HALF-YEAR FINANCIAL REPORT
JUNE 30, 2023

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

Contents

DIASORIN WORLD

1. BOARD OF DIRECTORS & CONTROL BODIES

BOARD OF DIRECTORS (appointed on April 29, 2022)

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

BOARD OF STATUTORY AUDITORS

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

INDEPENDENT AUDITORS	PricewaterhouseCoopers S.p.A.

COMMITTEES

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

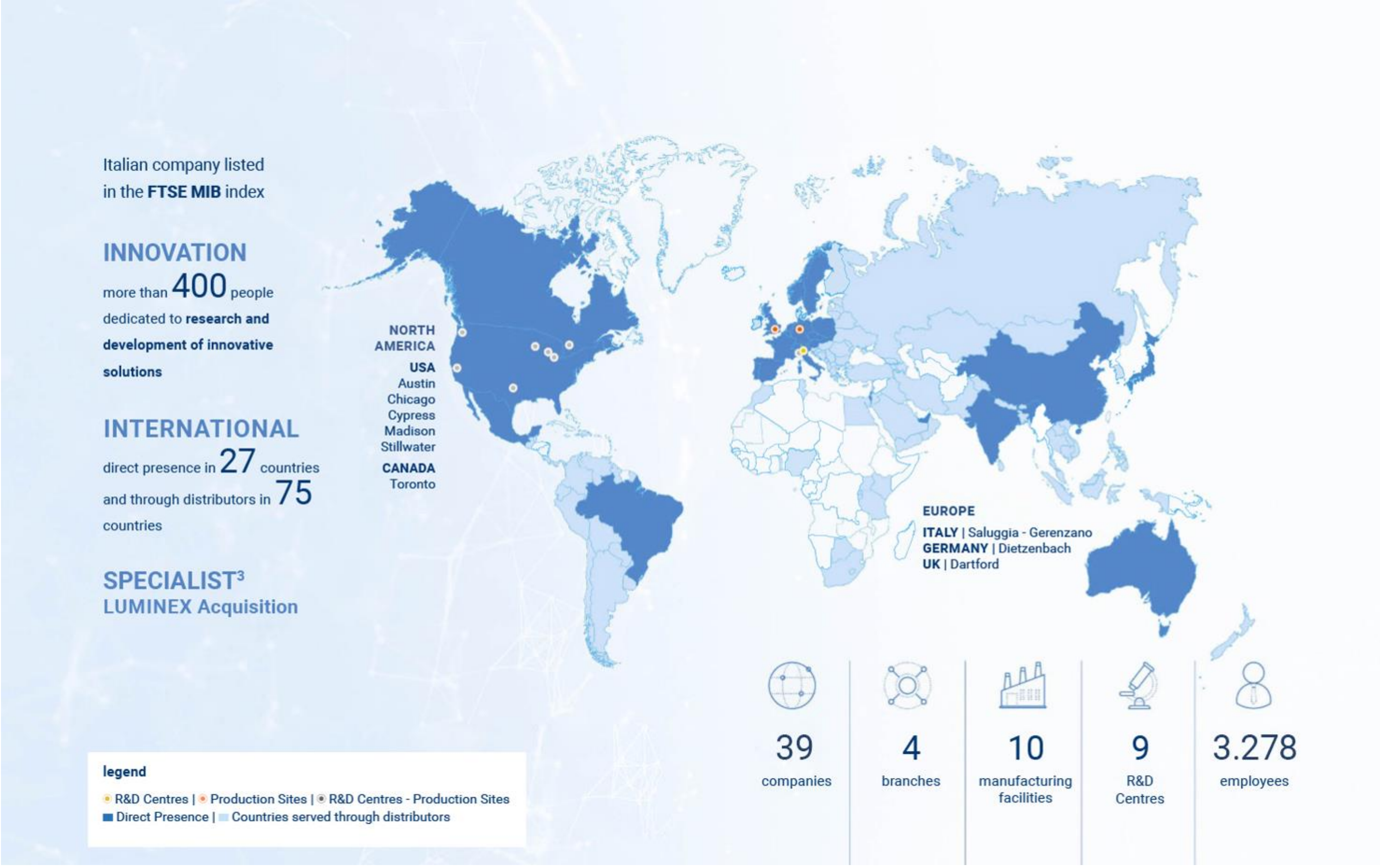
(1) General Manager

(2) Independent Director

(3) Lead Independent Director

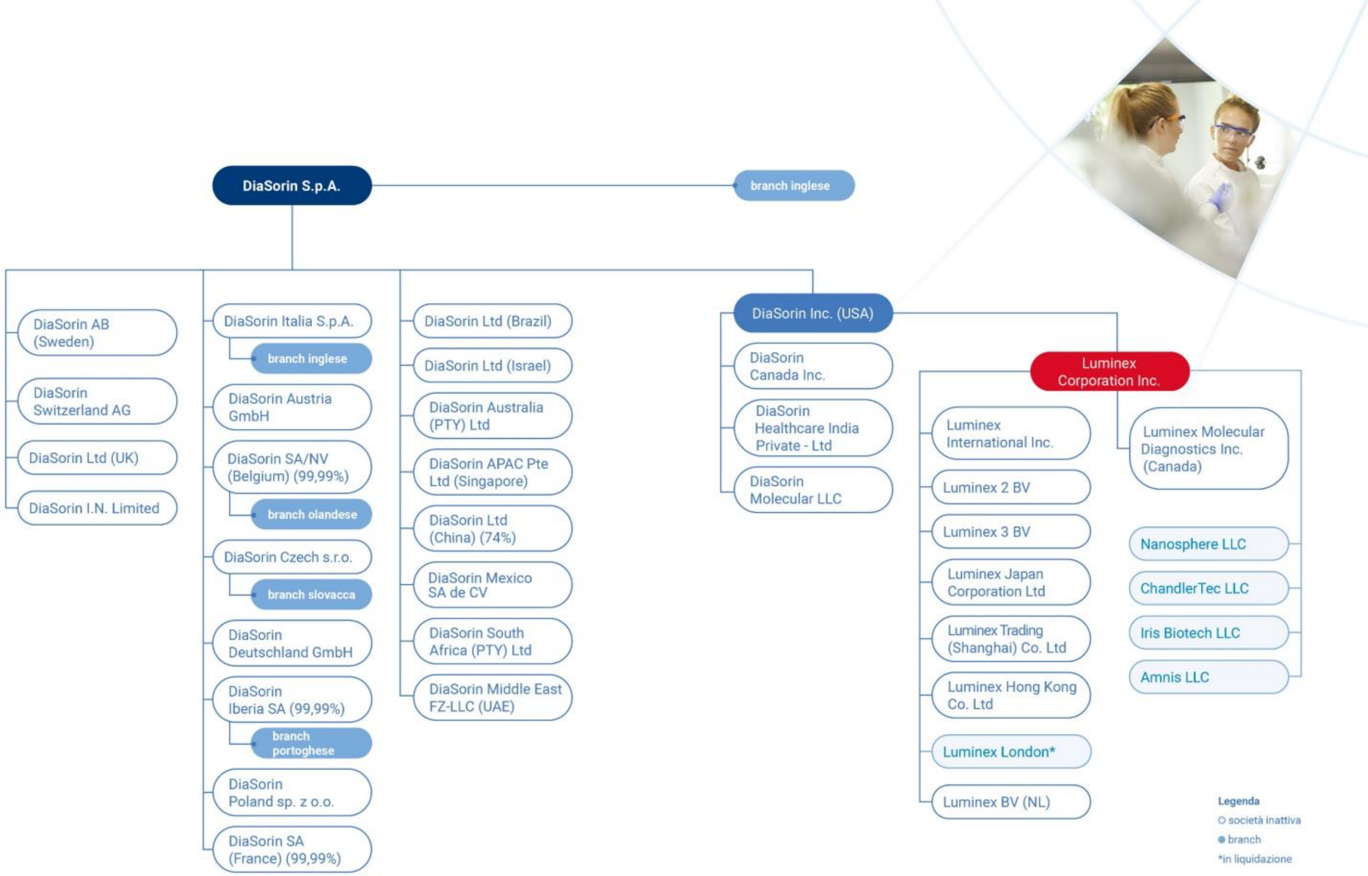
2. DIASORIN WORLDWIDE

The Group headed by DiaSorin S.p.A. operates in all continents through 39 Companies, 4 branches, 10 production sites and 9 research and development centers located around the world.



DiaSorin operates, through its direct presence, in 27 countries. The rest of the world is served through an international network of independent distributors with whom the Group maintains a constant dialogue in accordance with the best interests of its end customers.

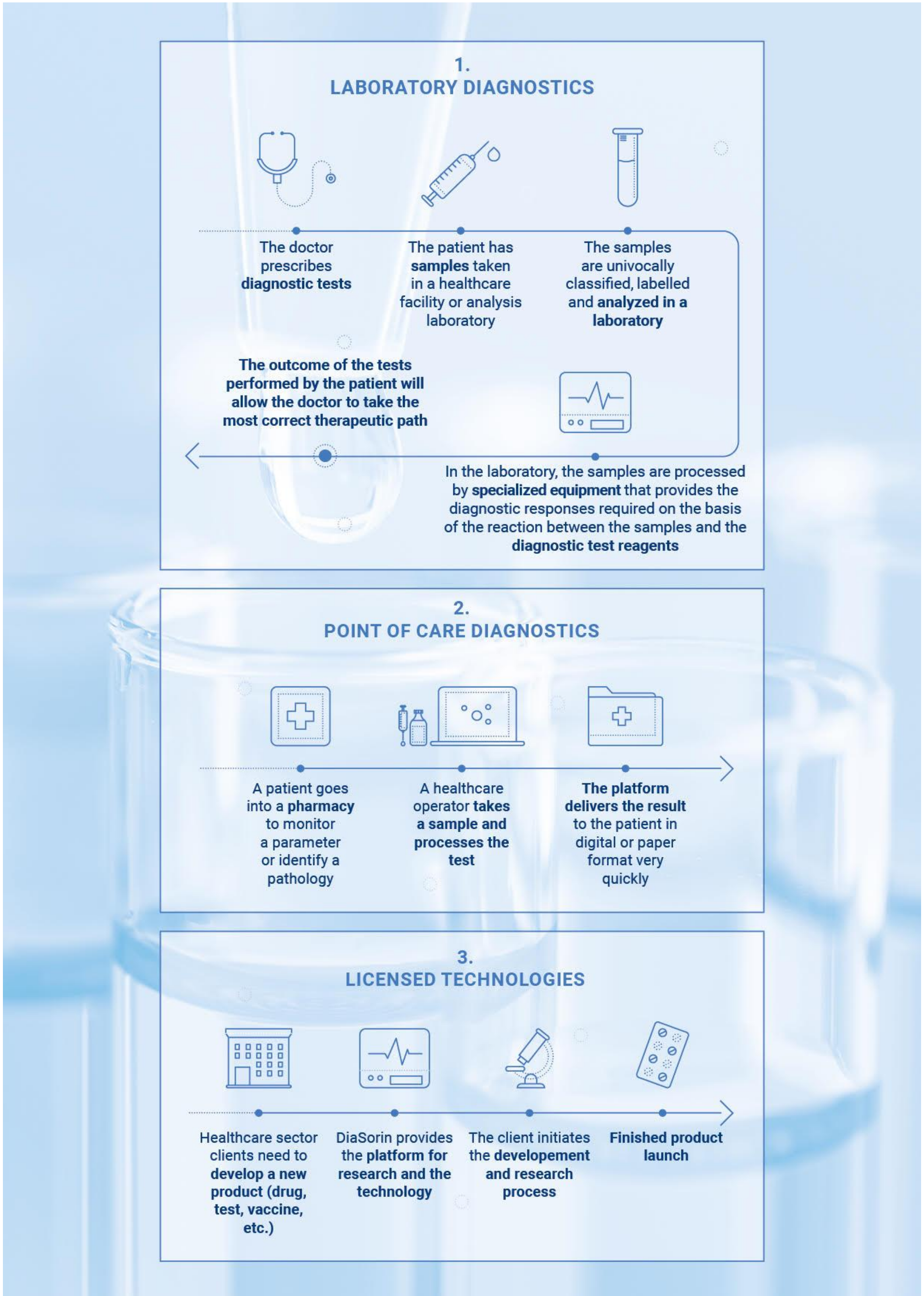
3. THE DIASORIN GROUP



4. OUR BUSINESS

The DiaSorin Group develops, produces and commercializes reagent kits and instruments useful for the diagnosis and research for a wide range of customers around the world, from testing laboratories to research bodies.

The Group's business model is built around healthcare needs and translates them - through research and innovation - into effective and concrete answers and solutions.



THE GROUP’S TECHNOLOGIES

Biological sample analysis to detect the presence of a specific element is carried out through analyzers and biochemical reagents that are based on different and specific technologies.

DiaSorin operates in particular in immunodiagnostics and molecular diagnostics. As from 2021, following the acquisition of Luminex, the Group added to its technological portfolio some Life Science solutions that use the *xMAP*® microsphere-based technology. The microspheres are sold for the development of kits or for use in the field of research and development.

1. IMMUNODIAGNOSTICS

In immunodiagnostics DiaSorin offers the market proprietary analyzers based on CLIA technology, which delivers extremely reliable and fast results and fully automates the diagnostic procedure providing flexible access to the Group’s test menu. LIAISON® platforms (LIAISON®, LIAISON® XS, LIAISON® XL and LIAISON® XL LAS) are part of the immunodiagnostic analyzers based on CLIA technology.

1.1 PLATFORMS

LIAISON® XL

In 2022, and in the first half of 2023, the LIAISON® XL strengthened its international presence by leveraging its flexibility, quick and reliable results, and the wide range of both specialty and routine diagnostic tests. The LIAISON® XL platform provides highly-automated solutions, both in stand-alone configuration and through the connection with the main market players’ systems (XL LAS).

LIAISON® XS

In 2020, the priority for laboratories was to handle high test volumes for the diagnosis of COVID-19. Therefore, the rollout of the LIASON® XS platform slowed down since this platform is designed for small and medium-sized laboratories with low-medium throughput needs.

As from 2021, DiaSorin resumed the LIAISON® XS rollout, by leveraging the features that make it the most suitable platform for laboratories with low and medium specialty test volumes. The LIAISON® XS is also the best solution for diagnostic facilities on the territory: routine tests are performed in a centralized reference hub, which offers high-throughput processing in a very short time while specialty tests requiring close proximity to the patient are performed in smaller decentralized diagnostic facilities.

