(2,973)	(2,973)	-
Other reserves	342	342	-
Total Other reserves and retained earnings	**663,278**	**549,096**	**114,182**

Currency translation reserve

The currency translation reserve amounting to €16,096 thousand (€13,472 thousand at December 31, 2018) includes the exchange differences arising from the translation of equity of consolidated subsidiaries, whose financial statements are denominated in foreign currencies, at the exchange rate in effect at the end of the year. This reserve increased by €2,624 thousand, due mainly to fluctuations in the exchange rates of the US dollar and the Brazilian real vis-à-vis the euro.

Reserve for treasury shares

At June 30, 2019, the reserve for treasury shares amounted to €85,393 thousand (€87,784 thousand at December 31, 2018). This reserve was established pursuant to law (Article 2357-*ter* of the Italian Civil Code). The increase in the reserve was due to the sale of treasury shares for the Stock Option Plans for an amount of €2,391 thousand.

Stock option reserve

The balance in the stock option reserve, which amounted to €5,064 thousand (€3,847 thousand at December 31, 2018) refers to the stock option plans in effect at June 30, 2019. The increase in the reserve that occurred at June 30, 2019 was due to the recognition of the overall cost of the stock option Plans (€1,839 thousand) that was posted and recognized in the income statement as a labor costs included in general and administrative expenses and down by €622 thousand as a result of the abovementioned options exercised.

Gains/(losses) on remeasurement of defined benefit plans

This item, which was negative by €7,302 thousand at June 30, 2019 (€7,155 thousand at December 31, 2018) includes net losses of the period related to the actuarial assessment of the Group's defined-benefit plans amounting to €147 thousand, net of tax effect.

Retained earnings

Retained earnings amounted to €566,725 thousand (€453,840 thousand at December 31, 2018). The change, equal to €112,885 thousand, compared to December 31, 2018, was due to the:

- appropriation of the consolidated net profit earned by the Group in 2018, amounting to €158,128 thousand;
- dividend distribution to the shareholders, amounting to €49,231 thousand approved on April 30, 2019 in the Ordinary Shareholders' Meeting (equal to €0.90 per share)
- positive change of €3,986 thousand related to the exercise of some tranches of the 2014 and 2016 Stock Option Plans.

IFRS transition reserve

The IFRS transition reserve was established on January 1, 2005, upon first-time adoption of the IFRSs as an offset to the adjustments recognized to make the financial statements prepared in accordance with Italian accounting principles consistent with IFRS requirements, net of the applicable tax effect (as required by and in accordance with IFRS 1). This reserve has not changed since it was first established.

Other reserves

This item includes the consolidation reserve equal to €342 thousand.

20. Financial liabilities

Financial liabilities (current and non-current) amounted to €72,058 thousand at June 30, 2019 (€21,214 thousand at December 31, 2018). The item includes €42,231 thousand in bank loans at June 30, 2019 (€20,601 thousand at December 31, 2018). A breakdown is as follows (amounts in thousands):

Lender	**Current portion**	**Non-current portion**	**Due beyond 5 years**	Total
Banca Sella	2,000	-	-	2,000
Intesa Sanpaolo	20,000	-	-	20,000
Banca Popolare di Novara	10,000	-	-	10,000
BNP Paribas	10,000	-	-	10,000
BNP Paribas (India)	231	-	-	231

Total owed to financial institutions	**42,231**	**-**	**-**	42,231

At June 30, 2019 financial liabilities include lease liabilities recognized following the adoption of the new IFRS 16 accounting standard, amounting to €29,793 thousand, of which €4,932 thousand due within the next twelve months and €15,737 thousand due beyond 5 years.

21. Provisions for employee severance indemnities and other employee benefits

The balance in this account reflects all of the Group pension plan obligations, other post-employment benefits and benefits payable to employees when certain requirements are met. Group companies provide post-employment benefits to their employees by contributing to external funds and by funding defined- contribution and/or defined-benefit plans.

The manner in which these benefits are provided varies depending on the applicable statutory, tax-related and economic conditions in the countries where Group companies operate. As a rule, benefits are based on each employee's level of compensation and years of service.

