

The logo for DiaSorin, featuring the company name in white serif font centered within a dark blue square.

DiaSorin

HALF-YEAR FINANCIAL REPORT JUNE 30, 2021

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

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REPORT ON OPERATIONS

CORPORATE BODIES

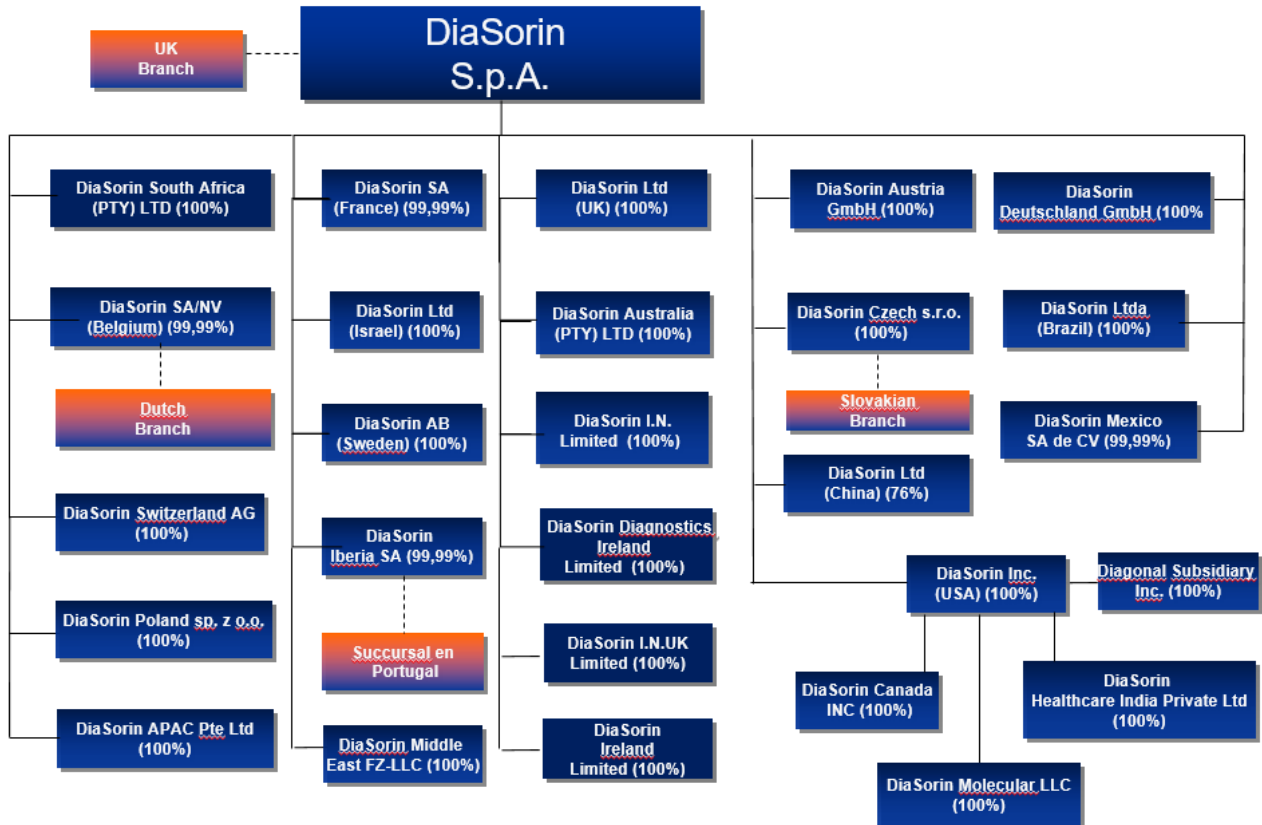
BOARD OF DIRECTORS	(appointed on April 24, 2019)
<i>Chairman</i>	Gustavo Denegri
<i>Deputy Chairman</i>	Michele Denegri
<i>Chief Executive Officer</i>	Carlo Rosa ⁽¹⁾
<i>Directors</i>	Giancarlo Boschetti Stefano Altara Chen Menachem Even Franco Moscetti ⁽²⁾ Giuseppe Alessandria ^{(2) (3)} Roberta Somati ⁽²⁾ Fiorella Altruda ⁽²⁾ Francesca Pasinelli ⁽²⁾ Monica Tardivo ⁽²⁾ Luca Melindo Tullia Todros ⁽²⁾ Elisa Corghi ⁽²⁾
BOARD OF STATUTORY AUDITORS	
<i>Chairman</i>	Monica Mannino
<i>Statutory Auditors</i>	Ottavia Alfano Matteo Michele Sutera
<i>Alternates</i>	Romina Guglielmetti Cristian Tundo
INDEPENDENT AUDITORS	PricewaterhouseCoopers S.p.A.
COMMITTEES	
Control, Risks and Sustainability Committee	Franco Moscetti (Chairman) Giancarlo Boschetti Roberta Somati
Compensation and Nominating Committee	Giuseppe Alessandria (Chairman) Michele Denegri Elisa Corghi
Related-party Committee	Franco Moscetti (Chairman) Giuseppe Alessandria Roberta Somati

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

THE GROUP

DiaSorin, an Italian company listed in the FTSE MIB Index, operates on an international scale. For over 50 years, the Company has been working in the field of laboratory diagnostics, developing, manufacturing, and marketing diagnostic tests to give reliable answers to healthcare professionals on the condition of their patients' health.

STRUCTURE OF THE GROUP AT JUNE 30, 2021



THE BUSINESS

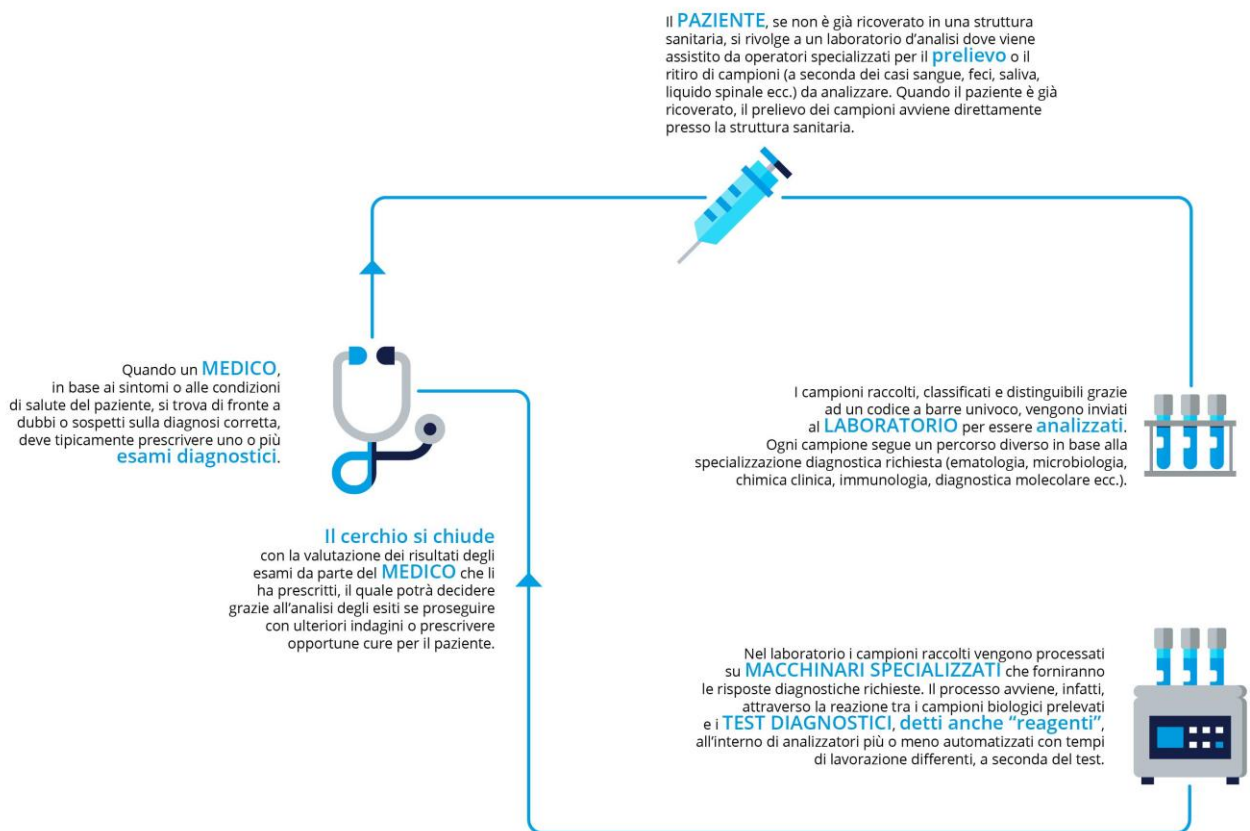
DiaSorin operates in the laboratory diagnostics market, providing both private and hospital microbiology laboratories with innovative solutions.

For over 50 years, the Group has been developing, manufacturing, and marketing tests for the diagnosis of the patient's health disorders.

The diagnostic tests are aimed at diagnostic laboratories, but the decision-making process involves doctor and patient. The test demand is generated by doctor's need to better understand patient's clinical value, health condition or to monitor the progression of certain diseases.

For this reason, DiaSorin's business is crucial to the doctor, as well as to the patient: knowing the patient's health condition is the first step to make correct and useful decisions in treating unfavorable health conditions.

“Know in order to decide”: through highly reliable tests every second 10 people come into contact with one of DiaSorin tests.



THE STRATEGY

DiaSorin's strategy follows **two action lines**.

The first action line focuses on the organic growth of the Group's business, leveraging the availability of state-of-the-art diagnostic platforms and one of the world's largest test menu to meet the screening needs of diagnostic laboratories with solutions addressed to a broad range of diseases - from the most common to the rarest ones - positioning DiaSorin as the "Diagnostic Specialist".

The Group is committed to develop innovative, fast, flexible and high-throughput technological platforms, with a focus on automation of the pre-analytical phase, enhancing laboratories' throughput, reliability of results and safety for laboratory staff.

As for test offering, DiaSorin launches 10 new tests every year in the fields of immunodiagnostics and molecular diagnostics, helping laboratories increase their efficiency by focusing an increasingly wide test menu on a lower number of platforms.

The second action line leverages partnership agreements signed with important diagnostic companies, creating synergies among the different technical and scientific skills and provide innovative and, often, one-of-a-kind solutions in the diagnostic market worldwide.

Specifically, 4 partnerships are worth to be mentioned:

1. with QIAGEN, through which the 2 Groups have already commercialized a state-of-the-art diagnostic solution for Latent Tuberculosis detection on blood sample. In the first six months of 2021 such partnership has been extended to the commercialization of a test for early detection of Lyme disease, in markets accepting CE marking;
2. with TTP, for the development of a molecular "Point-of-Care" platform to help patients get access to laboratory testing in closer healthcare settings;
3. with MeMed, for the launch of a test differentiating between viral and bacterial infections to be run on DiaSorin's fully automated platforms.
4. With Lumos Diagnostics, for the development and launch of an immunoassay "Point-of-Care" platform and two COVID-19 tests (one detecting antibodies against SARS-CoV-2 and the other one detecting SARS-CoV-2 antigen). The two tests and the platform are available in markets accepting CE marking.

RESEARCH AND DEVELOPMENT

The key pillar driving DiaSorin's growth is its consolidated capacity for innovation. Innovation arises from the dialogue with the scientific community, strong interaction with the academic world and hospitals around the globe and a long-term vision for Research.

The Group's 200 researchers, located mainly in the U.S. and Italy, ensure the continued evolution of DiaSorin's diagnostic products by launching every year high-specialty tests and state-of-the-art solutions addressed to diagnostic laboratories, as a result of the Company's constant investments in research and development.

TECHNOLOGICAL PLATFORMS

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

Specifically, DiaSorin operates in the fields of immunodiagnosics and molecular diagnostics worldwide

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



In molecular diagnostics, DiaSorin offers the market a proprietary platform, the LIAISON[®] MDX, based on the PCR technology which is used for the amplification of nucleic acids (DNA and RNA) to diagnose viral infections through the identification of virus in patient's biological sample.

A GLOBAL PRESENCE

The Group headed by DiaSorin S.p.A. is made up of 28 companies, 4 branches, 5 manufacturing facilities and 5 research and development facilities located around the world.



DiaSorin operates, through its direct presence, all over continental Europe, Israel, United States, Canada, Mexico, Brazil, China, India, and Australia. In the rest of the world, the Group operates through an international network of over 200 independent distributors with whom the Group maintains a constant dialogue in accordance with the best interests of its end customer.

CONSOLIDATED FINANCIAL HIGHLIGHTS

Income statement <i>(€ thousands)</i>	6/30/2021	6/30/2020
Net revenues	515,416	382,287
Gross profit	355,335	264,064
EBITDA ⁽¹⁾	231,334	153,647
Adjusted EBITDA ⁽²⁾	244,220	n.a.
Operating result (EBIT)	201,859	123,639
Net profit for the period	150,024	94,723

Statement of financial position <i>(€ thousands)</i>	6/30/2021	12/31/2020
Capital invested in non-current assets	569,972	532,529
Net invested capital	700,666	650,972
Net financial position	436,327	305,347
Shareholders' equity	1,136,993	956,319

Cash flow statement <i>(€ thousands)</i>	6/30/2021	6/30/2020
Net cash flow for the period	556,961	(18,834)
Free cash flow ⁽²⁾	125,815	73,916
Capital expenditures	50,806	34,184
Number of employees	2,104	1,971

⁽¹⁾ Looking at the data on the Table, the Board of Directors defines EBITDA as the “operating result (EBIT)” before amortization of intangibles and depreciation of property, plant, and equipment.

