



Half-year Financial Report

as at 30 June 2024



**Servizi
Italia**

SERVIZI ITALIA S.P.A.
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COMPANY OFFICERS AND CORPORATE INFORMATION

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

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

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

(*) Members of the Executive Committee

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

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

Supervisory Body (in office until 2 February 2025)

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

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

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

Registered offices and company information

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

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

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

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

Founded: 1986

Listing segment: Euronext STAR Milan

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

LEI Code: 815600C8F6D5ACBA9F86

Investor Relations

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GROUP STRUCTURE

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

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

Company name Parent Company and Subsidiaries	Registered office	Share capital	Interest of equity investment
Servizi Italia S.p.A.	Castellina di Soragna (Parma) – Italy	EUR 31,809,451	Parent Company
Ekolav S.r.l.	Lastra a Signa (Florence) – Italy	EUR 100,000	100%
Wash Service S.r.l.	Castellina di Soragna (Parma) – Italy	EUR 10,000	90%
Steritek S.p.A.	Malagnino (Cremona) – Italy	EUR 134,500	95%
San Martino 2000 S.c.r.l.	Genoa – Italy	EUR 10,000	60%
SRI Empreendimentos e Participações L.t.d.a.	City of São Paulo, State of São Paulo – Brazil	BRL 217,757,982	100%
Lavsim Higienização Têxtil S.A.	São Roque, State of São Paulo – Brazil	BRL 32,330,000	100% ^(*)
Maxlav Lavanderia Especializada S.A.	Jaguariúna, State of São Paulo – Brazil	BRL 2,825,060	100% ^(*)
Vida Lavanderias Especializada S.A.	São Roque, State of São Paulo – Brazil	BRL 3,600,000	100% ^(*)
Aqualav Serviços De Higienização Ltda	Vila Idalina, Poá, State of São Paulo – Brazil	BRL 15,400,000	100% ^(*)
Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi	Ankara – Turkey	TRY 85,000,000	55%
Ergülteks Temizlik Tekstil Ltd. Sti.	Smyrna – Turkey	TRY 1,700,000	57.5% ^(**)
Ankateks Tur. Teks. Tem.Sanve TIC. A.s. – Olimpos Laundry Teks.Tem. Hizm. Ve Tur. San. Tic. LTD.Sti IS Ortakligi	Antalya –Turkey	TRY 10,000	51% ^(**)

^(*) held through SRI Empreendimentos e Participações Ltda

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

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

Company name Associates and Jointly-Controlled Companies	Registered office	Share capital	Interest of equity investment
Shubhram Hospital Solutions Private Ltd.	New Delhi – India	INR 362,219,020	51%
Servizi Sanitari Integrati Marocco S.a.r.l.	Casablanca – Morocco	MAD 122,000	51%
SAS Sterilizasyon Servisleri A.Ş.	Istanbul – Turkey	TRY 36,553,000	51%
Arezzo Servizi S.c.r.l.	Arezzo – Italy	EUR 10,000	50%
PSIS S.r.l.	Padua – Italy	EUR 10,000,000	50%
Steril Piemonte S.r.l.	Turin – Italy	EUR 1,000,000	50%
AMG S.r.l.	Busca (Cuneo) – Italy	EUR 100,000	50%
Finanza & Progetti S.p.A.	Vicenza – Italy	EUR 550,000	50%
Iniziativa Produttive Piemontesi S.r.l.	Turin – Italy	EUR 2,500,000	37.63%
Piemonte Servizi Sanitari S.c.r.l.	Turin – Italy	EUR 10,000	30% ^(*)
Saniservice Sh.p.k.	Tirana – Albania	LEK 2,745,600	30%
Brixia S.r.l.	Milan – Italy	EUR 10,000	23%
Tecnoconsulting S.r.l.	Scandicci (Florence) – Italy	EUR 10,000	33%

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

INTERIM REPORT

This consolidated half-year financial report as at 30 June 2024 was prepared in compliance with the International Financial Reporting Standards (hereinafter "IFRS" or "International Accounting Standards") endorsed by the European Commission, in force as at 30 June 2024, and was drafted pursuant to Art. 154-ter of Italian Legislative Decree no. 58 of 24 February 1998 and in compliance with CONSOB Regulation no. 11971 of 14 May 1999 and subsequent amendments.

This half-year financial report includes the half-year condensed consolidated financial statements as at 30 June 2024 prepared in compliance with IAS 34 on interim financial reporting, as approved by Regulation (EC) no. 1606/2002. In order to also allow for a better evaluation of the economic and financial performance, the following summary tables show some "Alternative performance indicators", not provided by the IFRS International Accounting Standards. The footnotes of said tables indicate the calculation method used and the composition of these ratios, in line with the guidelines of the European Securities and Market Authority (ESMA).

Main consolidated income statement figures

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

(thousands of Euros)	30 June 2024	30 June 2023	Change	% change
Revenues	147,153	143,846	3,307	2.3%
EBITDA ^(a)	38,914	36,115	2,799	
EBITDA %	26.4%	25.1%		1.3%
Operating profit (EBIT)	10,671	7,363	3,308	
Operating profit (EBIT) %	7.3%	5.1%		2.2%
Profit (loss)	4,179	2,882	1,297	
Profit (loss) %	2.8%	2.0%		0.8%

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

Main consolidated statement of financial position figures

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

(thousands of Euros)	30 June 2024	31 December 2023	Change	% change
Net operating working capital ^(a)	5,355	(3,246)	8,601	-265.0%
Other current assets/liabilities ^(b)	(10,358)	(11,194)	836	-7.5%
Net working capital	(5,003)	(14,440)	9,437	-65.4%
Non-current assets – medium/long-term provisions	273,854	269,683	4,171	1.5%
of which Rights of use under IFRS 16	27,693	28,246	(553)	-2.0%
Net invested capital	268,851	255,243	13,608	5.3%
Shareholders' equity (B)	140,995	138,543	2,452	1.8%
Net financial debt ^(d) (A)	127,856	116,700	11,156	9.6%
of which Financial liabilities under IFRS 16	30,457	31,370	(913)	-2.9%
Net invested capital^(c)	268,851	255,243	13,608	5.3%
Gearing [A/(A+B)]	47.6%	45.7%		
Debt/Equity (A/B)	90.7%	84.2%		

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

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

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

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

Main consolidated cash flow figures

The table below presents a comparison between the main consolidated cash flow figures as at 30 June 2024 and as at 30 June 2023 (in thousands of Euros).

(thousands of Euros)	30 June 2024	30 June 2023	Change
Cash flow generated (absorbed) by operations	22,375	21,457	918
Net cash flow generated (absorbed) by investment activities	(29,399)	(25,109)	(4,290)
Net cash flow generated (absorbed) by financing activities	6,451	(3,128)	9,579
Increase/(decrease) in cash and cash equivalents	(573)	(6,780)	6,207
Opening cash and cash equivalents	4,731	18,165	(13,434)
Effect of exchange rate fluctuations	57	(3)	60
Closing cash and cash equivalents	4,101	11,388	(7,287)

Company information and business performance

In the first half of 2024, consolidated revenues of the Servizi Italia Group amounted to Euro 147,153 thousand, an increase of 2.3% (3.3% at constant exchange rates) compared to the first half of 2023. Please note the following as regards revenues from sales and services by sector in the comparison between the first half of 2024 and the first half of 2023:

- Revenues from wash-hire services (which in absolute terms represent 74.4% of the Group's revenues) rose from Euro 107,688 thousand in the first six months of 2023 to Euro 109,423 thousand in the same period of 2024, recording an increase of 1.6% (or 2.9% at constant exchange rates), supported both by wash-hire in Italy (+0.4%) and by a rapid recovery deriving from the price adjustment in the Turkey area (+34.6%, or +67.3% at constant exchange rates). The Italy area over the comparison period records certain customers lost in the Marche area, more than offset by excellent performance by the other Italian areas in which the Group operates.
- Revenues from linen sterilisation services (Steril B) (which in absolute terms represent 6.9% of the Group's revenues) went from Euro 9,686 thousand in the first half of 2023 to Euro 10,119 thousand with an increase of 4.5%. The increase is mainly due to the release of the excess portion of the medical devices payback fund for Euro 833 thousand, which has a one-off effect and consequent to the rulings of the Constitutional Court no. 139/24 and 140/24 as better specified in the paragraph "Information on ongoing proceedings". Net of this effect, there would be a negative change of Euro 400 thousand or -4.1% mainly due to contracts concluded in the Veneto area in the second half of 2023.
- Revenues from surgical instrument sterilisation services (Steril C) (which in absolute terms represent 18.8% of the Group's revenues) rose from Euro 26,472 thousand in 2023 to Euro 27,611 thousand in 2024, with an increase of 4.3%, equal to Euro 1,139 thousand mainly due to higher operating activities recorded in the period in the Italy area.

The graph below shows the details of revenue by business line.



The table below shows revenues from sales and services of the Servizi Italia Group by region, broken down by geographical area, for the periods ending on 30 June 2024 and 2023:

(thousands of Euros)	30 June 2024	%	30 June 2023	%	% change	% Organic change	% Exchange rate change
Revenues - Italy	126,255	85.8%	124,363	86.5%	1.5%	1.5%	0.0%
Revenues - Turkey	5,579	3.8%	4,144	2.9%	34.6%	67.3%	-32.7%
Revenues - Brazil	15,319	10.4%	15,339	10.7%	-0.1%	0.0%	-0.2%
Sales revenues	147,153	100.0%	143,846	100.0%	2.3%	3.3%	-1.0%

Consolidated **EBITDA** went from Euro 36,115 thousand in the first six months of 2023 to Euro 38,914 in the same period of 2024, with an EBITDA margin growing by 130 bps, from 25.1% to 26.4% of revenues or an increase in absolute value of 7.8%. During the period, there was a decrease in the impact of costs for raw materials of 0.6%, and in absolute value of 3.7%, driven primarily by lower marketing of disposable material and personal protective equipment. Costs for services recorded a 5.7% decrease in absolute value during the period, i.e. an improvement in the EBITDA margin of 2.7%, primarily due to the decrease with respect to the comparison period of gas costs (Euro -2,745 thousand or -2.0% relative incidence) and electricity (Euro -900 thousand or -0.7% relative incidence). Also note that the first half of 2023 included the benefit of the tax receivable in the Italy area of Euro 1,953 thousand, recorded under other revenues and absent in the first half of 2024. Personnel expense increased in terms of incidence on revenues (+0.7%) compared to the previous period, and were also up in absolute value (+4.6%), predominantly as a result of salary adjustments applied in the Italy area upon entry into force of the new National Collective Labour Agreement starting from March and December 2023 as well as June 2024. During the period, operating margins decreased in the Brazil area (EBITDA margin going from 23.3% to 20.5%), partly due to the start-up phase of the sterilisation plant in São Paulo and to higher personnel expense recorded during the period, while there was a significant recovery in margins in the Turkey area (EBITDA margin going from 27.7% to 33.2%) mainly due to the inflationary adjustment of contract prices.

The consolidated operating result (**EBIT**) went from Euro 7,363 thousand during the first six months of 2023 (5.1% compared to the turnover for the period) to Euro 10,671 thousand during the same

period in 2024 (7.3% compared to the revenues for the period), mainly due to the dynamics already described in the comment on the change in revenues and EBITDA; a reduction in depreciation, amortisation and impairment was also recorded (Euro -509 thousand or -0.8% in terms of relative incidence).

Financial management showed an increase in financial expenses of Euro 1,682 thousand compared to the same period of the previous year, mainly due to the sharp increase in interest rates applied by the interbank system in the Eurozone and interest rates in the Turkey area.

Taxes for the period are negative for Euro 1,397 thousand, with an incidence on the pre-tax result of 25.1% and mainly concern current taxes for the period.

Therefore, the consolidated interim financial statements as at 30 June 2024 closed with a **net profit** of Euro 4,179 thousand compared to the net profit of Euro 2,882 thousand for the same period of 2023.

Transactions with parent companies and associates

Servizi Italia S.p.A.'s transactions with subsidiaries, associates, jointly-controlled companies and parent companies mainly relate to: (i) dealings associated with commercial service agreements; (ii) financial dealings, represented by loans. These transactions are described in detail in the explanatory notes to the Financial Statements, in section 8.

It should also be noted that, following the Regulation adopted by Consob with Resolution no. 17221 of 12 March 2010, as amended, on 24 November 2010 the Board of Directors approved, and subsequently updated, most recently on 25 June 2021, the Regulation for Related Party Transactions, published on the company's website.

Information on treasury shares and/or shareholdings in parent companies

As at 30 June 2024, the company held 2,650,739 treasury shares, equal to 8.33% of the share capital, as a result of the purchases and sales made on the market regulated and managed by Borsa Italiana. On 5 August 2024, the Company announced that up until 2 August 2024 it had acquired 2,666,452 treasury shares on the market regulated and managed by Borsa Italiana, equal to 8.38% of the share capital.