2. MOLECULAR DIAGNOSTICS

In molecular diagnostics DiaSorin offers the market two solutions based on single/low plex and multiplex technology, along with a test menu for the DNA/RNA amplification to diagnose viral infections through the identification of viruses in patient’s biological sample. DiaSorin tests are reagents designed and developed to detect the presence of specific elements (viruses, bacteria, etc.) in the patient's biological 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, delivering reliable results that help physicians provide accurate diagnosis.

2.1. PLATFORMS

The single/low-plex solution aims at identifying the presence of infectious pathogens' DNA/RNA in biological samples and consists of a thermocycler with its consumables and reagents.

Specifically, the **LIAISON® MDX** analyzer features a compact and flexible design and can be used:

- in association with the "Direct Amplification Disc (DAD)" consumable for fast, on-demand results, also at laboratories with low-volume testing, or during urgent procedures such as, for example, the identification of patients to be isolated in hospitals;

- in association with the "Universal Disc (UD)" consumable for routine, screening or high-throughput results.

DAD *Direct Amplification Disc*		*It runs 8 specimens at a time through a pipette system for biological samples and amplification reagents. The 3 steps of PCR test (extraction, amplification and detection) are performed simultaneously and in a fully automated manner on the LIAISON MDX analyzer. The system is extremely easy to use and delivers fast and on-demand results*
UD *Universal Disc*		*It runs 96 specimens simultaneously and is designed for high throughput to manage high-volume testing. It can process directly the biological samples, increasing labs throughput (96 results in an hour).*

The **LIAISON® MDx Plus,** a faster and increasingly automated and compact version of this platform, is currently under development.

The Aries® platform is a real-time PCR system that allows laboratories to control every aspect of the sample-to-answer testing process, from sample accessioning through result reporting. Integrated touchscreen PC eliminates the need for computer peripherals, maximizing valuable bench space. Designed for improving lab efficiency and workflows, the Universal Assay Protocol allows multiple sample types and up to 12 different IVD assays. Internal barcode scanning matches samples to cassettes, enabling higher flexibility of use and improved traceability of the result. ARIES® cassettes contain all of the reagents needed to run PCR testing on a sample. All the test phases, including extraction and purification do not require external control or equipment. ARIES® cassettes are color coded and can be stored at room temperature.

As from July 2021, following the acquisition of Luminex, DiaSorin enriched its offering with a multiplexing solution that can detect a wide range of parameter from a single biological sample.

The Multiplex VERIGENE® system can rapidly and accurately detect a wide range of infectious pathogens and their associated drug resistance markers. The use of Multiplex technology enables clinicians to provide targeted patient care more quickly, potentially leading to improved patient outcomes, lower costs, optimized antibiotic therapy, and reduced spread of antibiotic resistance. The VERIGENE® system is scalable, allowing throughput customization to meet the size and testing demands of each laboratory. Panels available on the VERIGENE® platform are designed to target infections in the bloodstream, respiratory tract, and gastrointestinal tract. Test cartridges are single-use and each test cartridge is designed for multiplex analysis of one patient sample. The VERIGENE® system will be followed by the **LIAISON® Plex,** a faster and fully automated version**.**

Lastly, the Group is developing a new molecular platform to meet the growing POC trend generated by the need for rapid and accurate tests that are performed in the close proximity of patients. The **LIAISON® NES** will offer high quality, cost effective low-plex testing, generating results in approximately 15 minutes. The LIAISON® NES will be initially registered as a professional-use only platform in the EU and a Point-of-Care (POC) platform in the USA.

3. LICENSED TECHNOLOGIES

In the field of the Licensed Technologies, DiaSorin offers the market a state-of-the-art xMAP INTELLIFLEX® platform. In this sector and through Luminex, the Company-in addition to sell the platform and the microspheres - provides its partners with services in the field of the in vitro diagnostic product development and in the field of applied research using the xMAP® technology.

Until February 2023, the Licensed Technologies business included the flow cytometry, a lab technique to detect, identify and count specific cells and detect their special components. Following the year end close, we sold to the U.S. Cytek® Biosciences Inc. all the assets related to this Business Unit, in line with the strategic priorities communicated to the investors in our last Capital Market Day in December 2021.

4. RESEARCH AND DEVELOPMENT

The key pillar driving DiaSorin's growth is its consolidated ability to generate quick and continuous innovation. This innovation arises from the dialogue with the scientific community and is supported by "World Class" skills, and stems from collaborations with major academic and hospital excellence worldwide. Ranging from research and development of molecular platforms for direct identification of pathogens to immunodiagnostics for the research of new immune response biomarkers and to the latest applications of the diagnostic algorithms and the artificial intelligence for the differential diagnosis and assessment of severity and prognosis of the disease, the distinctive feature of DiaSorin's research is represented by the perfect combination between technology and human capital.

With over 400 researchers operating mainly in Italy and in the United States and through strong research and development investments, the company is able to support the ongoing diagnostic evolution by launching every year high-specialty tests and state-of-the-art solutions addressed to diagnostic laboratories worldwide and designed for different and large clinic and research applications.

OVERVIEW OF THE RESULTS

1 CONSOLIDATED FINANCIAL HIGHLIGHTS

Income statement *(in € thousands)*	**6/30/2023**	**6/30/2022**
Net revenues	576,390	685,438
Gross profit	378,685	449,542
Adjusted [(1)] Gross profit	378,685	451,172
EBITDA [(2)]	182,374	263,563
Adjusted [(1)] EBITDA	189,996	269,073
EBIT	117,396	196,674
Adjusted [(1)] EBIT	144,429	221,371
Net profit for the period	86,859	140,807
Adjusted [(1)] Net profit	113,091	168,577

Statement of financial position *(in € thousands)*	**6/30/2023**	**12/31/2022**
Capital invested in non-current assets	2,256,998	2,301,718
Net invested capital	2,356,509	2,426,361
Net financial debt	(860,856)	(906,611)
Shareholders' equity	1,495,653	1,519,750

Statement of cash flows *(in € thousands)*	**6/30/2023**	**6/30/2022**
Net cash flow for the period	14,511	(20,579)
Free cash flow [(3)]	104,267	138,540
Capital expenditures	45,147	51,894
Number of employees	3,278	3,350

[(1)] The Adjusted Gross Profit, Adjusted EBIT, Adjusted EBITDA, and Adjusted Net Profit indicators are provided in the table included in the section "Overview of the Group's performance in the first half of 2023 and comparison with 2022".

[(2)] EBITDA is defined as the "Operating Result", gross of amortization and depreciation of intangible and tangible assets. EBITDA is a measure used by the Group 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 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 may not be comparable

[(3)] Free cash flow is the cash flow from operating activities, counting utilizations for capital expenditures but before interest payments, acquisitions of companies and business operations and taking out/repaying borrowings.

2. Overview of the Group's performance in the first half of 2023 and comparison with 2022

Foreword

These half-year consolidated financial statements at June 30, 2023 have been prepared in compliance with the International Accounting Standards (IFRS) issued by the International Accounting Standards Board ("IASB") and approved by the European Union and are consistent with the provisions issued in implementation of Art. 9 of Legislative Decree No. 38/2005.
This half-year report presents and comments on certain financial indicators that are not identified in the IFRSs. These indicators, which are described below, are used to comment on the Group's business performance in sections "Consolidated financial highlights" and "Operating performance in 2023 and comparison with 2022", in compliance with the requirements of Consob communication of 28 July 2006 (DEM 6064293), as subsequently amended and supplemented (Consob communication 0092543 of 3 December 2015, which incorporates the ESMA Guidelines 2015/1415) and ESMA Guidelines 32-382-1138 of 4 March 2021.

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

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

The following provides the alternative performance measures at June 30, 2023:

(in € millions)	Gross margin	EBITDA	Operating result (EBIT)	Net profit
IFRS Financial Statements Measures	**378,685**	**182,374**	**117,396**	**86,859**
% on revenues	*65.7%*	*31.6%*	*20.4%*	*15.1%*
Adjustments				
One-off costs related to the integration and restructuring of Luminex	-	3,311	3,311	3,311
Amortization of surplus values of Luminex intangibles identified in the Purchase Price Allocation	-	-	19,412	19,412
Financial charges relating to the debt instruments and to the convertible bond issued to finance the acquisition of Luminex, net of hedging effects	-	-	-	7,035
Charges from the divestment of the Flow Cytometry business	-	4,310	4,310	4,310
Total adjustments before tax effect	**-**	**7,621**	**27,033**	**34,068**
Tax effect on adjustments	-	-	-	(7,836)
Total adjustments	**-**	**7,621**	**27,033**	**26,232**
Adjusted Measures	**378,685**	**189,996**	**144,429**	**113,091**

The following provides the alternative performance measures at June 30, 2022:

(in € millions)	Gross margin	EBITDA	Operating result (EBIT)	Net profit
IFRS Financial Statements Measures	**449,542**	**263,563**	**196,674**	**140,807**
% on revenues	*65.6%*	*38.5%*	*28.7%*	*20.5%*
Adjustments				
Reversal of the effects of the Fair Value measurement of the initial Luminex inventory	1,630	1,630	1,630	1,630
One-off costs related to the integration and restructuring of Luminex and to the divestment of the Flow Cytometry business	-	3,881	3,881	3,881
Amortization of surplus values of Luminex intangibles identified in the Purchase Price Allocation	-	-	19,187	19,187
Financial charges relating to the debt instruments and to the convertible bond issued to finance the acquisition of Luminex, net of hedging effects	-	-	-	11,153
Total adjustments before tax effect	**1,630**	**5,511**	**24,698**	**35,851**
Tax effect on adjustments	-	-	-	(8,081)
Total adjustments	**1,630**	**5,511**	**24,698**	**27,770**
Adjusted Measures	**451,172**	**269,073**	**221,371**	**168,577**

Macroeconomic scenario and the foreign exchange market

The slowdown in global economic growth continued in the first half of 2023 amid persistent and high inflation, leading central banks to implement repeated and restrictive monetary policy.
The significant and global increase in interest rates is likely to continue in the second half of 2023, bringing out financial instability and could lead to increasing budget constraints for high-debt countries.
As regards the foreign currency market, the single European currency strengthened against the US dollar, partly due to the monetary policy convergence between the ECB and the Federal Reserve that, by progressively reducing the interest rate differential, led to an appreciation of the EURO of 2%.
The following table provides a comparison of the average and end-of-period exchange rates (source: European Central Bank) concerning the main currencies used by the Group in the first half of 2023 and 2022.

Currency	Average exchange rates			Exchange rates at		
	1st half 2023	1st half 2022	Change	6/30/2023	12/31/2022	Change
U.S. dollar	1.0807	1.0934	-1%	1.0866	1.0666	2%
Brazilian real	5.4827	5.5565	-1%	5.2788	5.6386	-6%
British pound	0.8764	0.8424	4%	0.8583	0.8869	-3%
Swedish kronor	11.3329	10.4796	8%	11.8055	11.1218	6%
Swiss franc	0.9856	1.0319	-4%	0.9788	0.9847	-1%
Czech koruna	23.6873	24.6485	-4%	23.7420	24.1160	-2%
Canadian dollar	1.4565	1.3900	5%	1.4415	1.4440	0%
Mexican peso	19.6457	22.1653	-11%	18.5614	20.8560	-11%
Israeli shekel	3.8828	3.5765	9%	4.0486	3.7554	8%
Chinese yuan	7.4894	7.0823	6%	7.8983	7.3582	7%
Australian dollar	1.5989	1.5204	5%	1.6398	1.5693	4%
South African rand	19.6792	16.8485	17%	20.5785	18.0986	14%
Norwegian krone	11.3195	9.9817	13%	11.7040	10.5138	11%
Polish zloty	4.6244	4.6354	0%	4.4388	4.6808	-5%
Indian Rupee	88.8443	83.3179	7%	89.2065	88.1710	1%
Singapore dollar	1.4440	1.4921	-3%	1.4732	1.4300	3%
UAE Dirham	3.9687	4.0155	-1%	3.9905	3.9171	2%

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

Foreword

The accounting standards applied to prepare this Half-Year Consolidated Financial Statements are consistent with those used for the Annual Consolidated Financial Statements at December 31, 2022 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 of 2023 and comparison with 2022

CONSOLIDATED INCOME STATEMENT

(in € thousands)	**6/30/2023**	**As a % of revenues**	**6/30/2022**	**As a % of revenues**
Sales and service revenues	576,390	100.0%	685,438	100.0%
Cost of sales	(197,705)	34.3%	(235,896)	34.4%
Gross profit	**378,685**	**65.7%**	**449,542**	**65.6%**
Sales and marketing expenses	(141,934)	24.6%	(141,880)	20.7%
Research and development costs	(46,355)	8.0%	(46,288)	6.8%
General and administrative expenses	(61,400)	10.7%	(56,762)	8.3%
Total operating expenses	**(249,688)**	**43.3%**	**(244,930)**	**35.7%**
Other operating income (expense)	(11,602)	2.0%	(7,938)	1.2%
EBIT	**117,396**	**20.4%**	**196,674**	**28.7%**
Adjusted EBIT	**144,429**	**25.1%**	**221,371**	**32.3%**
Financial income	10,680	1.9%	2,798	0.4%
Financial expense	(15,272)	2.6%	(17,692)	2.6%
Profit before taxes	**112,804**	**19.6%**	**181,780**	**26.5%**
Income taxes	(25,945)	4.5%	(40,973)	6.0%
Net profit for the period	**86,859**	**15.1%**	**140,807**	**20.5%**
Adjusted Net profit for the period	**113,091**	**19.6%**	**168,577**	**24.6%**
EBITDA (2)	**182,374**	**31.6%**	**263,563**	**38.5%**
Adjusted (1) EBITDA	**189,996**	**33.0%**	**269,073**	**39.3%**

(1) The Adjusted Gross Profit, Adjusted EBITDA, Adjusted EBIT and Adjusted Net Profit indicators are provided in the table included in section "Overview of the Group's performance in the first half 2023 and comparison with 2022".

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

Net revenues

In the first half of 2023, DiaSorin generated revenues for € 576,390 thousand (€ 685,438 thousand in the first half of 2022), down by 15.9% (-15.9% at CER) compared to the first half of 2022. The decrease is due to the reduction in sales of COVID tests and to the change in the perimeter of consolidation following the sale of the Flow Cytometry business in February 2023. At constant perimeter of consolidation, revenues decreased by 14.0% (-14.0% at CER) whilst net of COVID, revenues increased by 4.2% (4.2% at CER). The impact of exchange rate fluctuations compared to the first half of 2022 was not material in terms of both absolute values and percentage changes.