Defined-contribution plans

Certain Group companies pay contributions to private funds or insurance companies pursuant to a statutory or contractual obligation or on a voluntary basis. With the payment of these contributions, the companies in question absolve all of their obligations. The liability for contributions payable is included under other current liabilities. The cost attributable to each year, which accrues based on the services provided by employees, is recognized as a labor cost of the relevant organizational unit.

Defined-benefit plans

The Group's pension plans that qualify as defined-benefit plans include the provisions for employee severance indemnities in Italy, the Alecta system in Sweden and the U-Kasse pension plan and Direct Covenant system in Germany.

The liability owed under these plans is recognized at its actuarial value using the projected unit credit method; actuarial gains and losses resulting from the determination of these liabilities are credited or charged to equity in the statement of comprehensive income in the period in which they arise.

Other benefits

The Group also provides its employees with additional long-term benefits, which are paid when employees reach a predetermined length of service. In these cases, the value of the liability recognized in the financial statements reflects the probability that these benefits will be paid and the length of time for which they will be paid. The liability owed under this plan is recognized at its actuarial value using the projected unit credit method. Actuarial gains and losses resulting from the determination of these items are recognized in the income statement.

The table that follows lists the Group's main employee benefit plans that are currently in effect:

(€ thousands)	**6/30/2019**	**12/31/2018**	**Change**
Employee benefits *provided in:*			
- Italy	5,393	5,150	243
- Germany	24,496	24,258	238
- Sweden	2,428	2,537	(109)
- other countries	764	714	50
Total employee benefits	**33,081**	**32,659**	**422**
Broken down as follows:			
- Defined-benefit plans			
provision for employee severance indemnities	*3,764*	*3,604*	*160*
other defined-benefit plans	*26,924*	*26,795*	*129*
	30,688	30,399	289
- Other long-term benefits	2,393	2,260	133
Total employee benefits	**33,081**	**32,659**	**422**

The table below shows the main changes that occurred in the Group's employee benefit plans compared to December 31, 2018 (amounts in € thousands):

(€ thousands)	**Defined-benefit plans**	**Other benefits**	**Total employee benefits**
Balance at 12/31/2018	**30,399**	**2,260**	**32,659**
Interest cost	298	(1)	297
Actuarial losses/(gains) recognized in income statement	-	105	105
Actuarial losses/(gains) from financial assumptions	194	-	194
Actuarial losses/(gains) from demographic changes	-	-	-
Actuarial losses/(gains) from experience	-	-	-
Current service cost	370	102	472
Benefits paid	(500)	(77)	(577)
Translation differences and other changes	(73)	4	(69)
Balance at 6/30/2019	**30,688**	**2,393**	**33,081**

22. Other non-current liabilities

Other non-current liabilities of €22,198 thousand at June 30, 2019 (€24,963 thousand at December 31, 2018) include provisions for risks and charges established in connection with pending or contingent legal disputes, and provision for customer indemnities.

The table below lists the various provisions for risks and charges:

(€ thousands)	**6/30/2019**	**12/31/2018**
Opening balance	**13,894**	**14,984**
Additions for the period	489	1,244
Utilizations/Reversals for the period	(3.219)	(2,255)
Translation differences and other changes	112	(79)
Ending balance	**11,276**	**13,894**

23. Trade payables

Trade payables were €52,101 thousand at June 30, 2019 (€57,286 thousand at December 31, 2018) and include amounts owed to external suppliers for the purchase of goods and services. There are no amounts due after one year.

24. Other current liabilities

Other current liabilities of €42,081 thousand at June 30, 2019 (€50,520 thousand at December 31, 2018) consist mainly of amounts owed to employees for additional monthly payments to be paid (€25,686 thousand as against €30,300 thousand at December 31, 2018), contributions payable to social security and health benefit institutions (€2,180 thousand as against €3,348 thousand at December 31, 2018) and accruals and deferred charges (€1,929 thousand as against €1,677 thousand at December 31, 2018).

25. Income taxes payable

The balance of €13,546 thousand at June 30, 2019 (€9,513 thousand at December 31, 2018) represents the income tax liability for the profit earned in the period, net of estimated payments made, and amounts owed for other indirect taxes and fees.

