REPORT ON OPERATIONS

CONSOLIDATED FINANCIAL STATEMENTS OF THE DIASORIN GROUP at December 31, 2022

STATUTORY FINANCIAL STATEMENTS OF DIASORIN S.P.A. at December 31, 2022

Annual Financial Report

at December 31, 2022

DiaSorin

DiaSorin

Annual Financial Report

This Report is navigable in interactive form, with multimedia insights

at December 31, 2022

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DiaSorin

Letter to Shareholders

Dear Shareholders,
I am honored to have to opportunity to comment on the year just ended of DiaSorin, a company which is constantly evolving and which I am very proud of.

This pride is, above all, a consequence of the strategic choices that are the prerequisite for a solid and sustainable growth driving our Group towards new and important objectives we have set for the years to come.

The objectives we are pursuing in all our testing technologies make us an ambitious company that is constantly oriented towards innovation, growth, dedication in providing concrete answers not only to laboratories, but also to clinicians and patients.
A company which is aware of its role in innovation and of its ability to rapidly develop high-quality diagnostic solutions.

We are an increasingly international company composed of 3,400 people who employ, every day, their ingenuity, talent, skills and dedication to support projects and products that can help better understand the health conditions of millions of people every year around the globe.

In 2022, our research activities continued to work on ambitious projects able to deeply innovate the diagnostics market. Among these, I would definitely mention the MeMed test that help clinicians differentiate between bacterial and viral infections. This test does not only provide a diagnostic information, but also an indication of the best therapy for the patient, thus providing a valuable tool in the growing global threat posed by antimicrobial resistance.

As regards molecular diagnostics, we continued working to launch on the market the LIAISON® Plex, an innovative multiplexing instrument which allows the detection of a significant number of pathogens on a single sample, providing flexibility on the number of test results and thus lowering the testing cost for laboratories. Or the LIAISON® NES, our future Point-of-Care platform, addressing the growing diagnostic decentralization trend.

These projects, among many others, drove innovation in 2022 and laid the foundations for the future growth of our Group in the years to come.

All this would not be possible, however, without the people who make our company an excellence in the diagnostic world. Researchers, of course, but also all those who, in the different business areas, help DiaSorin grow and expand internationally, creating further conditions for sustainability of our business and our company.

Although Sustainability is a very widely used term in many contexts, it is a necessary condition for the business in which we operate. Our products, in fact, contribute to making health systems and health treatment increasingly sustainable, providing the necessary answers to clinicians about people's state of health and contributing to the improvement of diagnostic solutions for laboratories.

But sustainability, for us in DiaSorin, also means commitment to all the stakeholders who come into contact with us: customers, suppliers, investors, future talents who want to join our future challenges, the local communities where we operate; all this to make "our" DiaSorin even more an example of excellence, innovation, courage and vision, aware of the concrete and tangible impact that our company has on the lives of millions of people every day.

The Chairman,
Michele Denegri

#LEADERSHIP
#INNOVATION

Report on Operations

DiaSorin world

keyfacts

3,388 employees

600 new resources

400 researchers

1. Board of Directors & Control Bodies

BOARD OF DIRECTORS ***(appointed on April 29, 2022)***

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

BOARD OF STATUTORY AUDITORS

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

INDEPENDENT AUDITORS	PricewaterhouseCoopers S.p.A.

COMMITTEES

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

[1] General Manager
[2] Independent Director
[3] Lead Independent Director

2. DiaSorin worldwide

Italian company listed in the **FTSE MIB** idex

Innovation

more than **400** people dedicated to **Research and Development of innovative solutions**