Significant events and transactions

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

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

- approved the financial statements of the Parent Company closed as at 31 December 2023;

- approved the distribution to Shareholders of an ordinary single dividend, gross of the legal withholdings, equal to Euro 0.03 for the shares in circulation, with the exclusion of the treasury shares in the portfolio, for a maximum amount of Euro 954,283.53;
- resolved the authorisation to purchase and dispose of treasury shares, as proposed by the Board of Directors. The resolution authorised the purchase of a maximum of 6,361,890 ordinary shares with nominal value of Euro 1.00 each, corresponding to one-fifth of the Company's share capital (taking into account the shares already held by the Company) for a period 18 months from the meeting date, while the duration of the authorisation for disposal of the treasury shares has no time limits;
- approved the remuneration policy of Servizi Italia S.p.A.;
- appointed the independent auditors PriceWaterhouseCoopers S.p.A. for the statutory audit of the accounts for the nine-year period 2024-2032, approving the related resolution proposal formulated by the Board of Directors, which matches the first preference contained in the reasoned Recommendation of the Board of Statutory Auditors;
- resolved the renewal of the Board of Directors for the three-year period 2024-2026, also determining the relative remuneration. All the members of the Board of Directors, with the exception of Director Antonio Aristide Mastrangelo, were taken from the list submitted by the majority Shareholder Aurum S.p.A., holder of a stake of approximately 62.42% of the share capital, which received votes in favour of approximately 91.88% of the shares represented at the Shareholders' Meeting; Director Antonio Aristide Mastrangelo was taken from the list submitted by the minority Shareholder Everest S.r.l., holder of a 5.03% stake of the share capital.

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

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

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

Customer	Service provided	Duration years	Contract value per year (thousands of Euros)
Comprehensive community Oltradige Bassa Atesina*	Wash-hire service for nursing homes	2	80
Municipality of Florence*	Integrated linen wash-hire service	27 months	169
Azienda Regionale per l'Innovazione e gli Acquisti - Lot 1*	Integrated linen wash-hire service	5	7,248
Azienda Regionale per l'Innovazione e gli Acquisti - Lot 2*	Integrated linen wash-hire service	5	6,936
Azienda Regionale per l'Innovazione e gli Acquisti - Lot 3*	Integrated linen wash-hire service	5	6,145
Azienda Regionale per l'Innovazione e gli Acquisti - Lot 4*	Integrated linen wash-hire service	5	6,067
ASST Spedali Civili di Brescia*	Surgical instruments sterilisation and central service management	8	2,113
AO San Camillo Forlanini of Rome*	Supply of operating theatre devices and Non-Woven Fabric	1	1,543

* renewed

** new customer

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

Customer	Service provided	Contract value per year (Thousands of Euros)
GESAT Scarl - Pistoia Hospital	Wash-hire	1,003
Marche Contracts - Jesi/Senigallia (former ASUR Marche Hospital units of Jesi and Senigallia)	Wash-hire	2,025
Marche Contracts - Fano Territory (former ASUR Marche Area Vasta 1)	Wash-hire	322
Marche Contracts - Fano (former Santa Croce Hospital in Fano)	Wash-hire	915

Significant events after the end of the half

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

Business outlook

The results achieved by the Group in the first half of 2024 continue with the excellent performance of the 2023 financial year. Consolidation of the customer portfolio, careful management of operations and the positive trend in energy commodity prices contributed positively to the results achieved both in absolute and relative terms. More incisive than in the comparison period was certainly the cost of money resulting from the interest rates applied by the interbank system, an element that is not directly controllable through management leverage but a fundamental variable that is constantly monitored in order to ensure stable financial evolution of the business in the upcoming future. In the medium-term strategy, the Group expects an organic consolidation of its leadership position in the Italian and foreign market and a continuous search for optimisation and efficiencies. Although in a geopolitical context that is difficult to interpret and subject to high volatility with regard to fundamentals, with a trend in interest rates that is hopefully decreasing, although in

the medium term, the Group will continue to work to achieve objectives and respect the commitments assumed, maintaining a solid capital position through an adequate financial balance and a good credit rating with banking institutions.

Derivatives

As at 30 June 2024, the Group does not have any derivative financial instrument management policies. Some companies not wholly-owned and therefore not consolidated on a line-by-line basis have taken out derivative financial instruments to hedge the risk of fluctuations in interest rates on loans taken out as part of project financing, given the significant amount of financial commitments undertaken and the over ten-year duration of the same. The economic and financial effects of such derivatives are incorporated into the valuations of equity investments in the companies that hold them.

Risk management information

The Group has developed a model based on an integrated and adequate risk management and internal control system. All main risks arising from the "core business" were identified, measured and managed, using the process of analysis of the risks according to the principles of the new COSO-ERM framework (Committee of Sponsoring Organization of the Treadway Commission) - (Enterprise Risk Management):

- governance and risk culture;
- strategy and definition of risk targets;
- risk analysis;
- risk information, communication and reporting;
- monitoring of the performance of the risk model.

The ERM Framework supports the correct achievement of company objectives and consists of five interrelated components, which interact with the mission, vision and core values and determine the performance of the entire organisation.

The model adopted by the Group is aimed at ensuring the continuity of the organization and the adequacy of its processes, activities and performance in terms of:

1. Business objectives:

- achievement of objectives set within company strategies;
- effective and efficient use of organisational resources.

2. Governance objectives:

- ensuring the reliability, accuracy, trustworthiness and timeliness of financial reporting;
- preservation of the company assets;
- compliance with laws, regulations, contracts, ethical and company rules;
- protection of ethical and social responsibilities;
- sustainable success.

The Board of Directors, through the Director in charge of the Internal Control and Risk Management System and the Head of Internal Audit, has implemented special processes to identify the responsibilities for the control of risks, so as to ensure the soundness and the continuity of the business in the long term. To this end, an internal control system has been set up to monitor the risks associated with the activity. In particular, this control system is reflected in the internal rules

of the Group and of the different companies subject to coordination and control through the documentation of the Servizi Italia compliance program (e.g., Model 231/01, Code of Ethics, Servizi Italia Compliance Program consisting of group policies inspired by law, recommendations and international best practices, code of conducts, procedures, rules and formats which provide preventive supervision to sensitive processes in terms of offence issues). The internal risk control system of the Servizi Italia Group is divided into three levels:

1. **first level:** the operating units identify, assess, monitor, mitigate and report the risks deriving from the ordinary business activity, ensuring that operations are in line with the risk limits and targets assigned;
2. **second level:** the company functions involved in the controls (such as the risk management, legal and compliance functions), arranged in relation to the company's size, sector, complexity and risk profile, aimed at monitoring and managing typical corporate risks (strategic, operational, compliance, financial and reporting);
3. **third level:** Internal Auditing, which reports directly to the Board of Directors – also with the contribution of the Local Unit Representatives, for the subsidiaries of strategic significance –, assesses the suitability of the overall internal control and risk management system to ensure the effectiveness and efficiency of processes, the safeguarding of company assets, the reliability and integrity of accounting and management information, compliance with internal and external regulations and management instructions.

For the performance of its activities, the Internal Auditor submits to the Board of Directors a plan of the activities, which describes the audits planned in line with the risks associated to the activities aimed at achievement of the business objectives. The results of the activities carried out, on a half-yearly basis, are brought to the attention of the Director in charge of the Internal Control and Risk Management System, of the Control and Risks Committee, of the Board of Directors (also through the Control and Risks Committee) and of the Board of Statutory Auditors; the critical elements found during the controls are, on the other hand, promptly reported to the competent company structures for the implementation of any improvement action.

The Servizi Italia Group, aware of its mission and corporate policy, pursues the objective of promptly monitoring the risks identified in all activities, which is an essential condition to preserve the trust of stakeholders and to ensure the sustainability of the business over time, so contributing to the sustainable success of the Company and Servizi Italia Group.

The risk control process is common to all control functions, in line with reference best practices; the different types of risks are defined in the "Guidelines of the SCIGR", and the relative Corporate Risks Map, which is subject to periodic updating at least once a year.

The Guidelines and the Risks Map represent the Group's Risk Appetite Framework (hereinafter, in brief, also "RAF"), i.e., the key instrument with which the Board of Directors defines the propensity to risk, tolerance thresholds, sustainable risk limits, risk governance policies and the framework of related organisational processes. The RAF, the Risks Map and, therefore, the internal regulations on risk management also consider aspects related to the management of the risks of a social, environmental and economic nature (ESG).

Information on ongoing proceedings

The Parent Company has proceedings in progress before the Court of Modena for the administrative liability of legal entities – pursuant to Italian Legislative Decree no. 231/2001 – for an alleged violation of Article 319 of the Italian Criminal Code, with reference to the awarding of a tender issued by AOU Policlinico di Modena for a nine-year "Global Service" contract, through resolution of 19.12.2008 to the RTI (temporary joint consortium) established by Coopservice Soc.Coop.p.A., in its capacity as lead contractor, and by other companies including Servizi Italia S.p.A., Padana Everest S.r.l. and Lavanderia Industriale ZBM S.p.A. (companies subsequently merged by incorporation into Servizi Italia S.p.A.) as principals. It should be noted that, at the hearing on 16 February 2021, the Court of Modena ruled in favour of the Chairman, Mr. Roberto Olivi and Messrs. Enea Righi and Luciano Facchini, former directors with powers of representation of Servizi Italia, ruling that the case must not proceed by reason of statute of limitations with consequent extinguishment of the alleged offence. Therefore, the proceedings continue exclusively against the entities so as to initiate the investigation also in terms of the non-existence of the predicate offence already declared statute barred in relation to the predicate offences referred to in Italian Legislative Decree no. 231 of 2001. In this context, on 28 May 2024, a hearing for discussion was scheduled, then deferred on its own motion to 4 March 2025. On 29 April 2024, the Public Prosecutor filed written conclusions, on which basis Servizi Italia requested acquittal because the fact did not exist.

In January 2019, Servizi Italia was awarded, as principal, the RTI (temporary grouping of companies) formed by Coopservice Soc. Coop p.a., Servizi Italia S.p.A. and others, in relation to the contract for the assignment of the management of integrated support services to the person at the University Hospital of Bologna for a period of six years and for an annual value, limited to Servizi Italia's share, equal to approximately Euro 4 million. On 20 August 2020, the Council of State unexpectedly overturned the previous rulings of the Regional Administrative Court and of the Council of State which, by cancelling the request for suspension by the plaintiff, had allowed the temporary grouping of companies of which Servizi Italia is a party to take over during the month of February 2020 in the provision of the service following the award. In view of this last ruling, acting in the name and on behalf of the above mentioned temporary grouping of companies, pursuant to Article 395 of the Italian Code of Civil Procedure and to Article 106 of the Italian Code of Administrative Procedure, the parent company unsuccessfully proposed an appeal for revocation before the Council of State. To date, an appeal is pending before the Supreme Court of Cassation for lack of jurisdiction.

Since December 2022, Servizi Italia S.p.A. initiated a judicial protection action – still pending – before the Lazio Regional Administrative Court, challenging: *i*) the Ministerial Decree of 6 July 2022 adopted by the Minister of Health, in agreement with the Minister of Economy and Finance, which certified the exceeding of expenditure limits on medical devices at national and regional level for the years 2015, 2016, 2017 and 2018; *ii*) the Ministerial Decree of 6 October 2022, adopted by the Minister of Health, in agreement with the Minister of Economy and Finance, who adopted the guidelines in preparation for the issue of regional and provincial Payback measures, as well as *iii*) the consequential Payback measures which some Regions, to varying degrees, have imposed on Servizi Italia with respect to the remediation of expenditure limits. It should be noted that one of the main issues raised before the competent judicial body relates to the breach of the terms established pursuant to of Article 9-ter, paragraph 8, of Italian Law Decree 78/2015, according to which expenditure overruns should be ascertained and declared by 30 September of each year, hence: *i*) the illegitimacy of the Italian Decree of 6 July 2022, which established that expenditure ceilings had been exceeded, with macroscopic delays compared to the said deadlines and *ii*) the concomitant unconstitutionality of the acts and rules that allowed the retroactive application of the Payback measure; this is Article 9-ter of Italian Law Decree 78/2015 as amended by Article 1, paragraph 557 of Italian Law no. 145 of 30

December 2018, in conjunction with Article 18 of Italian Law Decree no. 115 of 9 August 2022 ("Aiuti-bis Decree" - Aid-bis Decree), converted with Italian Law no. 221 of 21 September 2022. It should also be noted that on 24 November 2023, the Lazio Regional Administrative Court, in a similar ruling, raised an objection before the Constitutional Court to the constitutional illegitimacy of Article 9-ter of Italian Law Decree no. 78, by contrast with Articles 3, 23, 41 and 117 of the Italian Constitution and consequently ordered the suspension of procedures.

Similarly, with an appeal filed on 31 July 2023, the Campania Region promoted issues of constitutional legitimacy of Article 8, paragraphs 1, 2, 3 and 6, of Italian Law Decree no. 34 (Urgent measures to support households and businesses for the purchase of electricity and natural gas, as well as in relation to health and tax compliance), converted, with amendments, into Italian Law no. 56, with reference to Articles 3, 5, 32, 77, 97, 117, third and fourth paragraphs, 118, 119 and 120 of the Italian Constitution. These instructions were challenged with regard to the part that sets up a provision of Euro 1,085,000 thousand to cover the exceeding, for the years 2015, 2016, 2017 and 2018, of the spending limits imposed on the regions and autonomous provinces for the purchase of medical devices (Article 8, paragraph 1), that establishes the allocation criteria (Article 8, paragraph 2), that establishes a facilitated mechanism for companies identified as suppliers obliged to contribute to the settlement of the overspend which, with regard to the regional or provincial measures relating to this identification, have not initiated disputes or have abandoned them (Article 8, paragraph 3), and that in this case promotes the access of these companies to credit (Article 8, paragraph 6).

Both exceptions were the subject of a ruling by the Constitutional Court.

And so in particular: with ruling no. 140/2024, filed on 22 July 2024 for the purposes of publication in the Official Gazette, the Council declared unfounded, with regard to the 2015-2018 four year period, the issues of constitutionality of Article 9-ter of Italian Law Decree 78/2015 converted with amendments into Italian Law 125/2015; with ruling no. 139/2024, made on 19 June 2024 and filed on 22 July 2024 for the purposes of publication in the Official Gazette, on the other hand, the Council declared the constitutional illegitimacy of Article 8, paragraph 3, of Italian Law Decree no. 34 dated 30 March 2023, converted with amendments into Italian Law no. 56 dated 30 May 2023, in the part in which it does not extend to all companies supplying medical devices the reduction to 48% of the quota determined by the regional and provincial measures pursuant to Article 9-ter, paragraph 9-bis, of Italian Law Decree no. 78 of 19 June 2015, converted with amendments into the law of 6 August 2015, with consequent lapse of the procedures and terms identified by the same Article 8, paragraph 3, of the Italian Law Decree of 30 March 2023 as converted.