26. Commitments and contingent liabilities

Significant commitments and contractual obligations

Significant contractual obligations include the agreements executed by DiaSorin S.p.A., the Group's Parent Company, and Stratec in connection with the development and production of new chemiluminescent diagnostic system LIAISON XL and LIAISON XS. The supply contract signed by DiaSorin and Stratec calls for the latter to manufacture and supply exclusively to DiaSorin the analyzers. The Group has agreed to purchase a minimum number of systems. However, the projected commitment is deemed to be significantly lower than the normal level of capital investment that would be required for current or future equipment production. As a result, net invested capital is not expected to undergo significant structural changes in the future as a result of this commitment.

Contingent liabilities

The DiaSorin Group operates globally. As a result, it is exposed to the risks that arise from the complex laws and regulations that apply to its commercial and manufacturing activities.

The Group believes that, overall, the amounts set aside for pending legal disputes in the corresponding provision for risks are adequate.

27. Related-party transactions

In the normal course of business, DiaSorin S.p.A. engages on a regular basis in commercial and financial transactions with its subsidiaries, which are also Group companies. These transactions, which are executed on standard market terms, consist of the supply of goods and services, including administrative, information technology, personnel management, technical support and consulting services, which produce receivables and payables at the end of the year, and financing and cash management transactions, which produce income and expenses.

These transactions are eliminated in the consolidation process and, consequently, are not discussed in this section of the Report.

The incidence of related-party transactions on the single items of the balance sheet, income statement and cash flows is not material.

The total amount owed to directors and strategic executives recognized in the income statement was €2,402 thousand (€2,441 thousand in the first half of 2018).

The compensation payable to senior managers and eligible employees (key management) is consistent with standard market terms for compensation offered to employees with a similar status.

28. Significant events occurring after June 30, 2018 and business outlook

Information about significant events occurring after June 30, 2018, the Group's business outlook and its transactions with related parties is provided in separate sections of this semiannual report.

29. Entries resulting from atypical and/or unusual transactions

As required by Consob Communication No. DEM/6064296 of July 28, 2006, the Company declares that, in the six months of 2019, the Group did not execute atypical and/or unusual transactions, as defined in the abovementioned Communication, according to which atypical and/or unusual transactions are transactions that, because of their significance/material amount, type of counterpart, subject of the transaction, method of determining the transfer price and timing of the event (proximity to the end of a reporting period), could create doubts with regard to: the fairness/completeness of the financial statement disclosures, the existence of a conflict of interest, the safety of the corporate assets and the protection of minority shareholders.

ANNEX I: THE COMPANIES OF THE DIASORIN GROUP AT JUNE 30, 2019

Company	Head office location	Currency	Share capital (*)	Par value per share or partnership interest	% interest held directly	Number of shares or partnership interests held
Equity investments consolidated line by line						
DiaSorin S.A/N.V.	Bruxelles (Belgium)	EUR	1,674,000	6,696	99,99%	249
DiaSorin Ltda	Sao Paolo (Brazil)	BRL	65,547,409	1	99,99%	65,547,408
DiaSorin S.A.	Antony (France)	EUR	960,000	15,3	99,99%	62,492
DiaSorin Iberia S.A.	Madrid (Spain)	EUR	1,453,687	6,01	99,99%	241,877
DiaSorin Ltd	Blewbury (UK)	GBP	500	1	100,00%	500
DiaSorin Inc.	Stillwater (USA)	USD	1	0,01	100,00%	100
DiaSorin Canada Inc	Mississauga (Canada)	CAD	200,000	N/A	-	100 Class A common shares
DiaSorin Molecular LLC	Cypress (USA)	USD	100,000	100,000	-	1
DiaSorin Mexico S.A de C.V.	Mexico City (Mexico)	MXP	63,768,473	1	99,99%	49,999
DiaSorin Deutschland GmbH	Dietzenbach (Germany)	EUR	275,000	275,000	100,00%	1
DiaSorin AB	Solna (Sweden)	SEK	5,000,000	100	100,00%	50,000
DiaSorin Ltd	Rosh Haayin (Israel)	ILS	100	1	100,00%	100
DiaSorin Austria GmbH	Wien (Austria)	EUR	35,000	35,000	100,00%	1
DiaSorin Czech s.r.o.	Prague (Czech Republic)	CZK	200,000	200,000	100,00%	1
DiaSorin Diagnostics Ireland Limited	Dublin (Ireland)	EUR	3,923	0,01	100,00%	392,282
DiaSorin Ireland Limited	Dublin (Ireland)	EUR	163,202	1,20	100,00%	136,002
DiaSorin I.N.UK Limited	Dublin (Ireland)	EUR	7,826,072	0,01	100,00%	782,607,110
DiaSorin I.N. Limited	Dublin (Ireland)	EUR	1	0,01	100,00%	100
DiaSorin South Africa (PTY) Ltd	Johannesburg (South Africa)	ZAR	101	1	100,00%	101
DiaSorin Australia (Pty) Ltd	Sydney (Australia)	AUD	3,300,000	33,000	100,00%	100
DiaSorin Ltd	Shanghai (China)	RMB	1,211,417	1	80,00%	96,000
DiaSorin Switzerland AG	Risch (Switzerland)	CHF	100,000	100	100,00%	1,000
DiaSorin Poland sp. z o.o.	Warsaw (Poland)	PLN	550,000	50	100,00%	11,000
DiaSorin Healthcare India Private Limited	Chennai (India)	INR	365,552,320	10	0,01%	36,555,232
DiaSiorin APAC Pte. Ltd.	Singapore (Singapore)	EUR	1	N/A	100,00%	1