International

direct presence in **27 countries** and through distributors in **75 countries**

North America

USA
Austin
Chicago
Cypress
Madison
Seattle
Stillwater

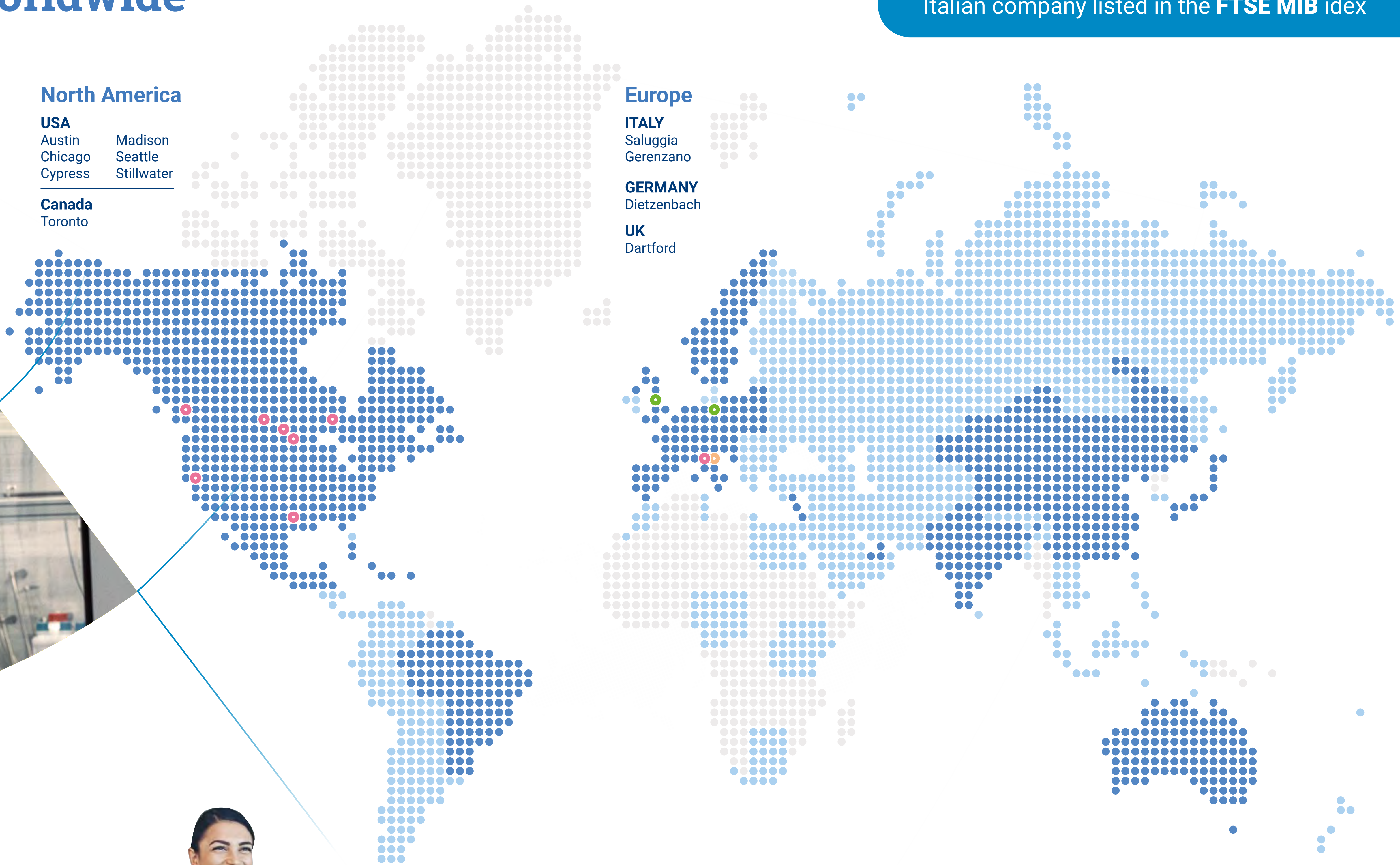
Canada
Toronto

Europe

ITALY
Saluggia
Gerenzano

GERMANY
Dietzenbach

UK
Dartford



Legend
- Direct Presence
- Countries served through distributors
- R&D Centres - Production Sites
- R&D Centres
- Production Sites

41 companies

4 branches

10 manufacturing facilities

9 R&D Centres

3. Group History

Our history is told through the technologies and platforms that we developed over the past 20 years. Thanks to a cutting-edge specialty menu, we provide swift and accurate diagnoses that can help clinicians decide the right treatments for patients.