At present, therefore, a risk profile related to the 2015-2018 four-year period emerges exclusively limited to a charge not exceeding 48% of the request for compensation communicated by the respective Regions for the period referred to above. In light of these considerations, the Parent Company decided to write-off the portion pertaining to the aforementioned period considered at present to be in excess of a total amount of Euro 833 thousand.

Despite what has been indicated above, given the complexity of the issues raised, which do not perfectly coincide with the scope of the rulings of the Council, it should be emphasised that it is not possible at the moment to make forecasts regarding the outcome of the judicial protection. For the estimate concerning the Payback issue, please refer to the Provisions for risks and charges section.

The Group, having carried out the necessary verifications and assessed with the support of its legal consultants, on the one hand, the soundness of its defensive arguments and, on the other, the uncertainty and unreliability of the current estimate of possible economic damage, has not yet decided to make provisions in the financial statements, without prejudice to what has been specified above with regard to medical devices payback.

Risk Factors

In order to minimise different types of risks to which it is exposed, the Group has adopted time scales and control methods that allow company management to monitor risks and to appropriately inform the Director in charge of the internal control system and (also through him) the Board of Directors.

Without prejudice to the principle of continuous monitoring and considering the characteristics of the Group's activities, a review of the risk assessment indicates that the Group has been able to achieve the desired mitigation of the primary operational, financial, strategic and compliance risks identified by taking the planned organisational and operating measures and implementing and documenting control points within company processes.

The Servizi Italia Group's activities are exposed to various risk types, including interest rate fluctuations and credit, liquidity and cash flow risks. To minimise such risks, the Group has adopted timescales and control methods which allow the company management to monitor risks and inform the Board of Directors so that it may approve all transactions involving a commitment by the Group with respect to third-party lenders.

Other information

Servizi Italia S.p.A., pursuant to Article 3 of the Consob Resolution no. 18079 of 20 January 2012, decided to join the out-put regime set forth in Articles 70, paragraph 8, and 71, paragraph 1-bis, of the Consob Regulations n. 11971/99 (as amended), availing itself of the right to derogate from the obligation to publish the information documents as set forth in annex 3B of the above mentioned Consob Regulations when carrying out significant merging, demerging, share capital increases through contributions in kind, acquisitions and transfer operations.

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

Human resources and industrial relations

The Servizi Italia Group's total employees, including those of the consolidated companies, were as follows as at 30 June 2024:

Company	Executives	Middle managers	White-collar staff	Blue-collar staff	Total
Servizi Italia S.p.A.	11	28	193	1,596	1,828
San Martino 2000 S.c.r.l.	-	-	-	-	-
Steritek S.p.A.	-	-	30	-	30
Wash Service S.r.l.	-	-	7	39	46
Ekolav S.r.l.	-	-	8	64	72
SRI Empreendimentos e Participações Ltd	-	-	-	-	-
Lavsim Higienização Têxtil S.A.	1	4	63	501	569
Maxlav Lavanderia Especializada S.A.	-	-	38	384	422
Vida Lavanderias Especializada S.A.	-	-	-	5	5
Aqualav Serviços De Higienização Ltda	-	-	18	238	256
Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi	2	-	4	148	154
Ergülteks Temizlik Tekstil Ltd. Sti.	1	-	2	98	101
Ankateks Tur. Teks. Tem.Sanve TIC. A.s. – Olimpos	-	-	-	-	-
Laundry Teks.Tem. Hizm. Ve Tur. San. Tic. LTD.Sti IS Ortaklığı	-	-	-	5	5
TOTAL	15	32	363	3,078	3,488

In the first part of 2024, the Parent Company set the renewal of the 2nd level agreement as one of its priorities in the management of industrial relations. In light of the changed market situation and the reduced uncertainties on energy costs, the Parent Company would have assessed a renewal on a two-year or three-year basis, however, at the request of the trade unions, it was agreed to wait until 2025, in order to renew not only the economic part of the agreement, but also the regulatory one. The company accepted the trade union requests and therefore the negotiation concerned the definition of a transitional agreement, only for the year 2024, in line with what had already occurred last year. The negotiations ended on 8 May with the signature of the agreement at the National Coordination meeting, which was held at the Castellina headquarters. The agreement does not envisage substantial changes with respect to the previous one, in its structure and in its indicators, apart from the numerical tables updated to the current year.

With reference to the exercise of the right of withdrawal by Servizi Italia with regard to the acquisition of the business unit responsible for decontamination and sterilisation services of Steris S.p.A., it was not necessary to pursue further trade union issues. In fact, it should be noted that in relation to the aforementioned transaction, the procedure and the relative agreement had been initiated pursuant to Article 47 of Italian Law 428/90.

With reference to the merger of the company Ekolav S.r.l., to which reference is made in the paragraph *Significant events and transactions*, the HR structure managed the procedure envisaged by Article 47 of Italian Law 428/90. From the point of view of operations at the production sites, three-year agreements on flexibility and breaks were signed at the Castellina and Florence plants.

Training and development

The first half of 2024 saw the launch of several significant training and/or development courses with two specific objectives. The first series of initiatives aimed at increasing or updating the technical knowledge or skills of the human capital of the structure, in particular: in the operations area, an education and training program was activated, aimed at creating new maintenance personnel roles internally by using internal operating resources. The second purpose is that relating to organisational and personal development. In this area the beginning of 2024 saw the launch of two major projects: "Skills Assessment" and "Cybersecurity Awareness" in order to increase internal awareness on the subject of IT security, acting proactively in the event of possible attacks.

Servizi Italia and the financial markets

From 22 June 2009, the Servizi Italia (SRI.MI) share has been traded on the Euronext STAR Milan segment. The main share and stock exchange data as at 30 June 2024 are disclosed below along with share volume and price (in euro) trends:

Share and stock exchange data	30 June 2024
No. of shares making up the share capital	31,809,451
Price at IPO: 4 April 2007	Euro 8.50
Price as at 30 June 2024	Euro 1.82
Maximum price during the period	Euro 1.94
Minimum price during the period	Euro 1.50
Average price during the period	Euro 1.75
Volumes traded during the period	6,420,303
Average volumes during the period	50,955

Share volumes and prices as at 30 June 2024



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

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

The Chairman of the Board of Directors
(Roberto Olivi)

HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE SERVIZI ITALIA GROUP AS AT 30 JUNE 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(thousands of Euros)</i>	Note	30 June 2024	of which with related parties (Note 8)	31 December 2023	of which with related parties (Note 8)
ASSETS					
Non-current assets					
Property, plant and equipment	6.1	169,608	17,635	166,473	19,343
Intangible assets	6.2	2,918	-	3,057	-
Goodwill	6.3	60,597	-	61,438	-
Equity-accounted investments	6.4	35,770	-	33,023	-
Equity investments in other companies		2,938	-	2,938	-
Financial receivables		7,170	6,629	6,037	5,100
Deferred tax assets	6.5	11,828	-	12,467	-
Other assets		2,150	-	2,531	-
Total non-current assets		292,979		287,964	
Current assets					
Inventories		8,796	-	9,244	-
Trade receivables	6.6	77,151	10,467	75,141	8,232
Current tax receivables		2,216	-	2,018	-
Financial receivables		6,103	4,242	8,156	6,943
Other assets	6.7	11,037	-	11,753	-
Cash and cash equivalents		4,101	-	4,731	-
Total current assets		109,404		111,043	
TOTAL ASSETS		402,383		399,007	
SHAREHOLDERS' EQUITY AND LIABILITIES					
Group shareholders' equity					
Share capital		29,159	-	29,302	-
Other reserves and retained earnings		104,132	-	100,801	-
Profit (loss) for the period		3,998	-	5,463	-
Total shareholders' equity attributable to shareholders of the parent company		137,289		135,566	
Total shareholders' equity attributable to non-controlling interests		3,706		2,977	
TOTAL SHAREHOLDERS' EQUITY	6.8	140,995		138,543	
LIABILITIES					
Non-current liabilities					
Due to banks and other lenders	6.9	74,321	17,498	66,385	19,484
Deferred tax liabilities	6.10	3,285	-	2,933	-
Employee benefits	6.11	7,358	-	7,389	-
Provisions for risks and charges	6.12	8,012	-	7,494	-
Other financial liabilities	6.14	470	-	465	-
Total non-current liabilities		93,446		84,666	
Current liabilities					
Due to banks and other lenders	6.9	63,739	2,201	63,202	2,340
Trade payables	6.13	80,592	7,040	87,631	8,152
Current tax payables		1,151	-	626	-
Employee benefits		-	-	-	-
Other financial liabilities	6.14	404	-	416	-
Provisions for risks and charges	6.12	837	-	1,783	-
Other payables	6.15	21,219	-	22,140	-
Total current liabilities		167,942		175,798	
TOTAL LIABILITIES		261,388		260,464	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		402,383		399,007	

CONSOLIDATED INCOME STATEMENT

<i>(thousands of Euros)</i>	Note	30 June 2024	of which with related parties (Note 8)	30 June 2023	of which with related parties (Note 8)
Sales revenues	7.1	147,153	8,358	143,846	8,153
Other income	7.2	3,002	333	4,760	384
Raw materials and consumables	7.3	(13,514)	(80)	(14,028)	(84)
Costs for services	7.4	(47,884)	(9,846)	(50,759)	(9,640)
Personnel expense	7.5	(48,976)	(45)	(46,806)	(18)
Other costs		(867)	(46)	(898)	(46)
Depreciation/amortisation, impairment and provisions	7.6	(28,243)	(1,080)	(28,752)	(1,113)
Operating profit		10,671		7,363	
Financial income	7.7	731	366	570	348
Financial expenses	7.7	(6,922)	(613)	(5,240)	(567)
Income/(expense) from equity investments		177	-	356	-
Revaluation/impairment of equity-accounted investments	6.4	919	-	(134)	-
Profit before tax		5,576		2,915	
Current and deferred taxes	7.8	(1,397)		(33)	
Profit (loss) for the period		4,179		2,882	
of which: Portion attributable to shareholders of the parent company		3,998		2,661	
Portion attributable to non-controlling interests		181		221	
Basic earnings/(losses) per share (in Euros)	7.9	0.14		0.09	
Diluted earnings/(losses) per share (in Euros)	7.9	0.14		0.09	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(thousands of Euros)</i>	Note	30 June 2024	30 June 2023
Profit (loss) for the period		4,179	2,882
<i>Other comprehensive income that will not be reclassified to the Income Statement</i>			
Actuarial gains (losses) on defined benefit plans		-	-
Income taxes on other comprehensive income		-	-
<i>Other comprehensive income that may be reclassified to the Income Statement</i>			
Gains (losses) from conversion of foreign financial statements	6.8	(3,951)	(676)
Portion of comprehensive income of the equity-accounted investments	6.4	121	84
Income taxes on other comprehensive income		-	-
Total other comprehensive income after taxes		(3,830)	(760)
Total comprehensive income for the period		349	2,122
of which: Portion attributable to shareholders of the parent company		362	2,705
Portion attributable to non-controlling interests		(13)	(583)

CONSOLIDATED CASH FLOW STATEMENT

<i>(thousands of Euros)</i>	Note	as at 30 June 2024	of which with related parties (Note 8)	as at 30 June 2023	of which with related parties (Note 8)
<i>Cash flow generated (absorbed) by operations</i>					
Profit (loss) before tax		5,576	-	2,915	-
Payment of current taxes		(109)	-	(41)	-
Amortisation/depreciation	7.6	27,986	-	28,302	-
Impairment and provisions	7.6	257	-	450	-
(Revaluation)/impairment of investments	6.4	(1,096)	-	(222)	-
Gains/losses on disposal		(437)	-	(238)	-
Interest income and expense accrued	7.7	6,192	-	4,669	-
Interest income collected		52	-	401	-
Interest expense paid		(4,777)	-	(4,249)	-
Interest paid on liabilities for leases		(1,028)	(613)	(943)	(567)
Provisions for employee benefits	6.11	422	-	420	-
		33,038		31,464	
(Increase)/decrease in inventories		212		(51)	
(Increase)/decrease in trade receivables	6.6	(5,278)	(2,235)	(12,002)	(3,061)
Increase/(decrease) in trade payables	6.13	(4,190)	(1,112)	1,621	(45)
Increase/(decrease) in other assets and liabilities		(969)	-	841	-
Settlement of employee benefits	6.11	(438)	-	(416)	-
Cash flow generated (absorbed) by operations		22,375		21,457	
<i>Net cash flow generated (absorbed) by investment activities in:</i>					
Intangible assets	6.2	(312)	-	(238)	-
Property, plant and equipment	6.1	(30,346)	-	(24,602)	-
Dividends received		409	-	37	-
(Acquisitions)/Disposals		-	-	-	-
Equity investments	6.4	850	-	(306)	-
Net cash flow generated (absorbed) by investment activities		(29,399)		(25,109)	
<i>Cash flow generated (absorbed) by financing activities in:</i>					
Financial receivables		21	(30)	(365)	149
Dividends paid	6.8	(888)	-	(12)	-
Net (purchase)/sales of treasury shares	6.8	(247)	-	(71)	-
Share capital increase (payments by minority shareholders)		-	-	-	-
Current due to banks and other lenders	6.9	2,858	-	(4,607)	-
Non-current due to banks and other lenders	6.9	6,645	-	3,815	-
Reimbursement of liabilities for leases		(1,938)	(940)	(1,888)	(974)
Cash flow generated (absorbed) by financing activities		6,451		(3,128)	
(Increase)/decrease in cash and cash equivalents		(573)		(6,780)	
Opening cash and cash equivalents		4,731		18,165	
Effect of exchange rate fluctuations		57		(3)	
Closing cash and cash equivalents		4,101		11,388	
Increase/(decrease) in cash and cash equivalents		(573)		(6,780)	