Ex-COVID immunodiagnostics revenues were € 355,127 thousand and increased by 6.8% (+7.0% at CER), on the back of the strong performance of CLIA specialty tests, partly offset by the expected decrease in sales of Vitamin D and ELISA panel.

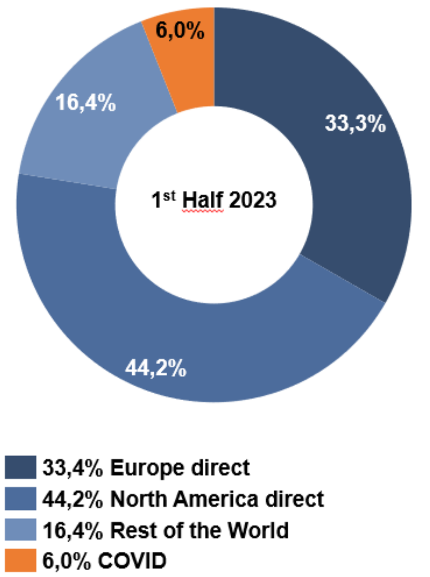
Ex-COVID molecular diagnostics revenues were € 97,019 thousand and decreased by 2.4% compared to 2022 (-3.0% at CER), mostly due to the negative sale trend of non-respiratory panels (-4.1% or -5.0% at CER) as a result of the expected loss of a major contract for cystic fibrosis testing at a leading U.S. laboratory, partly offset by the positive trend of respiratory panels (+1.6% or +1.9% at CER).

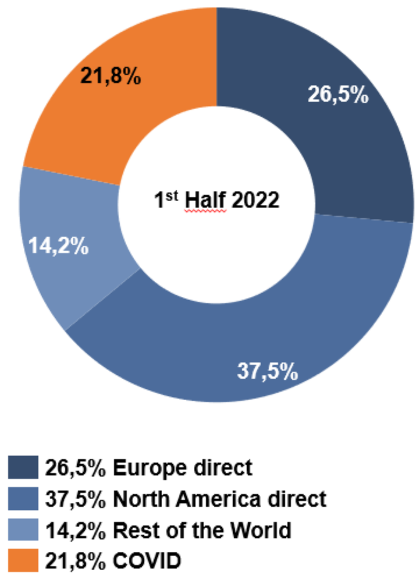
Licensed technologies revenues were € 89,587 thousand. The decrease of 13.5% compared to the first half of 2022 (-13.9% at CER) is a consequence of the different perimeter of consolidation (sale of the Flow Cytometry business in February 2023). On a like-for-like basis, revenues grew by +1.9% (+1.5% at CER), with a positive performance in the second quarter, equal to +7.4% (+10.1% at CER).

COVID serology and molecular diagnostic tests sales were in line with expectations and equal to € 34,658 thousand, down by € 115,095 thousand compared to 2022.

Breakdown of revenues by geography

(in € thousands)	**1st half 2023**	**1st half 2022**	**% Change at current exchange rates**	**% Change at constant exchange rates**
Europe direct	191,928	181,539	5.7%	6.0%
North America direct	255,044	257,066	-0.8%	-1.7%
Rest of the World	94,761	97,080	-2.4%	-0.8%
COVID	34,658	149,753	-76.9%	-76.6%
Total	**576,390**	**685,438**	**-15.9%**	**-15.9%**





Europe direct

Revenues in the first half of 2023 were €191,928 thousand, up 5.7% compared to the first half of 2022 (+6.0% at CER). The growth is driven by positive immunodiagnostic and molecular diagnostic performance.

It should be noted that CLIA revenues, net of Vitamin D, grew by approx. 13% at CER, on the back of specialty assays. Vitamin D sales increased slightly compared to the first half of 2022.

The molecular diagnostics business registered a positive trend (+10.1% o +10.8% at CER), with a good performance of the DiaSorin COVID-Flu molecular test.

The Licensed Technologies business decreased by 18.4% (-17.7% at CER) as a consequence of the different perimeter of consolidation.

North America direct

Revenues in the first half of 2023 were € 255,044 thousand, in line with the same period of 2022. The positive immunodiagnostic business performance was offset by the change in the perimeter of consolidation following the sale of the Flow Cytometry business. Net of the change in the perimeter, the region recorded a growth of 2.9% (+1.9% at CER).

Specifically, the immunodiagnostic business delivered robust CLIA sales, net of Vitamin D, growing by approx. 19% at CER, mainly on the back of the successful commercial strategy aimed at increasing penetration in U.S. hospitals segment, along with the expansion of test menu targeting this market. This upward trend was partly offset by the expected decline in Vitamin D sales.

The molecular diagnostic business slightly decreased compared to the first half of 2022 (-2.2% or -3.1% at CER). The non-respiratory panel declined by 2.7% (-3.8% at CER) as a consequence of the negative performance of cystic fibrosis testing caused by the expected loss for a major contract at a leading U.S. laboratory. The respiratory panel declined by 1.5% (-1.8% at CER).

Lastly, revenues from the Licensed Technologies business declined (-15.8% o -16.7% at CER) following the different perimeter of consolidation (sale of the Flow Cytometry business in February 2023). On a like-for-like basis, the second quarter is in line with 2022.

Rest of the World

Revenues in the first half of 2023 were € 94,761 thousand, down by 2.4% (-0.8% at CER) compared to the same period of 2022. The performance was impacted by the decline in revenues recorded in the Chinese market, albeit gradually improving in the second quarter. Net of the negative performance in this market, the trend of the area defined "Rest of the World" is in line with the same period of the previous year. Of particular note is the positive performance of Brazil, Mexico and India.

Breakdown of revenues by technology

(in € thousands)	**1st half 2023**	**1st half 2022**
Ex-COVID immunodiagnostics	61.7%	48.6%
Ex-COVID molecular diagnostics	16.8%	14.5%
Licensed Technologies	15.5%	15.1%
COVID	6.0%	21.8%
Total	**100.0%**	**100.0%**

Operating performance

The Adjusted gross profit was € 378,685 thousand, down 16.1% as against € 451,172 thousand in the same period of 2022 mainly due to lower COVID sales; its ratio to revenues 65.7% is in line with the first half of 2022 (65.8%).

Operating expenses, net of higher amortization deriving from the Luminex Purchase Price Allocation, amounted to € 230,276 thousand, up 2.0% compared to the same period of 2022: their ratio to total revenues was equal to 40.0%, up from 32.9% in the first half of 2022. The change is due to the reduction of the operating leverage as a consequence of lower COVID revenues.

Sales and marketing expenses were € 122,816 thousand and excluding amortization deriving from the Luminex acquisition, are in line with the same period of 2022 (€ 122,983 thousand). This item consists mainly of costs related to the sale force and costs incurred to launch new products, as well as costs of technical support provided to customers. The ratio to total revenues increased to 21.3% in 2023 from 17.9% in 2022. The increase of these expenses in absolute value is due to the investments aimed at supporting the commercial strategy for increasing penetration in U.S. hospitals segment.

Research and development costs, equal to € 46,061 thousand net of the Luminex Purchase Price Allocation, are in line with the same period of 2022 (€ 45,998 thousand); their ratio to total revenues was equal to 8.0% versus 6.7 percentage points in 2022. The increase of these costs is due to lower COVID revenues.

Other operating expenses, net of € 3,311 thousand relating to the costs for the Luminex integration and net of € 4,310 thousand relating to the costs deriving from the sale of the Flow Cytometry business, were € 3,980 thousand as against € 4,058 thousand in the first half of 2022.

Adjusted EBITDA amounted to € 189,996 thousand, down by 29.4% compared to the same period of 2022 as a consequence of lower COVID revenues and the resulting reduction in operating leverage, with an incidence to revenues of 33.0%. The impact of the exchange rates compared to the first half of 2022 is neutral both in absolute terms and as a percentage of revenues.
EBITDA amounted to € 182,374 thousand, down 30.8% compared to the same period of 2022, equal to 31.6% of revenues in 2023, down from 38.5% in 2022.

Adjusted EBIT amounted to € 144,429 thousand (€ 221,371 thousand in the first half of 2022), down by 34.8% compared to the same period of the previous year, equal to 25.1% of revenues as against 32.3% in 2022. The change is due to the combined effect of the elements described above.
In the first half of 2023, EBIT was € 117,396 thousand, down by 40.3% compared to the same period of 2022 and equal to 20.4% of revenues.

Financial income and expense

In the first half of 2023, net financial expense amounted to € 4,592 thousand, as against € 14,894 thousand in the same period of 2022. The change is mainly due to higher interest income, equal to € 6,012 thousand, earned on investments in cash management instruments.

Profit before taxes and net profit

The first half of 2023 ended with a result before taxes of € 112,804 thousand (€ 146,872 thousand net of costs for the Luminex acquisition and those deriving from the PPA), down 37.9% compared to € 181,780 thousand in the first half of 2022, equal to 19.6% of revenues (25.5% net of costs for the Luminex acquisition and those deriving from the PPA), down 26.5% in the first half of 2022.

Income taxes were € 25,945 thousand (€ 40,973 thousand in the first half of 2022), with a tax rate of 23%, in line with 22.5% in the same period of 2022.

Adjusted net profit in the first half of 2023, equal to € 113,091 thousand, declined by 32.9% compared to the same period of 2022, with an incidence on revenues of 19.6% (24.6% in 2022). Net profit was € 86,859 thousand.

4. STATEMENT OF FINANCIAL POSITION AT JUNE 30, 2023

The consolidated statement of financial position at June 30, 2023 is provided below:

(in € thousands)	**6/30/2023**	**12/31/2022**
Goodwill and Intangible assets	1,956,354	1,995,063
Property, plant and equipment	262,351	268,448
Other non-current assets	38,293	38,207
Net working capital	392,853	433,993
Other non-current liabilities	(293,341)	(309,350)
Net invested capital	**2,356,509**	**2,426,361**
Net financial position	**(860,856)**	**(906,611)**
Total shareholders' equity	**1,495,653**	**1,519,750**

Non-current assets were € 2,256,998 thousand at June 30, 2023, down by € 44,721 thousand compared to December 31, 2022 due to exchange rate fluctuations.
Amortization and depreciation of the period, equal to € 64,992 thousand, more than offset the investments amounting to € 58,539 thousand. Investments include the LIAISON PLEX and LIAISON NES projects, completion of the manufacturing facility in China and the expansion of the lines to manufacture plastic consumables for CLIA LIAISON instruments and plastics for LIAISON integral components.
The change of other non-current liabilities equal to €16,009 thousand, in addition to the exchange rate effect that reduced the amount of deferred taxes recorded by the U.S. companies, is attributable to the reversal of deferred taxes following the sale of the Flow Cytometry business.

A breakdown of the net working capital is provided below:

(in € thousands)	**6/30/2023**	**12/31/2022**
Trade receivables	186,103	220,035
Ending inventories	322,519	306,503
Trade payables	(106,766)	(104,204)
Other current assets/liabilities (1)	(19,448)	(27,906)
Net assets available for sale	10,445	39,565
Net working capital	**392,853**	**433,993**

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

At June 30, 2023, the net working capital was € 392,853 thousand, with a decrease of € 41,140 thousand compared to December 31, 2022. The change is due to the sale of the Flow Cytometry business; assets available for sale, amounting to €10,445 thousand at June 30, 2023, are inventories that Luminex still holds to meet the Manufacturing and Supply Agreement signed with Cytek, as an integral part of sale of the business. As required by the sales agreement inventory will be definitively transferred to Cytek by August 2023.

The decrease in trade receivables, equal to € 33,932 thousand, is due to lower revenues generated in the second quarter of 2023 compared to those generated in the fourth quarter of 2022.
The increase in ending inventories, equal to €16,016 thousand (+5.2%), is mainly due to materials for manufacturing Luminex instruments and immunoreagents.

Other current net liabilities were €19,448 thousand, down compared to December 31, 2022.

At June 30, 2023, net financial debt was negative by € 860,856 thousand.

The table that follows shows the consolidated net financial debt:

	(in € thousands)	**6/30/2023**	**12/31/2022**	**Change**
A	Cash on hand	256,287	241,776	14,511
B	Cash equivalents	-	-	-
C	Other current financial assets	26,472	142,409	(115,937)
D	**Liquidity (A+B+C)**	**282,758**	**384,185**	**(101,427)**
E	Current financial debt (including debt instruments, but excluding the current portion of non-current financial borrowings)	63,762	48,140	15,622
F	Current portion of non-current financial borrowing	1,216	43,238	(42,022)
G	**Current financial debt (E+F)**	**64,978**	**91,378**	**(26,400)**
H	**Net current financial debt (G-D)**	**(217,780)**	**(292,807)**	**75,027**
I	Non-current financial debt (excluding the current portion and debt instruments)	625,455	750,854	(125,399)
J	Debt instruments	453,182	448,565	4,617
K	Trade payables and other non-current borrowings	-	-	-
L	**Non-current financial debt (I+J+K)**	**1,078,637**	**1,199,419**	**(120,782)**
M	**Total financial debt (H+L)**	**860,856**	**906,611**	**(45,755)**

Financial liabilities, compared to the balance at December 31, 2022, include:

- the repayment, in January, of a principal of USD 50,000,000 and, in April, of a principal of USD 125,000,000 related to the "Term Loan", plus € 6,896 thousand in interest payment;
- the use of the "Revolving Credit Facility" credit line for €15,000 thousand.

At June 30, 2023, the consolidated shareholders' equity was € 1,495,653 thousand (€ 1,519,750 thousand at December 31, 2022) and include 2,659,129 treasury shares, equal to 4.75% of the share capital, for a total value of € 302,625 thousand. As regards the treasury shares buy-back plan approved by the Board of Directors on May 9, 2023 and by the Shareholders' Meeting on April 28,2023, no. 243,070 treasury shares, for a value of € 23,341 thousand have been purchased at June 30, 2023.

Analysis of consolidated cash flows

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

(in € thousands)	**1st half 2023**	**1st half 2022**
Cash and cash equivalents- Opening balance	**241,776**	**403,020**
Net cash from operating activities	145,643	180,107
Cash used for investing activities	69,341	(51,894)
Cash flow generated from the sale of the Flow Cytometry business	38,436	-
Cash used from/(for) financing activities	(238,910)	(148,785)
Change in net cash before investments in financial assets	***14,511***	***(20,579)***
Change in net cash	***14,511***	***(20,579)***
Cash and cash equivalents – Closing balance	**256,287**	**382,441**

At June 30, 2023, available liquid assets held by the Group amounted to € 256,287 thousand, up by € 14,511 thousand compared to December 31, 2022.
In the first half of 2023, the cash flow from operating activities decreased to €145,643 thousand compared to the first half of 2022, mainly due to a lower operating result.