Through our managerial feature and a vision capable of designing today the markets and opportunities of the future, we strategically interpret the evolution of the diagnostic world while remaining faithful to our mission as the "The Diagnostic Specialist".

Till 2010

The CLIA Market

The company's core business has always been focused on the immunodiagnostic market and, in 2000, a business strategy has been developed to gain a competitive edge over the main players of the market. Over 10 years, from 2000 to 2010, we implement our vocation and focus on cutting-edge, specialty and niche products.

At the same time a key step is taken in the Group's technologies: in the immunodiagnostics market, CLIA replaces the more dated RIA and ELISA technologies. In this context, DiaSorin acquires the rights to use the LIAISON® platform, capable of reading the extensive test menu developed over the years.

After ten years, DiaSorin offers the largest CLIA immunodiagnostic test menu on fully automated platforms.

From 2010 to 2019

Strategic Partnership

The strategic choices of the past ten years drive a steady growth in different sectors: we expand our tests offering and enhance our manufacturing technologies. We acquire new customers and enter new market segments, and strengthen our commercial presence worldwide. Thanks to our dynamic and specialistic profile we become a strategic partner for some of the main diagnostic players worldwide, such as Roche, Beckman Coulter, Meridian Bioscience and QIAGEN.

Specifically, we sign a partnership agreement with QIAGEN for the development of an innovative solution for Latent Tuberculosis screening, one of the most widespread infectious diseases in the world.

Through the acquisition of Focus Diagnostics, today DiaSorin Molecular, we enter the molecular diagnostics sector- a crucial step in the light of the 2020 pandemic.

2020, 2021, 2022

New markets and new customers and partners

The COVID-19 pandemic, which significantly impacts our activities in 2020, brings about important changes in the diagnostic field and requires a strategic analysis about our growth potential towards new markets and customers.