(*) Amounts stated in local currency

Company	Head office location	Currency	Share capital (*)	Par value per share or partnership interest	% interest held directly	Number of shares or partnership interests held
Other equity investments						
DiaSorin Deutschland Unterstuetzungskasse GmbH	Dietzenbach (Germany)	EUR	25,565	1	-	1
Consorzio Sobedia	Saluggia (Italy)	EUR	5,000	N/A	20.00%	1

(*) Amounts stated in local currency

CERTIFICATION OF THE CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 81-*TER* OF CONSOB REGULATION NO. 11971 OF MAY 14, 1999, AS AMENDED

We, the undersigned, Carlo Rosa, in my capacity as Chief Executive Officer, and Piergiorgio Pedron, in my capacity as Corporate Accounting Document Officer of DiaSorin S.p.A,

attest that,

insofar as the provisions of Article 154-*bis*, Sections 3 and 4, of Legislative Decree No. 58 of February 24, 1998 are concerned, the administrative and accounting procedures applied during the first half of 2018 to prepare the condensed semiannual consolidated financial statement were:

a) adequate in light of the Company's characteristics; and
b) were applied effectively.

Moreover, we attest that the condensed half-year consolidated financial statements:

a) were prepared in accordance with the applicable international accounting principles, as adopted by the European Union pursuant to Regulation (CE) No. 1606/2002 of the European Parliament and Council dated July 19, 2002;
b) correspond to the Company's books of accounts and bookkeeping entries;
c) are suitable for the purpose of providing a truthful and fair representation of the statement of financial position, operating performance and cash flow of the issuer and of the companies included in the scope of consolidation.

To the best of our knowledge, the interim Report on Operations provides a reliable analysis of significant events that occurred during the first half of the year and of their impact on the condensed half-year 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 provides a reliable analysis of information concerning transactions with related parties.

Saluggia, July 31, 2019

Signed:

Carlo Rosa	Piergiorgio Pedron
Chief Executive Officer	Corporate Accounting Document Officer

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REVIEW REPORT ON CONDENSED HALF YEAR CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of
DiaSorin SpA

Foreword

We have reviewed the accompanying condensed half year consolidated financial statements of DiaSorin SpA and its subsidiaries ("the DiaSorin Group") as of 30 June 2019, comprising the consolidated income statement, consolidated comprehensive income statement, consolidated statement of financial position, statement of changes in consolidated shareholders' equity, consolidated statement of cash flow and related notes. The directors of DiaSorin SpA are responsible for the preparation of the condensed half year consolidated financial statements in accordance with International Accounting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these condensed half year consolidated 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 condensed half year consolidated 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 Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed half year consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half year consolidated financial statements of DiaSorin SpA ("the DiaSorin Group") as of 30 June 2019 are not prepared, in all material respects, in accordance with International Accounting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, 2 August 2019

PricewaterhouseCoopers SpA

Signed by

Stefano Pavesi
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers

PricewaterhouseCoopers SpA

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