Investing activities absorbed cash for € 69,341 thousand, as against € 51,894 thousand in the same period of 2022. The change is due to the payment of the Time Deposits held by DiaSorin Inc.

In the first half of 2023, free cash flow was € 104,267 thousand, down by € 34,273 thousand as against € 138,540 thousand in the same period of 2022.

Net cash absorbed from financing activities amounted to € 238,910 thousand, as against € 148,785 thousand in the first half of 2022. The following should be noted:

- the repayment, in January, of a principal of USD 50,000,000 and in April of a principal of USD 125,000,000 related to the "Term Loan";
- dividends paid to shareholders for € 58,606 thousand;
- the purchase of treasury shares for € 22,952 thousand.

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

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

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

Risks related to general economic conditions

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

Products distributed by DiaSorin are part of basic medical care coverage which, generally, is funded by national health services or private insurance companies. Some countries where the Group operates may question costs of welfare system, in which health care has a central role. This phenomenon can lead to increase pressure to reduce refunds for medical care and, in some cases, the volumes of laboratory tests ordered by physicians.
This implies an impact on the market where DiaSorin operates, despite diagnostics accounts for only a marginal portion of health care spending in the main industrialized countries.

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

Risks related to the Group's international presence and expansion

Because of their presence in several countries in Europe and elsewhere in the world, the Company and the Group are exposed to numerous risk factors. The current economic and macropolitical situation, which is negatively impacted by the Ukraine conflict, exposes some of these countries to social, economic and political instability, thus jeopardizing growth in such countries. Nevertheless, the Group is not significantly exposed in these markets.
In countries where it does not operate through a subsidiary, the Group uses independent distributors to sell its products. As a rule, these distributors are small or medium-sized companies with limited financial resources, whose risk could be to slow sales growth in the abovementioned countries or increase the risk that a distributor may become insolvent.

Risks related to funding requirements

A prudent cash management strategy includes maintaining sufficient cash or readily available assets and credit lines to meet immediate liquidity needs. Cash flows, funding requirements and liquidity are monitored and managed centrally to ensure promptly and effectively the availability of financial resources and invest appropriately any excess liquidity.
In order to meet any financial needs and a credit market characterized by low liquidity, the Group's Parent Company has deemed it appropriate – as from 2022- to adopt a EUR 150 million 3 year committed revolving credit facility, made available by a pool of banks and to be used upon set conditions. At June 30, 2023, the Company used € 55 million related to this credit facility, secured by the U.S. subsidiary DiaSorin Inc..
Management believes that the funds and credit facilities currently available, when combined with the resources generated by operating and financing activities, will enable the Group to meet the obligations resulting from its capital investment programs, working capital requirements and the need to repay its indebtedness upon maturity.

Credit risk

The Group's receivables present a low level of risk both due to the sector in which DiaSorin operates where end customers are, to a large extent, public institutions and due to the high financial soundness of its main private customers. Considering the Group's economic and financial performance, no material impact has been found on the Group's trade receivables and, therefore, it has not been necessary to adjust the determination of the recoverability of receivables recognized in the balance sheet and the matrix for calculation of "Expected Credit Loss" model under the IFRS 9 standard.

Risks associated with foreign exchange and interest rate fluctuations

The Group operates in countries and markets where the reporting currency is not the Euro and, consequently, it is exposed to the risk related to fluctuation in foreign exchange rates.
With regard to revenues, the currencies to which DiaSorin is more exposed are the U.S. dollar (accounting for about 50% of revenues), the Canadian dollar (accounting for about 3% of revenues) and the Chinese yuan (accounting for about 4% of revenues).
From a balance sheet point of view, a significant portion of the debt from Luminex acquisition is denominated in U.S. Dollar (about two thirds), consistently with the currency of the assets acquired and with the economic composition of the Group revenues.
Future fluctuations of the Euro versus other currencies may have an impact, even though marginal, on the income statement, balance sheet and financial position of the Company and of the Group.

With regard to interest rates, it should be noted that:

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

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

Commercial risk

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

7. SIGNIFICANT EVENTS OCCURRED AFTER JUNE 30, 2023 AND BUSINESS OUTLOOK

No significant events occurred after June 30, 2023.

As regards business outlook, the management confirmed guidance for fiscal year 2023.

8. RELATED-PARTY TRANSACTIONS

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 financial statements and detailed in Note 30 of the condensed half-year consolidated Financial Statements.

CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2023

1. CONSOLIDATED INCOME STATEMENT

(in € thousands)	**Notes**	**1st half 2023**	***amount with related parties***	**1st half 2022**	***amount with related parties***
Net revenues	(1)	576,390		685,438	
Cost of sales	(2)	(197,705)		(235,896)	
Gross profit		**378,685**		**449,542**	
Sales and marketing expenses	(3)	(141,934)		(141,880)	
Research and development costs	(4)	(46,355)		(46,288)	
General and administrative expenses	(5)	(61,400)	(3,818)	(56,762)	(3,729)
Other operating income (expenses)	(6)	(11,602)		(7,938)	
Non-recurring amount		*(8,388)*		*(3,881)*	
EBIT		**117,396**		**196,674**	
Financial income	(7)	10,680		2,798	
Financial expense	(8)	(15,272)		(17,692)	
Result before taxes		**112,804**		**181,780**	
Income taxes	(9)	(25,945)		(40,973)	
Net profit for the period		**86,859**		**140,807**	
Including:					
- amount attributable to Parent Company's shareholders		88,118		141,515	
- amount attributable to minority interests		(1,259)		(708)	
Earnings per share (basic)	(10)	**1.55**		**2.58**	
Earnings per share (diluted)	(10)	**1.55**		**2.57**	

2. Consolidated comprehensive income statement

(in € thousands)	**Notes**	**1st half 2023**	**1st half 2022**
Net profit for the period (A)		**86,859**	**140,807**
Other comprehensive gains/(losses) that will not be reclassified subsequently to gain/(loss) of the period:			
Gains/(losses) on remeasurement of defined benefit plans	(23)	(286)	357
Total other comprehensive gains/(losses) that will not be reclassified subsequently to gain/(loss) of the period (B1):		**(286)**	**357**
Other comprehensive gains/(losses) that will be reclassified subsequently to gain/loss of the period:			
Gains/(losses) from translation of financial statements of foreign branches	(21)	(26,870)	119,321
Gains/(losses) from cash flow hedges	(21)	(6,239)	35,933
Total other comprehensive gains/(losses) that will be reclassified subsequently to gain/(loss) of the period (B2)		**(33,109)**	**155,253**
TOTAL OTHER COMPREHENSIVE GAINS/(LOSSES), NET OF TAX EFFECT (B1) +(B2) =(B)		**(33,395)**	**155,610**
TOTAL COMPREHENSIVE GAIN/(LOSS) (A)+(B)		**53,464**	**296,417**
Including:			
- amount attributable to Parent Company's shareholders		54,668	297,125
- amount attributable to minority interests		(1,204)	(708)

3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in € thousands)	**notes**	**6/30/2023**	***amount with related parties***	**12/31/2022**	***amount with related parties***
ASSETS					
Non-current assets					
Property, plant, and equipment	(11)	262,351		268,448	
Goodwill	(12)	812,142		826,352	
Other intangibles	(12)	1,144,212		1,168,711	
Equity investments	(13)	26		26	
Deferred-tax assets	(14)	35,218		34,459	
Other non-current assets	(15)	3,049		3,722	
Other non-current financial assets	(22)	24,546		32,156	
Total non-current assets		*2,281,544*		*2,333,874*	
Current assets					
Inventories	(16)	322,519		306,503	
Trade receivables	(17)	186,103		220,035	
Other current assets	(18)	91,494		89,184	
Other current financial assets	(22)	56,171		171,442	
Cash and cash equivalents	(19)	256,287		241,776	
Total current assets		*912,573*		*1,028,940*	
Assets available for sale	(20)	10,445		45,267	
TOTAL ASSETS		**3,204,561**		**3,408,082**	

3. Consolidated statement of financial position (continued)

(in € thousands)	**notes**	**6/30/2023**	***amount with related parties***	**12/31/2022**	***amount with related parties***
LIABILITIES AND SHAREHOLDERS' EQUITY					
Shareholders' equity					
Share capital	(21)	55,948		55,948	
Treasury shares	(21)	(302,625)		(281,277)	
Additional paid-in capital	(21)	18,155		18,155	
Statutory reserve	(21)	11,190		11,190	
Other reserves and retained earnings	(21)	1,625,354		1,474,066	
Net profit for the period		88,116		240,907	
Total Group's consolidated shareholders' equity		*1,496,138*		*1,518,989*	
Other reserves and retained earnings attributable to minority interests		774		1,558	
Net profit for the period attributable to minority interests		(1,259)		(797)	
Shareholders' equity attributable to minority interests		*(485)*		*761*	
Total Consolidated Shareholders' equity		**1,495,653**		**1,519,750**	
Non-current liabilities					
Non-current financial liabilities	(22)	1,132,881		1,231,965	
Provisions for employee benefits	(23)	28,068	-	32,481	4,333
Deferred-tax liabilities	(14)	220,860		229,310	
Provisions for risks and charges	(24)	27,770		30,272	
Other non-current liabilities	(25)	16,643		17,287	
Total non-current liabilities		*1,426,222*		*1,541,315*	
Current liabilities					
Trade payables	(26)	106,766		104,204	
Other payables	(27)	89,911		103,304	74
Current tax liabilities	(28)	21,031		13,786	
Current financial liabilities	(22)	64,978		120,020	
Total current liabilities		*282,686*		*341,314*	
Liabilities related to assets available for sale	(20)	-		5,702	
Total liabilities		**1,708,908**		**1,888,332**	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,204,561**		**3,408,082**	

4. CONSOLIDATED STATEMENT OF CASH FLOWS

(in € thousands)	**notes**	**1st half 2023**	***amount with related parties***	**1st half 2022**	***amount with related parties***
Cash flow from operating activities					
Net profit for the period		86,859		140,808	
Adjustment for:					
- Income taxes	(9)	25,945		40,973	
- Depreciation and amortization	(11) (12)	64,992		66,889	
- Financial expense/ (income)	(7) (8)	4,592		14,894	
- Additions to/ (Utilizations of) provisions for risk	(23)	(2,595)		(68)	
- (Gains)/Losses on sales of non-current assets	(6)	516		280	
- Additions to/ (Reversals of) provisions for employee severance indemnities and other benefits	(22)	45		464	
- Stock option reserve	(20)	2,584		3,805	
- Currency translation reserve on operating activities	(20)	12,031		(2,385)	
- Change in other non-current-assets/liabilities	(15) (24)	(12,207)	(7,952)	(20,316)	
Cash flow from operating activities before changes in working capital		**182,762**		**245,343**	
(Increase)/Decrease in current receivables	(17)	32,227		26,590	
(Increase)/Decrease in inventories	(16)	(19,364)		3,969	
Increase/(Decrease) in trade payables	(25)	1,836		(11,678)	
Increase)/Decrease in other current items	(18) (27)	(38,387)		(15,313)	
Cash from operating activities		**159,075**		**248,911**	
Income taxes paid	(28)	(9,661)		(58,477)	
(Paid)/ collected interests	(21)	(3,772)		(10,327)	
Net cash from operating activities		**145,643**		**180,107**	
Investments in intangibles	(12)	(29,021)		(24,360)	
Investments in property, plant and equipment	(11)	(18,146)		(31,134)	
Divestments of property, plant and equipment and intangibles	(11) (12)	2,020		3,601	
(Opening)/Repayment of term deposit	(21)	114,488		-	
Cash flow from sale of the Flow Cytometry business	(20)	38,436		-	
Cash used in regular investing activities		**107,777**		**(51,894)**	
(Repayment of)/proceeds from loans and other liabilities	(21)	(153,220)		(54,250)	
(Purchase)/Sale of treasury shares	(20)	(22,952)		(65,173)	
Dividend distribution	(20)	(58,606)		(55,718)	
Cash used in financing activities		**(234,778)**		**(175,141)**	
Foreign exchange translation effect		(4,132)		26,350	
Net change in cash		**14,511**		**(20,579)**	
Cash and cash equivalents - Opening balance		**241,776**		**403,020**	
Cash and cash equivalents - Closing balance		**256,287**		**382,441**	

5. STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in € thousands)	Share capital	Treasury shares	Additional paid-in capital	Statutory reserve	Currency translation reserve	Stock option reserve	Reserve for treasury shares	Other reserves and retained earnings	Profit/(loss) of the period	Group interest in shareholders' equity	Minority interest in shareholders' equity	Total interest in shareholders' equity
Shareholders' equity at 12/31/2021	**55,948**	**(120,022)**	**18,155**	**11,190**	**46,208**	**17,312**	**120,022**	**906,598**	**310,968**	**1,366,377**	**1,562**	**1,367,939**
Appropriation of previous year's profit	-	-	-	-	-	-	-	310,968	(310,968)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(57,494)	-	**(57,494)**	-	**(57,494)**
Stock options and other changes	-	-	-	-	-	3,308	-	497	-	**3,805**	-	**3,805**
Sale /(purchase) of treasury shares	-	(65,671)	-	-	-	-	65,671	(65,173)	-	**(65,173)**	-	**(65,173)**
Other changes	-	-	-	-	-	-	-	-	-	-	40	**40**
Profit for the period	-	-	-	-	-	-	-	-	*141,515*	***141,515***	*(708)*	***140,807***
Gains/(losses) from remeasurement of defined benefits plans, net of tax effect	-	-	-	-	-	-	-	357	-	**357**	-	**357**
Translation adjustment	-	-	-	-	119,321	-	-	-	-	**119,321**	-	**119,321**
Cash flow hedge reserve	-	-	-	-	-	-	-	35,933	-	**35,933**	-	**35,933**
Other changes in the comprehensive income statement	-	-	-	-	*119,321*	-	-	*36,290*	-	***155,610***	-	***155,610***
Comprehensive profit for the period	-	-	-	-	119,321	-	-	36,290	141,515	**297,125**	(708)	**296,417**
Shareholders' equity at 6/30/2022	**55,948**	**(185,693)**	**18,155**	**11,190**	**165,528**	**20,619**	**185,693**	**1,131,686**	**141,515**	**1,544,640**	**894**	**1,545,534**
Shareholders' equity at 12/31/2022	**55,948**	**(281,277)**	**18,155**	**11,190**	**121,000**	**25,444**	**281,277**	**1,046,346**	**240,907**	**1,518,989**	**761**	**1,519,750**
Appropriation of previous year's profit	-	-	-	-	-	-	-	240,907	(240,907)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(58,870)	-	**(58,870)**	-	**(58,870)**
Stock options and other changes	-	-	-	-	-	2,491	-	93	-	**2,584**	-	**2,584**
Sale /(purchase) of treasury shares	-	(21,348)	-	-	-	-	21,348	(21,276)	-	**(21,276)**	-	**(21,276)**
Other changes	-	-	-	-	-	-	-	(13)	-	**(13)**	13	-
Profit for the period	-	-	-	-	-	-	-	-	*88,118*	***88,118***	*(1,259)*	***86,859***
Gains/(losses) from remeasurement of defined benefits plans, net of tax effect	-	-	-	-	-	-	-	(286)	-	**(286)**	-	**(286)**
Translation adjustment	-	-	-	-	(26,870)	-	-	-	-	**(26,870)**	-	**(26,870)**
Cash flow hedge reserve	-	-	-	-	-	-	-	(6,239)	-	**(6,239)**	-	**(6,239)**
Other changes in the comprehensive income statement	-	-	-	-	(26,870)	-	-	*(6,525)*	-	***(33,395)***	-	***(33,395)***
Comprehensive profit for the period	-	-	-	-	(26,870)	-	-	(6,525)	88,118	54,723	(1,259)	**53,464**
Shareholders' equity at 6/30/2023	**55,948**	**(302,625)**	**18,155**	**11,190**	**94,130**	**27,935**	**302,625**	**1,200,663**	**88,118**	**1,496,138**	**(485)**	**1,495,653**

6. NOTES TO THE CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

General information and scope of consolidation

General information

The DiaSorin Group (also the "Group") is specialized in the development, manufacturing and marketing of immunodiagnostics and molecular diagnostics tests, and Life Science solutions that use the *xMAP*® microsphere-based technology. The microspheres are sold for the development of kits or for use in the field of research and development.

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 Statements are consistent with those used for the Annual Consolidated Financial Statements at December 31, 2022 that have been included in the new projections as described in 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, 2022.

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.

Moreover, 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, supplementary customer indemnity and value the stock option plan.

All the other items that are subject to valuation are described in the notes to the consolidated financial statements at December 31, 2022.

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.

Financial statements presentation format

The following provides the presentation formats and classification criteria adopted by the Group in respect of the accounting options set forth in IAS 1 -Presentation of financial statements:

- the Consolidated Statement of Financial Position has been prepared by classifying assets and liabilities according to the "current/non-current" criteria;

- the Comprehensive Income Statement has been prepared by classifying expenses by function in addition to profit (loss) of the period, other changes in equity other than transactions carried out with Company's shareholders. This classification of the income statement, or by destination, is representative of the format used for internal reporting and management purposes and is in line with international practice in diagnostic sector.

- the Consolidated Statement of Cash flows is presented by stating cash flows provided by operating activities according to the "indirect method".

In addition, in accordance with Consob Resolution no. 15519 of 28 July 2006, within the consolidated income statement income and expenses from non-recurring transactions are identified separately; similarly, the financial statements show separately any balances related to receivable/payable positions and transactions with related parties, which are further described in the section of these Notes to the financial statements "Transactions with related parties".
The condensed half-year consolidated financial statements were prepared based on the conventional historical cost criterion, except for the measurement of financial assets and liabilities in those cases in which the use of the fair value criterion is mandatory.

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 at June 30, 2023.

Subsidiaries are companies over which DiaSorin S.p.A, directly or indirectly, has the right to exercise control, as defined in IFRS 10 "Consolidated Financial Statements"

In order to assess the existence of control, the following three requirements are to be satisfied:

- power over the company;
- exposure to the risks and rights deriving from the variable returns entailed by its involvement;
- ability to influence the company so as to influence the investor's (positive or negative) results.

Subsidiaries are consolidated line by line from the date the Group obtains control until the moment when control ceases to exist. The Group has neither subsidiaries with significant minority interest nor unconsolidated structured entities and it is not subject to significant restrictions concerning interest in subsidiaries.

No changes occurred in the scope of consolidation compared to December 31, 2022.

A list of direct and indirect investments in subsidiaries at June 30, 2023 and December 31, 2022 is provided below:

Company	Country	At June 30, 2023		At December 31, 2022	
		% held by the Group	% minority interest	% held by the Group	% minority interest
Direct interest					
DiaSorin Italia S.p.A.	Italy	100%	-	100%	-
DiaSorin S.A/N.V.	Belgium	100%	-	100%	-
DiaSorin Ltda	Brazil	100%	-	100%	-
DiaSorin S.A.	France	100%	-	100%	-
DiaSorin Iberia S.A.	Spain	100%	-	100%	-
DiaSorin Ltd	United Kingdom	100%	-	100%	-
DiaSorin Inc.	United States	100%	-	100%	-
DiaSorin Mexico S.A de C.V.	Mexico	100%	-	100%	-
DiaSorin Deutschland GmbH	Germany	100%	-	100%	-
DiaSorin AB	Sweden	100%	-	100%	-
DiaSorin Ltd	Israel	100%	-	100%	-
DiaSorin Austria GmbH	Austria	100%	-	100%	-
DiaSorin Czech s.r.o.	Czech Republic	100%	-	100%	-
DiaSorin South Africa (PTY) Ltd	South Africa	100%	-	100%	-
DiaSorin Australia (Pty) Ltd	Australia	100%	-	100%	-
DiaSorin Ltd	China	76%	24%	76%	24%
DiaSorin Switzerland AG	Switzerland	100%	-	100%	-
DiaSorin Poland sp. z o.o.	Poland	100%	-	100%	-
DiaSorin Ireland Limited	Ireland	-	-	100%	-
DiaSorin I.N. Limited	Ireland	100%	-	100%	-
DiaSorin APAC Pte Ltd	Singapore	100%	-	100%	-
DiaSorin Middle East FZ-LLC	UAE	100%	-	100%	-
Indirect interest					
DiaSorin Canada Inc	Canada	100%	-	100%	-
DiaSorin Healthcare India Private Limited	India	100%	-	100%	-
DiaSorin Molecular LLC	United States	100%	-	100%	-
Luminex Corporation	United States	100%	-	100%	-
Luminex International, Inc.	United States	100%	-	100%	-
Nanosphere LLC	United States	100%	-	100%	-

ChandlerTec LLC	United States	100%	-	100%	-
Iris Biotech LLC	United States	100%	-	100%	-
Amins LLC	United States	100%	-	100%	-
Labpac Pty Ltd	Australia	-	-	100%	-
Luminex Molecular Diagnostics Inc.	Canada	100%	-	100%	-
Luminex B.V.	Netherlands	100%	-	100%	-
Luminex 2 B.V.	Netherlands	100%	-	100%	-
Luminex 3 B.V.	Netherlands	100%	-	100%	-
Luminex Japan Corp. Lts.	Japan	100%	-	100%	-
Luminex Trading (Shanghai) Co. Ltd.	China	100%	-	100%	-
Luminex Hong Kong Ltd.	Hong Kong	100%	-	100%	-
Luminex London Ltd.	United Kingdom	-	- -	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 the IASB, which have been endorsed or have not been endorsed for adoption in Europe as of the date on which this document is approved.

New documents issued by the IASB and endorsed by the EU to be compulsorily adopted starting from the financial statements of reporting periods beginning from January 1, 2023.

Title of the document	Date of issue	Date of entry into force	Date of endorsement	EU Regulation and date of publication
IFRS 17 – Insurance contracts (including amendments published in June 2020)	May 2017 June 2020	1 January 2023	19 November 2021	(EU) 2021/2036 23 November 2021
Disclosure of accounting policies (Amendments to IAS 1[1])	February 2021	1 January 2023	2 March 2022	(EU) 2022/357 3 March 2022
Definition of accounting estimates (Amendments to IAS 8)	February 2021	1 January 2023	2 March 2022	(EU) 2022/357 3 March 2022
Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)	May 2021	1 January 2023	11 August 2022	(EU) 2022/1392 12 August 2022
Initial application of IFRS 17 and IFRS 9 — comparative information (Amendments to IFRS 17)	December 2021	1 January 2023	8 September 2022	(EU) 2022/1491 9 September 2022

IAS/IFRS and related IFRIC interpretations applicable to financial statements for financial years beginning after 1 January 2024. Documents NOT yet endorsed by the EU at 31 December 2023.

[1] The document published by the IASB includes amendments to the document 'IFRS Practice Statements 2 - Making Materiality Judgements' that have not been endorsed by the European Union as they do not relate to an accounting standard or an interpretation.

It should be noted that these documents will be applicable only after their endorsement by the EU.

Document title	Date of issue by the IASB	Date of entry into force of the IASB document	Date of expected endorsement by the EU
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	September 2014	Deferred until the completion of the IASB project on the equity method	Endorsement suspended, pending the conclusion of the IASB project on the equity method
Classification of Liabilities as Current or Non-current (Amendments to IAS 1) and Non-current liabilities with covenants (Amendments to IAS 1)	January 2020 July 2020 October 2022	1 January 2024	TBD
Lease liability in a sale and leaseback (amendment IFRS16)	September 2022	1 January 2024	TBD

The Group will adopt these new standards, amendments and interpretations on the basis of their relevant effective dates and when endorsed by the European Union. An assessment is being carried out to analyze the potential effects of introducing these amendments in the consolidated financial statements.

New accounting standards endorsed and adopted by the Group

This note presents the impact of the adoption of amendments to the accounting standards - applied from 1 January 2023 - on the consolidated financial statements to the extent that they differ from those applied in the previous periods. The adoption of these amendments had no impacts on the consolidated half-year financial statements of the Group.

IFRS 17 – Insurance contracts (including amendments published in June 2020)

Given the activities and sector in which such accounting standard and related amendments operate, this standard is not applicable to the Group.

Disclosure of Accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2)

The IASB amended IAS 1 to require entities to disclose their material accounting policy information rather than their significant accounting policies. The amendments define "material accounting policy information" and provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendment also clarifies that immaterial accounting policy information need not be disclosed. The amendments had no impact on the condensed consolidated half-year financial statements of the Group. Nonetheless they are expected to impact the disclosure of accounting standards contained in the annual financial statements of the Group.

Definition of Accounting Estimates (Amendments to IAS 8)

Amendments clarify how entities should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important as changes in accounting estimates are accounted for prospectively to future transactions and other future events while changes in accounting policies must be applied retrospectively to past transactions and other past events as well to the current period.

Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)

Amendments to IAS 12 require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. Previously, IAS 12 did not clarify how to account for these tax effects and thus different approaches were accepted. The amendments had no impact on the condensed consolidated half-year financial statements of the Group.

New accounting standards not yet adopted by the Group and/or not yet endorsed

Classification of Liabilities as either Current or Non-current (Amendments to IAS 1)

The amendments clarify how liabilities should be classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is not affected by company's expectations or events occurring after the reporting date. Amendments clarify what IAS 1 means when it refers to the "settlement" of a liability.

Any amendments to the classification of liabilities shall be applied retrospectively, as required by IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

The amendments had no impact on the condensed consolidated half-year financial statements of the Group.

Analysis of financial risks

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

The table below lists material assets/liabilities by category in accordance with the requirements of IFRS 7:

		6/30/2023				12/31/2022			
(in € thousands)	**Notes**	**Carrying Value**	**Assets at amortized cost**	**Assets at fair value**	**Assets at fair value with changes in the Comprehensive Income**	**Carrying Value**	**Assets at amortized cost**	**Assets at fair value**	**Assets at fair value with changes in the Comprehensive Income**
Trade receivables	(17)	186,103	186,103	-	-	220,035	220,035	-	-
Financial derivatives	(22)	29,699	-	-	29,699	29,033	-	391	28,642
Cash and cash equivalents	(19)	256,287	256,287	-	-	241,776	241,776	-	-
Current financial assets	(22)	26,472	26,472	-	-	142,409	142,409	-	-
Total current financial assets		***498,560***	***468,861***	***-***	***29,699***	***633,253***	***604,220***	***391***	***28,642***
Financial derivatives	(22)	24,546	-	-	24,546	32,156	-	-	32,156
Total non-current financial assets		***24,546***	***-***	***-***	***24,546***	***32,156***	***-***	***-***	***32,156***
Total financial assets		**523,106**	**468,861**	**-**	**54,246**	**665.409**	**604,220**	**391**	**60.798**

		6/30/2023			12/31/2022		
(in € thousands)	**Notes**	**Carrying Value**	**Liabilities at amortized cost**	**Liabilities at fair value**	**Carrying Value**	**Liabilities at amortized cost**	**Liabilities at fair value**
Liabilities for Put/Call option rights classified in other non-current liabilities	(25)	5,753	-	5,753	5,753	-	5,753
Financial lease liabilities (IFRS 16) classified in other non-current liabilities	(22)	63,432	63,432	-	61,004	61,004	-
Non-current financial liabilities	(22)	1,069,450	1,069,450	-	1,170,961	1,170,961	-
Total non-current financial liabilities		***1,138,634***	***1,132,881***	***5,753***	***1,237,718***	***1,231,965***	***5,753***
Trade payables	(26)	106,766	106,766	-	104,204	104,204	-
Financial lease liabilities (IFRS 16) classified in other current liabilities	(22)	9,046	9,046	-	8,498	8,498	-
Current financial liabilities	(22)	55,932	55,932	-	111,522	111,522	-
Total current financial liabilities		***171,744***	***171,744***	***-***	***224,224***	***224,224***	***-***
Total financial liabilities		**1,310,379**	**1,304,626**	**5,753**	**1,461,942**	**1,456,189**	**5,753**

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, related to derivative financial instruments at June 30, 2023. These instruments relating to the mark-to-market value of the interest rate swap are classified at level 2 and entered into other current financial assets amounting to € 29,882 thousand and into other non-current financial assets amounting to € 25,546 thousand.

As to current financial assets it should be noted that the Group, through its subsidiary DiaSorin Inc., used part of its liquidity denominated in U.S. dollar in short-term liquidity management tools (time deposits).