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

<i>(thousands of Euros)</i>	Share capital	Share premium reserve	Legal reserve	Retained earnings	Translation reserve	Profit (loss) for the period	Reserves and profit (loss) of non-controlling interests	Total Shareholders' Equity
Balance as at 1 January 2023	29,432	49,439	6,618	75,205	(34,057)	3,833	3,003	133,473
Allocation of profit from the previous year	-	-	-	3,833	-	(3,833)	-	-
Distribution of dividends	-	-	-	-	-	-	(12)	(12)
Treasury share transactions	(53)	(18)	-	-	-	-	-	(71)
High inflation effect in Turkey	-	-	-	506	-	-	415	921
Profit (loss) for the period	-	-	-	-	-	2,661	221	2,882
Other components of comprehensive income	-	-	-	(84)	128	-	(804)	(760)
Balance as at 30 June 2023	29,379	49,421	6,618	79,460	(33,929)	2,661	2,823	136,433

<i>(thousands of Euros)</i>	Share capital	Share premium reserve	Legal reserve	Retained earnings	Translation reserve	Profit (loss) for the period	Reserves and profit (loss) of non-controlling interests	Total Shareholders' Equity
Balance as at 1 January 2024	29,302	49,400	6,618	79,849	(35,067)	5,463	2,977	138,543
Allocation of profit from the previous year	-	-	-	4,587	-	(4,587)	-	-
Distribution of dividends	-	-	-	-	-	(876)	(12)	(888)
Treasury share transactions	(143)	(104)	-	-	-	-	-	(247)
High inflation effect in Turkey	-	-	-	2,484	-	-	754	3,238
Profit (loss) for the period	-	-	-	-	-	3,998	181	4,179
Other components of comprehensive income	-	-	-	121	(3,757)	-	(194)	(3,830)
Balance as at 30 June 2024	29,159	49,296	6,618	87,041	(38,824)	3,998	3,706	140,995

EXPLANATORY NOTES

1 Introduction

These half-year condensed consolidated financial statements as at 30 June 2024 of the Servizi Italia Group, subject to limited review, have been prepared in compliance with Art. 154 ter of Italian Legislative Decree 58/1999 as amended as well as the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), on the basis of the text published in the Official Journal of the European Communities (OJEC). These half-year financial statements have been prepared in "condensed" form as established by IAS 34, and therefore do not include all the information normally included in the annual financial statements and must therefore be read together with the Group's consolidated financial statements as at 31 December 2023.

The half-year condensed consolidated financial statements include the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the statement of changes in consolidated shareholders' equity, the consolidated cash flow statement and the notes, in line with the requirements of IFRS.

The half-year condensed consolidated financial statements were drafted in compliance with the IFRS issued by the International Accounting Standards Board and approved by the European Union at the time of drafting of these financial statements. IFRS mean also all revised international accounting standards (IAS) and all interpretations of the International Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC).

IFRS accounting standards, amendments and interpretations applied as from 1 January 2024

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

- On 23 January 2020, the IASB published an amendment called "**Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current**" and on 31 October 2022 it published an amendment called "**Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants**". The purpose of these amendments is to clarify how to classify payables and other short or long-term liabilities. In addition, the amendments also improve the information that entities must provide when their right to defer the settlement of a liability for at least 12 months is subject to compliance with specific parameters (i.e. covenants).
- On 22 September 2022, the IASB published an amendment called "**Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback**". The document requires the seller-lessee to assess the lease liability deriving from a sale & leaseback transaction so as not to recognise an income or a loss that refers to the withheld right of use.
- On 25 May 2023, the IASB published an amendment called "**Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements**". The document requires an entity to provide additional information on reverse factoring agreements that allow users of financial statements to assess how financial agreements with

suppliers may affect the entity's liabilities and cash flows and to understand the effect of such agreements on the entity's exposure to liquidity risk.

The adoption of these amendments did not impact the consolidated financial statements of the Group.

IFRS accounting standards, amendments and interpretations still not approved by the European Union.

At the reference date of this document, the European Union competent bodies had not yet concluded the approval process needed for the adoption of the amendments and standards described below.

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

With these amendments, the IASB has also introduced additional reporting requirements with regard, in particular, to investments in equity instruments designated at FVOCI. The amendments will apply for financial statements for periods starting on or after 1 January 2026. Directors do not expect any significant effect on the consolidated financial statements of the Group when this amendment is adopted.

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

The new standard also:

- Requires more information on the performance indicators defined by management;
- introduces new criteria for combining and unbundling information; and, introduces some changes to the cash flow statement, including the requirement to use the operating result as a starting point for the presentation of the cash flow statement prepared with the indirect method and the elimination of some classification options of some currently existing items (such as, for example, interest paid, interest collected, dividends paid and dividends collected).

The new standard will come into effect as from 1 January 2027, though early application is permitted. The directors are currently assessing the possible effects of the introduction of this new standard on the Group's consolidated financial statements.

- On 15 August 2023, the IASB published an amendment called "**Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability**". This document requires entities to apply a methodology to be applied consistently in order to verify whether one currency can be converted into another and, when this is not possible, how to determine the exchange rate to be used and the information to be provided in the explanatory notes. The amendment will apply as from 1 January 2025, though early adoption is allowed. Directors do not expect any significant effect on the consolidated financial statements of the Group when this amendment is adopted.
- On 9 May 2024, the IASB published a new standard "**IFRS 19 Subsidiaries without Public Accountability: Disclosures**". The new standard introduces some simplifications with reference to the disclosures required by other IAS-IFRS standards. This standard can be applied by an entity that meets the following main criteria:
 - It is a subsidiary;
 - It has not issued equity or debt instruments listed on a market and is not in the process of issuing them;
 - It has a parent company that prepares consolidated financial statements in compliance with IFRS.

The new standard will come into effect as from 1 January 2027, though early application is permitted. Directors do not expect any significant effect on the consolidated financial statements of the Group when this amendment is adopted.

1.1 Core Business

The Group primarily works in the domestic market as well as in the State of São Paulo (Brazil), Albania, India, Morocco, and Turkey, in supplying integrated rental, washing and sterilisation services for textiles and surgical instruments to social/welfare and public and private hospital facilities. In particular, the services provided by the Group consist of:

- *Wash-hire*: this includes (i) planning and provision of integrated hire, reconditioning (disinfection, washing, finishing and packaging) and logistics (pick-up and distribution to usage centres) services for textile items, mattresses and accessories, (ii) rental and washing of high visibility "118" emergency service items and (iii) logistics, transport and management of hospital linen storage facilities;
- *Linen sterilisation (Steril B)*: this includes the planning and rental of sterile medical devices for operating theatres (linens for operating theatres and scrubs) packed in kits for the operating theatre, in cotton or in re-usable technical fabric, as well as personal protection equipment (gloves, masks);
- *Sterilisation of surgical instruments (Steril C)*: this includes (i) the design and supply of washing, packaging and sterilisation services for surgical instruments (owned or rented) as well as accessories for operating theatres, (ii) the design, installation and renovation of sterilisation centres and, (iii) system validation and control services for sterilisation processes and surgical instrument washing systems.

2 The Company as part of a group

Servizi Italia S.p.A. is a subsidiary of the Coopservice S.Coop.p.A. group, with registered offices in Reggio Emilia, which holds a controlling shareholding via the Company Aurum S.p.A., which therefore indirectly controls the Servizi Italia Group.

Servizi Italia S.p.A. is not subject to the management and co-ordination activities of either the direct parent company Aurum S.p.A. or the indirect parent company Coopservice S.Coop.p.A. In fact, Servizi Italia S.p.A. operates under conditions of corporate and entrepreneurial autonomy in commercial dealings with its customers and suppliers and independently defines its industrial plans and/or budgets. Furthermore, Servizi Italia S.p.A., in compliance with the provisions of Italian Law no. 262 dated 28 December 2005, has adopted all the necessary measures which permit it not to be subject to management and co-ordination activities.

3 Consolidation principles and accounting standards

3.1 Consolidation principles

The half-year condensed consolidated financial statements as at 30 June 2024 include the financial statements of Servizi Italia S.p.A. and of the companies over which it exercises direct or indirect control, beginning on the date on which it is acquired and until the date on which it is no longer held. Investments in associates and jointly controlled companies (joint ventures) are measured using the equity method, while jointly controlled activities (joint operations) are recorded by recognising the portion of the assets and liabilities, costs and revenues that pertain thereto, directly into the financial statements of the company that is party to the agreements.

The financial statements consolidated line-by-line were drafted as at 30 June 2024, are those appropriately prepared and approved by the administrative bodies, and have been adjusted as required to bring them into line with the accounting standards of Servizi Italia S.p.A.

The consolidation criteria are the same as those applied in the Group's consolidated financial statements as at 31 December 2023.

3.2 Scope of consolidation

The scope of consolidation includes the following subsidiaries (consolidated line-by-line):

(thousands)	Registered Offices	Currency	Share capital as at 30 June 2024	Percentage of investment as at 30 June 2024	Percentage of investment as at 31 December 2023
San Martino 2000 S.c.r.l.	Genoa – Italy	EUR	10	60.0%	60.0%
Steritek S.p.A.	Malagnino (Cremona) – Italy	EUR	134	95.0%	95.0%
Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi	Ankara – Turkey	TRY	85,000	55.0%	55.0%
Ergülteks Temizlik Tekstil Ltd. Sti.**	Smyrna – Turkey	TRY	1,700	57.5%	57.5%
Ankateks Tur. Teks. Tem.Sanve TIC. A.s. – Olimpos Laundry Teks.Tem. Hizm. Ve Tur. San. Tic. LTD.Sti IS Ortakligi	Antalya – Turkey	TRY	10	51.0%	51.0%
SRI Empreendimentos e Participacoes LTDA	São Paulo – Brazil	BRL	217,758	100.0%	100.0%
Lavsım Higienização Têxtil S.A.*	São Roque, State of São Paulo – Brazil	BRL	32,330	100.0%	100.0%
Maxlav Lavanderia Especializada S.A.*	Jaguariúna, State of São Paulo – Brazil	BRL	2,825	100.0%	100.0%
Vida Lavanderias Especializada S.A.*	São Roque, State of São Paulo – Brazil	BRL	3,600	100.0%	100.0%

Aqualav Serviços De Higienização Ltda*	Vila Idalina, Poá, State of São Paulo – Brazil	BRL	15,400	100.0%	100.0%
Ekolav S.r.l.	Lastra a Signa (Florence) – Italy	EUR	100	100.0%	100.0%
Wash Service S.r.l.	Castellina di Soragna (Parma) – Italy	EUR	10	90.0%	90.0%

* Held through SRI Empreendimentos e Participações Ltda

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

Investments in associates and jointly-controlled companies are measured using the equity method.

(thousands)	Registered Offices	Currency	Share capital as at 30 June 2024	Percentage of investment as at 30 June 2024	Percentage of investment as at 31 December 2023
Arezzo Servizi S.c.r.l.	Arezzo – Italy	EUR	10	50%	50%
PSIS S.r.l.	Padua – Italy	EUR	10,000	50%	50%
Steril Piemonte S.c.r.l.	Turin – Italy	EUR	1,000	50%	50%
AMG S.r.l.	Busca (Cuneo) – Italy	EUR	100	50%	50%
Iniziativa Produttive Piemontesi S.r.l.	Turin – Italy	EUR	2,500	37.63%	37.63%
Piemonte Servizi Sanitari S.c.r.l.	Turin – Italy	EUR	10	30% ^(†)	30% ^(†)
SAS Sterilizasyon Servisleri A. Ş.	Istanbul – Turkey	TRY	36,553	51%	51%
Shubhram Hospital Solutions Private Ltd.	New Delhi – India	INR	362,219	51%	51%
Finanza & Progetti S.p.A.	Vicenza – Italy	EUR	550	50%	50%
Brixia S.r.l.	Milan – Italy	EUR	10	23%	23%
Saniservice Sh.p.k.	Tirana – Albania	LEK	2,746	30%	30%
Tecnoconsulting S.r.l.	Scandicci (Florence) – Italy	EUR	10	33%	33%
Servizi Sanitari Integrati Marocco S.a.r.l.	Casablanca – Morocco	MAD	122	51%	51%

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

For the consolidation of the companies preparing financial statements in a currency other than the functional currency used in the consolidated financial statements of the Servizi Italia Group, the following Euro conversion rates were used (it should be noted that, by virtue of the application of the IAS 29 international standard with regard to hyperinflation, the exchange rate used for the conversion of the economic values of the Turkish companies is the final exchange rate as at 30 June 2024):

Currency	Average exchange rate as at 30 June 2024	Average exchange rate as at 30 June 2023	Final exchange rate as at 30 June 2024	Final exchange rate as at 31 Dec. 2023	Final exchange rate as at 30 June 2023
Brazilian Real (R\$)	5.4922	5.4827	5.8915	5.3618	5.2788
Turkish Lira (TL)	34.2364	21.5662	35.1868	32.6531	28.3193
Albanese Lek (LEK)	102.2890	112.8250	100.3700	103.7900	106.4900
Indian Rupee (INR)	89.9862	88.8443	89.2495	91.9045	89.2065
Moroccan Dirham (MAD)	10.8325	11.0208	10.6550	10.9280	10.7560

3.3 Accounting standards and basis of preparation

The accounting standards and basis of preparation, reported in the introduction to the Notes to the financial statements, are the same as those used to prepare the consolidated financial statements as at 31 December 2023, which should be referred to for a description, with the exception of the IFRS standards, amendments and interpretations applied for the first time as at 1 January 2024 and described, together with the effects on the half-year condensed consolidated financial statements, in the introduction to these Notes.