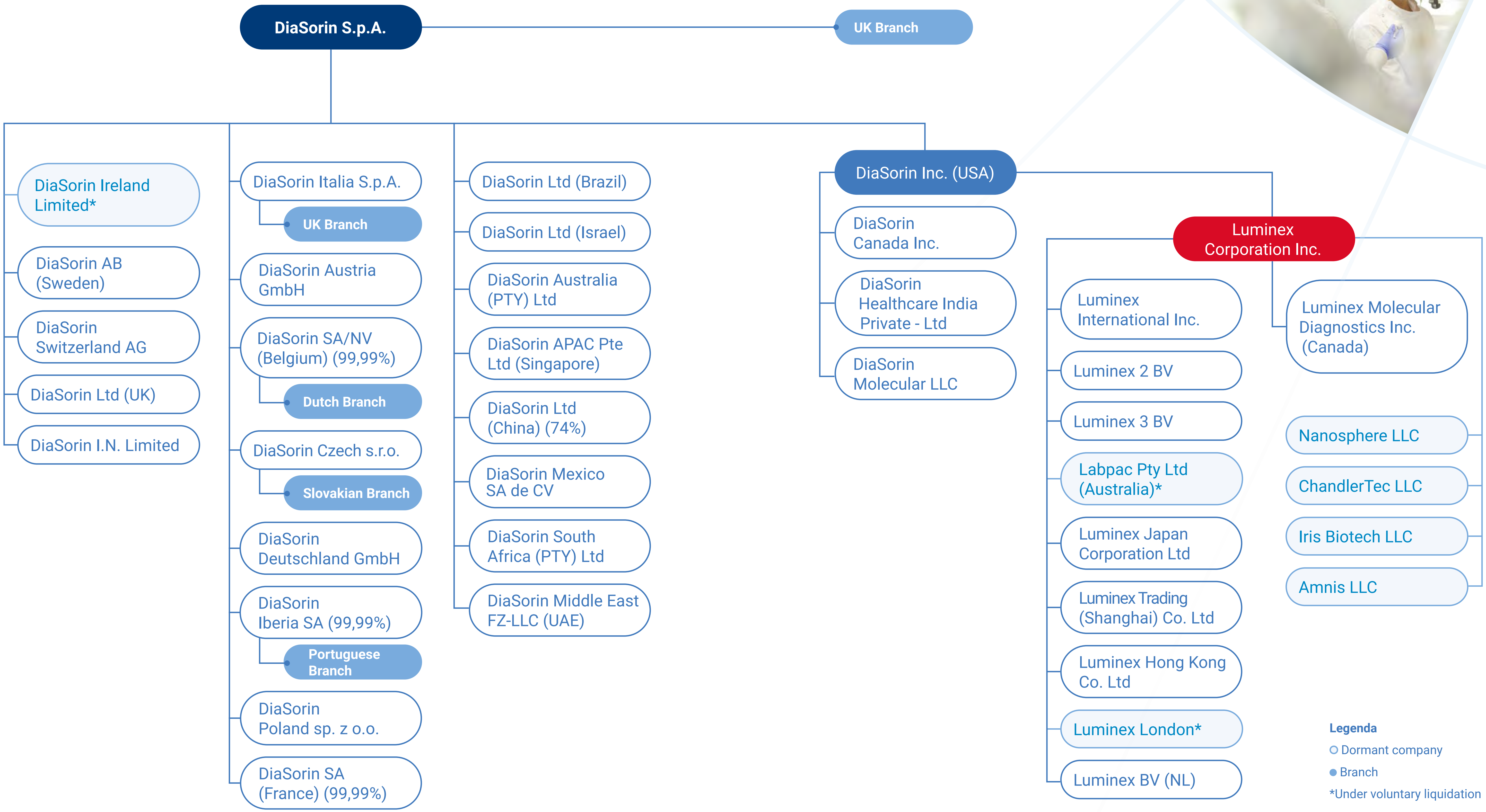
Firstly, the COVID-19 speeds up the decentralization of diagnostic testing, highlighting the need to provide patients with faster diagnostic results, through simple and cost-effective solutions. To this end, we sign an exclusive licensing agreement with the UK company TTP for a molecular Point-of-Care (POC) platform, that is near-patient testing, to deliver our diagnostics solutions. Through the Luminex acquisition, we expand our molecular diagnostic offering by gaining access to multiplexing technology (for the analysis of multiple parameters from a single biological sample) and enter the Life Science sector, a field that set the ground for new important partnerships and business opportunities.

We have been able to grow in three different technological area: immunodiagnostics, molecular diagnostics and Life Science sector. Immunodiagnostics has always been the driving force of our growth, through our LIAISON® platforms adopted by thousands of customers all over the world and a unique test menu providing our customers with specialty and routine diagnostic tests.

In molecular diagnostics, our offering combines low-single plex and multiplexing platforms with an increasingly extensive and distinctive menu.

The Life Science business leverage the xMAP® technology through which DiaSorin is present with its platforms and technological solutions addressed to diagnostic companies which can therefore develop their diagnostic and pharmaceutical products.

4. The DiaSorin Group



5. Our role as the Diagnostic specialist

As a leading company in laboratory diagnostics and committed to address the need of doctors and patients, we develop breakthrough solution to meet the constant evolution of diagnosis.

Twenty years ago, we converted our extensive testing offer onto a single, innovative, fast, reliable and fully automated platform. This move has improved the daily routine of laboratories and has made us a reference immunodiagnostic player with the most extensive range of specialty solutions and a significant global presence.

Through our constant investment of resources and talents in Research and Development, in 2020 we have been among the first to respond to the COVID-19 emergency with high-quality and reliable tests. Our ability to "be the first", provide timely and reliable answers, is an essential element of our daily actions; it is the ***sense of urgency*** - one of the pillars of our business culture and the way we face challenges.