⁽²⁾ EBITDA net of non-recurring costs incurred to support the acquisition of the Luminex Group.

⁽³⁾ Free cash flow is the cash flow from operating activities, counting utilizations for capital expenditures but before interest payments and acquisitions of companies and business operations

OVERVIEW OF THE GROUP'S PERFORMANCE IN THE FIRST HALF OF 2021 AND COMPARISON WITH 2020

KEY EVENTS OCCURRED IN THE FIRST HALF OF 2021

The first half of 2021 was marked by both the persistent COVID-19 pandemic in all the geographies in which the Group operates and by the start of vaccination campaigns, along with a general trend in returning to normal. The abovementioned factors had a positive impact on sales volume of ex-COVID tests in almost all markets where the Group operates.

Thus, the positive trend of the period benefitted from both high sales volume of molecular and immunodiagnostic COVID-19 tests launched at the beginning of the pandemic and from ex-COVID business recovery with figures substantially in line with 2019 volumes.

The development and launch of new products in the immunodiagnostic and molecular diagnostic segments continued throughout the first six months of 2021.

In January, a new serology test was launched for determination of IgG antibodies against SARS-CoV-2. The test was developed using the full-length SARS-CoV-2 Spike protein in its Trimeric form, which perfectly mimics the native conformation of the protein and can detect the full variety of either the natural immune or vaccine-induced response to the virus. The test received FDA Emergency Use Authorization for the U.S. market in May.

In February two immunodiagnostic tests were launched in the U.S. for the diagnosis of Lyme Borreliosis. Both tests were already available in markets accepting CE marking.

In March, DiaSorin obtained the Emergency Use Authorization in the U.S. for its antigen test for detection of SARS-CoV-2 in nasal dry swabs and nasopharyngeal swabs, to be run on LIAISON platforms.

In April, the Group announced its partnership with Lumos Diagnostic for the development of the LIAISON® IQ, a new immunoassay point-of-care platform, and the first two COVID-19 tests. The platform and the first test detecting specific IgG antibodies against SARS-CoV-2 in human capillary blood have been made available, since April, in countries accepting CE marking whilst the second LIAISON test for the detection of SARS-CoV-2 antigen through nasal and nasopharyngeal swabs was CE marked in May. In the same month the Company, in partnership with QIAGEN, launched the test for early diagnosis of Lyme Borreliosis. The test is based on QuantiFERON technology and was launched in countries accepting CE marking.

May saw the launch of a *Research Use Only* molecular assay for rapid identification of mutations associated with the most prevalent and dangerous SARS-CoV-2 variants.

In June, a CLIA test for the diagnosis of Hepatitis E was launched in countries accepting CE marking.

ACQUISITION OF THE LUMINEX GROUP

In April 2021, the Group announced that it signed a merger agreement to acquire the entire share capital of Luminex Corporation for a price of USD 37.00 per share, corresponding to a total consideration of USD 1.7 billion. The transaction was completed on July 14, 2021. On June 21, 2021, the Shareholders' Meeting of Luminex approved the merger agreement which was completed after receiving clearance from the Committee on Foreign Investment in the United States (CFIUS) under the laws of Delaware on July 14, 2021, and resulting in the delisting of Luminex shares from NASDAQ.

Through the acquisition, the DiaSorin Group will gain access to Luminex’s multiplexing technology and a portfolio that will strengthen its existing offering, while expanding the Group presence in the United States. Additionally, this deal will provide access to Luminex’s applications throughout the Life Science industry, supporting access to academic and scientific research, expanding engagement with biopharma companies, and increasing access to clinical multiplexing assays for future Value Based Care projects.

The acquisition was financed through:

- a financing agreement amounting to USD 1,000 million, through which the lending banks have made available to DiaSorin Inc a total amount of USD 1,000 million. The Financing Agreement contains commitments that are customary for agreements of a similar type and size, such as guarantee and disclosure obligations, negative pledge and events of default clauses, and compliance with certain financial ratios.
- Following the approval from the Parent Company’s Board of Directors on April 27, 2021, on April 28, 2021, the Company successfully placed Euro 500 million senior unsecured equity-linked bond issue with settlement on 5 May 2021 and maturity on 5 May 2028.

THE FOREIGN EXCHANGE MARKET

In the first half of 2021, the average exchange rate of the euro vis-à-vis the Group reference rates was as follows: the euro appreciated against the Brazilian real (+20.0%), the U.S. dollar (+9.4%) and the Indian Rupee (+8.2%) Conversely, the euro depreciated against the Australian dollar (-6.8%), the Norwegian krone (-5.2%) and the Swedish kronor (-5.0%). The Chinese Yuan was substantially stable (+0.6%).

The exchange rate of the euro at June 30, 2021 lost in value vis-à-vis the main currencies in which the Group operates compared to December 31, 2020. It should be noted the performance of the euro against the Brazilian real (-7.4%) and the Canadian dollar (-5.8%).

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

Currency	Average exchange rates		Exchange rates at		
	1 st half 2021	1 st half 2020	6/30/2021	6/30/2020	12/31/2020
U.S. dollar	1.2054	1.1020	1.1884	1.1198	1.2271
Brazilian real	6.4902	5.4104	5.9050	6.1118	6.3735
British pound	0.8680	0.8746	0.8581	0.9124	0.8990
Swedish kronor	10.1308	10.6599	10.1110	10.4948	10.0343
Swiss franc	1.0946	1.0642	1.0980	1.0651	1.0802
Czech koruna	25.8541	26.3333	25.4880	26.7400	26.2420
Canadian dollar	1.5030	1.5033	1.4722	1.5324	1.5633
Mexican peso	24.3270	23.8430	23.5784	25.9470	24.4160
Israeli shekel	3.9373	3.8641	3.8763	3.8821	3.9447
Chinese yuan	7.7960	7.7509	7.6742	7.9219	8.0225
Australian dollar	1.5627	1.6775	1.5853	1.6344	1.5896

Norwegian krone	10.1759	10.7324	10.1717	10.9120	10.4703
Polish zloty	4.5374	4.4120	4.5201	4.4560	4.5597
Indian rupee	88.4126	81.7046	88.3240	84.6235	89.6605

OPERATING PERFORMANCE OF THE DIASORIN GROUP IN THE FIRST HALF OF 2021

In the first half of 2021, the DiaSorin Group **revenues** were **€ 515,416 thousand** (€ 382,287 thousand in the first half of 2020), up 34.8% compared to the first half of 2020 (+39.6% at CER). The growth differential between constant and current exchange rates led to a negative impact on revenues of around € 18.4 million, due to the depreciation of the U.S. dollar and the Brazilian real.

The period was marked by a positive trend in all business lines, with the sole exception of ELISA sales.

CLIA revenues, net of Vitamin D, increased by 25.4% (+28.3% at CER), driven by the recovery of sales of Gastrointestinal Infections, Hepatitis and Retrovirus, and the positive contribution from sales of Latent Tuberculosis tests.

Vitamin D sales grew 19.6% (+25.0% at CER), despite the termination of an important agreement with a major US laboratory. The change is the net result of reduced business volumes in the last year due to the pandemic.

Revenues from molecular tests increased by 108.0% at CER compared to the first half of 2020 driven by the test for the identification of patients positive to SARS-CoV-2, offsetting the decline in sales of flu tests as a consequence of distancing and individual protection measures adopted during the pandemic.

Revenues from Elisa technology decreased by 19.0% (15.6% at CER) as a consequence of the decline in Siemens business following the expected termination of the supply agreement in the third quarter of 2020, whilst instrument sales and other revenues were up 11.6% (+14.8% at CER).

More generally, revenues from molecular and serology Covid tests were € 177,288 thousand, whilst other sales increased by € 50,440 thousand, or +17.5 % from 2020.

The **gross profit** of the period was **€ 355,335 thousand**, up 34.6% compared to € 264,064 thousand in the first half of 2020, equal to 68.9% of revenues, in line with 2020.

In the first half of 2021, **EBITDA** amounted to **€ 231,334 thousand** (€ 153,647 thousand in 2020), up 50.6% or € 77,687 thousand compared to the previous year. EBITDA incidence to revenues increased to 44.9% in 2021 from 40.2% in 2020. Net of non-recurring expenses incurred for the acquisition of the Luminex Group, EBITDA amounted to € 244,220 thousand, up 59.0% compared to 2020, equal to 47.4% of revenues.

It should be noted that, excluding exchange rates impact, EBITDA grew in absolute value by 55.6% compared to 2020, with an incidence to revenues of 44.8 percentage points.

In the first half of 2021, **EBIT** amounted to **€ 201,859 thousand** (€ 123,639 thousand in the first half of 2020), equal to 39.2% of revenues and up 6.8 percentage points compared to the first half of 2020.

Net financial expenses were € **5,749 thousand** as against net financial expenses of € 1,391 thousand in the first half of 2020.

Income taxes amounted to € **46,086 thousand** (€ 27,525 thousand in 2020), with a tax rate of 23,5%, slightly higher compared to 2020.

The **net profit** of the period was € **150,024 thousand**, up € 55,301 thousand or 58.4% compared to the first six months of 2020, with an incidence on turnover of 29.1% (24.8% in the first half of 2020).

REVIEW OF THE GROUP'S OPERATING PERFORMANCE AND FINANCIAL POSITION

FOREWORD

The accounting standards applied to prepare this Half-Year Consolidated Financial Report are consistent with those used for the Annual Consolidated Financial Statements at December 31, 2020 except as otherwise stated in the Notes to the Condensed Half-Year Consolidated Financial Statements – paragraph “New accounting standards”.

OPERATING PERFORMANCE IN THE FIRST HALF 2021 AND COMPARISON WITH 2020

<i>(€ thousands)</i>	6/30/2021	% of revenues	6/30/2020	% of revenues
Sales and service revenues	515,416	100.0%	382,287	100.0%
Cost of sales	(160,081)	31.1%	(118,223)	30.9%
Gross profit	355,335	68.9%	264,064	69.1%
Sales and marketing expenses	(74,660)	14.5%	(70,869)	18.5%
Research and development costs	(23,504)	4.6%	(25,507)	6.7%
General and administrative expenses	(37,894)	7.4%	(34,797)	9.1%
Total operating expenses	(136,058)	26.4%	(131,173)	34.3%
Other operating income (expense)	(17,418)	3.4%	(9,252)	2.4%
<i>Non-recurring amount</i>	<i>(12,886)</i>	<i>2.5%</i>	<i>(3,395)</i>	<i>0.9%</i>
EBIT	201,859	39.2%	123,639	32.3%
Net financial income/(expense)	(5,749)	1.1%	(1,391)	0.4%
Profit before taxes	196,110	38.0%	122,248	32.0%
Income taxes	(46,086)	8.9%	(27,525)	7.2%
Net profit	150,024	29.1%	94,723	24.8%
EBITDA ⁽¹⁾	231,334	44.9%	153,647	40.2%
Adjusted EBITDA ⁽²⁾	244,220	47.4%	n.a.	n.a.

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

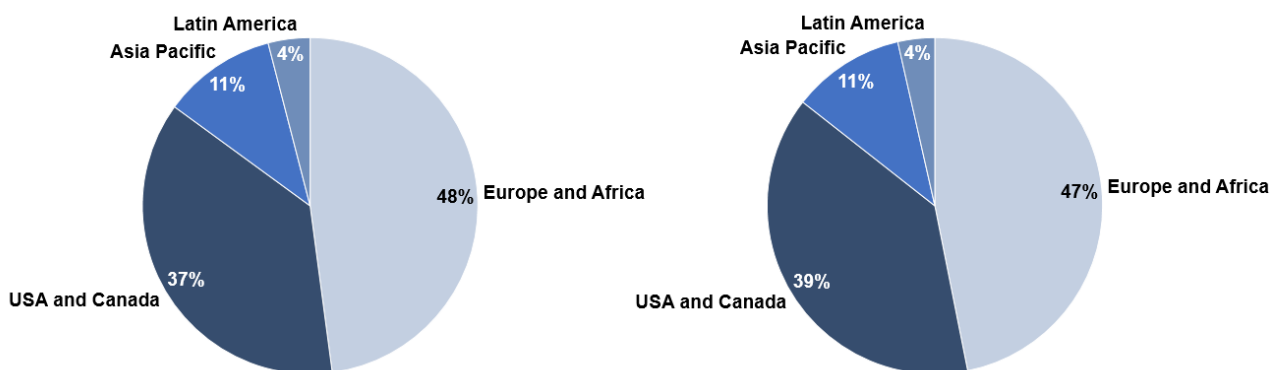
(2) EBITDA net of non-recurring costs incurred in the acquisition of the Luminex Group.

NET REVENUES

In the first half of 2021, the DiaSorin Group generated revenues for € 515,416 thousand (€ 382,287 thousand in the first half of 2020), with a growth of 34.8% or 39.6% at CER. The growth was mainly driven by SARS-CoV-2 sales, equal to € 177,288 thousand in 2021 (€ 94,599 thousand in 2020). Of note the strong ex-COVID business recovery, with an increase of 17.5% compared to 2020 with figures, at CER, substantially in line and outperforming, in some areas, 2019 pre-covid levels.

Breakdown of revenues by geographic region

(€ thousands)	1 st half 2021	1 st half 2020	% Change at current exchange rates	% Change at constant exchange rates
Europe and Africa	246,844	179,146	37.8%	38.4%
USA and Canada	191,351	148,006	29.3%	39.5%
Asia Pacific	56,460	41,560	35.9%	35.9%
Latin America	20,762	13,575	52.9%	68.3%
Total	515,416	382,287	34.8%	39.6%



Europe and Africa

Europe and Africa sales region generated revenues for € 246,844 thousand, up 37.8 percentage points (+38.4% at CER) compared to 2020, as combined effect of the contribution from SARS-CoV-2 tests and the recovery of ex-COVID tests sales.