The half-year condensed consolidated financial statements as at 30 June 2024 were drafted on the basis of the going concern assumption.

4 Risk management policy

The Servizi Italia Group's financial risk management is carried out centrally within the framework of specific organisational directives governing the management of financial risks and the control of all transactions relevant to the composition of financial and/or trade assets and liabilities.

The Servizi Italia Group's activities are exposed to various risk types, including interest rate fluctuations and credit, liquidity, cash flow risks and currency-type risks.

To minimise such risks, the Servizi Italia Group has adopted timescales and control methods, which allow the company management to monitor this risk and inform the Board of Directors so that it may approve all transactions involving a commitment by the Company with respect to third parties.

The principal internal and external risks to which the Group is exposed are described in the directors' report accompanying the separate financial statements as at 31 December 2023. A description of market risks and the relative hedging policies is provided below.

4.1 Type of risks hedged

Exchange rate risk

The investments in Brazil, Turkey, India, Albania and Morocco have positioned the Group in an international context, exposing it to exchange rate risk generated by fluctuations in the Euro/Real, Euro/Turkish Lira, Euro/Indian Rupee, Euro/Albanian Lek and Euro/Moroccan Dirham exchange rates.

The assessment of exchange rate risk weights the risk of currency fluctuations with the size and time distribution of the cash flows expressed in foreign currency and with the cost of possible hedging transactions. The assessments, taking into account the fact that no capital repatriation is expected from abroad in the short term, have led to the decision not to hedge against currency risk.

Credit risk

The credit risk is constantly monitored by means of periodic processing of past due situations which are subject to the analysis of the Group's financial structure. The Group is also equipped with recovery procedures for doubtful receivables and avails itself of the assistance of legal advisors in the event of disputes being established.

In light of the fact that customers are predominantly public companies, default risk is deemed low. However, these customers have extended payment times which depend on loans received by the local health units, the hospitals and the Regions. Currently, the average days sales outstanding are 96.

Trade receivables shown in the financial statements are adjusted for expected losses according to a model that refers to an expected loss for the entire life of trade receivables in compliance with the simplified approach envisaged by IFRS 9. The expected loss rates applied are substantially in line with those indicated in the consolidated financial statements as at 31 December 2023.

Liquidity risk

To correctly manage liquidity risk, an adequate level of cash and cash equivalents must be maintained. In light of the predominantly public nature of the group's customers and the average collection times,

cash and cash equivalents are obtained primarily from accounts receivable financing and, to a lesser extent, from medium-term, unsecured credit lines. The Group also uses factoring without recourse.

Interest rate risk

The Group's net financial debt primarily comprises short-term payables which, as at 30 June 2024, represent approximately 53.8% of its debt, at an average annual rate, in relation to the short-term payable to banks, of around 6.41%. With regard to the global financial crisis, the Group is monitoring the market and assessing the appropriateness of taking out rate hedging transactions in order to limit the negative impacts of changes in interest rates on the consolidated income statement. The table below demonstrates the effect that would be generated by a 0.5% increase or decrease in rates (in thousands of Euros).

(thousands of Euros)	0.5% rate increase		0.5% rate decrease	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Financial receivables	+26	+53	(26)	(53)
Financial payables	+307	+450	(307)	(450)
Factoring of receivables	+196	+439	(196)	(439)

4.2 Fair value information

Financial assets and financial liabilities are recognised at amortised cost. Shareholdings in other companies relate to investments of a strategic and production nature, all of which are in fact held in relation to the management of contracts or licences.

These equity investments usually cannot be freely transferred to third parties, since they are subject to rules and agreements that in practice prevent their free circulation. The equity investments in other companies are recognised at fair value if there is an active market for the securities representative of these equity investments. The profits or the losses deriving from changes in the fair value are recognised directly in the income statement. If an active market is not available, which is the case for all equity investments held by the Company as at 30 June 2024, equity investments in other companies are recognised at the cost of purchase or set-up, reduced for any impairment or capital refund, as best estimate of the fair value.

The Group does not hold financial instruments measured at fair value with an active market. Therefore, no classification based on input quality is provided.

5 Segment reporting

The Servizi Italia Group's segment reporting is organised as follows:

- *Wash-hire*: this includes (i) planning and provision of integrated hire, reconditioning (disinfection, washing, finishing and packaging) and logistics (pick-up and distribution to usage centres) services for textile items, mattresses and accessories, (ii) rental and washing of high visibility "118" emergency service items and (iii) logistics, transport and management of hospital linen storage facilities;
- *Linen sterilisation (Steril B)*: this includes the planning and rental of sterile medical devices for operating theatres (linens for operating theatres and scrubs) packed in kits for the operating theatre, in cotton or in re-usable technical fabric, as well as personal protection equipment (gloves, masks);

- *Sterilisation of surgical instruments (Steril C)*: this includes (i) the design and supply of washing, packaging and sterilisation services for surgical instruments (owned or rented) as well as accessories for operating theatres, (ii) the design, installation and renovation of sterilisation centres and, (iii) system validation and control services for sterilisation processes and surgical instrument washing systems.

In terms of geographical areas, please note that the Servizi Italia Group:

- operates in Italian territory, with the exception of the Brazilian companies Lavsim Higienização Têxtil S.A., Maxlav Lavanderia Especializada S.A., Vida Lavanderias Especializada S.A. and Aqualav Serviços De Higienização Ltda held through the subsidiary SRI Empreendimentos e Participações Ltda, as well as the Turkish companies Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi, Ergülteks Temizlik Tekstil Ltd. Sti. and Ankateks Tur. Teks. Tem.Sanve TIC. A.s. – Olimpos Laundry Teks.Tem. Hizm. Ve Tur. San. Tic. LTD.Sti IS Ortakligi.
- mainly offers the same types of services in each geographical area in Italy and abroad.

As a result, information is not presented by geographical area, with the exception of revenues, which are broken down by region in paragraph 7.1.

The Servizi Italia Group considers the breakdown by business area to be more significant. The core business areas are identified based on how the Group is managed, how management responsibilities are attributed and how business reporting is analysed by the management.

<i>(thousands of Euros)</i>	Half-year ended as at 30 June 2024			
	Wash-hire	Steril B (Linen Sterilisation)	Steril C (Surgical Instruments Sterilisation)	Total
Revenues from sales and services	109,423	10,119	27,611	147,153
Other income	1,737	122	1,143	3,002
Raw materials and materials	(8,548)	(2,613)	(2,353)	(13,514)
Costs for services	(39,078)	(1,672)	(7,134)	(47,884)
Personnel expense	(34,853)	(3,086)	(11,037)	(48,976)
Other costs	(714)	(26)	(127)	(867)
EBITDA^(a)	27,967	2,844	8,103	38,914
Depreciation, amortisation and impairment	(24,660)	(1,092)	(2,491)	(28,243)
Operating profit (EBIT)	3,307	1,752	5,612	10,671
Financial income and expenses and income and expenses from equity investments in other companies				(5,095)
Profit before tax				5,576
Tax				(1,397)
Profit (loss) for the period				4,179
Of which portion attributable to the shareholders of the parent company				3,998
Of which portion attributable to non-controlling interests				181

(a) EBITDA is not an accounting measurement under the IFRSs endorsed by the European Union. Group management has defined EBITDA as the difference between the value of sales and services and operating costs before depreciation, amortisation, write-downs, impairment and provisions.

(thousands of Euros)	Half-year ended as at 30 June 2023			
	Wash-hire	Steril B (Linen Sterilisation)	Steril C (Surgical Instruments Sterilisation)	Total
Revenues from sales and services	107,688	9,686	26,472	143,846
Other income	3,555	191	1,014	4,760
Raw materials and materials	(8,853)	(2,893)	(2,282)	(14,028)
Costs for services	(41,841)	(1,931)	(6,987)	(50,759)
Personnel expense	(33,339)	(3,172)	(10,295)	(46,806)
Other costs	(746)	(33)	(119)	(898)
EBITDA (a)	26,464	1,848	7,803	36,115
Depreciation, amortisation and impairment	(25,326)	(1,226)	(2,200)	(28,752)
Operating profit (EBIT)	1,138	622	5,603	7,363
Financial income and expenses and income and expenses from equity investments in other companies				(4,448)
Profit before tax				2,915
Tax				(33)
Profit (loss) for the period				2,882
Of which portion attributable to shareholders of the parent				2,661
Of which portion attributable to non-controlling interests				221

(a) EBITDA is not an accounting measurement under the IFRSs endorsed by the European Union. Group management has defined EBITDA as the difference between the value of sales and services and operating costs before depreciation, amortisation, write-downs, impairment and provisions.

Revenues from **wash-hire** services (which in absolute terms represent 74.4% of the Group's revenues) rose from Euro 107,688 thousand in the first six months of 2023 to Euro 109,423 thousand in the same period of 2024, recording an increase of 1.6% (or 2.9% at constant exchange rates), supported both by wash-hire in Italy (+0.4%) and by a rapid recovery deriving from the price adjustment in the Turkey area (+34.6%, or +67.3% at constant exchange rates). The Italy area over the comparison period records certain customers lost in the Marche area, more than offset by excellent performance by the other Italian areas in which the Group operates.

Revenues from **linen sterilisation** services (**Steril B**) (which in absolute terms represent 6.9% of the Group's revenues) went from Euro 9,686 thousand in the first half of 2023 to Euro 10,119 thousand with an increase of 4.5%. The increase is mainly due to the release of the excess portion of the medical devices payback fund for Euro 833 thousand, which has a one-off effect and consequent to the rulings of the Constitutional Court no. 139/24 and 140/24 as better specified in the paragraph "Information on ongoing proceedings". Net of this effect, there would be a negative change of Euro 400 thousand or -4.1% mainly due to contracts concluded in the Veneto area in the second half of 2023.

Revenues from **surgical instrument** sterilisation services (**Steril C**) (which in absolute terms represent 18.8% of the Group's revenues) rose from Euro 26,472 thousand in 2023 to Euro 27,611 thousand in 2024, with an increase of 4.3%, equal to Euro 1,139 thousand mainly due to higher operating activities recorded in the period in the Italy area.

The graph below shows the breakdown of revenue by business line.



The information in the tables below represents the assets directly attributable to investments by business segment.

<i>(thousands of Euros)</i>					30 June 2024				
	Wash-hire	Steril B (Linen Sterilisation)	Steril C (Surgical Instruments Sterilisation)	Total					
Total revenues from sales and services	109,423	10,119	27,611	147,153					
Investments in property, plant and equipment and intangible assets	27,594	1,273	4,201	33,068					
Depreciation of property, plant and equipment and amortisation of intangible assets	24,480	1,072	2,434	27,986					
Net book value of property, plant and equipment and intangible assets	142,421	3,966	26,138	172,525					

<i>(thousands of Euros)</i>					30 June 2023				
	Wash-hire	Steril B (Linen Sterilisation)	Steril C (Surgical Instruments Sterilisation)	Total					
Total revenues from sales and services	107,688	9,686	26,472	143,846					
Investments in property, plant and equipment and intangible assets	25,210	1,033	2,863	29,105					
Depreciation of property, plant and equipment and amortisation of intangible assets	25,002	1,192	2,108	28,302					
Net book value of property, plant and equipment and intangible assets	143,931	3,393	21,821	169,145					

5.1 Seasonality

The Group's economic and financial performance is not affected by particular significant cyclical or seasonal trends.

6 Statement of Financial Position

6.1 Property, plant and equipment

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

(thousands of Euros)	Land and buildings	Plant and machinery	Returnable assets	Equipment	Other assets	Assets under construction	Total
Historical cost	45,311	164,047	36,177	73,287	175,886	11,984	506,692
Accumulated depreciation	(16,616)	(121,511)	(29,002)	(61,645)	(111,445)	-	(340,219)
Balance as at 1 January 2024	28,695	42,536	7,175	11,642	64,441	11,984	166,473
Translation differences	(222)	(961)	(115)	(92)	(1,176)	(411)	(2,977)
High inflation effect in Turkey	228	801	-	-	99	-	1,128
Increases	786	1,604	576	2,701	23,195	3,873	32,735
Decreases	-	(14)	-	(2)	(149)	(38)	(203)
Depreciation	(1,787)	(3,266)	(753)	(2,317)	(19,425)	-	(27,548)
Impairments (reinstatements)	-	-	-	-	-	-	-
Reclassifications	-	1,954	1,190	271	264	(3,679)	-
Other	-	-	-	-	-	-	-
Balance as at 30 June 2024	27,700	42,654	8,073	12,203	67,249	11,729	169,608
Historical cost	46,000	165,884	37,452	75,793	196,208	11,729	533,066
Accumulated depreciation	(18,300)	(123,230)	(29,379)	(63,590)	(128,959)	-	(363,458)
Balance as at 30 June 2024	27,700	42,654	8,073	12,203	67,249	11,729	169,608

The item Translation differences refers to the changes in exchange rates for the Brazilian companies (SIR Empreendimentos e Participações L.t.d.a., Lavsim Higienização Têxtil S.A., Maxlav Lavanderia Especializada S.A., Vida Lavanderias Especializada S.A., Aqualav Serviços De Higienização Ltda) and for the Turkish companies (Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi, Ergülteks Temizlik Tekstil Ltd. Sti.).