Aware of the market evolutions and diagnostics trends, we focused on increasingly technological and breakthrough solutions, such as molecular diagnostics and Licensed Technologies which can deliver swift and reliable information to clinicians.

At the same time and consistently with a growing diagnostic decentralization trend accelerated by the COVID-19 pandemic, we are developing breakthrough, near-the-patient platforms. An example is the LIAISON® NES, a ***Point-of-Care*** solution designed to be fully integrated to company software. This diagnostic solution is easy to use and delivers reliable results in 15 minutes.

The extensive installed base is designed for smaller to larger and more consolidated laboratories, the extensive specialty menu along with our ability to quickly develop breakthrough solutions make us a leading Company in the development of important and strategic commercial partnerships. An example is the licensing agreement with the Israeli MeMed company, for the development of the new CE marked **LIAISON® MeMed BV®** test, approved by the US Food and Drug Administration and launched on the market in 2022. LIAISON® MeMed BV® is a diagnostic tool resulting from over ten years of research. Through the use of an algorithm, it enables differentiation between bacterial and viral infections. This test is a valuable tool in the growing global threat posed by antimicrobial resistance.

Our business model starts from the healthcare needs and turn them, through research, into diagnostic answers and solutions. To ensure that this model continues to grow and produce value **innovation** is key: **scientific, technological, resources and market** innovation. To this end, it is crucial and strategic to us attracting and integrating new talents and skills within the company to go on innovating and being an excellence in our business.

Diagnosis is the first step to determine the health status of each person: for this reason, our diagnostic solutions can make the difference by providing timely and reliable answers to increasingly challenging clinical questions.

People's wellbeing and health are at the core of our business, our way of being sustainable that is part of our actions and strategies. Through projects and initiatives in line with our values and business culture we are committed to disseminating scientific knowledge, promoting talents and inclusiveness, adopting policies that are respectful of our planet, improving the wellbeing of the communities in which we operate.

Sustainability is paired with our strong dedication to consolidate and extend our business as we are aware of the strong value chain that our business generates on employees, suppliers, targets and communities.

From needs to our solutions

1 Laboratory Diagnostics

- The doctor prescribes **DIAGNOSTIC TESTS**
- The patient has **SAMPLES** taken in a healthcare facility or analysis laboratory
- The samples are univocally classified, labelled and **ANALYZED IN A LABORATORY**
- In the laboratory, the samples are processed by **SPECIALIZED EQUIPMENT** that provides the diagnostic responses required on the basis of the reaction between the samples and the **DIAGNOSTIC TEST REAGENTS**

** The outcome of the tests performed by the patient will allow the doctor to take the most correct therapeutic path*

2 Point Of Care Diagnostics

- A patient goes into a **PHARMACY** to monitor a parameter or identify a pathology
- A healthcare operator **TAKE A SAMPLE AND PROCESSES THE TEST**
- **THE PLATFORM DELIVERS THE RESULT** to the patient in digital or paper format very quickly

3 Licensed Technologies

- Healthcare sector clients need to **DEVELOP A NEW PRODUCT** (drug, test, vaccine, etc.)
- DiaSorin provides the **PLATFORM FOR RESEARCH AND THE TECHNOLOGY**
- The client initiates the **DEVELOPMENT AND RESEARCH PROCESS**
- **FINISHED PRODUCT LAUNCH**

6. Immunodiagnostics

In immunodiagnostics we research antibodies and antigens through CLIA platforms and tests, which is the most reliable and fastest technology capable of fully automating the diagnostic procedure and offers the most extensive test menu for laboratories.