It should be noted that almost all the main Countries showed an upward trend in the reporting period.

In detail:

- i) Revenues were up by 42.4 percentage points in Italy. This growth was marked by the performance of CLIA sales and, particularly, Latent Tuberculosis test, Vitamin D and Gastrointestinal Infections, in addition to the contribution from sales of COVID-19 tests;
- ii) Revenues increased by 93.2% in Spain, driven by sales of Latent Tuberculosis test, Vitamin D and COVID-19 tests;
- iii) Sales in the German market decreased by 5.1%, mainly due to the lack of contribution from Siemens ELISA business for the expected termination of the supply agreement in the third quarter of 2020;

- iv) Upward trend in the French market with a growth of 37.9%, on the back of robust COVID-19 molecular sales and the positive trend of CLIA business, particularly Gastrointestinal Infections;
- v) Revenues from distributors were up by 39.6% at CER, on the back of the contribution from COVID-19 test sales and an upward trend in CLIA sales.

USA and Canada

In the first half of 2021, the region generated revenues for €191,351 thousand, up 29.3% (+39.5% at CER) compared to 2020 (€148,006 thousand).

Immunodiagnostic sales were up 3.9% at CER, driven by increased ex-COVID test volumes (Latent Tuberculosis, Sepsis, Gastrointestinal Infections, Hepatitis and Retrovirus) more than offsetting the decline in SARS-CoV-2 serology tests. It should be noted that the second quarter of 2020 was marked by a peak in sales of these tests after their commercialization.

Sales of molecular tests were up 85.8% at CER, driven by tests used to identify patients positive to SARS-CoV-2. The growth offset the decline in sales of flu tests due to distancing and individual protection measures adopted during the pandemic.

Asia Pacific

Total revenues in the first half of 2021 amounted to € 56,460 thousand, up 35.9% compared to the first half of 2020.

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

- i) increase of 46.7% at CER in sales generated in the Chinese market compared to the first half of 2020; upward trend of CLIA sales as against the headwinds faced starting from the first quarter of 2020 following the stringent lockdown measures implemented in 2020 by local authorities and resulting in a decrease in revenues;
- ii) increase of 20.7% in sales generated in Australia; growth driven by the good performance of CLIA business and particularly sales of Vitamin D tests.

Latin America

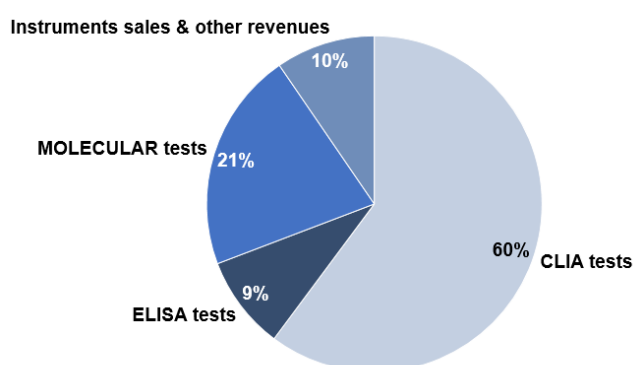
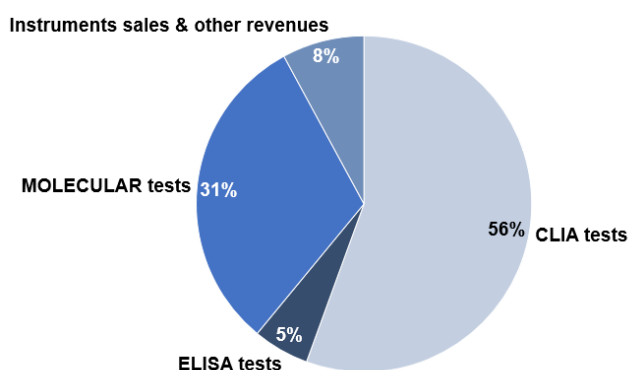
The Latin American sales region recorded revenues of € 20,762 thousand, up 52.9 percentage points (+68.3% at CER) as against €13,575 thousand in the same period of 2020.

The change was due to the good performance of CLIA test sales, particularly Vitamin D, the availability of SARS-CoV-2 serology tests in various countries. A breakdown by country (at CER) as follows:

- i) sales up 93.8 percentage points in the Brazilian market;
- ii) sales up 10.5% in the Mexican market.

Breakdown of revenues by technology and installed base

	1 st half 2021	1 st half 2020
CLIA tests	55.6%	60.2%
ELISA tests	5.4%	9.0%
MOLECULAR tests	31.1%	21.2%
Instruments sales & other revenues	7.9%	9.6%
Total	100.0%	100.0%



The breakdown of sales by technology is affected by the pandemic impact and in particular by the significant growth in molecular sales. CLIA sales accounted for 55.6% of total Group revenues in 2021, down compared to 2020 (equal to 60.2%). The percentage of total revenues represented by molecular sales increased to 31.1% in 2021 from 21.2% in the first half of 2020, mainly due to sales of Covid tests. The percentage of revenues represented by ELISA tests, instrument sales and other revenues decreased to 5.4% in the first half of 2021 from 9.0% in the first half of 2020 and to 7.9% in the first half of 2021 from 9.6% in the first half of 2020, respectively. It should be noted that the decrease in ELISA sales was affected by the expected termination of Siemens ELISA supply agreement, occurred in the third quarter of 2020.

Lastly, as to the installed base trend, in the first six months of 2021 net placements amounted to 254 instruments, for an overall total of 9,029 units installed. LIAISON XL new placements were 299.

OPERATING PERFORMANCE

The gross profit was € 355,335 thousand, up 34.6% as against € 264,064 thousand in the first half of 2020; the ratio of gross profit to revenues was 68.9%, substantially in line with 69.1% in the same period of 2020.

Operating expenses amounted to € 136,058 thousand, up 3.7 percentage points compared to the first half of 2020: their ratio to total revenues down to 26.4% from 34.3% in the first half of 2020, as a result of the strong operating leverage generated by increased revenues.

Sales and marketing expenses were € 74,660 thousand (€ 70,869 thousand) up 5.3%. This item consists mainly of costs related to the sale force and costs incurred to launch new products, as well as costs of the technical support provided to customers. The ratio to total revenues (14.5%) decreased by 4 percentage points compared to 2020 (18.5%).

Research and development costs, equal to € 23,504 thousand, decreased by € 2,003 thousand or 7.9%; their ratio to total revenues was equal to 4.6%, down by 7.9 percentage points compared to 2020.

General and administrative expenses totaled € 37,894 thousand: their ratio to total revenues equal to 7.4 percentage points (9.1% in the first half of 2020).

Other operating expenses amounted to €17,418 thousand (€ 9,252 thousand in the first half of 2020) and include € 12,886 thousand in costs incurred for the acquisition of Luminex, which was completed on July 14, 2021.

In the first six months of 2021, EBITDA amounted to € 231,334 thousand (€153,647 thousand in 2020), up 50.6% or € 77,687 thousand compared to the first half of 2020, with an incidence to revenues from 40.2% in 2020 to 44.9% in 2021. The result was positively impacted by the stronger operating leverage generated by increased revenues. Net of non-recurring expenses incurred in the acquisition of Luminex, EBITDA amounted to € 244,220 thousand, up 59.0% versus 2020, equal to 47.4% of revenues.

When excluding the exchange rates impact, EBITDA grew by 55.6% in absolute value compared to 2020, equal to 44.8 percentage points of revenues.

In the first six months of 2021, EBIT amounted to € 201,859 thousand (€ 123,639 thousand in the first half of 2020), equal to 39.2% of revenues and up 6.8% compared to the same period of 2020.

FINANCIAL INCOME AND EXPENSE

In the first half of 2021, net financial expense amounted to € 5,749 thousand, as against € 1,391 thousand in the first half of 2020.

Interest expense and other financial charges increased to € 5,856 thousand compared to the first half of 2020 (€ 1,635 thousand in 2020) and include € 1,887 thousand in costs for the bridge line to support the acquisition of Luminex, € 1,527 thousand in financial charges related to the convertible bond issue and recognized at amortized costs and €780 thousand in financial expense on operating leases (€ 637 thousand in the first half of 2020).

Net exchange rate differences on other financial balances, which were positive by € 485 thousand (negative by € 419 thousand in 2020) mainly referred to the impact of exchange rates fluctuation on subsidiaries' financial balances denominated in foreign currencies.

PROFIT BEFORE TAXES AND NET PROFIT

The first half of 2021 ended with a result before taxes of € 196,110 thousand, up 60.4% as against € 122,248 thousand in the first half of 2020, equal to 38.0% of revenues (32.0% in 2020). Income taxes were € 46,086 thousand, as against € 27,525 thousand in 2020. The tax rate was 23.5%, slightly higher than 2020 tax rate.

Lastly, the net profit for the first six months of 2021 was € 150,024 thousand, up 58.4% compared to € 94,723 thousand in 2020, with an incidence on revenues of 29.1%, up compared to the first half of 2020 (equal to 24.8%) as a result of the combined effect commented above.

STATEMENT OF FINANCIAL POSITION OF THE GROUP AT JUNE 30, 2021

A condensed statement of financial position of the Group at June 30, 2021 is shown below:

<i>(€ thousands)</i>	6/30/2021	12/31/2020
Goodwill and intangible assets	372,388	356,737
Property, plant, and equipment	159,739	140,497
Other non-current assets	37,845	35,295
Net working capital	234,669	217,906
Other non-current liabilities	(103,975)	(99,463)
Net invested capital	700,666	650,972
Net financial position	436,327	305,347
Shareholders' equity	1,136,993	956,319

Non-current assets increased to € 569,972 thousand at June 30, 2021, compared to December 31, 2020 (€ 532,529 thousand) as a result of a net increase in intangible assets (for € 15,651 thousand) and in property, plant and equipment (for € 19,242 thousand). Investments in intangible assets refer to the LIASON NES project, whilst investments in property, plant and equipment in addition to the LIASON NES, refer to the expansion of the lines to manufacture plastic consumables for CLIA LIAISON instruments and plastics for integral Liaison components.

Other non-current liabilities were € 103,975 thousand, up € 4,512 thousand compared to December 31, 2020, and include liabilities for employees' benefits, long-term liabilities for put/call option rights under the new Joint Venture agreement in China and provisions for risks and charges.

A breakdown of the net working capital is provided below:

<i>(€ thousands)</i>	6/30/2021	12/31/2020
Trade receivables	158,426	165,678
Inventories	202,986	191,234
Trade payables	(79,248)	(65,485)
Other current assets/liabilities ⁽¹⁾	(47,495)	(73,521)
Net working capital	234,669	217,906

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

Net working capital increased by €16,763 thousand. The decrease in trade receivables, equal to € 7,251 thousand, compared to December 31, 2020, is the result of improved trade receivable collection period.

The increase in inventories, equal to €11,752 thousand compared to December 31, 2020, was due to increased manufacturing volumes to support increased sales.

Trade payables increased by € 13,763 thousand, mainly following the recognition of costs incurred in the acquisition of Luminex.

At June 30, 2021, the **net consolidated financial position** was **positive by € 436,327 thousand**. Additional details are provided in the consolidated statement of cash flow.

It should be noted that, following the adoption of Consob's Warning Notice no. 5/21 of 29 April 2021, concerning "Compliance with ESMA Guidelines on disclosure requirements pursuant to the prospectus regulation", the previous consolidated net financial position schedule has been replaced by the following schedule.

The consolidated net financial position schedule is shown below:

<i>(€ thousands)</i>		6/30/2021	12/31/2020	Change
A	Cash on hand	896,842	339,881	556,961
B	Cash equivalents	-	-	-
C	Securities held for trading	-	-	-
D	Cash (A) + (B) + (C)	896,842	339,881	556,961
E	Current financial receivables	8,584	126	8,458
F	Bank short-term borrowings	-	-	-
G	Current portion of non-current financial borrowing	-	-	-
H	Other current financial debt	5,361	4,209	1,152
I	Current financial debt (F) + (G) + (H)	5,361	4,209	1,152
J	Net current financial debt (I) - (E) - (D)	(900,065)	(335,798)	(564,267)
K	Long-term bank borrowings	-	-	-
L	Bonds issued	435,013	-	435,013
M	Other non-current borrowings	28,725	30,451	(1,726)
N	Non-current financial debt (K) + (L) + (M)	463,738	30,451	433,287
O	Total financial debt (J) + (N)	(436,327)	(305,347)	(130,980)

It should be noted that net financial debt of the period was impacted by the equity-linked bond issue with a nominal amount of €500,000,000 denominated “€500million Zero Coupon Equity Linked Bonds due 2028”, issued by DiaSorin on May 5, 2021, and maturing on May, 5 2028. The item “Bonds issued”, amounting to €435,013 thousand, includes the measurement at amortized cost of the liability deriving from the issue described above. Further details are provided in the “Financial liabilities” note.

In order to hedge the exchange rate risk associated with the acquisition of Luminex, DiaSorin entered into two Deal Contingent FX Forward derivatives; the item “Current financial receivables”, equal to €8,584 thousand, refers to positive Mark to Market value related to these instruments.

At June 30, 2021, the **consolidated shareholders' equity** was equal to **€1,136,993 thousand** (€ 956,319 thousand at December 31, 2020) and include 1,229,578 treasury shares, equal to 2.20% of the share capital, for a total value of €114,062 thousand.