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

The increases in the first half of 2024 mainly refer to investments in linen for Euro 21,830 thousand included in the item Other assets of which Euro 16,716 thousand relating to the Italy area and Euro 5,114 thousand relating to the Brazil area. These investments aim at a more efficient management of the warehouse, both in the case of a partial renewal of contracts and on occasion of the first supply for contracts acquired during the period in question.

The item Land and buildings recorded an increase of Euro 786 thousand mainly attributable to the change in the value of the right of use asset for the inflationary adjustment of lease contracts following the application of the IFRS 16 accounting standard.

The item Plant and Equipment recorded an increase of Euro 1,604 thousand, mainly relating to the plants in the Italy area for Euro 1,238 thousand, in the Brazil area for Euro 88 thousand and in the Turkish area for Euro 274 thousand.

The item Industrial and commercial equipment shows increases of Euro 2,701 thousand, of which Euro 1,001 thousand relating to the purchase of surgical instruments for the initial supply for new contracts acquired and Euro 1,700 thousand for the purchase of industrial equipment.

The increases in Assets under construction amounting to Euro 3,873 thousand relate to investment not yet operational, as well as works on third-party assets still in progress. At regional level, they are broken down for Euro 3,288 thousand in the Italy area, mainly relating to the wash-hire division, and for Euro 584 thousand in the Brazil area.

Reclassifications show decreases of Euro 3,679 thousand mainly relating to the entry into operation of new plants and machinery at the Parent Company, as well as works on assets realised by the Parent Company.

The item "Assets under construction" refers to the investments under way at the end of the first half and is composed as follows:

<i>(thousands of Euros)</i>	as at 30 June 2024	as at 31 December 2023
Sterilisation centre investments	4,583	4,258
Laundering facility investments	2,201	1,581
Investments on contracts	785	1,868
Investments at production sites in Brazil	4,148	4,128
Investments at production sites in Turkey	12	149
Total	11,729	11,984

The item Assets under construction shows an increase in the item Sterilisation centre investments mainly attributable to new investments made for the launch of new tenders related to sterilisation. Assets under construction in the Brazil area mainly refer to investments for the sterilisation plant located in the São Paulo area.

6.2 Intangible assets

This item changed as follows:

<i>(thousands of Euros)</i>	Trademarks, software, patents and intellectual property rights	Customer contracts portfolio	Other intangible assets	Assets under construction and payments on account	Total
Historical cost	8,828	8,367	525	310	18,030
Accumulated amortisation	(7,808)	(6,640)	(525)	-	(14,973)
Balance as at 1 January 2024	1,020	1,727	-	310	3,057
Translation differences	(13)	-	-	-	(13)
High inflation effect in Turkey	(1)	-	-	-	(1)
Increases	218	-	-	115	333
Decreases	(1)	-	-	(20)	(21)
Amortisation	(251)	(186)	-	-	(437)
Impairments (reinstatements)	-	-	-	-	-
Reclassifications	96	-	-	(96)	-
Balance as at 30 June 2024	1,068	1,541	-	309	2,918
Historical cost	9,080	8,367	478	309	18,234
Accumulated amortisation	(8,012)	(6,826)	(478)	-	(15,316)
Balance as at 30 June 2024	1,068	1,541	-	309	2,918

The increases in the item Trademarks, software, patents and intellectual property rights are mainly attributable to the purchase by the Parent Company of software licences. In addition, please note the increase in Assets under construction and payments on account mainly relating to the purchase of

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

6.3 Goodwill

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

Goodwill is allocated by geographical area as follows:

(thousands of Euros)	as at 31 December 2023	Increases/ (Decreases)	Translation differences	as at 30 June 2024
CGU Italy	51,668	-	-	51,668
CGU Turkey	2,098	-	(151)	1,947
CGU Brazil	7,672	-	(690)	6,982
Total	61,438	-	(841)	60,597

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

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

At the date of approval of these half-year consolidated financial statements, no facts or events have taken place that may indicate an impairment loss in the goodwill recognised and tested for impairment at the end of 2023.

6.4 Equity-accounted investments

The value of equity-accounted investments changed as follows:

(thousands of Euros)	Change as at 30 June 2024						
	1 January 2024	Increases/(decreases)	High inflation effect	OCI changes	Reinstatement/(impairment)	Translation difference	30 June 2024
Associates and jointly controlled companies							
Saniservice Sh.p.k.	1,105	-	-	-	193	41	1,339
Finanza & Progetti S.p.A.	19,049	-	-	121	548	-	19,718
Brixia S.r.l.	2,298	-	-	-	(48)	-	2,250
Arezzo Servizi S.c.r.l.	5	-	-	-	-	-	5
PSIS S.r.l.	4,891	-	-	-	326	-	5,217
Steril Piemonte S.r.l.	537	-	-	-	7	-	544
AMG S.r.l.	2,616	(232)	-	-	150	-	2,534
Iniziativa Produttive Piemontesi S.r.l.	1,335	-	-	-	110	-	1,445
Piemonte Servizi Sanitari S.c.r.l.	3	-	-	-	-	-	3
Servizi Sanitari Integrati Marocco S.a.r.l.	129	-	-	-	(2)	4	131
SAS Sterilizasyon Servisleri A.Ş.	640	-	1,649	-	(5)	(139)	2,145
Shubhram Hospital Solutions Private Limited	(4,581)	-	-	-	(381)	(140)	(5,102)
Tecnoconsulting S.r.l.	415	-	-	-	24	-	439
Total	28,442	(232)	1,649	121	922	(234)	30,668
of which provisions for risk and charges	(4,581)	-	-	-	(381)	(140)	(5,102)
of which equity investments in associates and jointly controlled companies	33,023	(232)	1,649	121	1,303	(94)	35,770

Reinstatements and impairments include the portions of profits and losses recorded by the investees in the half.

The item OCI changes, positive for Euro 121 thousand, corresponds the portion attributable to the Servizi Italia Group, within the scope of application of the equity method, of the change in fair value of hedging derivatives subscribed by the company Ospedal Grando S.p.A. (subsidiary of associate company Finanza e Progetti S.p.A.).

There is also a positive effect of Euro 1,649 thousand on the company SAS Sterilizasyon Servisleri A.Ş. due to high inflation in Turkey.

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

6.5 Deferred tax assets

This item changed as follows:

<i>(thousands of Euros)</i>	Lease contracts	Property, plant and equipment	Employee benefits	Previous tax losses/"ACE" carried forward	Other costs with deferred deductibility	Total
Deferred taxes as at 1 January 2024	566	476	-	8,850	2,575	12,467
Changes recognised in the income statement	27	31	-	(1,021)	564	(399)
Changes recognised in equity	-	-	-	-	-	-
Changes recognised in other comprehensive income	(14)	-	-	(14)	(212)	(240)
Deferred taxes as at 30 June 2024	579	507	-	7,815	2,927	11,828

There are no deferred tax assets not recognised in the financial statements as the temporary differences generated were deemed recoverable in future years. The item Previous tax losses mainly refers to the tax losses generated by the Parent Company, certain Italian subsidiaries and the Turkish company Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi.

Deferred tax assets relating to lease contracts include Euro 392 thousand relating to the effects deriving from the application of IFRS 16 to active contracts stipulated before 1 January 2019 (date of first application of IFRS 16) by the Parent Company. As required by IAS 12, the gross effect of deferred tax assets and liabilities is shown in the table below:

<i>(thousands of Euros)</i>	Details of allocation - IFRS 16 deferred taxation
Deferred tax assets as at 31 December 2023	3,863
Deferred tax liabilities as at 31 December 2023	(3,483)
Net deferred tax assets as at 31 December 2023	380
Deferred taxes assets as at 30 June 2024	3,407
Deferred tax liabilities as at 30 June 2024	(3,015)
Net deferred tax assets as at 30 June 2024	392

6.6 Trade receivables

The item is broken down as follows:

(thousands of Euros)	as at 30 June 2024	as at 31 December 2023
Due from third parties	67,772	67,585
Due from associates	8,209	6,487
Due from parent company	227	246
Due from companies under the control of the parent companies	943	823
Total	77,151	75,141

Due from third parties

The item is broken down as follows:

(thousands of Euros)	as at 30 June 2024	as at 31 December 2023
Due from customers	73,728	73,429
Bad debt provision	(5,956)	(5,844)
Total	67,772	67,585

The increase in the item Trade receivables is attributable to the increase in the level of sales revenues and a slight increase in the average collection days.

During the half, the Servizi Italia Group carried out some transactions involving the disposal of the receivables described below:

- it transferred without recourse to Credemfactor S.p.A. Euro 14,910 thousand in trade receivables for a consideration of Euro 14,733 thousand;
- it transferred without recourse to Unicredit Factoring S.p.A. Euro 11,707 thousand in trade receivables for a consideration of Euro 11,582 thousand;
- it transferred without recourse to IFITALIA Euro 4,887 thousand in trade receivables for a consideration of Euro 4,841 thousand;
- it transferred without recourse to BPER Factor S.p.A. Euro 7,553 thousand in trade receivables for a consideration of Euro 7,485 thousand;
- it transferred without recourse to Banca Ifis S.p.A. Euro 137 thousand in trade receivables for a consideration of Euro 135 thousand.

The bad debt provision changed as follows:

(thousands of Euros)	Total
Balance as at 31 December 2023	5,844
Utilisations	-
Adjustments	-
Provisions	112
Balance as at 30 June 2024	5,956

6.7 Other current assets

The item is broken down as follows:

(thousands of Euros)	as at 30 June 2024	as at 31 December 2023
Due from others	8,138	9,885
Prepayments	2,647	1,624
Guarantee deposits receivable	238	244
Accrued income	14	-
Total	11,037	11,753

The item Due from others is composed of the receivables of the company San Martino 2000 S.c.r.l. from the consortium company Servizi Ospedalieri S.p.A. in the amount of Euro 1,218 thousand, the VAT receivable pertaining to the Parent Company for Euro 3,833 thousand (Euro 4,558 thousand as at 31 December 2023) and, for the remaining part, mainly by advances and receivables from social security and welfare institutions, all collectable within the year. Prepayments increased primarily as a result of rentals and insurance premiums that were recognised at the beginning of the year. The item guarantee deposits refers to energy utilities and rental contracts.

6.8 Shareholders' equity

As at 30 June 2024, the fully subscribed and paid-up share capital of Servizi Italia S.p.A. was broken down into 31,809,451 ordinary shares with a nominal amount of Euro 1 each. In the first half of 2024, the Parent Company purchased 142,987 treasury shares for Euro 247 thousand, equal to 0.45% of the share capital, with an average purchase price of Euro 1.72 per share. Following these transactions, as at 30 June 2024, the Parent Company held 2,650,739 treasury shares amounting to 8.33% of the share capital. The value of the treasury shares held as at 30 June 2024 of Euro 6,424 thousand was classified as a reduction in shareholders' equity. There was also a negative effect of Euro 3,950 thousand on the translation reserves in the equity of companies that prepare their financial statements in foreign currencies, mainly as a result of the depreciation of the Brazilian Real and of the Turkish Lira, as well as the positive effect of high inflation in Turkey following the adoption of IAS 29 in the amount of Euro 3,238 thousand.

It should be noted that, although the Consolidated Shareholders' Equity of the Servizi Italia Group is higher than the share market capitalisation as at 30 June 2024, it is considered recoverable in consideration of the results of the impairment tests carried out as at 31 December 2023.

6.9 Due to banks and other lenders

The item is broken down as follows:

(thousands of Euros)	as at 30 June 2024			as at 31 December 2023		
	Current	Non-current	Total	Current	Non-current	Total
Due to banks	59,695	47,686	107,381	59,209	38,867	98,076
Due to other lenders	4,044	26,635	30,679	3,993	27,518	31,511
Total	63,739	74,321	138,060	63,202	66,385	129,587

Due to banks

The portion of the payable falling due within 12 months relating to the item Due to banks as at 30 June 2024 presents an increase compared to 31 December 2023 of Euro 486 thousand. The portion of the payable falling due beyond 12 months relating to the item Due to banks as at 30 June 2024 shows an increase compared to 31 December 2023 of Euro 8,819 thousand due to the net effect of the repayment of the loan instalments due during the year and the taking out of a new loan in the period for Euro 22,400 thousand with CF+ S.p.A. The breakdown of Due to banks by maturity is provided below:

(thousands of Euros)	as at 30 June 2024	as at 31 December 2023
Maturity less than or equal to 6 months	48,258	48,469
Maturity between 6 and 12 months	11,437	10,740
Maturity between 1 and 5 years	47,686	38,368
More than 5 years	-	500
Total	107,381	98,076

Non-current due to banks are broken down by maturity as follows:

<i>(thousands of Euros)</i>	as at 30 June 2024	as at 31 December 2023
Maturity between 1 to 2 years	18,180	15,862
Maturity between 2 and 5 years	29,506	22,505
More than 5 years	-	500
Total	47,686	38,867

Some medium/long-term loans are subject to financial covenants on data inferred from the consolidated financial statements at the end of the year; no obligation to comply with financial covenants is envisaged as at 30 June 2024 except for the covenants in place on the loan granted by Unicredit S.p.a. which envisage half-yearly compliance with two ratios, respectively $NFP/SE \leq 2$ and $NFP/EBITDA \leq 3$, both met.

Due to other lenders

For the current portion, due to other lenders as at 30 June 2024 mainly relate to the payable of the Turkish companies, in addition to financial payables relating to lease contracts, represented in the financial statements according to IFRS 16, for Euro 3,861 thousand.

The non-current portion of the balance as at 30 June 2024 is attributable to financial payables relating to lease contracts for Euro 26,596 thousand.