LIAISON® XS

Scan the QR Code to see the video

LIAISON® XL

Scan the QR Code to see the video

Small-to-medium labs

LIAISON® XL LAS

LIAISON® XXL*

Medium-to-large labs

CLINICAL AREAS
- Infectious diseases
- Endocrinology
- Stool diagnostics
- Autoimmunity
- Hypertension
- Bone & mineral
- Oncology

* to be launched

7. Molecular Diagnostics

We offer the molecular diagnostic market two single/low plex and multiplex solutions, along with a test menu for the DNA/RNA amplification of specific infectious agents (virus, bacteria, etc.), so that laboratories can identify their presence in patients' biological samples even in small quantities.

CLINICAL AREAS
- Respiratory Infections
- Herpes viruses
- Meningitis/Encephalitis
- Hospital Acquired Infections
- Vector borne
- Bloodstream Infections
- Transplant
- Women's/Neonatal Health
- Genetics/ Cystic Fibrosis

Near-patient

LIAISON® NES*

Scan the QR Code to see the video

Single-Low Plex Platforms
Detects the presence of up to 5 pathogen agents starting from a single sample

ARIES®

LIAISON® MDx

LIAISON® MDx Plus*

Scan the QR Code to see the video

Multiplex Platforms
Simultaneously detects the presence of up to 40 different pathogens from a single sample

Luminex® 100/200

Non-automated

LIAISON® Plex*

Automated

Scan the QR Code to see the video

MAGPIX®

Non-automated

Verigene®

Automated

*To be launched

8. Licensed Technologies

In the Licensed Technologies field, our platforms feature the xMAP® technology that can run, through the use of microspheres, a broad range of multiplex tests and meet the different customers' needs. Specifically, our technology is used by the following types of customers:

- in vitro diagnostics companies that purchase our platforms and microspheres to design proprietary tests that will be launched on the diagnostic market;
- Life Science companies that use our offering to develop tests for research purposes;
- research and academic world.

The first two types of customers account for 75% of the business and are the "core" of our offering, as products developed using our technological solutions generate royalties on sale.

Until 2022, the Licensed Technologies business included the flow cytometry technology, used by laboratories to detect, identify and count specific cells, and identify particular components within the cells.

Following the year end, we sold to Cytek Biosciences Inc. all the assets related to this Business Unit, consistently with the strategic priorities communicated to investors during the Capital Market Day in December 2021.

xMAP® INTELLIFLEX® TECHNOLOGY

xMAP®

Licensed Technologies Group

Luminex® 100/200

FLEXMAP 3D®

MAGPIX®

xMAP® INTELLIFLEX®

MAIN APPLICATIONS
- Allergy Testing
- Alzheimer
- Autoimmune Disease
- Biodefense/ Environmental
- Cancer Markers
- Cardiac Markers
- Cellular Signaling
- Cytokines, Chemokines and Growth Factors
- Endocrine
- Gene Expression Profiling
- Genotyping
- HLA Testing
- Immunogenicity
- Infectious Disease
- Isotyping
- Matrix Metalloproteinase
- Metabolic Markers
- Neurobiology/Brain and Nervous System Marker
- Plant & Food Safety
- Sepsis Markers
- Transcription Factors/ Nuclear Receptors
- Toxicology
- Vaccine Testing

interview with

Piergiorgio Pedron

DiaSorin CFO

A YEAR OF CHALLENGES AND OUTCOMES

For over 50 years Diasorin has been developing, manufacturing and marketing reagent kits for laboratory diagnostics worldwide.

A broad offering of tests and technological solutions that make the Group the player with the widest range of specialty solutions in the sector. Constant investments in research and the acquisition of the US-based Luminex in 2021 further enriched the offering of platforms and tests and led to the entry of DiaSorin into the Life Science market.

The Group currently has 3358 employees and operates directly in 27 countries through 41 companies, 4 branches, 10 manufacturing facilities, 9 research centers and is present, also through local distributors, in 106 countries. We met Piergiorgio Pedron, DiaSorin Chief Financial Officer, to take stock of the strategies, investments and projects that characterized the Group's activity in 2022.