Non-current financial liabilities and assets are settled or valued at market rates, so their fair value is substantially in line with the current book value, with the exception of liabilities for Put/Call option rights on minority interests that are determined as the fair value of the redemption amount, in accordance with IAS 32 and IFRS 9 accounting standards.

Duration of the financial liabilities is provided in Note 22.

Risks related to fluctuations in foreign exchange and interest rates

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

As to interest rates, the Group used Interest Rate Swaps as hedges against the debt in US dollar (on which interest accrues at a floating rate) of the subsidiary DiaSorin Inc. for the Luminex acquisition, with the recognition of a net positive fair value of € 54,246 thousand at June 30,2023 (€ 60,798 thousand at December 31, 2022).
Interests do not accrue on the convertible bond issued by the Group's Parent Company in 2021, therefore there are no risks deriving from an interest rate increase.

A significant portion of the Group subsidiaries are located in countries that are not members of the European Monetary Union. Since the Group's reporting currency is the euro, the income statements of these companies are translated into euros at the average exchange rate for the year. Consequently, even if revenues and margins were to remain equal when stated in the local currency, fluctuations in exchange rates could have an impact on the euro amount of revenues, expenses and operating results due to the translation into the consolidation currency. Assuming a 5% change in the exchange rates of all the currencies used by the Group, the impact on the income statement would be of about € 3 million.

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 € 78 million on the currency translation reserve.

Credit risk

The Group's receivables present a low level of risk both due to the sector in which DiaSorin operates where end customers are, to a large extent, public institutions and due to the high financial soundness of its main private customers. Considering the Group's economic and financial performance, no material impact occurs in the Group's trade receivables and, therefore, it is not necessary to adjust the determination of the recoverability of receivables recognized in the balance sheet and the matrix for calculation of the "Expected Credit Loss" model under the IFRS 9 standard.

At June 30, 2023, past-due trade receivables were equal to about 7% of the gross amount of trade receivables, and refer to Italy, North America, Spain and Brazil. These past-due receivables were covered by an allowance for doubtful accounts amounting to € 13,781 thousand. In order to bridge the gap between contractual payment terms and actual collection times, the Group resorts to factoring receivables without recourse.

At June 30, 2023, a breakdown of trade receivables and provision for doubtful accounts by maturity is as follows:

Type	**Expiring**	**0 - 90**	**91 - 180**	**181 - 360**	**Past due for over 360**	**Total due**	**Total receivables**
Trade receivables	146,481	32,218	7,804	2,498	10,884	53,403	199,884
Expected loss rate	***0%***	***2%***	***4%***	***76%***	***100%***	***26%***	***n.a***
Provision for doubtful account	-	(671)	(339)	(1,888)	(10,884)	(13,781)	(13,781)
Net value	**146,481**	**31,548**	**7,465**	**609**	**-**	**39,622**	**186,103**

Liquidity risk

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

In order to meet any financial needs and a credit market characterized by low liquidity, the Parent Company has deemed it necessary in 2022 to adopt a EUR 150 million 3 year committed revolving credit facility, made available by a pool of banks and to be used upon set conditions. At June 30, 2023, the Company used EUR 55,000 thousand of this credit facility secured by the U.S. DiaSorin Inc. subsidiary.

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

At June 30,2023, cash and cash equivalent were € 256,287 thousand and investments in money market instruments with maturity within 12 months and classified as other current financial assets were € 26,472 thousand.

Payables to banks and to other lenders consist of:

- DiaSorin Inc.'s bank loan amounting to € 617,485 thousand;
- Convertible bond amounting to € 453,181 thousand issued by the Parent Company;
- Use of a revolving credit facility granted to DiaSorin S.p.A. amounting to € 54,716 thousand.

A breakdown of the net consolidated financial debt is as follows:

	(in € thousands)	**6/30/2023**	**12/31/2022**	**Change**
A	Cash on hand	256,287	241,776	14,511
B	Cash equivalent	-	-	-
C	Other current financial assets	26,472	142,409	(115,937)
D	**Liquidity (A + B + C)**	**282,758**	**384,185**	**(101,427)**
E	Current financial debt (including debt instruments, excluding the current portion of non-current financial debt)	63,762	48,140	15,622
F	Current portion of non-current financial debt	1,216	43,238	(42,022)
G	**Current financial debt (E+F)**	**64,978**	**91,378**	**(26,400)**
H	**Net current financial debt (G - D)**	**(217,780)**	**(292,807)**	**75,027**
I	Non-current financial debt (excluding the current portion and debt instruments)	625,455	750,854	(125,399)
J	Debt instruments	453,182	448,565	4,617
K	Trade payables and other non-current debts	-	-	-
L	**Non-current financial debt (I + J + K)**	**1,078,637**	**1,199,419**	**(120,782)**
M	**Net financial debt (H + L)**	**860,856**	**906,611**	**(45,755)**

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, South Africa and UAE).

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:

- activities generating revenues and expenses (including revenues and expenses relating to transactions with other components of the same entity);
- operating results that are regularly reviewed by the entity's chief operating decisionmaker to make decisions about resources to be allocated to the segment and assess its performance; and
- discrete financial information about assets, liabilities, revenues and expenses.

No unallocated common costs are shown in the abovementioned schedules 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.

	ITALY		EUROPE		NORTH AMERICA		REST OF THE WORLD		ELIMINATIONS		CONSOLIDATED	
(in € thousands)	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
INCOME STATEMENT												
Revenues from customers	89,101	105,533	132,572	134,582	304,580	389,721	50,137	55,602	-	-	576,390	685,438
Inter-segment revenues	139,008	152,644	9,422	8,935	61,507	81,608	0	(7)	(209,937)	(243,180)	-	-
Total revenues	**228,109**	**258,177**	**141,994**	**143,517**	**366,087**	**471,329**	**50,137**	**55,595**	**(209,937)**	**(243,180)**	**576,390**	**685,438**
Segment EBIT	**32,436**	**60,782**	**18,167**	**27,116**	**61,070**	**118,828**	**(2,516)**	**991**	**8,237**	**(11,043)**	**117,396**	**196,674**
Unallocated common costs											-	-
Operating margin											**117,396**	**196,674**
Other net income/(expense)											-	-
Financial income/(expense)											(4,592)	(14,894)
Result before taxes											**112,804**	**181,780**
Income taxes											(25,945)	(40,973)
Net result											**86,859**	**140,807**
OTHER INFORMATION												
Investments in intang.	4,337	5,720	4	173	24,003	18,120	677	347	-	-	29,021	24,360
Invest. in prop.plant and equip	14,479	7,581	4,497	5,666	8,979	15,213	2,304	5,490	(741)	(1,219)	29,518	32,730
Total investments	**18,816**	**13,301**	**4,501**	**5,839**	**32,982**	**33,333**	**2,981**	**5,837**	**(741)**	**(1,219)**	**58,539**	**57,091**
Amortization of intangibles	(5,499)	(5,018)	(3,482)	(3,035)	(29,626)	(30,805)	(473)	(435)	2,328	2,259	(36,752)	(37,034)
Depre. of prop.plant and equip	(7,921)	(7,890)	(5,559)	(5,425)	(13,523)	(15,463)	(2,409)	(2,273)	1,172	1,185	(28,240)	(29,866)
Total amort. and deprec.	**(13,420)**	**(12,908)**	**(9,041)**	**(8,460)**	**(43,149)**	**(46,268)**	**(2,882)**	**(2,708)**	**3,500**	**3,444**	**(64,992)**	**(66,900)**

	ITALY		EUROPE		NORTH AMERICA		REST OF THE WORLD		ELIMINATIONS		CONSOLIDATED	
	6/30/2023	**12/31/2022**	**6/30/2023**	**12/31/2022**	**6/30/2023**	**12/31/2022**	**6/30/2023**	**12/31/2022**	**6/30/2023**	**12/31/2022**	**6/30/2023**	**12/31/2022**
STATEMENT OF FINANCIAL POSITION												
Segment assets	527,604	542,547	192,125	188,980	2,307,995	2,376,759	78,458	84,206	(284,314)	(309,535)	2,821,869	2,882,956
Assets available for sale					10,445	45,267					10,445	45,267
Unallocated assets											372,248	479,858
Total assets	**527,604**	**542,547**	**192,125**	**188,980**	**2,318,440**	**2,376,759**	**78,458**	**84,206**	**(284,314)**	**(309,535)**	**3,204,561**	**3,408,082**

Segment liabilities	168,137	179,476	81,709	91,772	186,457	181,247	40,776	48,296	(207,921)	(213,242)	269,158	287,549
Liabilities related to assets available for sale						5,702					-	5,702
Unallocated liabilities											1,439,750	1,595,081
Shareholders' equity											1,495,653	1,519,750
Total liabilities and shareholders' equity	**168,137**	**179,476**	**81,709**	**91,772**	**186,457**	**181,247**	**40,776**	**48,296**	**(207,921)**	**(213,242)**	**3,204,561**	**3,408,082**

Description and main changes

Consolidated income statement

1. Net revenues

In the first six months of 2023, net revenues, which are generated mainly through the sale of diagnostic kits, were € 576,390 thousand (€ 685,438 thousand in the same period of 2022), -15.9% compared to the first half of 2022. A breakdown of revenues by geographic region compared to the first half of 2022 is provided below:

(in € thousands)	**2023**	**2022**	**% Change**
Europe direct	191,928	181,539	5.7%
North America direct	255,044	257,066	-0.8%
Rest of the World	94,761	97,080	-2.4%
Revenues net of COVID	**541,733**	**535,685**	**1.1%**
COVID	34,657	149,753	-76.9%
Total revenues	**576,390**	**685,438**	**-15.9%**

The decrease is mainly due to revenues from COVID tests and to the change in the perimeter following the sale of the Flow Cytometry business in February 2023.

2. Cost of sales

In the first half of 2023, cost of sales amounted to € 197,705 thousand, as against € 235,896 thousand in the first half of 2022. This item includes € 19,680 thousand for royalty expense (€18,401 thousand in 2022), and € 8,608 thousand in costs incurred to distribute products to end customers (€ 10,909 thousand in the first half of 2022) and €11,007 thousand for depreciation of equipment held by customers (€ 11,679 thousand in the first half of 2022).

3. Sales and marketing expenses

In the first half of 2023, sales and marketing expenses were € 141,934 thousand, as against € 141,880 thousand in the first half of 2022. This item consists mainly of marketing costs incurred to promote and distribute DiaSorin and Luminex 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.

Amortizations of intangibles deriving from the Luminex acquisition were € 19,188 thousand.

4. Research and development costs

In the first half of 2023, research and development costs, which were € 46,355 thousand (€ 46,288 thousand in the same period of 2022), include the research and development outlays that were not capitalized, equal to € 18,569 thousand (€ 22,059 thousand in the first half of 2022), costs incurred to register the products offered for sale and meet quality requirements totaling € 17,043 thousand (€ 15,439 thousand in the first half of 2022) and the amortization of capitalized development costs equal to € 10,743 thousand (€ 8,791 thousand in the first half of 2022). In the first half of 2023, the Group capitalized new development costs amounting to € 27,804 thousand, as against € 22,461 thousand in the first half of 2022; the increase in capitalized costs include the activities for the development of the LIAISON® NES and LIAISON ® PLEX projects.

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, totaled € 61,400 thousand in the first half of 2023, as against € 56,762 thousand in the same period of 2022.

6. Other operating income (expense)

A breakdown of other operating income and expenses in the first half of 2023 compared to 2022 is as follows:

(in € thousands)	**2023**	**2022**
Tax liabilities	(858)	(555)
(Accruals to)/reversals of allowance for doubtful accounts and provisions for risks and charges	2,075	(344)
Out-of-period items and other operating income (expense)	(4,429)	(3,158)
Non-recurring expenses - other	(8,388)	(3,881)
Other operating income (expense)	**(11,602)**	**(7,938)**

The item (accruals to)/reversals of allowance for doubtful accounts and provisions for risks and charges includes accruals to allowance for doubtful accounts and the effect of administrative and legal costs for outstanding legal disputes.

The item out-of-period items and other operating income (expense) include income and expense from ordinary operations that cannot be allocated to specific functional areas (such as gains and losses on asset sales, government grants, insurance settlements, incidental taxes and fees and contingent gains and losses).

Other non-recurring expenses amounting to € 8,388 thousand in the first half of 2023 include costs arising from the sale of Flow Cytometry net assets sold to Cytek along with costs for the integration of the Luminex Group.

7. Financial income

In the first half of 2023, the Group reported financial income of € 10,680 thousand (€ 2,798 thousand in the first half of 2022), mainly related to foreign exchange gains of € 4,047 thousand (€ 2,115 thousand in the first half of 2022) and interest income from investments in money market instruments.

8. Financial expense

The table below provides a breakdown of financial expense:

(in € thousands)	**2023**	**2022**	**Change**
Factoring transactions fees	(327)	(176)	(151)
Interest expense and other financial charges	(14,392)	(17,304)	2,912
Including: interest expense on leases	*(1,459)*	*(1,447)*	*(12)*
Interest on pension funds	(554)	(213)	(341)

Total financial expense	**(15,272)**	**(17,692)**	**2,420**

In the first half of 2023, net financial expense amounted to € 15,272 thousand, as against €17,692 thousand in the first half of 2022.
Interest expense and other financial charges include:

- € 5,209 thousand for financial charges deriving from the application of amortized cost on the convertible bond issued by the Group's Parent Company;
- € 5,771 thousand for the bank loan to support the acquisition of the Luminex Group;
- € 1,459 thousand relating to financial interest on leases.

9. Income taxes

Income taxes recognized in the income statement amounted to € 25,945 thousand in the first half of 2023 (€ 40,973 thousand in 2022). The tax rate was 23.0%, in line with the first half of 2022.

10. Earnings per share

Basic earnings per share amounted to €1.55 in the first half of 2023 and € 2.58 in the same period of 2022; diluted earnings per share amounted to € 1.55 in the first half of 2023, as against € 2.57 in the first half of 2022. Basic earnings per shares were computed by dividing the net profit attributable to the shareholders by the weighted average number of shares outstanding during the year (55,880,176 at June 30, 2023 as against 54,665,315 at June 30, 2022).
The dilutive effect of stock option and equity plan granted by DiaSorin S.p.A is determined by excluding tranches assigned to a price higher than the average price of the DiaSorin ordinary shares in the first half of 2023.