ANALYSIS OF CONSOLIDATED CASH FLOWS

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

<i>(€ thousands)</i>	6/30/2021	6/30/2020
Cash and cash equivalents at beginning of period	339,881	157,552
Net cash from operating activities	173,670	105,421
Cash used for investing activities	(49,605)	(31,435)
Cash used from/(for) financing activities	432,896	(59,313)

<i>Change in net cash before investments in financial assets</i>	556,961	14,673
Investments in financial assets	0	(33,507)
<i>Change in net cash</i>	556,961	(18,834)
Cash and cash equivalents at end of period	896,842	138,718

At June 30, 2021, available **liquid assets** held by the Group stood at **€ 896,842 thousand**, up by € 556,961 thousand compared to December 31, 2020.

In the first half of 2021, the cash flow from operating activities increased to € 173,670 thousand (€105,421 thousand in 2020).

Investing activities absorbed cash for € 49,605 thousand, as against € 31,435 thousand in the first half of 2020. Specifically:

- development costs of € 17,962 thousand were capitalized in the first half of 2021, as against development costs of € 7,478 thousand in 2020;
- tangible assets in progress and advances of € 11,954 thousand, plants and equipment for € 2,425 thousand, and other industrial and commercial equipment for € 1,712 thousand, referred to the LIASON NES project and to the expansion of the lines to manufacture plastic consumables for CLIA LIAISON instruments and plastics for integral Liaison components.
- Capital expenditures for medical equipment of € 11,734 thousand (€ 10,798 thousand in the first half of 2020).

The **free cash flow** was **€ 125,815 thousand** (€ 73,916 thousand in the first half of 2020).

The net cash from financing activities amounted to € 432,896 thousand, as against € 59,313 thousand in the first half of 2020, following the €500,000,000 bonds issued by DiaSorin on May 5, 2021, and maturing on 5 May 2028.

Dividend distribution amounted to € 54,012 thousand (€ 51,991 thousand in the first half of 2020), the purchase of treasury shares, net of the exercise of stock options for € 3,839 thousand (€ 2,908 in the first half of 2020), and € 3,088 thousand for lease payments following the application of the new IFRS 16 accounting standard (€ 2,509 thousand in the first half of 2020).

In the first six months of 2021, investments in financial assets include term deposits exceeding three months opened by the US subsidiary for an amount € 33,507 thousand.

According to the ESMA Communication n. 32-63-972 of 20 May 2020, the Group assessed the recommendations of the Authority on the implications of the COVID-19 outbreak and found no significant adverse effect on the business performance.

Specifically, no material deterioration of trade receivables was found in relation to the Group's economic and financial performance. Equally, with respect to the financial position stability of the Group's consolidated companies, no significant adverse effect was found in the geographic areas where the Group operates, as detailed in the introduction to the Report on Operations.

OTHER INFORMATION

The Group had 2,104 employees at June 30, 2021 (2,066 employees at December 31, 2020).

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

Since February 2021, DiaSorin has had certain preliminary contacts with the Board of Directors of Luminex aimed at evaluating the main terms and conditions of a proposed acquisition of the entire share capital of Luminex.

Following DiaSorin's transmission of two further non-binding expressions of interest (the second of which, containing a proposal for a price per share to be paid to Luminex's shareholders of USD 37.00), on 7 April 2021 Luminex announced that it had selected DiaSorin as the potential buyer with which to conclude the Merger Agreement negotiations and thus complete the Transaction, as described in the paragraph "Acquisition of the Luminex Group".

TRANSACTIONS WITH RELATED PARTIES

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

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

The "Procedure for Related-Party Transactions" for 2021 can be consulted on the company's website (www.diasoringroup.com).

SIGNIFICANT EVENTS OCCURRED AFTER JUNE 30, 2021 AND BUSINESS OUTLOOK

On July 14, 2021, DiaSorin completed the acquisition of the entire share capital of Luminex Corporation for a price of USD 37.00 per share in an all-cash transaction, corresponding to a total consideration of USD 1.7 billion.

Further information is provided in the paragraph "Acquisition of the Luminex Group".

As regards business outlook and following the recent acquisition of Luminex business described above, DiaSorin provides the following new FY 2021 guidance:

Revenues: expected growth between 35% and 40% at CER

Adjusted Ebitda Margin: equal to around 42% at CER

The expected revenues growth at CER and on a like-for-like basis is between 15% and 20%, of which ex-COVID revenues around +15%: one-cent movement in the euro-dollar exchange rate has an

annual exchange rate effect estimated at Group level of approximately € 6 million on revenues and € 3 million on Adjusted EBITDA.

The COVID-19 pandemic continues to impact both the global economy and, even more deeply, the sector in which DiaSorin operates, leading to uncertainty in anticipating future purchasing behavior trends in laboratories and hospitals. The guidance range for Revenues reflects the difficulty in accurately forecasting sales performance of COVID tests due to the unpredictability of viral mutations that may affect vaccine's efficacy and the speed and pervasiveness of vaccine rollout in the different geographies where DiaSorin operates. The guidance reflects DiaSorin's current visibility into market conditions, customer order patterns for Group products and is based on the current assumptions about the effects of the virus spread.

CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2021

CONSOLIDATED INCOME STATEMENT

<i>(€ thousands)</i>	Notes	6/30/2021	<i>amount with related parties</i>	6/30/2020	<i>amount with related parties</i>
Sales and service revenues	(1)	515,416	-	382,287	
Cost of sales	(2)	(160,081)		(118,223)	
Gross profit		355,335	-	264,064	
Sales and marketing expenses	(3)	(74,660)		(70,869)	
Research and development costs	(4)	(23,504)		(25,507)	
General and administrative expenses	(5)	(37,894)	(3,143)	(34,797)	(3,045)
Other operating income (expenses)	(6)	(17,418)		(9,252)	
<i>Non-recurring amount</i>		<i>(12,886)</i>		<i>(3,395)</i>	
EBIT		201,859		123,639	
Net financial income/ (expense)	(7)	(5,749)		(1,391)	
Profit before taxes		196,110		122,248	
Income taxes	(8)	(46,086)		(27,525)	
Net profit for the period		150,024		94,723	
<i>Broken down as follows:</i>					
- amount attributable to Parent Company's shareholders		150,118		94,723	
- amount attributable to minority interests		(94)		-	
Earnings per share (basic)	(9)	2.63		1.73	
Earnings per share (diluted)	(9)	2.61		1.72	

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

<i>(€ thousands)</i>	6/30/2021	6/30/2020
Net profit for the period (A)	150,024	94,723
Other comprehensive gains/(losses) that will not be reclassified subsequently to gain/(loss) of the period:		
Gains/(losses) on remeasurement of defined benefit plans	-	(4)
Total other comprehensive gains/(losses) that will not be reclassified subsequently to gain/(loss) of the period (B1)	-	(4)
Other comprehensive gains/(losses) that will be reclassified subsequently to gain/loss of the period:		
Gains/(losses) from translation of financial statements of foreign branches	18,329	(3,623)
Gains/(losses) from cash flow hedges	8,488	-
Total other comprehensive gains/(losses) that will be reclassified subsequently to gain/(loss) of the period (B2)	26,817	(3,623)
TOTAL OTHER COMPREHENSIVE GAINS/(LOSSES), NET OF TAX (B1) +(B2) =(B)	26,817	(3,627)
TOTAL COMPREHENSIVE GAINS/(LOSSES) (A)+(B)	176,841	91,096
<i>Including:</i>		
-amount attributable to Parent Company's shareholders	176,934	91,096
-amount attributable to minority interests	(94)	-

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(€ thousands)</i>	notes	6/30/2021	<i>amount with related parties</i>	12/31/2020	<i>amount with related parties</i>
ASSETS					
<i>Non-current assets</i>					
Property, plant, and equipment	(10)	159,739		140,497	
Goodwill	(11)	158,134		154,774	
Other intangibles	(11)	214,254		201,963	
Equity investments		26		26	
Deferred-tax assets	(12)	35,010		33,080	
Other non-current assets	(13)	2,809		2,189	
<i>Total non-current assets</i>		<i>569,972</i>		<i>532,529</i>	
<i>Current assets</i>					
Inventories	(14)	202,986		191,234	
Trade receivables	(15)	158,426		165,678	
Other current assets	(16)	22,456		16,998	
Other current financial assets	(17)	8,584		126	
Cash and cash equivalents	(17)	896,842		339,881	
<i>Total current assets</i>		<i>1,289,294</i>		<i>713,917</i>	
TOTAL ASSETS		1,859,266		1,246,446	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

<i>(€ thousands)</i>	notes	6/30/2021	<i>amount with related parties</i>	12/31/2020	<i>amount with related parties</i>
LIABILITIES AND SHAREHOLDERS' EQUITY					
<i>Shareholders' equity</i>					
Share capital	(18)	55,948		55,948	
Treasury shares	(18)	(114,062)		(109,546)	
Additional paid-in capital	(18)	18,155		18,155	
Statutory reserve	(18)	11,190		11,190	
Other reserves and retained earnings	(18)	1,014,097		731,060	
Net profit for the period attributable to shareholders of the Parent Company		150,118		247,871	
<i>Equity attributable to shareholders of the Parent Company</i>		<i>1,135,446</i>		<i>954,678</i>	
Other reserves and retained earnings attributable to minority interests		1,641		1,216	
Net profit for the period attributable to minority interests		(94)		425	
<i>Equity attributable to minority interests</i>		<i>1,547</i>		<i>1,641</i>	
Total Shareholders' equity		1,136,993		956,319	
<i>Non-current liabilities</i>					
Non-current financial liabilities	(19)	463,738		30,451	
Provisions for employee benefits	(20)	41,963	2,621	41,242	1,844
Deferred-tax liabilities	(12)	10,703		10,066	
Other non-current liabilities	(21)	51,309		48,155	
<i>Total non-current liabilities</i>		<i>567,713</i>		<i>129,914</i>	
<i>Current liabilities</i>					
Trade payables	(22)	79,248		65,485	
Other payables	(23)	59,626	24	60,688	74
Current tax liabilities	(24)	10,325		29,831	
Current financial liabilities	(19)	5,361		4,209	
<i>Total current liabilities</i>		<i>154,560</i>		<i>160,213</i>	
Total liabilities		722,273		290,127	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,859,266		1,246,446	

CONSOLIDATED STATEMENT OF CASH FLOWS

	30/06/2021	<i>amount with related parties</i>	30/06/2020	<i>amount with related parties</i>
Cash flow from operating activities				
Net profit for the period	150,024		94,723	
Adjustment for:				
- Income taxes	46,086		27,525	
- Depreciation and amortization	29,475		30,008	
- Financial expense/ (income)	5,749		1,391	
- Additions to/ (Utilizations of) provisions for risk	11,228		3,613	
- (Gains)/Losses on sales of non-current assets	2		63	
- Additions to/ (Reversals of) provisions for employee severance indemnities	960		1,129	
- Stock option reserve	3,164		2,234	
- Currency translation reserve on operating activities	4,970		1,174	
- Change in other non-current-assets/liabilities	588		3,515	
Cash flow from operating activities before changes in working capital	252,246		165,375	
(Increase)/Decrease in current receivables	8,249		(28,719)	
(Increase)/Decrease in inventories	(19,980)		(29,417)	
Increase/(Decrease) in trade payables	13,422		6,467	
Increase)/Decrease in other current items	(12,436)	(50)	(3,336)	160
Cash from operating activities	241,501	(50)	110,370	160
Income taxes paid	(66,081)		(5,019)	
(Paid)/ collected interests	(1,750)		70	
Net cash from operating activities	173,670	(50)	105,421	160
Investments in intangibles	(20,986)		(14,474)	
Investments in property, plant and equipment	(29,820)		(19,710)	
Divestments of property, plant and equipment	1,201		2,748	
Cash used in regular investing activities	(49,605)		(31,345)	
(Repayment of)/proceeds from loans and other liabilities	487,117		(3,146)	
(Issuance)/Repayments of term deposit	-		(33,507)	
(Purchase)/Sale of treasury shares	(3,839)		(2,908)	
Dividend distribution	(54,012)		(51,991)	
Cash used in financing activities	429,266		(91,552)	
Foreign exchange translation differences	3,630		(1,267)	
Change in net cash and cash equivalents	556,961		(18,834)	
Cash and cash equivalents at beginning of period	339,881		157,552	
Cash and cash equivalents at end of period	896,842		138,718	

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

<i>(€ thousands)</i>	Share capital	Treasury shares	Additional paid-in capital	Statutory reserve	Currency translation reserve	Stock option reserve	Reserve for treasury shares	Other reserves and retained earnings	Profit/(loss) of the period	Group interest in shareholders' equity	Minority interest in shareholders' equity	Total interest in shareholders' equity
Shareholders' equity 12/31/2019	55,948	(81,849)	18,155	11,190	21,613	7,366	81,849	558,616	175,735	848,623	-	848,623
Appropriation of previous year's profit	-	-	-	-	-	-	-	175,735	(175,735)	-	-	-
Dividend distribution	-	-	-	-	-	-	-	(52,053)	-	(52,053)	-	(52,053)
Stock options and other changes	-	-	-	-	-	2,234	-	21	-	2,255	-	2,255
Sale/(Purchase) of treasury shares	-	(2,898)	-	-	-	-	2,898	(2,908)	-	(2,908)	-	(2,908)
<i>Profit for the period</i>	-	-	-	-	-	-	-	-	94,723	94,723	-	94,723
<i>Other changes in the comprehensive income statement</i>	-	-	-	-	(3,623)	-	-	(4)	-	(3,627)	-	(3,627)
Comprehensive profit for the period	-	-	-	-	(3,623)	-	-	(4)	94,723	91,096	-	91,096
Shareholders' equity at 6/30/2020	55,948	(84,747)	18,155	11,190	17,990	9,600	84,747	679,407	94,723	887,013	-	887,013
Shareholders' equity at 12/31/2020	55,948	(109,546)	18,155	11,190	(26,987)	11,563	109,546	636,938	247,871	954,678	1,641	956,319
Appropriation of previous year's profit	-	-	-	-	-	-	-	247,871	(247,871)	-	-	-
Dividend distribution	-	-	-	-	-	-	-	(54,765)	-	(54,765)	-	(54,765)
Stock options and other changes	-	-	-	-	-	3,164	-	-	-	3,164	-	3,164
Sale/(Purchase) of treasury shares	-	(4,516)	-	-	-	-	4,516	(3,839)	-	(3,839)	-	(3,839)
Ex IAS 32 convertible debt reserve	-	-	-	-	-	-	-	59,802	-	59,802	-	59,802
Put/Call option rights in subsidiaries	-	-	-	-	-	-	-	(529)	-	(529)	-	(529)
<i>Profit for the period</i>	-	-	-	-	-	-	-	-	150,118	150,118	(94)	150,024
Translation adjustment	-	-	-	-	18,329	-	-	-	-	18,329	-	18,329
Cash flow hedge reserve	-	-	-	-	-	-	-	8,488	-	8,488	-	8,488
<i>Other changes in the comprehensive income statement</i>	-	-	-	-	18,329	-	-	8,488	-	26,817	-	26,817
Comprehensive profit for the period	-	-	-	-	18,329	-	-	8,488	150,118	176,934	(94)	176,841
Shareholders' equity at 6/30/2021	55,948	(114,062)	18,155	11,190	(8,658)	14,727	114,062	893,966	150,118	1,135,446	1,547	1,136,993

NOTES TO THE CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION AND SCOPE OF CONSOLIDATION

General information

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

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

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

The accounting standards applied to prepare this Half-Year Consolidated Financial Report are consistent with those used for the Annual Consolidated Financial Statements at December 31, 2020 except as otherwise stated in the Notes to the Condensed Half-Year Consolidated Financial Statements – paragraph “New accounting standards”.