Due to other lenders are broken down by maturity below:

<i>(thousands of Euros)</i>	as at 30 June 2024	as at 31 December 2023
Maturity less than or equal to 6 months	1,554	2,598
Maturity between 6 and 12 months	2,490	1,395
Maturity between 1 and 5 years	13,747	13,701
More than 5 years	12,888	13,816
Total	30,679	31,511

Non-current due to other lenders are broken down by maturity as follows:

<i>(thousands of Euros)</i>	as at 30 June 2024	as at 31 December 2023
Maturity between 1 to 2 years	3,679	3,658
Maturity between 2 and 5 years	10,068	10,044
More than 5 years	12,888	13,817
Total	26,635	27,518

6.10 Deferred tax liabilities

Deferred tax liabilities are broken down below by nature of the timing differences that generated them:

<i>(thousands of Euros)</i>	Property, plant and equipment and intangible assets	Equity investments	Goodwill	Other	Inflation effect in Turkey	Total
Deferred tax liabilities as at 1 January 2024	280	3	1,752	-	898	2,933
Changes recognised in the income statement	100	-	16	25	75	216
Changes recognised in equity	-	-	-	-	142	142
Changes recognised in other comprehensive income	(6)	-	-	-	-	(6)
Deferred tax liabilities as at 30 June 2024	374	3	1,768	25	1,115	3,285

There are no deferred taxes which have not been recognised, since the related payment is deemed unlikely.

6.11 Employee benefits

This item changed as follows:

<i>(thousands of Euros)</i>	Total
Initial balance as at 1 January 2024	7,389
Provision	426
Financial expenses	-
Actuarial (gains)/losses	-
Transfers (to)/from other provisions (Payments)	(422)
Translation differences	(34)
Final balance as at 30 June 2024	7,358

6.12 Provisions for risks and charges

The item is broken down as follows:

<i>(thousands of Euros)</i>	as at 30 June 2024	as at 31 December 2023
Opening balance	9,277	8,483
Provisions	592	1,872
Payments/resolutions	(992)	(993)
Translation differences	(28)	(85)
Closing balance	8,849	9,277
of which current portion	837	1,783
of which non-current portion	8,012	7,494

The item includes the provision for coverage of losses on equity investments for Euro 5,102 thousand, which refers to the equity investment in Shubhram Hospital Solutions Private Limited, and corresponds to the portion of the losses exceeding the value of the equity investment that will be covered in consideration of the commitments made with the local partner for the development of business in the Indian market. It should also be noted that the provisions recognised in the period amounted to Euro 592 thousand, of which Euro 381 thousand relate to the losses attributable to the Servizi Italia Group recorded by the equity investment in Shubhram Hospital Solutions Private Limited, while approximately Euro 157 thousand were allocated to various items by the Parent Company. It should be noted that, as already commented in the paragraph "Information on ongoing proceedings", the Parent Company has released an amount equal to Euro 833 thousand relating to the found portion in excess in accordance with rulings no. 139/2024 and 140/2024 of the Constitutional Court, previously allocated to meet the settlement request for Payback for medical devices for the years 2015-2018.

6.13 Trade payables

The item is broken down as follows:

<i>(thousands of Euros)</i>	as at 30 June 2024	as at 31 December 2023
Due to suppliers	74,779	79,631
Due to associates and jointly-controlled companies	2,605	3,298
Due to parent company	4,189	4,660
Due to companies under the control of the parent companies	19	42
Total	80,592	87,631

Trade payables decreased from Euro 87,631 thousand as at 31 December 2023 to Euro 80,592 thousand as at 30 June 2024, a decrease of Euro 7,039 thousand.

6.14 Other financial liabilities

The item is broken down as follows:

(thousands of Euros)	as at 30 June 2024	as at 31 December 2023
Payable for Steritek S.p.A. put option	470	465
Payables to Wash Service S.r.l. shareholders	391	402
Deferred price Aqualav Serviços De Higienização Ltda	13	14
Total	874	881
of which non-current portion	470	465
of which current portion	404	416

The change in the item is primarily related to the capitalisation of financial charges relating to the discounting of the debt of the options recorded. As already mentioned in the paragraph "Significant events after the end of the half", on 4 July 2024 the Parent Company exercised the right of purchase option in reference to 10% of the share capital of Wash Service S.r.l. and the related payable recognised as at 30 June 2024 was adjusted accordingly.

6.15 Other current payables

The table below provides a breakdown of other current liabilities:

(thousands of Euros)	as at 30 June 2024	as at 31 December 2023
Deferred income and accrued expenses	764	1,372
Payables due to social security and welfare institutions	5,178	6,072
Due to employees	12,473	10,688
Employee/professional IRPEF (personal income tax) payable	1,627	2,142
Other payables	1,177	1,866
Total	21,219	22,140

Due to employees

The item Due to employees increased compared to 31 December 2023, from Euro 10,688 thousand as at 31 December 2023 to Euro 12,473 thousand as at 30 June 2024.

Payables due to social security and welfare institutions

Payables due to social security and welfare institutions include contributions to INPS/INAIL/INPDAl (National Social Security Institution/Italian Institution for Insurance Against Workplace Accidents/National Welfare Institute for Industrial Managerial Employees), all falling due within the year.

6.16 Net financial debt

The Group's net financial debt as at 30 June 2024, as at 31 December 2023 and as at 30 June 2023 is shown below:

(thousands of Euros)	as at 30 June 2024	as at 31 December 2023	as at 30 June 2023
Cash and cash equivalents in hand	111	59	29
Cash at bank	3,990	4,672	11,359
Cash and cash equivalents	4,101	4,731	11,388
Current financial receivables	6,103	8,156	7,149
Current due to banks and other lenders	(63,739)	(63,202)	(74,948)
of which Financial liabilities under IFRS 16	(3,861)	(3,852)	(3,684)
Current net financial debt	(57,636)	(55,046)	(67,799)
Non-current due to banks and other lenders	(74,321)	(66,385)	(68,641)
of which Financial liabilities under IFRS 16	(26,596)	(27,518)	(28,061)
Non-current net financial debt	(74,321)	(66,385)	(68,641)
Net financial debt	(127,856)	(116,700)	(125,052)

Please refer to the cash flow statement for the description of the cash flows generated by operating, financing and investment activities and the associated effects on the cash and cash equivalents. The consolidated net financial position increased from Euro 116,700 thousand as at 31 December 2023 to Euro 127,856 thousand as at 30 June 2024, a negative change of Euro 11,156 thousand. The change in net financial debt as at 30 June 2024 compared to 31 December 2023 includes investments in materials, primarily textile linen products to be fed into the production process, for approximately Euro 30.9 million, and the payment of the dividend on the result for the 2023 financial year for Euro 0.9 million. The change, in addition to what has already been commented, is mainly due to a slight increase in the average collection times and a simultaneous reduction in the average payment times recorded in the first half of 2024.

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

(thousands of Euros)	as at 30 June 2024	as at 31 December 2023	as at 30 June 2023
A. Cash	4,101	4,731	11,388
B. Cash equivalents	-	-	
C. Other current financial assets	6,103	8,156	7,149
D. Liquidity (A)+(B)+(C)	10,204	12,887	18,537
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	(35,594)	(37,169)	(47,357)
F. Current portion of non-current financial debt	(28,549)	(26,449)	(28,004)
<i>of which Financial liabilities under IFRS 16</i>	(3,861)	(3,852)	(3,684)
G. Current financial indebtedness (E)+(F)	(64,143)	(63,618)	(75,361)
H. Net current financial indebtedness (G)-(D)	(53,939)	(50,731)	(56,824)
I. Non-current financial debt (excluding current portion and debt instruments)	(74,321)	(66,385)	(68,641)
<i>of which Financial liabilities under IFRS 16</i>	(26,596)	(27,518)	(28,061)
J. Debt instruments	-	-	-
K. Non-current trade and other payables	(470)	(465)	(460)
L. Non-current financial indebtedness (I)+(J)+(K)	(74,791)	(66,850)	(69,101)
M. Total financial indebtedness (H)+(L)	(128,730)	(117,581)	(125,925)

6.17 Financial guarantee contracts

The table below lists the guarantees given by the Group, in place as at 30 June 2024 and as at 31 December 2023:

(thousands of Euros)	as at 30 June 2024	as at 31 December 2023
Guarantees issued by banks and insurance companies for tenders	78,771	78,273
Guarantees issued by banks and insurance companies for lease agreements and utilities	215	173
Guarantees issued by banks and insurance companies in favour of third parties	94,039	79,253
Owned assets held by third parties	162	159
Third party assets held at our facilities	-	-
Pledge on Asolo Hospital Service S.p.A. shares given as loan guarantee	66	66
Pledge on Sesamo S.p.A. shares given as loan guarantee	237	237
Pledge on Prog.Este S.p.A. shares given as loan guarantee	1,212	1,212
Pledge on Progeni S.p.A. shares given as loan guarantee	76	76
Pledge on Synchron shares given as loan guarantee	344	344
Pledge on Futura S.r.l. quotas given as loan guarantee	9	9
Pledge on Summano Sanità shares given as loan guarantee	10	10
Total	175,141	159,812

Guarantees issued by banks and insurance companies for tenders: these were issued on behalf of the Group in favour of customers or potential customers for participation in tenders, to guarantee the correct execution of the service.

Guarantees issued by banks and insurance companies for lease agreements and utilities: these were issued on behalf of the Group to guarantee the payment of lease instalments and invoices for the supply of electricity and gas.

Guarantees issued by banks and insurance companies in favour of third parties: these are guarantees issued to back the payment of the own portion of the project financing and guarantees issued in the interest of PSIS S.r.l., I.P.P. S.r.l., Gesteam S.r.l. and Shubhram Hospital Solutions Private Limited to back loan agreements. Mortgage loans on owned property: the Group has not granted liens on owned property and has no mortgage loans.

Pledge on shares of Asolo Hospital Service, Sesamo, Progeni, Prog.Este, Synchron, Futura and Summano Sanità to back the loans granted to project companies: this pledge was granted to the banks providing the project financing on the shares representing the Group's interest in the special purpose entity.

7 Income statement

7.1 Sales revenues

The item is broken down as follows by business:

<i>(thousands of Euros)</i>	Half-year ended as at 30 June	
	2024	2023
Wash-hire	109,423	107,688
Steril B (Linen Sterilisation)	10,119	9,686
Steril C (Surgical Instruments Sterilisation)	27,611	26,472
Sales revenues	147,153	143,846

Revenues and services by geographical area are broken down as follows:

<i>(thousands of Euros)</i>	Half-year ended as at 30 June	
	2024	2023
Italy	126,255	124,363
Brazil	15,319	15,339
Turkey	5,579	4,144
Sales revenues	147,153	143,846

7.2 Other income

The item is broken down as follows:

<i>(thousands of Euros)</i>	as at 30 June 2024	as at 30 June 2023
Rental income	287	312
Capital gains from asset sale	445	242
Recovered costs pertaining to third parties	403	405
ATI income	803	771
Contingent assets/(liabilities)	(12)	64
Recovered costs and sundry income	1055	994
Operating grants	21	1,972
Total	3,002	4,760

The item "Other income" went from Euro 4,760 thousand as at 30 June 2023 to Euro 3,002 thousand as at 30 June 2024, recording a decrease of Euro 1,758 thousand. The decrease as at 30 June 2024 is mainly attributable to the item Operating grants which were recognised for the use of the electricity and gas tax credit benefit for the first and second quarter of 2023.

7.3 Raw materials and consumables

As at 30 June 2024, the consumption of raw materials amounted to Euro 13,514 thousand, down by Euro 514 thousand compared to the previous period, mainly as a result of the lower costs incurred for the purchase of disposable products and PPE, following the exit of certain orders in the Veneto area, as well as the decrease in costs incurred for the purchase of washing and chemical products and packaging, due to a reduction in purchase prices and the optimisation of the range of products used. Consumption also refers to the purchase of consumables, fuels and spare parts.

7.4 Costs for services

The item is broken down as follows:

<i>(thousands of Euros)</i>	Half-year ended as at 30 June	
	2024	2023
External laundering and other industrial services	17,435	16,888
Travel and transport	8,386	8,300
Utilities	8,314	12,014
Administrative costs	2,008	1,686
Consortium and sales costs	2,933	2,947
Personnel expense	1,842	1,662
Maintenance	4,652	4,572
Use of third-party assets	1,718	1,550
Other services	596	1,140
Total	47,884	50,759

Costs for services recorded a decrease of 5.7% compared to the same period of the previous year equal to Euro 2,875 thousand, going from Euro 50,759 thousand in the first half of 2023 to Euro 47,884 thousand in the first half of 2024. The decrease is also seen in terms of incidence on revenues, which went from 35.3% in the first half of 2023 to 32.7% in the first half of 2024, mainly as a result of lower costs incurred for utilities, which show a decrease of Euro 3,700 thousand compared to the same period of the previous year, or a decrease of 2.7% in terms of incidence on revenues.

The item External laundering and other industrial services recorded an increase of Euro 547 thousand, mainly due to greater use of external laundry and other services, also following new tenders with a different logistics and production structure with respect to the comparison period.

7.5 Personnel expense

The item is broken down as follows:

<i>(thousands of Euros)</i>	Half-year ended as at 30 June	
	2024	2023
Costs for directors' fees	526	594
Salaries and wages	32,674	31,600
Temporary work	2,881	2,154
Social security charges	10,870	10,431
Employee severance indemnity	1,865	1,897
Other costs	160	130
Total	48,976	46,806

The item Personnel expense went from Euro 46,806 thousand as at 30 June 2023 to Euro 46,976 thousand as at 30 June 2024, recording an increase of Euro 2,170 thousand. The increase is mainly attributable to the Parent Company, as a result of the salary increases related to the entry into force of the new national collective agreement, and to the Turkey and Brazil areas, due to the inflation adjustments applied. In terms of relative incidence, there was an increase of 0.7% compared to the first half of 2023.