Consolidated statement of financial position

11. Property, plant, and equipment

The tables below show the changes that occurred in the original cost of property, plant and equipment in the first half of 2023:

(in € thousands)	At December 31, 2022	Additions	Depreciations	Translation differences	Divestments and other changes	At June 30, 2023
Land	5,161	-	-	(58)	-	5,103
Buildings	21,876	512	(812)	(510)	4,289	25,355
Plant and machinery	22,126	1,265	(2,075)	(186)	3,148	24,278
Manufacturing and distribution equipment	82,680	8,663	(16,798)	(528)	(5,250)	68,766
Other assets	39,369	2,820	(3,113)	(696)	3,179	41,558
Construction in progress and advances	34,382	4,887	-	(517)	(10,161)	28,592
IFRS 16 right of use	62,853	11,372	(5,441)	(848)	763	68,699
Total property, plant and equipment	**268,448**	**29,518**	**(28,240)**	**(3,343)**	**(4,033)**	**262,351**

Additions to manufacturing and distribution equipment include equipment provided to customers under gratuitous loan contracts, amounting to € 5,493 thousand as against € 8,488 thousand in the first half of 2022. Depreciation for the period totaled € 10,829 thousand, as against € 10,320 thousand in the same period of 2022.

Tangible assets include "Right-of-use Assets" for a total amount of € 68,699 thousand at June 30, 2023. The item includes right-of-use assets relating to rented property and industrial buildings, amounting to € 61,778 thousand (€ 65,588 thousand at December 31, 2022), along with right-of-use assets relating to company vehicles rentals amounting to € 6,921 thousand (€ 6,128 thousand at December 31, 2022).

12. Goodwill and other intangible assets

The table below provides a breakdown of changes in the net carrying amount of goodwill and other intangible assets in the first half of 2023:

(in € thousands)	At December 31, 2022	Additions	Depreciations	Translation differences	Divestments and other changes	At June 30, 2023
Goodwill	826,352	-	-	(14,210)	-	812,142
Development costs	315,815	27,804	(10,743)	(5,242)	4,390	332,024
Concessions, licenses and trademarks	122,177	435	(6,624)	688	3,625	120,300
Customer relationship	*712,811*	-	*(18,797)*	*(14,758)*	-	*679,256*
Industrial patents and intellectual property rights	1,454	66	(306)	10	1,477	2,702
Advances and other intangibles	16,455	716	(283)	(241)	(6,717)	9,930
Total intangible assets	**1,995,063**	**29,021**	**(36,752)**	**(33,754)**	**2,775**	**1,956,354**

Goodwill amounted to € 812,142 thousand at June 30, 2023 (€ 826,352 at December 31, 2022); the change of the period is due to the change in the exchange rates.

Goodwill is allocated to the following CGUs:

- DiaSorin North America (USA): € 755,786 thousand;
- DiaSorin Italy: € 46,447 thousand;
- DiaSorin Germany: € 6,840 thousand;
- DiaSorin Brazil: € 2,304 thousand;
- DiaSorin Belgium: € 765 thousand.

In the first half of 2023, capitalized development costs were € 27,804 thousand and related to LIAISON ® NES and LIAISON ® PLEX projects.

The company Management has not identified any impairment indicators and therefore no impairment test has been carried out for intangible assets with an indefinite useful life.
The company Management will update its assessments through an impairment test that will be fully developed during the preparation of the annual financial statements at December 31, 2023.

13. Equity investments

Non-consolidated equity investments totaled € 26 thousand at June 30, 2023 and refer to shares in non-controlled companies. No changes occurred compared to December 31, 2022.

14. Deferred-tax assets and deferred-tax liabilities

Deferred-tax assets amounted to € 35,218 thousand (€ 34,459 thousand at December 31,2022). They relate to consolidated companies that have deferred-tax assets in excess of deferred-tax liabilities and to consolidation adjustments.

Deferred-tax liabilities, which totaled € 220,860 thousand (€ 229,310 thousand at December 31, 2022) relate to consolidated companies that have deferred-tax liabilities in excess of deferred-tax assets. In addition to changes in foreign exchange rates, the change compared to December 31, 2022 is mainly due to deferred taxes recognized on the Flow Cytometry intangible assets.

Deferred-tax assets were recognized in the financial statements when their future use and their recoverability through future taxable income expected on the basis of multiannual plans prepared by the Group's management were deemed to be probable. The same approach was used to recognize the benefit provided by the use of tax loss carryforwards which, considering the different regulatory provisions of the countries where the Group operates, can be brought forward indefinitely.
Based on the multiannual plans prepared by the Group's management, the Group is expected to generate sufficient taxable income in future years to allow for the full recovery of the abovementioned amounts.

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

(in € thousands)	**6/30/2023**	**12/31/2022**
Deferred-tax assets	35,218	34,459
Deferred-tax liabilities	(220,860)	(229,310)
Total net deferred-tax assets (liabilities)	**(185,642)**	**(194,850)**

15. Other non-current assets

Other non-current assets amounted to € 3,049 thousand at June 30, 2023 (€ 3,722 thousand at December 31, 2022). They consist mainly of receivables from the Belgian, Brazilian, U.S., Chinese and Italian subsidiaries due beyond 12 months.

16. Inventories

A breakdown of inventories, which totaled € 322,519 thousand, is provided below:

(in € thousands)	6/30/2023				12/31/2022			
	Gross amount	**Write-down provisions**	**Assets available for sale**	**Net amount**	**Gross amount**	**Write-down provisions**	**Assets available for sale**	**Net amount**
Raw materials and supplies	174,845	(19,513)	(6,534)	**148,798**	169,676	(19,673)	(13,381)	**136,622**
Work in progress	84,241	(6,171)	(859)	**77,211**	84,555	(6,292)	(3,422)	**74,841**
Finished goods	108,898	(9,336)	(3,052)	**96,510**	108,716	(9,561)	(4,114)	**95,041**
Total	**367,984**	**(35,020)**	**(10,445)**	**322,519**	**362,946**	**(35,525)**	**(20,918)**	**306,503**

The increase of €16,016 thousand compared to December 31, 2022, is due to materials for manufacturing Luminex instruments and immunoreagents.

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

(in € thousands)	**6/30/2023**	**12/31/2022**
Opening balance	**35,525**	**50,205**
Additions for the year	2,824	7,337
Utilizations/Reversals for the year	(3,234)	(23,157)
Translation differences and other changes	(96)	1,140
Closing balance	**35,020**	**35,525**

17. Trade receivables

Trade receivables were € 186,103 thousand at June 30, 2023 (€ 220,035 thousand at December 31, 2022). The decrease compared to December 31, 2022 is mainly due to lower revenues in the second quarter of 2023 compared to the fourth quarter of 2022.

The allowance for doubtful accounts amounted to €13,781 thousand. The table that follows shows the changes against December 31,2022:

(in € thousands)	**6/30/2023**	**12/31/2022**
Opening balance	**13,504**	**11,969**
Additions for the year	253	1,301

Utilizations/Reversals for the year	(150)	(246)
Translation differences	174	480
Closing balance	**13,781**	**13,504**

In order to bridge the gap between contractual payment terms and actual collection dates, the Group uses factoring transactions to assign its receivables without recourse. In the first half of 2023, the receivables assigned by the Group's Parent Company amounted to € 22,099 thousand in the first half of 2023 (€ 28,113 thousand at December 31, 2022).

18. Other current assets

Other current assets amounted to € 91,494 thousand (€ 89,184 thousand at December 31, 2022) and consist of tax credits, including € 21,318 thousand for the Patent Box of the Parent Company and the Italian subsidiary for the 2020-2022 period, and €10,958 thousand for IRES advance payments. Accrued income and prepayments were € 17,364 thousand (€ 13,649 thousand at December 31, 2022).

19. Cash and cash equivalents

Cash and cash equivalents amounted to € 256,287 thousand at June 30, 2023 (€ 241,776 thousand at December 31, 2022) and consist of ordinary bank accounts and similar money market instruments.

More detailed information is provided in the Statement of Cash Flows above.

20. Assets/liabilities available for sale

In December 2022, Directors resolved to sell a group of assets and liabilities related to the "Flow Cytometry & Imaging" technology. Following this resolution, in the annual financial statements at December 31, 2022 items related to these assets and liabilities have been classified as current assets and liabilities available for sale, as required by IFRS 5. At the same time, the item includes a liability of € 8,924 thousand arising from the remeasurement of assets sold.

On February 28, 2023, following the agreement signed with Cytek Biosciences, the Group completed the sale of the assets related to the "Flow Cytometry & Imaging" business unit, for € 42,378 thousand.

It should be noted that changes occurred until the effective date of the transaction in items previously classified as assets/liabilities available for sale at December 31, 2022. As a result, in the first six months of 2023 the sale of the Flow Cytometry business resulted in a charge of € 4,310 thousand.

The items included in assets/liabilities available for sale at June 30, 2023 compared to December 31, 2022 are as follows:

Items included in assets/liabilities available for sale at June 30,2023 compared to December 31, 2022 are as follows:

(in € thousands)	**6/30/2023**	**12/31/2022**
Intangible assets	-	22,072
Property, plant, and equipment	-	2,278
Inventories	10,445	20,918

Total assets available for sale	**10,445**	**45,267**
Other payables	-	3,979
Current financial liabilities for leases (IFRS 16)	-	883
Other non-current liabilities	-	841
Total liabilities available for sale	**-**	**5,703**
Net Total	**10,445**	**39,565**

The item inventories, amounting to € 10,445 thousand at June 30, 2023, include inventories that Luminex still holds to meet the Manufacturing and Supply Agreement signed with Cytek, as an integral part of sale of the business. As required by the sales agreement, inventory will be definitively transferred to Cytek by the third quarter of 2023.

21. Shareholders' equity

Share capital

At June 30, 2023, the fully paid-in share capital consisted of 55,948,257 common shares, par value of 1 euro each. No changes occurred compared with December 31, 2022.

Treasury shares

At June 30, 2023, the amount of treasury shares was 2,659,129 (4.75% of the share capital) totaling € 302,625 thousand. At December 31, 2022, the amount of treasury shares was 2,435,372 (4.35% of the share capital) totaling € 281,277 thousand.
On May 9, 2023, the Board of Directors approved the start up of the treasury shares buy-back plan pursuant to the resolution of the Shareholders' Meeting dated April 28, 2023, in order to dispose of incentive and loyalty plans adopted by the Company, for a maximum total amount of 610,000 ordinary shares, equal to 1.090% of the Company's share capital. Purchases will be made within a period of 18 months from the date of the above resolution and thus by October 28, 2024.

The first half of 2023 reported purchases of treasury shares, amounting to € 23,341 thousand and exercises of 5,000 shares, this latter amount relating to the 2017 stock option plan for a total value of €340 thousand and assignments related to the first tranche of the 2022 Equity Plan for an amount equal to €1,653 thousand.

Additional paid-in capital

This reserve amounted to € 18,155 thousand at June 30, 2023 and no changes occurred compared with December 31, 2022.

Statutory reserve

This reserve amounted to € 11,190 thousand at June 30, 2023 and no changes occurred compared with December 31, 2022.

Other reserves and retained earnings

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

(in € thousands)	**6/30/2023**	**12/31/2022**	**Change**
Currency translation reserve	94,130	121,000	(26,870)
Reserve for treasury shares	302,625	281,277	21,348
Stock option reserve	27,935	25,444	2,491
Gains/Losses on remeasurements of defined benefit plans	(3,799)	(3,513)	(286)
Retained earnings	1,290,099	1,108,062	182,037
IFRS transition reserve	(2,973)	(2,973)	-
Other reserves	(82,665)	(55,230)	(27,435)
Total other reserves and retained earnings	**1,625,353**	**1,474,067**	**151,286**

Currency translation reserve

This item was positive by € 94,130 thousand (positive by € 121,000 thousand at December 31, 2022) and reflects the foreign exchange differences resulting from the translation at year-end exchange rates of the shareholders' equities of consolidated companies with financial statements denominated in foreign currencies. The decrease of € 26,870 thousand was due to the fluctuation of the exchange rate of the U-S. dollar vis-à-vis the Euro.

Reserve for treasury shares

At June 30, 2023, the reserve for treasury shares amounted to € 302,625 thousand (€281,277 thousand at December 31, 2022). This reserve was established pursuant to law (Article 2357 *ter* of the Italian Civil Code). The change (equal to € 21,348 thousand) was due to the purchase of treasury shares (equal to € 23,341 thousand), net of the exercise of 5,000 shares to service the 2017 Stock Option Plan (equal to € 340 thousand) and assignments related to the first tranche of the 2022 Equity Plan for €1,653 thousand.

Stock option reserve

The balance in the stock option reserve, which amounted to € 27,935 thousand (€ 25,444 thousand at December 31,2022) refers to the stock option plans in effect at June 30, 2023.

On April 29, 2022, the ordinary Shareholders' Meeting approved an incentive and loyalty plan called "Equity Awards Plan" for managers and key employees of DiaSorin S.p.A. and other DiaSorin Group companies. The plan will be implemented through the assignment – without consideration – of rights which, if accrued upon the fulfilment of the conditions, grant the right to receive without consideration ordinary treasury shares in the Company's portfolio, at a ratio of 1 share for every right accrued. In May 2023 the list of beneficiaries of the second assignment cycle was approved and 75,595 rights were assigned to receive shares.

On April 28, 2023, the ordinary Shareholders' Meeting approved the 2023 stock option plan aimed at top executives and key employees of DiaSorin S.p.A., authorizing the Board of Directors to dispose of the Company's treasury shares reserving them, in the necessary or appropriate amount and under the terms established by the Plan, to serve the Plan itself.

On May 9, 2023, the Board of Directors resolved to approve a tranche of beneficiaries granting 301,437 stock options under the 2023 Plan and a tranche of 168,563 stock options under the 2021 Plan.

The increase in the reserve was due to the recognition of the overall cost of the period (€ 4,133 thousand) recognized in general and administrative expenses under employee costs, whilst the decrease was attributable to the exercises of stock options and the assignments related to the first tranche of the 2022 Equity Plan.

Gains/(losses) on remeasurement of defined benefit plans

This item was negative/positive by € 3,799 thousand at June 30, 2023 (negative by € 3,513 thousand at December 31, 2022).

Retained earnings

Retained earnings amounted to € 1,290,099 thousand (€ 1,108,062 thousand at December 31,2022). The change compared to December 31, 2022, equal to € 182,037 thousand, was mainly due to:

- appropriation of the consolidated net profit earned in 2022, amounting to € 240,110 thousand;
- dividend distribution to the shareholders, amounting to € 58,870 thousand, as resolved by the ordinary Shareholders' Meeting on April 29, 2023 (equal to €1.10 per share).