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

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

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

Consequently, these condensed half-year consolidated financial statements do not provide all of the disclosure required in the annual financial statements and should be read in conjunction with the annual financial statements prepared for the year ended December 31, 2020.

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

With regard to the *Items that involve the use of significant assumptions and estimates* prepared for the consolidated annual Report at December 31, 2020, the disclosure includes the assessment carried out regarding the Convertible Bond Issue.

Since its placement, the Bond Issue convertible into ordinary shares amounting to € 500 million due 2028 (Senior unsecured equity-linked bonds) issued by DiaSorin S.p.A. on April 28, 2021 was

considered a compound instrument as it is split into the debt component and, residually, into the shareholders' equity component, as provided for in IAS 32 – Financial instruments: Presentation. The classification was carried out considering the approval from the Shareholders' Meeting as a decision which is not beyond the company's control given the coincidence between Directors approving the placement of the Bond Issue and shareholders holding a majority of the voting rights exercisable in the Shareholders' Meeting. Further information on the Bond Issue is provided in paragraph "Financial liabilities".

Financial assets and liabilities measured at fair value in the balance sheet are classified using the fair value hierarchy - as required by the reference accounting standards- based on the significance of the inputs used in the measurement process.

According to the inputs used for the measurement, the fair value hierarchy covers the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical financial assets or liabilities;
- Level 2: measurement made on the basis of the inputs, other than quoted prices included within the Level 1 that, for the assets/liabilities being measured, are observable either directly (prices) or indirectly;
- Level 3: inputs that are not based on observable market data.

Financial derivative instruments are classified at Level 2 as their measurement is based on market benchmarks and measurement models that are commonly used in market practice.

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

With regards to the reference accounting standards applicable to financial derivatives, the 2020 financial disclosure provides for the following.

Financial derivatives, including embedded derivatives that are separate from the host contract, are assets and liabilities measured at fair value.

As part of the strategy and objectives defined for risk management, defining transactions as hedging requires:

- checking the existence of an economic ratio between hedged object and hedging instrument (such as to offset the relevant changes in value);
- the absence of a significant influence of credit risk on such economic ratio;
- the definition of a hedge ratio consistent with the risk management objectives within the scope of the defined risk management strategy, taking the appropriate rebalancing actions if necessary.

The changes introduced to the risk management objectives, the conditions previously specified for defining transactions as hedging not met, or implementation of rebalancing transactions bring about the total or partial prospective discontinuation of the hedging. When the hedge derivatives cover the risk of change in the fair value of the instruments to be hedged (fair value hedge; e.g. hedging the variability of the fair value of fixed rate asset/liability), the derivatives are recognized at fair value with the effects recorded in the income statement; consistently, the hedged instruments are adjusted to reflect the changes in fair value associated with the hedged risk in the income statement, regardless of the forecast of a different measurement criterion usually applicable to the type of instrument. When the derivatives cover the risk of change in the cash flows of the hedged instruments (cash flow hedge; e.g. hedging the variability of the asset/liability cash

flows due to fluctuations in exchange rates), the changes in fair value of the derivatives considered effective are initially recognized in the shareholders' equity provision pertaining to the other components of comprehensive income and afterwards recorded in the income statement in line with the economic effects generated by the hedged transaction. In the case of hedging future transactions involving the recognition of a non-financial asset or liability, the cumulative changes in the fair value of the hedge derivatives recognized in the shareholders' equity are recorded to adjust the book value of the asset/liability of the non-financial asset/liability hedged (basis adjustment). The changes in the fair value of the derivatives that do not meet the conditions to be defined as hedging, including any ineffective components of the hedge derivatives, are recorded in the income statement. Specifically, the changes in fair value of the non-hedge derivatives on interest rates and currencies are recognized in the income statement item "Financial (expense)/income".

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

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

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

Financial statement presentation formats

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

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

Scope of consolidation

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

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

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

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

No change occurred in the scope of consolidation compared to December 31, 2020, except for the establishment of DiaSorin Middle East FZ-LLC, the UAE commercial subsidiary which is not yet fully operational and the establishment of Diagonal Subsidiary Inc., a vehicle company created to complete the acquisition of Luminex Corporation.

A list of direct and indirect investments in subsidiaries at June 30, 2021 and December 31, 2020 is provided below:

		At June 30, 2021		At December 31, 2020	
	Country	% held by the Group	% minority interest	% held by the Group	% minority interest
Direct interest					
DiaSorin S.A/N.V.	Belgium	100%	-	100%	-
DiaSorin Ltda	Brazil	100%	-	100%	-
DiaSorin S.A.	France	100%	-	100%	-
DiaSorin Iberia S.A.	Spain	100%	-	100%	-
DiaSorin Ltd	U.K.	100%	-	100%	-
DiaSorin Inc.	U.S.	100%	-	100%	-
DiaSorin Mexico S.A de C.V.	Mexico	100%	-	100%	-
DiaSorin Deutschland GmbH	Germany	100%	-	100%	-
DiaSorin AB	Sweden	100%	-	100%	-
DiaSorin Ltd	Israel	100%	-	100%	-
DiaSorin Austria GmbH	Austria	100%	-	100%	-
DiaSorin Czech s.r.o.	Czech Republic	100%	-	100%	-
DiaSorin Diagnostics Ireland Limited	Ireland	100%	-	100%	-
DiaSorin Ireland Limited	Ireland	100%	-	100%	-
DiaSorin I.N.UK Limited	Ireland	100%	-	100%	-
DiaSorin I.N. Limited	Ireland	100%	-	100%	-
DiaSorin South Africa (PTY) Ltd	South Africa	100%	-	100%	-
DiaSorin Australia (Pty) Ltd	Australia	100%	-	100%	-
DiaSorin Ltd	China	76%	24%	76%	24%
DiaSorin Switzerland AG	Switzerland	100%	-	100%	-
DiaSorin Poland sp. z o.o.	Poland	100%	-	100%	-
DiaSorin APAC Pte Ltd	Singapore	100%	-	100%	-
DiaSorin Middle East FZ-LLC	UAE	100%	-	-	-
Indirect interest					
DiaSorin Canada Inc	Canada	100%	-	100%	-
DiaSorin Molecular LLC	U.S.	100%	-	100%	-
DiaSorin Healthcare India Private Limited	India	100%	-	100%	-
Diagonal Subsidiary Inc.	U.S.	100%	-	-	-

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

New accounting standards

Below are the international accounting standards, interpretations and amendments to existing accounting standards and interpretations or specific provisions contained in the standards and interpretations approved by IASB, which have been endorsed or have not been endorsed for adoption in Europe as of the date on which this document is approved:

Description	Endorsed at the date of this document	Date of effect envisaged by the standard
Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9	Yes	Financial years as from 1 January 2021
Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Yes	Financial years as from 1 January 2021
Amendments to IFRS 3, IAS 16, IAS 37 and Annual Improvements 2018-2020	No	Financial years as from 1 January 2022
IFRS 17 Insurance Contracts (including Amendments issued in 2020)	No	Financial years as from 1 January 2023
Amendments to IAS 1 - Classification of Liabilities as Current or Non-current	No	Financial years as from 1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting policies	No	Financial years as from 1 January 2023
Amendments to IAS 8 - Definition of Accounting Estimates	No	Financial years as from 1 January 2023

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

New accounting standards adopted by the Group

This note presents the impact of the adoption of amendments to the accounting standards - applied from 1 January 2021 - on the consolidated financial statements to the extent that they differ from those applied in the previous periods.

It should be noted that these amendments had not material impact on the Consolidated Financial Statements at June 30, 2021.

Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform

On September 26, 2019, the IASB issued “*Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform*”, which amends IFRS 9 - *Financial Instruments* and IAS 39 - *Financial Instruments: Recognition and Measurement* and IFRS 7 - *Financial Instruments: Disclosures*. Specifically, the amendment modifies some specific hedge accounting requirements, providing for temporary dispensations, to provide relief from potential effects of the uncertainty caused by the IBOR reform (still in progress) on future cash flows in the period preceding its completion. The amendment also requires companies to provide further information in the financial statements regarding their hedge relationships that are directly affected by the uncertainties generated by the reform to which the aforementioned dispensations apply. The amendments had no material impact on the Group’s consolidated financial statements.

ANALYSIS OF FINANCIAL RISKS

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

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

(<i>€ thousands</i>)	Notes	6/30/2021			12/31/2020		
		Carrying value	Assets at amortized cost	Assets at fair value with changes in Comprehensive Income Statement	Carrying value	Assets at amortized cost	Assets at fair value with changes in Comprehensive Income Statement
Trade receivables	(15)	158,426	156,281	2,145	165,678	165,678	-
Financial derivatives	(19)	8,584	-	8,584	126	-	126
Cash and cash equivalents	(17)	896,842	896,842	-	339,881	339,881	-
Total current financial assets		1,063,852	1,053,123	10,729	505,685	505,559	126
Total financial assets		1,063,852	1,053,123	10,729	505,685	505,559	126

(<i>€ thousands</i>)	Notes	6/30/2021			12/31/2020			
		Carrying value	Liabilities at amortized cost	Liabilities at fair value	Liabilities at fair value with changes in Comprehensive Income Statement	Carrying value	Liabilities at amortized cost	Liabilities at fair value with changes in Comprehensive Income Statement
Due for Put/Call option rights	(21)	23,608	-	23,608	-	23,079	-	23,079
Other non-current liabilities	(21)	27,701	27,701	-	-	25,076	25,076	-
Financial lease liabilities (IFRS 16)	(19)	31,691	31,691	-	-	30,451	30,451	-
Convertible bond issue	(19)	432,046	432,046	-	-	-	-	-
Total non-current financial liabilities		515,046	491,438	23,608	-	78,606	55,527	23,079
Trade payables	(22)	79,248	79,248	-	-	65,485	65,485	-
Financial lease liabilities (IFRS 16)	(19)	4,749	4,749	-	-	4,209	4,209	-
Financial derivatives	(19)	612	-	-	612	-	-	-
Total current financial liabilities		84,609	83,997	-	612	69,694	69,694	-
Total financial liabilities		599,655	575,435	23,608	612	148,300	125,221	23,079

Risks deriving from fluctuations in foreign exchange and interest rates

The Group is exposed to market risk deriving from currency and interest rate fluctuations that may reduce expected cash flows or the fair value of assets as the Group operates in an international framework in which transactions are made in different currencies and interest rates.

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

Currency	Average exchange rates		Exchange rates at		
	1 st half 2021	1 st half 2020	6/30/2021	6/30/2020	12/31/2020
U.S. dollar	1.2054	1.1020	1.1884	1.1198	1.2271
Brazilian real	6.4902	5.4104	5.9050	6.1118	6.3735
British pound	0.8680	0.8746	0.8581	0.9124	0.8990
Swedish kronor	10.1308	10.6599	10.1110	10.4948	10.0343
Swiss franc	1.0946	1.0642	1.0980	1.0651	1.0802
Czech koruna	25.8541	26.3333	25.4880	26.7400	26.2420
Canadian dollar	1.5030	1.5033	1.4722	1.5324	1.5633
Mexican peso	24.3270	23.8430	23.5784	25.9470	24.4160
Israeli shekel	3.9373	3.8641	3.8763	3.8821	3.9447
Chinese yuan	7.7960	7.7509	7.6742	7.9219	8.0225
Australian dollar	1.5627	1.6775	1.5853	1.6344	1.5896
South African rand	10.1759	10.7324	10.1717	10.9120	10.4703
Norwegian krone	4.5374	4.4120	4.5201	4.4560	4.5597
Polish zloty	88.4126	81.7046	88.3240	84.6235	89.6605

In order to hedge such risks, the Company executed financial derivatives with major banking counterparties. Fair value of derivatives is calculated on the basis of market prices provided by info-providers; the fair value of non-listed financial is determined on the basis of valuation techniques that are generally accepted in financial practice (Level 2 of the Fair Value Hierarchy). Fair value of cash flow hedge derivatives relates to exchange rate derivatives to hedge variability in future cash flows associated to the acquisition of Luminex, which was completed after June 30 and whose closing entailed disbursement in a currency (USD) other than Diasorin operating currency. Defining such instruments as hedging requires verifying that the completion of the transaction is highly probable, the existence of an economic ratio with the hedged object such as to achieve the offsetting of the relevant changes in value and that this offsetting ability is not invalidated by the level of credit risk. The effects of the fair value measurement of cash flow hedge derivatives are described in “Other reserves and retained earnings”.