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

	Personnel as at 30 June	
	2024	2023
Executives	15	18
Middle managers	31	39
White-collar staff	389	368
Blue-collar staff	3,054	3,095
Total	3,489	3,520

7.6 Depreciation/amortisation, impairment and provisions

The item is broken down as follows:

<i>(thousands of Euros)</i>	Half-year ended as at 30 June	
	2024	2023
Amortisation of intangible assets	437	614
Depreciation of property, plant and equipment	27,549	27,688
Impairment and provisions	257	450
Total	28,243	28,752

The item Depreciation, amortisation, impairment and provisions recorded a decrease compared to the same period of the previous year of Euro 509 thousand, from Euro 28,752 thousand in the first half of 2023 to Euro 28,243 thousand in the first half of 2024, while the relative incidence decreased, from 20.0% in the first half of 2023 to 19.2% in the first half of 2024.

7.7 Financial income and expenses

Financial income is broken down as follows:

<i>(thousands of Euros)</i>	Half-year ended as at 30 June	
	2024	2023
Bank interest income	21	5
Default interest	149	96
Interest income on loans to third-party companies	404	393
Other financial income	157	76
Total	731	570

Financial expenses are composed as follows:

<i>(thousands of Euros)</i>	Half-year ended as at 30 June	
	2024	2023
Interest expense and bank commission	(3,879)	(2,280)
Interest and expense to other lenders	(418)	(447)
High inflation effect	(668)	(314)
Financial expenses on employee benefits	(83)	(104)
Exchange rate losses	(219)	(978)
Other financial expenses	(1,655)	(1,117)
Total	(6,922)	(5,240)

Financial income went from Euro 570 thousand as at 30 June 2023 to Euro 731 thousand as at 30 June 2024, showing a positive change of Euro 161 thousand.

Financial expenses went from Euro 5,240 thousand as at 30 June 2023 to Euro 6,922 thousand as at 30 June 2024, an increase of Euro 1,682 thousand mainly due to the increase in interest rates recorded with respect to outstanding loans from credit institutions in Italy and Turkey. Also note the reduction in exchange rate losses in the first half of 2024 due to the lower depreciation recorded primarily by the Turkish lira with respect to the comparison period. During the period, it was also noted the negative effect of the adjustments to non-monetary items deriving from the application of IAS 29 - Hyperinflation by the Turkish companies Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi and Ergülteks Temizlik Tekstil Ltd. Sti for Euro 668 thousand as well as the write-down of financial interest income from the company Shubhram Hospital Solutions Private Ltd for a total of Euro 399 thousand.

7.8 Current and deferred taxes

The item is broken down as follows:

<i>(thousands of Euros)</i>	Half-year ended as at 30 June	
	2024	2023
Current taxes	783	891
Deferred tax (assets)/liabilities	614	(858)
Total	1,397	33

7.9 Earnings per share

Basic and diluted earnings per share are calculated in the tables below.

<i>(thousands of Euros)</i>	Half-year ended as at 30 June	
	2024	2023
Profit/loss attributable to shareholders of the parent company	3,998	2,661
Average number of shares	29,213	29,417
Basic earnings/(losses) per share	0.14	0.09

<i>(thousands of Euros)</i>	Half-year ended as at 30 June	
	2024	2023
Profit (loss) for the period attributable to the Group:	3,998	2,661
Average number of shares outstanding	29,213	29,417
Number of shares with dilutive effect	-	-
Average number of shares used to calculate diluted EPS	29,213	29,417
Diluted earnings/(losses) per share	0.14	0.09

8 Transactions with group companies and related parties

The transactions of Servizi Italia S.p.A. with related parties are conducted in compliance with the applicable Regulations governing transactions with related parties and concern primarily:

- dealings associated with commercial service agreements;
- financial dealings, represented by loans.

From an economic, equity and financial point of view, the main transactions constitute ordinary transactions conducted under conditions equivalent to market or standard conditions and are

regulated by the appropriate contracts. The amount recorded in the reference period was generated by the renewal of existing contracts or contracts stipulated in the same period.

No new agreements were stipulated with related parties in the half year ended as at 30 June 2024 with a significant impact on the financial disclosures of the Servizi Italia Group.

The economic transactions with the related parties of the Servizi Italia Group as at 30 June 2024 are shown below:

<i>(thousands of Euros)</i>		30 June 2024							
<i>Economic transactions</i>		Sale of goods and services	Other income	Purchases of goods and services	Personnel expense	Purchases of property, plant and equipment and intangible assets	Other costs	Financial income	Financial expenses
Coopservice S.Coop.p.A. (parent company)	5	13	6,386	-	-	2	-	-	-
Aurum S.p.A. (parent company)	-	-	-	-	-	-	-	-	-
Arezzo Servizi S.c.r.l. (joint control)	-	6	505	-	-	-	10	-	-
Psis S.r.l. (joint control)	133	61	-	-	1	30	-	-	-
Amg S.r.l. (joint control)	-	4	233	-	-	-	-	-	-
Steril Piemonte S.r.l. (joint control)	-	-	-	-	-	-	-	-	-
Piemonte Servizi Sanitari S.c.r.l. (associate)	-	63	263	-	-	-	3	-	-
Iniziativa Produttive Piemontesi S.r.l. (associate)	13	22	363	-	-	-	1	-	-
SAS Sterilizasyon Servisleri A.Ş. (joint control)	-	-	-	-	-	-	-	-	-
Shubhram Hospital Solutions Private Limited (joint control)	-	-	-	-	-	-	118	-	-
Sanitary cleaning Sh.p.k. (joint control)	-	-	-	-	-	-	-	-	-
Saniservice Sh.p.k. (joint control)	194	60	-	-	-	-	103	-	-
Servizi Sanitari Integrati Marocco S.a.r.l. (joint control)	-	-	-	-	-	-	-	-	-
Finanza & Progetti S.p.A. (joint control)	-	6	-	-	-	-	117	-	-
Brixia S.r.l. (associate)	2,101	-	20	-	-	-	-	-	-
Tecnoconsulting S.r.l. (associate)	-	-	84	-	376	-	-	-	-
Focus S.p.A. (affiliated)	-	-	-	-	-	14	-	-	613
Istituto di Vigilanza Coopservice (associate)	-	-	13	-	-	-	-	-	-
New Fleur S.r.l. (affiliated)	-	98	-	-	-	-	-	-	-
Ospedal Grando S.p.A. (related party)	5,621	-	91	-	-	-	-	-	-
Akan & Ankateks JV (associate)	291	-	-	45	-	-	-	-	-
Akan (related party)	-	-	2	-	-	-	-	-	-
Nimetsu & Ankateks JV (associate)	-	-	-	-	-	-	-	-	-
Atala (related party)	-	-	-	-	-	-	-	-	-
Ankor (related party)	-	-	-	-	-	-	-	-	-
Ozdortler (related party)	-	-	-	-	-	-	-	-	-
Oguzalp Ergul (related party)	-	-	-	-	-	-	14	-	-
Feleknaz Demir (related party)	-	-	-	-	-	-	-	-	-
Volkan Akan (related party)	-	-	-	-	-	-	-	-	-
Fevzi Cenk Kiliç (related party)	-	-	-	-	-	-	-	-	-
Olimpos (related party)	-	-	414	-	-	-	-	-	-
Total	8,358	333	8,374	45	377	46	366	613	-

As regards income statement transactions with related parties, aside from the figures shown above, Personnel expense as at 30 June 2024 includes Directors' fees of Euro 586 thousand (of which Euro 74 thousand for social security charges) and executive personnel expense of Euro 1,366 thousand. In relation to the company Focus S.p.A., it should be noted that the Group represented the lease payments for the period equal to Euro 1,553 thousand as amortisation/depreciation of rights of use equal to Euro 1,080 thousand and financial expenses equal to Euro 613 thousand, in accordance with the provisions of IFRS 16.

Transactions with related parties of the Servizi Italia Group with an impact on the statement of financial position as at 30 June 2024 are shown below:

(thousands of Euros)		30 June 2024				
Statement of financial position	Amount of trade receivables	Amount of trade payables	Amount of financial receivables	Amount of rights of use	Amount of financial payables	Amount of other liabilities
Coopservice S.Coop.p.A. (parent company)	227	4,187	-	-	-	-
Aurum S.p.A. (parent company)	-	-	-	-	-	-
Arezzo Servizi S.c.r.l. (joint control)	6	598	490	-	-	-
Psis S.r.l. (joint control)	113	18	-	-	-	-
Amg S.r.l. (joint control)	8	555	-	-	-	-
Steril Piemonte S.r.l. (joint control)	-	-	250	-	-	-
Piemonte Servizi Sanitari S.c.r.l. (associate)	105	417	161	-	-	-
Iniziativa Produttive Piemontesi S.r.l. (associate)	49	402	54	-	-	-
SAS Sterilizasyon Servisleri A.Ş. (joint control)	-	-	-	-	-	-
Shubhram Hospital Solutions Private Limited (joint control)	-	-	4,195	-	-	-
Sanitary cleaning Sh.p.k. (joint control)	-	-	-	-	-	-
Saniservice Sh.p.k. (joint control)	686	-	2,444	-	-	-
Servizi Sanitari Integrati Marocco S.a.r.l. (joint control)	-	-	-	-	-	-
Finanza & Progetti S.p.A. (joint control)	393	-	3,207	-	-	-
Brixia S.r.l. (associate)	947	14	-	-	-	-
Tecnoconsulting Srl (associate)	-	399	-	-	-	-
Focus S.p.A. (affiliated)	-	-	-	17,635	19,459	-
Istituto di Vigilanza Coopservice (associate)	-	15	-	-	-	-
New Fleur S.r.l. (affiliated)	896	11	-	-	-	-
Ospedal Grando S.p.A. (related party)	5,798	313	-	-	-	-
Akan & Ankateks JV (associate)	653	-	-	-	-	-
Akan (related party)	133	-	-	-	225	-
Nimetsu & Ankateks JV (associate)	-	-	-	-	-	-
Atala (related party)	239	-	-	-	-	-
Ankor (related party)	-	-	-	-	15	-
Ozdortler (related party)	-	-	-	-	-	-
Oguzalp Ergul (related party)	-	-	70	-	-	-
Feleknaz Demir (related party)	-	-	-	-	-	-
Volkan Akan (related party)	117	-	-	-	-	-
Fevzi Cenk Kiliç (related party)	97	-	-	-	-	-
Olimpos (related party)	-	111	-	-	-	-
Total	10,467	7,040	10,871	17,635	19,699	-

9 Company officers' fees

Economic transactions with the company officers as at 30 June 2024 are summarised below.

- Board of Directors: Euro 586 thousand (recognised as Personnel expense);
- Board of Statutory Auditors: Euro 46 thousand (recognised as Costs for services).

10 Income from non-recurring, atypical and/or unusual transactions

No income from non-recurring transactions was recorded during the half.

During the half, no atypical and/or unusual transactions were entered into, as defined in Consob Communication no. 6064293 of 28 July 2006.

The Chairman of the Board of Directors
(Roberto Olivi)

Certification of the half-year condensed financial statements pursuant to Art. 81-ter of Consob Regulation no. 11971 of 14 May 1999 as amended

Castellina di Soragna, 8 August 2024

1. In consideration of the provisions of Art. 154-bis, paragraphs 3 and 4 of Italian Legislative Decree no. 58 of 24 February 1998, the undersigned Roberto Olivi, in his capacity as Chairman of the Board of Directors, and Angelo Minotta, in his capacity as Financial Reporting Manager of Servizi Italia S.p.A., certify:
 - the adequacy in relation to the characteristics of the business and;
 - the effective application of the administrative and accounting procedures to prepare the half-year condensed consolidated financial statements from 1 January 2024 to 30 June 2024.
2. It is also certified that:
 - 2.1. the half-year condensed financial statements:
 - a) have been prepared in compliance with the applicable international accounting standards recognised in the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, dated 19 July 2002;
 - b) correspond to the books and accounting entries;
 - c) provide a true and fair view of the financial position, income and cash flows of the Company and all the companies included in the scope of consolidation.
 - 2.2. The interim directors' report includes a reliable analysis of the significant events that took place in the first six months of the year and their impact on the half-year condensed financial statements, along with a description of the main risks and uncertainties for the remaining six months of the year. The interim directors' report also includes a reliable analysis of the information on related party transactions.

The Chairman of the Board of Directors
Roberto Olivi

The Financial Reporting Manager
Angelo Minotta



REVIEW REPORT ON CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the shareholders of
Servizi Italia SpA

Foreword

We have reviewed the accompanying consolidated condensed interim financial statements of Servizi Italia SpA and its subsidiaries (the Servizi Italia Group) as of 30 June 2024, comprising the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, statement of changes in consolidated shareholders' equity, consolidated cashflow statement and related explanatory notes. The directors of Servizi Italia Group are responsible for the preparation of the consolidated condensed interim 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 consolidated condensed interim financial statements based on our review.

Scope of Review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution No. 10867 of 31 July 1997. A review of consolidated condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA 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 consolidated condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of Servizi Italia Group as of 30 June 2024 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.

PricewaterhouseCoopers SpA

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Other Matters

The consolidated financial statements of Servizi Italia Group for the year ended 31 December 2023 and the consolidated condensed interim financial statements for the period ended 30 June 2023 were audited and reviewed, respectively, by other auditors, who on 27 March 2024 expressed an unmodified opinion on the consolidated financial statements, and on 10 August 2023 expressed an unmodified conclusion on the consolidated condensed interim financial statements.

Verona, 8 August 2024

PricewaterhouseCoopers SpA

Signed by

Alessandro Vincenzi
(Partner)

This review report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.