IFRS transition reserve

The IFRS transition reserve was established on January 1, 2005 and no changes occurred since its establishment.

Other reserves

The item, positive by € 82,665 thousand, includes the equity portion relating to the Parent Company's convertible bond, the put/call option valuation relating to the Chinese Joint Venture and the equity component of IRS derivative to hedge interest rate fluctuations on the Term Loan.

22. Financial assets and liabilities

Payables for financial liabilities were € 1,117,143 thousand at June 30, 2023 (€ 1,148,387 at December 31, 2022) as against financial assets of € 24,546 (€ 32,156 at December 31, 2022), broken down as follows:

Type of financial liability	**Current portion**	**Non-current portion**	***Due within 1 year and no later than 5 years***	***Beyond 5 years***	**Total**
DiaSorin Inc. Term Loan	1,216	616,269	616,269	-	617,485
Convertible Bond issued by DiaSorin S.p.A.	-	453,181	-	453,181	453,181
Lease payables (IFRS16)	9,046	63,432	31,473	31,959	72,478
Revolving Credit Facility granted to DiaSorin S.p.A.	54,716	-	-	-	54,716
Total financial liabilities	**64,978**	**1,132,881**	**647,741**	**485,140**	**1,197,860**
Hedging derivatives	29,699	24,546	24,546	-	54,246
DiaSorin Inc. cash investments	26,472	-	-	-	26,472

Other financial derivatives					
Total financial assets	**56,171**	**24,546**	**24,546**	**-**	**80,717**
Total financial assets/liabilities	**8,807**	**1,108,335**	**623,195**	**485,140**	**1,117,143**

The table below lists the changes that occurred in financial assets and liabilities outstanding at June 30, 2023 compared to December 31, 2022:

Type of financial liability	**At December 31, 2022**	**Additions**	**Repayments**	**Interests accrued and amortized cost**	**Translation differences and other movements**	**At June 30, 2023**
Term Loan granted to DiaSorin Inc.	794,276	-	(168,828)	5,771	(13,734)	617,485
Convertible Bond issued by DiaSorin S.p.A.	448,565	-	-	4,616	-	453,181
Lease payables (IFRS 16)	69,503	10,268	(6,287)	-	(1,006)	72,478
Revolving Credit Facility granted to DiaSorin S.p.A.	39,642	15,000		75		54,716
Total financial liabilities	**1,351,985**	**25,268**	**(175,115)**	**10,462**	**(14,740)**	**1,197,860**
Hedging derivatives	60,798	(5,463)	-	-	(1,090)	54,246
DiaSorin Inc. cash investments	142,409	26,472	(142,409)	-	-	26,472
Other current financial assets	391	-	(391)	-	-	-
Total financial assets	**203,598**	**21,009**	**(142,800)**	**-**	**(1,090)**	**80,717**
Total net financial liabilities	**1,148,387**	**4,259**	**(32,315)**	**10,462**	**(13,650)**	**1,117,143**

Financial liabilities, compared to the balances at December 31,2022, include the repayment of “Term Loan” principal:

- USD 50,000,000 paid in February 2023;

- USD 125,000,000 paid in April 2023.

This line includes the payment of € 6,896 thousand in interest expense.
Interest accrues on the amount financed at an annual rate equal to SOFR plus a spread which is variable according to the value of the ratio between consolidated net financial indebtedness and consolidated EBITDA, as contractually defined. The Financing Agreement contains commitments that are customary for agreements of a similar type and size, such a guarantee and disclosure obligations, negative pledge and events of default clauses, and compliance with certain financial ratio that at June 30, 2023 complied with the requirements set. This liability is measured at amortized cost and, at June 30,2023 amounted to € 617,485 thousand.

The use of the Revolving Credit Facility granted to DiaSorin S.p.A. increased by €15,000 thousand compared to December 31, 2022.

At June 30, 2023 IFRS 16 lease payables were € 72,478 thousand.

In the first half of 2023, time deposits held by DiaSorin Inc. (€ 142,409 thousand at December 31,2022) have been fully paid back; € 26,472 thousand have been used in liquidity management tools.

Hedging derivatives include the Fair Value of the IRS (Interest Rate Swap) to hedge interest rate fluctuations in relation to the Term Loan, whose value is € 54,246 thousand, with a negative change of € 6,552 thousand compared to December 31, 2022.

23. Provisions for employee benefits

The balance in this account reflects all 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 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:

(in € thousands)	**6/30/2023**	**12/31/2022**	**Change**
Employee benefits *provided in:*			
- Italy	3,750	7,092	(3,342)
- Germany	22,036	21,752	284
- Sweden	1,541	1,650	(109)
- other countries	741	1,987	(1,246)
Total employee benefits	**28,068**	**32,481**	**(4,413)**

Broken down as follows:			
- Defined-benefit plans			
provision for employee severance indemnities	*2,345*	*2,466*	*(121)*
other defined-benefit plans	*24,205*	*24,230*	*(25)*
	26,549	26,696	(147)
- Other long-term benefits	1,518	5,785	(4,267)
Total employee benefits	**28,068**	**32,481**	**(4,413)**

The table below shows the main changes that occurred in the Group's employee benefit plans compared to December 31, 2022:

(in € thousands)	Defined-benefit plans	Other benefits	Total employee benefits
Balance at 12/31/2022	**26,696**	**5,785**	**32,481**
Interest cost	482	20	502
Actuarial losses/(gains) recognized in income statement	52	(7)	45
Actuarial losses/(gains) recognized in equity	(286)	-	(286)
Current service cost	410	60	470
Benefits paid	(711)	(4,350)	(5,061)
Translation differences and other changes	(95)	10	(84)
Balance at 6/30/2023	**26,549**	**1,518**	**28,068**

24. Provisions for risks and charges

The item amounted to € 27,770 thousand at June 30, 2023 (€ 30,272 thousand at December 31, 2022) and refer to provisions set aside for pending disputes and provisions for employee severance indemnities.

The change in provisions for risks and charges is provided below:

(in € thousands)	6/30/2023	12/31/2022
Opening balance	**30,272**	**25,392**
Additions for the period	75	4,863
Utilizations/Reversals for the period	(2,670)	(105)
Translation differences and other changes	93	122
Closing balance	**27,770**	**30,272**

25. Other non-current liabilities

Other non-current liabilities of € 16,643 thousand at June 30, 2023 (€ 17,287 thousand at December 31, 2022) include long-term liabilities for put/call option rights on the Chinese subsidiary's minorities recognized under the IAS 32 and IFRS 9 accounting standards and in compliance with the IFRS 10.

26. Trade payables

At June 30, 2023, trade payables were € 106,766 thousand (€ 104,204 thousand at December 31, 2022) and include amounts owed to external suppliers for the purchase of goods and services. There are no amounts due after one year.

27. Other payables

Other payables of € 89,911 thousand at June 30, 2022 (€ 103,304 thousand at December 31, 2022) consist mainly of amounts owed to employees for additional monthly payments to be paid, equal to € 33,285 thousand (€ 47,512 thousand at December 31,2022), accruals and deferred charges for € 13,689 thousand (€ 15,673 thousand at December 31, 2022) and contributions payable to social security and health benefit institutions for € 3,077 thousand (€ 4,493 At December 31, 2022).

28. Income tax liabilities

The balance of € 21,031 thousand at June 30, 2023 (€ 13,786 thousand at December 31,2022) 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.

29. Commitment and contingent liabilities

Guarantees provided

At June 30,2023, the guarantees that the Group provided to third parties totaled € 21,173 thousand and include bank sureties in connection with the submission of bids in response to public calls for tenders (€ 19,632 thousand), and in connection with defined-contribution pension plans of certain subsidiaries (€ 1,541 thousand).

Significant commitments and contractual obligations

Significant contractual obligations include the agreements executed by the Parent Company DiaSorin S.p.A. and Stratec in connection with the development and production of the LIAISON XL and LIAISON XS analyzers. 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.

30. 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.

In the first half of 2023, the total amount owed to directors and strategic executives recognized in the income statement was € 3,818 thousand (€ 3,729 thousand in the first half of 2022).

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.

31. Significant events occurring after June 30, 2023 and business outlook

Significant events occurring after June 30, 2023and business outlook are provided in the specific section of the Report on Operations

32. Transactions resulting from atypical and/or unusual activities

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

33. Material non-recurring events and transactions

No material non-recurring events or transactions occurred in the first half of 2023, as defined by Consob Resolution no. 15519 of July 27, 2006 and by Consob Communication no. DEM/6064293 of July 28, 2006.

7. ANNEX I: THE COMPANIES OF THE DIASORIN GROUPAT JUNE 30, 2023

	Head office location	Currency	Share capital (*)	Net profit/(loss) for the year (*)	Shareholders' equity in the latest approved financial statements (*)	Par value per share or partnership interest	% interest held directly	Number of shares or partnership interests held
Equity investments consolidated line by line								
DiaSorin Italia S.p.A.	Saluggia (Italy)	Euro	1,000,000	53,009	406,226,315	1	100%	1,000,000
DiaSorin S.A/N.V.	Bruxelles (Belgium)	Euro	1,674,000	2,357,699	8,505,101	6,696	100%	249
DiaSorin Ltda	Sao Paolo (Brazil)	BRL	65,547,409	7,475,200	31,788,619	1	100%	65,547,408
DiaSorin S.A.	Antony (France)	Euro	960,000	1,387,210	11,197,527	15,3	100%	62,493
DiaSorin Iberia S.A.	Madrid (Spain)	Euro	1,453,687	2,411,956	11,117,139	6,01	100%	241,877
DiaSorin Ltd	Dartford (United Kingdom)	GBP	500	1,360,807	598,575	1	100%	500
DiaSorin Inc.	Stillwater (United States)	USD	1	78,001,400	1,352,295,400	0,01	100%	100
DiaSorin Canada Inc	Mississauga (Canada)	CAD	200,000	517,600	2,747,200	N/A	0%	100 Class A common shares
DiaSorin Molecular LLC	Cypress (United States)	USD	100,000	71,223,300	270,159,400	100,000	0%	1
DiaSorin Mexico S.A de C.V.	Mexico City (Mexico)	MXP	63,797,082	13,374,606	61,086,192	1	100%	49,999
DiaSorin Deutschland GmbH	Dietzenbach (Germany)	Euro	275,000	1,863,174	7,608,669	275,000	100%	1
DiaSorin AB	Solna (Sewden)	SEK	5,000,000	10,793,863	39,225,628	100	100%	50,000
DiaSorin Ltd	Rosh HaAyin (Israel)	ILS	100	3,103,000	21,371,000	1	100%	100
DiaSorin Austria GmbH	Wien (Austria)	Euro	35,000	1,584,814	3,792,110	35,000	100%	1
DiaSorin Czech s.r.o.	Prague (Czech Republic)	CZK	200,000	4,586,000	88,430,000	200,000	100%	1
DiaSorin I.N. Limited	Dublin (Ireland)	Euro	1	4,452,341	6,348,121	0,01	100%	100
DiaSorin South Africa (PTY) Ltd	Sandton (South Africa)	ZAR	101	19,466	4,290,580	1	100%	101
DiaSorin Australia (Pty) Ltd	Sydney (Australia)	AUD	3,300,000	1,394,115	13,902,908	33,000	100%	100
DiaSorin Ltd	Shanghai (China)	RMB	22,000,000	-29,518,982	11,625,081	1	76%	16,720,000
DiaSorin Switzerland AG	Rotkreuz (Switzerlan)	CHF	100,000	1,820,522	2,535,579	100	100%	1,000
DiaSorin Poland sp. z o.o.	Warsaw (Poland)	PLN	550,000	4,590,240	14,037,573	50	100%	11,000
DiaSorin Healthcare India Private Limited	Mumbai (India)	INR	4,700,000	47,675,454	200,577,440	10	0%	1
DiaSiorin APAC Pte. Ltd.	Singapore (Singapore)	EUR	1	75,778	273,776	N/A	100%	1
DiaSorin Middle East FZ-LLC	Dubai (UAE)	AED	50,000	124,484	38,762	1,000	100%	50
Luminex Corporation Inc,	Austin (United States)	USD	25,000	4,785,600	1,863,682,700	0,001	0%	25,000,000
Luminex International Inc.	Austin (United States)	USD	1,000	-	968,373	0,001	0%	1,000,000
Luminex 2 BV	s'Hertogenbosch (Netherlands)	EUR	90,000	-28,148	4,321,138	1	0%	90,000
Luminex 3 BV	s'Hertogenbosch (Netherlands)	EUR	90,000	3,668,002	7,823,836	1	0%	90,000
Luminex BV	s'Hertogenbosch (Netherlands)	EUR	90,000	1,390,075	5,282,331	1	0%	90,000
Luminex Japan Ltd	Tokyo (Japan)	JPY	1	24,916,626	301,051,172	1	0%	1
Luminex Trading (Shanghai) Co. Ltd.	Shanghai (China)	RMB	455,219	3,715,727	26,584,583	N/A	0%	-
Luminex Hong Kong Co. Ltd.	Hong Kong (Hong Kong)	HKD	100	1,813,301	9,913,755	10	0%	10
Luminex Molecular Diagnostics, Inc.	Toronto (Canada)	CAD	10,000,000	21,858,912	81,763,982	N/A	0%	-
Nanosphere LLC	Wilmington (United States)	USD	1,000	-	37,262,491	0,001	0%	1,000,000
ChandlerTec LLC	Wilmington (United States)	USD	1,000	-	-	0,001	0%	1,000,000
Iris Biotech LLC	Wilmington (United States)	USD	1,000	-	-	0,001	0%	1,000,000
Amnis LLC	Wilmington (United States)	USD	1,000	-	-	0,001	0%	1,000,000
Equity investments valued at cost								
DiaSorin Deutschland Unterstuetzungskasse GmbH	Dietzenbach (Germany)	Euro	25,565	79,648	25,565	1	-	1

8. CERTIFICATION TO THE CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

CERTIFICATION TO THE CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 81-TER OF CONSOB REGULATION N. 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 2023 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, August 3, 2023

Signed:

Carlo Rosa	Piergiorgio Pedron
Chief Executive Officer	Corporate Accounting Document Officer

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 2023, comprising the consolidated statement of financial position, consolidated income statement, consolidated comprehensive income statement, 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 the 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 condensed half-year consolidated financial statements of DiaSorin Group as of 30 June 2023 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, 3 August 2023

PricewaterhouseCoopers SpA

Signed by

Salvatore Savino
(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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