The exposure to exchange rate fluctuation risk derives from the Group’s transactions expressed in currencies other than the euro (mainly the US dollar) and may have an impact on the Group’s income statement and shareholders’ equity due to the translation of assets, liabilities or commitment into currencies other than the functional currency of the company. The fair value measurement of exchange rate derivatives is calculated on the basis of market standard evaluation and market prices provided by major public info-providers.

The Group is exposed to the interest rate risk in connection with variable-rate financial liabilities. As of June 30, 2021, borrowings totaled € 471,453 thousand, deriving from the value of the convertible bond issue (€ 435,013 thousand) and from lease liabilities for € 36,440 thousand. The convertible bond issue does not bear any interests. Further information is provided in the note “Financial liabilities”. Assuming a fluctuation of 2 percentage points in interest rates on variable rate loan, i.e. liabilities for leasing contracts, the resulting impact on the financial expense recognized in the income statement would not be material. Equally, a change in the incremental borrowing rate following the

impact of COVID 19 pandemic would not lead to material changes in financial expense recognized in the income statement.

The same analysis was performed for the receivables assigned without recourse to the factoring company, for an amount equal to € 42,245 thousand in the first half of 2021 (€ 20,618 in the first half of 2020). This computation was made because the factoring company charges a variable fee tied in part to the Euribor. An increase of 2 percentage points would result in an increase in financial expense of €0.1 million.

Some Group subsidiaries are located in countries that are not members of the European Monetary Union. Since the Group's reporting currency is the euro, the income statements of these companies are translated into euros at the average exchange rate for the year. Consequently, even if revenues and margins were to remain equal when stated in the local currency, fluctuations in exchange rates could have an impact on the euro amount of revenues, expenses and operating results due to the translation into the consolidation currency. A 5% change in the exchange rates of all the currencies used by the Group would have an impact on the income statement of about € 6 million.

The euro amount attributed to assets and liabilities of consolidated companies that use reporting currencies different from the euro could vary as a result of changes in exchange rates. As required by the accounting standards adopted by DiaSorin, these changes are recognized directly in equity by posting them to the currency translation reserve. A 5% change in all foreign exchange rates would have an impact of about €28 million on the currency translation reserve.

With regard to the above, the classification of financial assets and liabilities measured at fair value in the statement of financial position, according to the fair value hierarchy, concerned derivative financial instruments at June 30, 2021 classified at level 2 and registered in other current financial assets.

Credit risk

The Group's receivables present a low level of risk both due to the sector in which DiaSorin operates where end customers are, to a large extent, public institutions and due to the high financial soundness of its main private customers. Considering the Group's economic and financial performance, the economic scenario caused by the COVID-19 pandemic had no a material impact on the Group's trade receivables and therefore, it was not necessary to adjust the determination of the recoverability of receivables recognized in the balance sheet, according to the "Expected Credit Loss" model defined by the IFRS 9 standard.

At June 30, 2021, past-due trade receivables were equal to about 8% of revenues. These receivables were held mainly by the Group's Parent Company and by the US subsidiary, the Benelux area, the Spanish and German subsidiary. These past-due receivables were covered by an allowance for doubtful accounts amounting to € 9,020 thousand. In addition, in order to bridge the gap between contractual payment terms and actual collection times, the Group assigns its receivables to factors without recourse for receivables owed by Italian public entities.

A breakdown of trade receivables and provision for doubtful accounts at June 30, 2021 is as follows:

Type	Expiring	0 - 90	91 - 180	181 - 360	Over 360	Total due	Total receivables from third-party
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Trade receivables	126,801	27,831	3,553	1,627	7,635	40,646	167,447
Expected loss rate	0%	4%	6%	71%	87%	22%	n.a
Provision for doubtful account	-	(998)	(212)	(1,153)	(6,657)	(9,020)	(9,020)
Net value	126,801	26,834	3,341	473	978	31,626	158,426

Liquidity risk

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

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

At June 30, 2021, the Company has no outstanding bank loans. See paragraph “Acquisition of the Luminex Group”, in the note “Significant events occurred after June 30, 2021, and business outlook”, for further information on bank loans taken out but not yet disbursed.

Financial lease liabilities, which were recognized following the adoption of IFRS 16, amounted to € 36,440 thousand at June 30, 2021, of which € 4,749 due within one year and € 31,692 thousand due over the year.

Cash and cash equivalent were € 896,842 thousand at June 30, 2021.

SEGMENT INFORMATION

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

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

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

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

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

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

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

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

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

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

	ITALY		EUROPE		NORTH AMERICA		REST OF THE WORLD		ELIMINATIONS		CONSOLIDATED	
<i>(€ thousands)</i>	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
INCOME STATEMENT												
Revenues from customers	114,452	83,610	142,754	107,972	200,828	153,144	57,382	37,561	-	-	515,416	382,287
Inter-segment revenues	172,234	154,823	10,002	6,734	80,256	41,033	156	759	(262,648)	(203,349)	-	-
Total revenues (1)	286,686	238,433	152,756	114,706	281,084	194,177	57,538	38,320	(262,648)	(203,349)	515,416	382,287
Segment EBIT	81,943	74,032	34,816	15,260	105,750	66,739	5,532	(5,083)	(26,182)	(27,309)	201,859	123,639
Unallocated common costs											-	-
Operating margin											201,859	123,639
Financial income/(expense)											(5,749)	(1,391)
Result before taxes											196,110	122,248
Income taxes											(46,086)	(27,525)
Net result											150,024	94,723
OTHER INFORMATION												
Investments in intangibles	1,546	10,341	8	10	19,192	3,974	240	149	-	-	20,986	14,474
Invest. in prop.plant.equip.	13,239	7,540	6,124	5,884	14,658	6,812	1,780	1,582	(1,450)	(1,108)	34,350	20,710
Total investments	14,785	17,881	6,132	5,894	33,850	10,786	2,020	1,731	(1,450)	(1,108)	55,337	35,184
Amortization in intangibles	(4,715)	(4,850)	(2,956)	(2,959)	(6,786)	(6,516)	(455)	(411)	2,259	2,094	(12,653)	(12,642)
Depreciation of prop.plant.equip.	(6,534)	(6,639)	(4,743)	(4,599)	(4,706)	(5,006)	(2,088)	(2,104)	1,241	982	(16,830)	(17,366)
Total amortization and depreciation	(11,249)	(11,489)	(7,699)	(7,558)	(11,492)	(11,522)	(2,543)	(2,515)	3,500	3,076	(29,483)	(30,008)

	ITALY		EUROPE		NORTH AMERICA		REST OF THE WORLD		ELIMINATIONS		CONSOLIDATED	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020	6/30/2021	12/31/2020	6/30/2021	12/31/2020	6/30/2021	12/31/2020	6/30/2021	12/31/2020
STATEMENT OF FINANCIAL POSITION												
Segment assets	472,295	428,985	173,775	174,222	438,550	425,907	64,820	60,734	(230,636)	(216,515)	918,804	873,333
Unallocated assets											943,429	373,113
Total assets	472,295	428,985	173,775	174,222	438,550	425,907	64,820	60,734	(230,636)	(216,515)	1,862,233	1,246,446
Segment liabilities	143,827	115,278	86,461	95,191	81,345	91,673	31,007	32,589	(110,494)	(119,160)	232,145	215,570
Unallocated liabilities											493,094	74,557
Shareholders' equity											1,136,993	956,319
Total liabilities and shareholders' equity	143,827	115,278	86,461	95,191	81,345	91,673	31,007	32,589	(110,494)	(119,160)	1,862,233	1,246,446

- (1) First half 2020 figures include the application of the new Leases Standard, IFRS 16, adopted by the Group applying the retrospective simplified approach with no restatement of comparative figures.

DESCRIPTION AND MAIN CHANGES

Consolidated income statement

1. Net revenues

In the first six months of 2021, net revenues, which are generated mainly through the sale of diagnostic kits, were € 515,416 thousand (€ 382,287 thousand in the same period of 2020), +34.8% compared to the first half of 2020 (+39.7% at CER). A breakdown of revenues by geographic region is provided below:

<i>(€ thousands)</i>	1st half 2021	1st half 2020	% Change at current exchange rates	% Change at constant exchange rates
Europe and Africa	246,844	179,146	37.8%	38.4%
USA and Canada	191,351	148,006	29.3%	39.5%
Asia Pacific	56,460	41,560	35.9%	35.9%
Latin America	20,762	13,575	52.9%	68.3%
Total	515,416	382,287	34.8%	39.6%

The growth was mainly driven by sales of SARS-CoV-2 tests, equal to € 177,288 thousand in 2021 (€ 94,599 thousand in 2020). Strong ex-COVID business recovery, increasing by 17.5% compared to the first half of 2020 with figures, at CER, substantially in line and outperforming, in some areas, pre-covid levels.

2. Cost of sales

Cost of sales amounted to € 160,081 thousand, as against € 118,223 thousand in the first half of 2020. This item includes € 12,654 thousand for royalties paid for the use of patents applied to manufacture products (€ 7,323 thousand in 2020), and € 6,615 thousand in costs incurred to distribute products to end customers (€ 5,710 thousand in the first half of 2020) and € 10,333 thousand for depreciation of equipment held by customers (€ 8,000 thousand in 2020).

3. Sales and marketing expenses

Sales and marketing expenses were € 74,660 thousand, as against € 70,869 thousand in the first half of 2020. This item consists mainly of marketing costs incurred to promote and distribute DiaSorin products, costs attributable to the direct and indirect sales force and the cost of the technical support offered together with the Group-owned equipment provided to customers under gratuitous loan contracts.

4. Research and development costs

Research and development costs, which were € 23,504 thousand (€ 25,507 thousand in 2020), include the research and development outlays that were not capitalized, equal to € 11,049 thousand (€ 13,757 thousand in 2020), costs incurred to register the products offered for sale and meet quality requirements totaling € 8,384 thousand (€ 7,933 thousand in the first half of 2020) and the amortization of capitalized development costs equal to € 4,071 thousand (€ 3,817 thousand in the first half of 2020). In 2021, the Group capitalized new development costs amounting to € 17,962 thousand, as against € 7,478 thousand in the first half of 2020).

5. General and administrative expenses

General and administrative expenses, which include expenses incurred for corporate management activities, Group administration, finance and control, information technology, corporate organization and insurance, were € 37,894 thousand in the first half of 2021, as against € 34,797 thousand in the same period of 2020.

6. Other operating income (expenses)

A breakdown of other operating income and expenses is as follows:

<i>(€ thousands)</i>	1st half 2021	1st half 2020
Trade-related foreign exchange gains/losses	(444)	(550)
Tax liabilities	(578)	(320)
Provision for doubtful account and risks and charges	(1,593)	(3,076)
Out-of-period items and other operating income (expense)	(1,917)	(1,910)
Non-recurring expenses	(12,886)	(3,395)
Other operating income (expense)	(17,418)	(9,252)

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

In 2021, non-recurring expenses of € 12,886 thousand include costs incurred in the acquisition of the Luminex Group, completed on July 14, 2021.

The item provision for doubtful account and risks and charges includes lower provisions for doubtful account compared to the first half of 2020 and the effect of administrative and legal costs for outstanding legal disputes amounting to € 500 thousand in the first half of 2020.

7. Financial expense/ (income)

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

<i>(€ thousands)</i>	1st half 2021	1st half 2020	<i>delta</i>
Factoring transactions fees	(341)	(189)	(153)
Interest and other financial charges	(5,856)	(1,635)	(4,221)
<i>including: interest expense on leases</i>	<i>(780)</i>	<i>(637)</i>	<i>(143)</i>
Interest on pension funds	(183)	(216)	34
Interest and other financial income	145	1,069	(923)
Foreign exchange differences and financial instruments	485	(419)	904
Net financial income (expense)	(5,749)	(1,391)	(4,359)

In the first half of 2021, net financial expense amounted to € 5,749 thousand, versus net financial income of € 1,391 thousand in the first half of 2020.

Interest expense and other financial charges were € 5,856 thousand, up from € 1,635 thousand in the first half of 2020.

Net exchange rate differences on other financial balances, which were positive by € 485 thousand (negative by € 419 thousand in 2020) mainly referred to the impact of exchange-rate fluctuations on subsidiaries' financial balances denominated in foreign currencies.

8. Income taxes

Income taxes recognized in the income statement amounted to € 46,086 thousand in the first half of 2021 (€ 27,525 thousand in the same period of 2020). The tax rate was 23.5%, versus 22.5% in the first half of 2020.

9. Earnings per share

Basic earnings per share amounted to € 2.63 in the first half of 2021 and to € 1.73 in the same period of 2020; diluted earnings per share amounted to € 2.61 in the first half of 2021, as against € 1.72 in the first half of 2020. Basic earnings per shares were computed by dividing the net profit attributable to the shareholders by the weighted average number of shares outstanding during the year (57,002,555 at June 30, 2021 and 54,785,650 at June 30, 2020).