"We are a global company and we base our business strategy on three distinct areas: immunodiagnostics, molecular diagnostics and Life Sciences. The wide range of diagnostic tests and the strong vocation to technological innovation, have consolidated year after year our positioning as ***"diagnostic specialists", said Pedron, by introducing the topic of the interview.***

2021
Luminex
Acquisition

After the Luminex acquisition in 2021, what challenges did the company face in 2022?

In such a wide-ranging operation, such as the Luminex acquisition, the first challenge the Group had to face was that of ***integration****.*
With over 50% of revenues generated in the United States and with a significant industrial presence, both in Europe and in the USA, DiaSorin is in fact a Euro-American company.
If from a financial point of view an acquisition can be summarized in figures, it is clear that behind such figures there are expertise, stories, research, technologies, customers and markets. At the time of its acquisition, Luminex had this enormous wealth that had to be exploited and not simply assimilated. The integration processes to be real and effective require meticulous planning, time and very clear ideas. In 2021 we focused on getting a deep insight into these two companies, with the crucial objective of capturing their essence, combining the best of both, and then drawing a new common path. This was the challenge we faced in 2022.
We started from people: we identified the new leadership team of Luminex and appointed a new President.
Then we focused on the processes, assessing potential changes, areas of intervention, tools to be used.
Organizing processes in such large and complex companies requires time and complex evaluations, investments and culture. Our approach was to take the best of DiaSorin's and Luminex's processes and put them together, gradually and progressively.
It is a complex activity ranging from management platforms to research strategies, from market approach to development priorities. Today, about 20 integration projects are in place and their development will contribute to ***achieving the objectives set for 2025*** *included in the* ***Business Plan presented at the end of December 2021****.*

In terms of industrial development, what are the strategic projects you focused on in 2022?

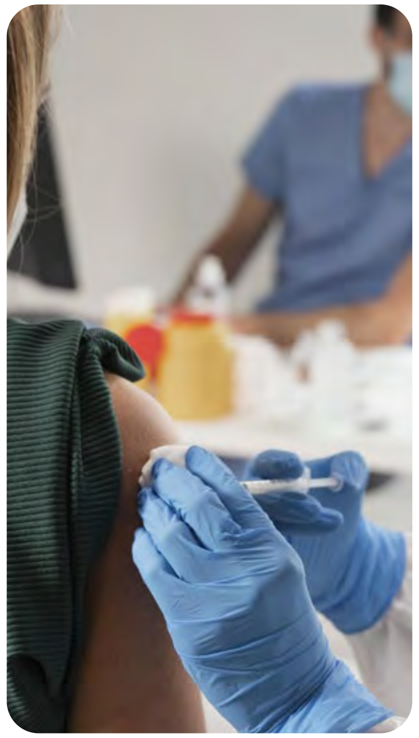
2022 was a positive year, during which all the Group's business lines continued to grow. In particular, in the United States and Canada, we achieved strong results on the back of our expansion strategy in the hospital field, thanks also to the offering of Infectious Diseases tests, such as the Latent Tuberculosis test developed in partnership with QIAGEN, and the test panel for gastrointestinal infections.
Then there are projects that are still under development, on which we focused our efforts, that will drive growth in the immediate future.

Diagnostics is a constantly evolving sector, where the acquisition of market shares is essentially achieved through innovation.

Speaking about product innovation*, in 2022 we launched on the market the new* ***LIAISON® MeMed BV®*** *test, developed after we signed a license agreement with the Israeli company MeMed. This test is CE marked and has been approved by the US Food and Drug Administration. This diagnostic tool, which is the result of over ten years of study and research, makes it possible to differentiate between bacterial and viral infections. This new test will be a valuable ally to combat antimicrobial resistance.*