The dilutive effect of stock option plans granted by DiaSorin S.p.A and determined by excluding tranches assigned to a price higher than the average price of the ordinary shares in 2021 is not material.

It should be noted that the average number of outstanding shares used to calculate diluted earnings include the effects of any future issue of shares to serve the Convertible Bond Issue.

Consolidated statement of financial position

10. Property, plant and equipment

The table below shows the changes that occurred in this account as of June 30, 2021:

<i>in euros</i>	At December 31, 2020	Additions	Depreciations	Net Divestments	Translation differences	Reclassifications and other charges	At June 30, 2021
Land	2,342	-	-	-	9	-	2,351
Buildings	10,299	35	409	-	40	-	9,965
Plant and machinery	14,519	2,513	1,553	88	143	907	16,442
Manufacturing and distribution equipment	52,457	14,574	10,636	1,128	1,020	3,015	59,301
Other assets	11,865	743	1,205	4	416	1,315	13,128
Construction in progress and advances	15,656	11,955	-	1	236	(5,476)	22,369
IFRS 16 right of use	33,360	4,530	3,027	27	1,082	263	36,182
Total property, plant and equipment	140,497	34,350	16,830	1,248	2,946	24	159,739

At June 30, 2021, rights of use refer to buildings for € 31,145 thousand (€ 28,932 thousand at December 31, 2020), and other assets, specifically vehicles for € 5,037 thousand (€ 4,428 thousand at December 31, 2020).

Additions to manufacturing and distribution equipment include purchases of medical equipment amounting to € 11,734 thousand as against € 13,373 thousand in the first half of 2020. Depreciation for the period was € 10,333 thousand, as against € 7,989 in the same period of 2020.

11. Goodwill and other intangible assets

A breakdown of intangible assets as of June 30, 2021 is as follows:

<i>(€ thousands)</i>	At December 31, 2020	Additions	Amortizations	Translation differences	Divestments and other charges	At June 30, 2021
Goodwill	154,773	-	-	3,361	-	158,134
Development costs	84,822	17,962	4,071	1,951	-	100,663
Concessions, licenses and trademarks	110,392	904	8,031	1,586	36	104,887
Industrial patents and intellectual property rights	2,512	50	487	11	-	2,086
Advances and other intangibles	4,238	2,070	64	158	217	6,619
Total intangible assets	356,737	20,986	12,653	7,066	253	372,388

Goodwill amounted to € 158,134 thousand at June 30, 2021. The increase versus December 31, 2020 was due to the translation difference related to the goodwill allocated to DiaSorin Brazil, DiaSorin North America and DiaSorin Italia CGUs, for an amount equal to € 3,361 thousand.

The company Management has not identified any impairment indicators and therefore no impairment test has been carried out for intangible assets with an indefinite useful life.

The company Management will update its assessments through an impairment test that will be fully developed during the preparation of the annual financial statements at December 31, 2021.

12. Deferred-tax assets and deferred-tax liabilities

Deferred-tax assets were a € 35,010 thousand (€ 33,080 thousand at December 31, 2020). They relate to consolidated companies that have deferred-tax assets in excess of deferred-tax liabilities and to consolidation adjustments. Deferred-tax liabilities, which amounted to € 10,703 thousand (€ 10,066 thousand at December 31, 2020) relate to consolidated companies that have deferred-tax liabilities in excess of deferred-tax assets.

Deferred-tax assets were recognized in the financial statements when their future use was deemed to be probable. The same approach was used to recognize the benefit provided by the use of tax loss carry forwards, most of which, under current laws, can be brought forward indefinitely.

Based on the multi-year plans prepared by the Group's management, the Group is expected to generate sufficient taxable income in future years to allow for the full recovery of the abovementioned amounts.

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

<i>(€ thousands)</i>	6/30/2021	12/31/2020
Deferred-tax assets	35,010	33,080
Deferred-tax liabilities	(10,703)	(10,066)
Total net deferred-tax assets	24,307	23,014

13. Other non-current assets

Other non-current assets were € 2,809 thousand at June 30, 2021 (€ 2,189 thousand at December 31, 2020). They consist mainly of receivables from the Group Parent's Company, Belgian, Brazilian, U.S. and Chinese subsidiaries due beyond 12 months.

14. Inventories

A breakdown of inventories, which amounted to € 202,986 thousand, is provided below:

<i>(€ thousands)</i>	6/30/2021			12/31/2020		
	Gross amount	Provisions for write-downs	Net amount	Gross amount	Provisions for write-downs	Net amount
Raw materials and supplies	74,330	(3,225)	71,105	70,405	(2,919)	67,486
Semi-finished goods	55,142	(1,866)	53,276	55,332	(2,860)	52,472
Finished goods	94,229	(15,624)	78,605	75,906	(4,630)	71,276
Total	223,701	(20,715)	202,986	201,643	(10,409)	191,234

The increase of € 11,752 thousand in ending inventories compared to December 31, 2020, is due to the increase in manufacturing volumes to support increased sales.

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

<i>(€ thousands)</i>	6/30/2021	12/31/2020
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Opening balance	10,409	7,447
Additions for the period	10,265	4,449
Utilizations/Reversals for the period	(309)	(1,016)
Translation differences and other changes	350	(471)
Ending balance	20,715	10,409

15. Trade receivables

Trade receivables were € 158,426 thousand at June 30, 2021 (€ 165,678 thousand at December 31, 2020). The decrease compared to December 31, 2020 is the result of improved trade receivable collection period, and of the increase in receivables assigned without recourse by the Parent Company.

The table that follows shows the changes that occurred in the allowance for doubtful accounts, which amounted to € 9,020 thousand compared with December 31, 2020:

<i>(€ thousands)</i>	6/30/2021	12/31/2020
Opening balance	8,737	8,620
Additions for the period	365	1,791
Utilizations/Reversals for the period	(330)	(578)
Translation differences and other changes	248	(1,096)
Ending balance	9,020	8,737

In order to bridge the gap between contractual payment terms and actual collection times, the Group uses factoring transactions to assign its receivables without recourse. In the first six months of 2021, the receivables assigned by the Group's Parent Company amounted to € 42,245 thousand in the first half of 2021 (€ 20,618 thousand in the same period of 2020).

The Company did not identify any material deterioration of trade receivables resulting from the impacts of the COVID-19 health emergency on business operations.

16. Other current assets

Other current assets amounted to € 22,456 thousand (€ 16,998 thousand at December 31, 2020) and include tax credits amounting to € 13,004 thousand (€ 7,789 thousand at December 31, 2020), sundry receivables, accrued income and prepayments equal to € 9,452 thousand (€ 9,209 thousand at December 31, 2020).

17. Cash and cash equivalents, current and non-current financial assets

Cash and cash equivalents amounted to € 896,842 thousand at June 30, 2021 (€ 339,881 thousand at December 31, 2020). They consist of balances in banks accounts and short-term bank deposits. More detailed information is provided in the Statement of Cash Flows above.

Current financial assets amounting to € 8,584 thousand at June 30, are composed of positive mark-to-market related to two Deal Contingent FX Forward derivative contracts for the acquisition of the Luminex Group.

18. Shareholders' equity

Share capital

At June 30, 2021, the fully paid-in share capital consisted of 55,948,257 million common shares, par value of 1 euro each. No changes occurred compared with December 31, 2020.

Treasury shares

At June 30, 2021, the amount of treasury shares was 1,229,578 (2.20% of the share capital) totaling € 114,062 thousand. At December 31, 2020 treasury shares amounted to 1,226,112 (2.19% of the share capital) totaling € 109,546 thousand. The increase of € 4,516 compared to December 31, 2020, was due to the net effect resulting from the purchase of treasury shares (equal to € 7,763 thousand), net of the options allocated following options exercise (equal to € 3,247 thousand).

Additional paid-in capital

This reserve amounted to €18,155 thousand at June 30, 2021 and no changes occurred compared to December 31, 2020.

Statutory reserve

This reserve amounted to €11,190 thousand at June 30, 2021 and no changes occurred compared to December 31, 2020.

Other reserves and retained earnings

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

<i>(€ thousands)</i>	6/30/2021	12/31/2020	Change
Currency translation reserve	(8,658)	(26,987)	18,329
Reserve for treasury shares	114,062	109,546	4,516
Stock option reserve	14,727	11,563	3,164
Ex IAS 32 Convertible debt reserve	59,802	-	59,802
Cash flow hedge reserve	8,488	-	8,488
Gains/losses on remeasurement of defined benefit plans	(11,901)	(11,901)	-
Retained earnings	860,119	670,852	189,267
IFRS transition reserve	(2,973)	(2,973)	-
Other reserves	(19,569)	(19,040)	(529)
Total Other reserves and retained earnings	1,014,097	731,060	283,037
Total other reserves and retained earnings attributable to minority interest	1,547	1,216	331

Currency translation reserve

The currency translation reserve was negative by € 8,658 thousand (€ 26,987 thousand at December 31, 2020) includes the exchange differences arising from the translation of equity of consolidated subsidiaries, whose financial statements are denominated in foreign currencies, at the exchange rate in effect at the end of the year. This reserve decreased by € 18,329 thousand, due mainly to fluctuations in the exchange rates of the Brazilian real, Mexican peso, South African rand and the US dollar vis-à-vis the euro.

Reserve for treasury shares

At June 30, 2021, the reserve for treasury shares amounted to € 114,062 thousand (€ 109,546 thousand at December 31, 2020). This reserve was established pursuant to law (Article 2357-ter of the Italian Civil Code). The change in the reserve (equal to € 4,516) referred to the purchase of treasury shares (€ 7,763 thousand), net of options allocated following options exercise (equal to € 3,247).

Stock option reserve

The balance in the stock option reserve, which amounted to € 14,727 thousand (€ 11,563 thousand at December 31, 2020) refers to the stock option plans in effect at June 30, 2021. The increase in the reserve that occurred at June 30, 2020 was due to the recognition of the overall cost of the stock option Plans (€ 3,164 thousand) that was posted and recognized in the income statement as a labor costs included in general and administrative expenses.

Gains/(losses) on remeasurement of defined benefit plans

This item was negative by € 11,901 thousand at June 30, 2021 (€ 11,901 thousand at December 31 2020). No change occurred in the period.

Retained earnings

Retained earnings amounted to € 860,119 thousand (€ 670.852 thousand at December 31, 2020). The change, equal to € 189,267 thousand, compared to December 31, 2020, was due to the:

- appropriation of the consolidated net profit earned by the Group in 2021, amounting to € 247,871 thousand;
- dividend distribution to the shareholders, amounting to € 54,765 thousand, as resolved by the ordinary Shareholders' Meeting on April 22, 2021 (equal to € 1.00 per share)

Convertible debt reserve

The reserve includes the accounting of the shareholders' equity component relating to the convertible bond issue, amounting to € 60,612 thousand, net of direct transaction costs allocated to this component, equal to € 810 thousand.

Cash flow hedge reserve

The reserve provides the market value of the two Deal Contingent FX Forward derivatives, accounted in accordance with the principles applied to cash flow hedges, in relation to the hedging portion that the Group assesses as effective.

Further information is provided in "Risks deriving from fluctuations in foreign exchange and interest rates".

IFRS transition reserve

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

Other reserves

The item includes the value of the put/call option rights envisaged in the Joint Venture agreement in China, and recognized in accordance with IAS 32 and IFRS 9 accounting standards.

19. Financial liabilities

Financial liabilities (current and non-current) amounted to a total of € 469,099 thousand at June 30, 2021 (€ 34,660 thousand at December 31, 2020). A breakdown is as follows (amounts in thousands):

<i>(€ thousands)</i>	At December 31, 2020	Additions	Repayments	Translation differences and other movements	Financial expenses at amortized cost	At June 30, 2021
IFRS 16 lease payables	34,660	3,757	(3,088)	1,111	-	36,440
Other non-current financial liabilities	-	430,519	-	-	1,527	432,046
Other current financial liabilities	-	612	-	-	-	612
Total financial liabilities	34,660	434,887	(3,088)	1,111	1,527	469,099

The item Other non-current financial liabilities includes the Bond Issue convertible into ordinary shares amounting to € 500 million due 2028 (Senior unsecured equity-linked bonds) issued by DiaSorin S.p.A. on April 28, 2021. The initial conversion price was € 210.9339 and may be subject to adjustment according to the market practice in force for this type of financial instruments. The Bonds will not bear any interest, the number of ordinary shares that may be issued following the bonds conversion is equal to 2,370,411, except for adjustments.

The Bond Issue convertible into ordinary shares was accounted through the recognition of:

- a principal of € 439,388 thousand, net of transaction costs amounting to € 5,878 thousand, for an amount equal to the fair value of a liability issued by the Company at equivalent market conditions without conversion right. The principal is recognized using the amortized cost method;
- a component of shareholders' equity, residually, equal to the remaining part up to the amount collected resulting from the issuance. The equity component (equal € 60,612 thousand) is not remeasured.

Issuance costs are allocated proportionally to the principal and equity components.

At June 2021, the principle carrying amount of the convertible Bond Issue is a reasonable approximation of fair value given the limited period of time since its issuance. The extraordinary Shareholders' Meeting will approve, by the long stop date of December 31, 2021, the relevant share capital increase, with the exclusion of pre-emptive rights, pursuant to Article 2441(5) of the Italian Civil Code, reserved exclusively to service the conversion of the Convertible Bond Issue through the issuance of ordinary shares.

IFRS 16 lease payables are divided into payables due within the next financial year, for an amount of € 4,749 thousand, and payables due beyond the next financial year, for an amount of € 31,691 thousand.

20. Provisions for employee severance indemnities and other employee benefits

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

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

Defined-contribution plans

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

Defined-benefit plans

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

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

Other benefits

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

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

<i>(€ thousands)</i>	6/30/2021	12/31/2020	Change
Employee benefits			
<i>provided in:</i>			
- Italy	6,464	6,198	266
- Germany	31,111	30,810	301
- Sweden	2,823	2,758	65
- other countries	1,565	1,476	89
Total employee benefits	41,963	41,242	721
<i>Broken down as follows:</i>			
- Defined-benefit plans			
<i>provision for employee severance indemnities</i>	2,982	3,023	(41)
<i>other defined-benefit plans</i>	35,678	33,568	2,110
	38,661	36,591	2,070
- Other long-term benefits	3,302	4,651	(1,349)

Total employee benefits	41,963	41,242	721
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The table below shows the main changes that occurred in the Group's employee benefit plans compared to December 31, 2020 (amounts in € thousands):

<i>(€ thousands)</i>	Defined-benefit plans	Other benefits	Total employee benefits
Balance at 12/31/2020	36,593	4,649	41,242
Interest cost	183	-	183
Actuarial losses/(gains) recognized in income statement	540	481	1,021
Current service cost	(59)	-	(59)
Benefits paid	(438)	-	(438)
Translation differences and other changes	101	(87)	14
Balance at 6/30/2021	36,920	5,043	41,963

21. Other non-current liabilities

Other non-current liabilities of € 51,309 thousand at June 30, 2021 (€ 48,155 thousand at December 31, 2020) include long-term liabilities for put/call option rights under the new Joint Venture agreement in China, recognized in accordance with IAS 32 and IFRS 9 accounting standards, and provisions for future risks and charges set aside for pending and potential legal disputes and provisions for employee severance indemnities.

The table below lists the change in provisions for risks and charges:

<i>(€ thousands)</i>	6/30/2021	12/31/2020
Opening balance	12,214	12,512
Additions for the period	1,624	2,827
Utilizations/Reversals for the period	(387)	(2,764)
Translation differences and other changes	1,749	(360)
Closing balance	15,200	12,215

22. Trade payables

At June 30, 2021, trade payables were € 79,248 thousand (€ 65,485 thousand at December 31, 2020) and include amounts owed to external suppliers for the purchase of goods and services. The item increased by € 13,767 thousand, following the recognition of costs for the acquisition of Luminex. There are no amounts due after one year.

23. Other payables

Other payables of € 59,626 thousand at June 30, 2021 (€ 60,688 thousand at December 31, 2020) consist mainly of amounts owed to employees for additional monthly payments to be paid, equal to € 31,852 thousand (€ 41,026 thousand at December 31, 2020), contributions payable to social security and health benefit institutions amounting to € 2,824 thousand (€ 3,889 thousand at December 31, 2020) and accruals and deferred charges for a total of € 3,164 thousand (€ 2,759 thousand at December 31, 2020).

24. Income taxes payable

The balance of € 10,325 thousand at June 30, 2021 (€ 29,831 thousand at December 30, 2020) represents the income tax liability for the profit earned in the period, net of estimated payments made, and amounts owed for other indirect taxes and fees.

25. Commitment and contingent liabilities

Guarantees provided

The guarantees that the Group provided to third parties totaled € 29,283 thousand and include bank sureties in connection with the submission of bids in response to public calls for tenders and outstanding financing facilities (€ 21,033 thousand). These guarantees were established to secure lines of credit provided to Group companies (in the amount of € 5,561 thousand), and in connection with defined-contribution pension plans of certain subsidiaries (€ 2,689 thousand).

Significant commitments and contractual obligations

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

Contingent liabilities

The DiaSorin Group operates globally. As a result, it is exposed to the risks that arise from the complex laws and regulations that apply to its commercial and manufacturing activities. The Group believes that, overall, the amounts set aside for pending legal disputes in the corresponding provision for risks are adequate.

26. Related-party transactions

In the normal course of business, DiaSorin S.p.A. engages on a regular basis in commercial and financial transactions with its subsidiaries, which are also Group companies. These transactions, which are executed on standard market terms, consist of the supply of goods and services, including administrative, information technology, personnel management, technical support and consulting services, which produce receivables and payables at the end of the year, and financing and cash management transactions, which produce income and expenses. These transactions are eliminated in the consolidation process and, consequently, are not discussed in this section of the Report.

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

The total amount owed to directors and strategic executives recognized in the income statement was € 3,143 thousand (€ 3,045 thousand in the first half of 2020).

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

27. Significant events occurred after June 30, 2021 and business outlook

On July 14, 2021, DiaSorin completed the acquisition of the entire share capital of Luminex Corporation for a price of USD 37.00 per share in an all-cash transaction, corresponding to a total consideration of USD 1.7 billion.

Further information is provided in the paragraph “Acquisition of the Luminex Group”.

As regards business outlook and following the recent acquisition of Luminex business described above, DiaSorin provides the following new FY 2021 guidance:

Revenues: expected growth between 35% and 40% at CER

Adjusted Ebitda Margin: equal to around 42% at CER

The expected revenues growth at CER and on a like-for-like basis is between 15% and 20%, of which ex-COVID revenues around +15%: one-cent movement in the euro-dollar exchange rate has an annual exchange rate effect estimated at Group level of approximately € 6 million on revenues and € 3 million on Adjusted EBITDA.

The COVID pandemic continues to impact both the global economy and, even more deeply, the sector in which DiaSorin operates, leading to uncertainty in anticipating future purchasing behavior trends in laboratories and hospitals. The guidance range for Revenues reflects the difficulty in accurately forecasting sales performance of COVID tests due to the unpredictability of viral mutations that may affect vaccine’s efficacy and the speed and pervasiveness of vaccine rollout in the different geographies where DiaSorin operates. The guidance reflects DiaSorin’s current visibility into market conditions, customer order patterns for Group products and is based on the current assumptions about the effects of the virus spread.

Acquisition of the Luminex Group

In April 2021, the Group announced that it signed a merger agreement to acquire the entire share capital of Luminex Corporation, a company incorporated under the laws of Delaware, with its registered office at 12212 Technology Blvd., Suite 130, Austin, Texas, USA. The agreement provides for the payment of a price of USD 37.00 per share, corresponding to a total consideration of USD 1.7 billion (equal to EUR 1.4 billion). On June 21, 2021, the Shareholders’ Meeting of Luminex approved the merger agreement which was completed after receiving clearance from the Committee on Foreign Investment in the United States (CFIUS) under the laws of Delaware on July 14, 2021, and resulting in the delisting of Luminex shares from NASDAQ.

The Luminex Group will be consolidated as from the date of completion of the acquisition.

Through the acquisition, the DiaSorin Group will gain access to Luminex’s multiplexing technology and a portfolio that will strengthen its existing offering, while expanding the Group presence in the United States. Additionally, this deal will provide access to Luminex’s applications throughout the Life Science industry, supporting access to academic and scientific research, expanding engagement with biopharma companies, and increasing access to clinical multiplexing assays for future Value Based Care projects.

Pursuant to the Merger Agreement, the Transaction was completed following and as a result of the merger of Diagonal - a wholly-owned subsidiary, indirectly through DiaSorin Inc., by DiaSorin - into Luminex. As a result of the Merger and pursuant to the Merger Agreement, Luminex is the entity resulting from the Merger and DiaSorin Inc., a wholly and directly owned subsidiary of DiaSorin, has become the owner of 100% of the share capital of Luminex.

The DiaSorin Group financed the transaction by:

- the utilization of one of the two credit lines granted under the Financing Agreement and, in particular, the USD 1,100 million term loan credit line maturing on the fifth anniversary of the date of the signing of the Financing Agreement (*i.e.*, April 11, 2026);
- the proceeds from the Convertible Bond Issue, as detailed in the previous paragraphs; and
- the use of available cash for the remaining part (amounting to approximately USD 114 million).

The Transaction will be recognized in accordance with IFRS 3. In particular, goodwill will be determined as the difference between: (i) the fair value of the consideration transferred, and (ii) the identifiable amount at the effective date of the Transaction of the assets acquired and liabilities assumed, measured in accordance with IFRS 3. Due to the limited period of time between the date of the Transaction and the date of preparation of this document, there is not yet sufficient information to permit a fair value measurement of Luminex's assets and liabilities as of the acquisition date. The DiaSorin Group will ensure the due completion of the valuation process of the identifiable assets acquired and liabilities assumed within the necessary technical timeframe, in accordance with paragraph 45 of IFRS 3, which requires the acquirer to complete this process within a reasonable timeframe to obtain the information necessary to identify and measure the assets acquired and liabilities assumed as of the acquisition date.

28. Entries resulting from atypical and/or unusual transactions

For details, reference should be made to the Report on Operations (“Transactions resulting from non-recurring, atypical and/or unusual operations”).

ANNEX I: THE COMPANIES OF THE DIASORIN GROUP AT JUNE 30, 2021

	Head office location	Currency	Share capital (*)	Par value per share or partnership interest	% interest held directly	Number of shares or partnership interests held
Equity investments consolidated line by line						
DiaSorin S.A/N.V.	Bruxelles (Belgium)	EUR	1,674,000	6,696	99.99%	249
DiaSorin Ltda	Sao Paolo (Brazil)	BRL	65,547,409	1	99.99%	65,547,408
DiaSorin S.A.	Antony (France)	EUR	960,000	15	99.99%	62,492
DiaSorin Iberia S.A.	Madrid (Spain)	EUR	1,453,687	6	99.99%	241,877
DiaSorin Ltd	Blewbury (UK)	GBP	500	1	100.00%	500
DiaSorin Inc.	Stillwater (USA)	USD	1	0	100.00%	100
DiaSorin Canada Inc	Mississauga (Canada)	CAD	200,000	N/A	-	100 Class A common shares
DiaSorin Molecular LLC	Cypress (USA)	USD	100,000	100,000	-	1
DiaSorin Mexico S.A de C.V.	Mexico City (Mexico)	MXP	63,768,473	1	99.99%	49,999
DiaSorin Deutschland GmbH	Dietzenbach (Germany)	EUR	275,000	275,000	100.00%	1
DiaSorin AB	Solna (Sweden)	SEK	5,000,000	100	100.00%	50,000
DiaSorin Ltd	Rosh Haayin (Israel)	ILS	100	1	100.00%	100
DiaSorin Austria GmbH	Wien (Austria)	EUR	35,000	35,000	100.00%	1
DiaSorin Czech s.r.o.	Prague (Czech Republic)	CZK	200,000	200,000	100.00%	1
DiaSorin Diagnostics Ireland Limited	Dublin (Ireland)	EUR	3,923	0	100.00%	392,282
DiaSorin Ireland Limited	Dublin (Ireland)	EUR	163,202	1	100.00%	136,002
DiaSorin I.N.UK Limited	Dublin (Ireland)	EUR	7,826,072	0	100.00%	782,607,110
DiaSorin I.N. Limited	Dublin (Ireland)	EUR	1	0	100.00%	100
DiaSorin South Africa (PTY) Ltd	Johannesburg (South Africa)	ZAR	101	1	100.00%	101
DiaSorin Australia (Pty) Ltd	Sydney (Australia)	AUD	3,300,000	33,000	100.00%	100
DiaSorin Ltd	Shanghai (China)	RMB	1,211,417	1	76.00%	96,000
DiaSorin Switzerland AG	Risch (Switzerland)	CHF	100,000	100	100.00%	1,000
DiaSorin Poland sp. z o.o.	Warsaw (Poland)	PLN	550,000	50	100.00%	11,000
DiaSorin Healthcare India Private Limited	Mumbai (India)	INR	470,000,000	10	0.01%	47,000,000
DiaSorin Middle East FZ-LLC	Dubai (UAE)	AED	50,000	1,000	100.00%	50
Diagonal Subsidiary Inc.	Stillwater (USA)	USD	1	0	-	1,000
DiaSorin APAC Pte. Ltd.	Singapore (Singapore)	EUR	15,323	N/A	100.00%	1
Equity investments valued at cost						
DiaSorin Deutschland Unterstuetzungskasse GmbH	Dietzenbach (Germany)	Euro	25,565	1	-	1

(*) Amounts stated in the local currency

**CERTIFICATION OF THE CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS
PURSUANT TO ARTICLE 81-TER OF CONSOB REGULATION N. 11971 OF MAY 14, 1999 AS AMENDED**

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

attest that,

insofar as the provisions of Article 154-*bis*, Sections 3 and 4, of Legislative Decree No. 58 of February 24, 1998 are concerned, the administrative and accounting procedures applied during the first half of 2021 to prepare the condensed semiannual consolidated financial statement were:

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

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

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

To the best of our knowledge, the interim Report on Operations provides a reliable analysis of significant events that occurred during the first half of the year and of their impact on the condensed half-year financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year.

The interim Report on Operations also provides a reliable analysis of information concerning transactions with related parties.

Saluggia, July 30, 2021

Signed:

Carlo Rosa
Chief Executive Officer

Piergiorgio Pedron
Corporate Accounting Document Officer



REVIEW REPORT ON CONDENSED HALF YEAR CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of DiaSorin SpA

Foreword

We have reviewed the accompanying condensed half year consolidated financial statements of DiaSorin SpA and its subsidiaries (the "DiaSorin Group") as of 30 June 2021, comprising the consolidated statement of financial position, consolidated income statement, consolidated comprehensive income statement, statement of changes in consolidated shareholders' equity, consolidated statement of cashflow and related notes. The directors of DiaSorin SpA are responsible for the preparation of the condensed half year consolidated financial statements in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these condensed half year consolidated financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed half year consolidated financial statements of DiaSorin Group as of 30 June 2021 are not prepared, in all material respects, in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, 4 August 2021

PricewaterhouseCoopers SpA

Signed by

Stefano Pavesi
(Partner)

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

PricewaterhouseCoopers SpA

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