Another important new product is linked to the ***Lyme disease****: prompt treatment in the first weeks of infection (caused by tick bite) increases the likelihood of therapeutic success. DiaSorin, in partnership with QIAGEN, is working on a test that can detect the infection from the early stages through a marker produced by the T-cell-mediated immune response.*
Speaking about the new platforms *it is necessary to make a premise on the polarization characterizing the diagnostic world. On the one hand, we are experiencing a consolidation phenomenon, with large automated, integrated and connected instruments aimed at increasing laboratory efficiency. On the other hand, there is an equally significant trend towards the* ***diagnostic decentralization****.*
The development of cutting-edge near-patient diagnostic solutions allows laboratory testing to be performed even in pharmacies or at the general practitioner, so as to intercept in a very short time the so-called "sentinel events". We will play a leading role in the point-of-care diagnostics thanks to our ***LIAISON® NES****, a new platform created to respond to the growing need for decentralization of fast solutions that guarantee the same precision and reliability of the results obtained within the hospital laboratory setting. LIAISON® NES will offer high-reliable low-plex tests with reduced time and costs.*

*An additional interesting innovation in the development phase concerns the **LIAISON® Plex** platform featuring Multiplex technology, which will allow the detection of a significant number of pathogens in a single sample, so as to be able to diagnose patients who have generic symptoms and whose medical history does not allow an immediate and clear identification of the infection origin. The system will be connected to the **innovative flex technology** that will offer laboratories the option to have access to only a portion of the full-panel result, thus lowering the testing cost, with the opportunity to unlock additional panel results.*



Did the Covid-19 pandemic affect the Group's activities also in 2022?

*In the last three years, the COVID emergency has affected the entire diagnostic sector in a significant and unexpected way. In particular, in 2022 we committed to countering the pandemic evolution, by developing new tests for the **identification of the Omicron-associated mutations** on the MDX platform and differentiation between Covid and influenza A and B through the **Flu A/B & RSV+SARS-CoV-2** on the Aries platform. It is very difficult to predict what the evolution of the virus will be, but certainly DiaSorin will continue to play a leading role in providing national health systems with all the appropriate diagnostic tools to deal with future challenges: whether it be an endemic disease, or the emergence of new variants.*

What were the driving markets for the DiaSorin Group in 2022 from a geographical point of view?

The driving force for growth was undoubtedly the North American market, while Europe reported an overall good performance, driven by the immunodiagnostics business and the positive contribution of Luminex. The Chinese market deserves to be discussed separately. The past year has been very challenging for China. Numerous and prolonged lockdowns led to a general slowdown in growth. Despite the current challenging situation, DiaSorin is working to open a new manufacturing site in Shanghai where the production of certain tests for the local market will be located. The opening of the new site with a "China for China" view is scheduled for the second half of 2024.

A new 2023 – 2025 ESG Plan was submitted to the Board of Directors in 2022. How does this plan fit into a broader industrial strategy?

The ESG plan presented in December 2022 is a novelty only at the formal level. DiaSorin has always been committed to sustainability and it can be found both in its own business and through projects dedicated to promoting health, scientific knowledge, respect for the environment, attention to local communities and talent in all its forms. Today we can clearly see the relevance of sustainability issues also in the relationship with investors. The adoption of a formalized ESG model to address these issues responds to the need to highlight the extent of our commitment and the scope of our projects.

The new ESG Plan therefore integrates additional and systematic actions that further strengthen our commitment.

9. Research and Development as a distinctive feature

The diagnostic world is rapidly evolving in light of new scientific knowledge and new therapeutic approaches.

The mapping of the human genome, the Artificial Intelligence applied to medicine, the development of algorithms and new technologies bring about a paradigm shift.

In terms of health services, the Value Based Care approach aims to enhance prevention, optimize treatments and reduce hospital access, when not necessary. Diagnostics plays a key role in this approach as an accurate and rapid diagnosis improves treatment quality and effectiveness and reduces dispersion of resources.

In term of patients' treatment, Predictive Diagnostics promotes an approach that takes into account patient characteristics such as genetics, lifestyle and environment.

To face these challenges, we need to bring our innovative potential into play and invest resources and talent for the development of solutions capable of interpreting new trends and entering new markets.

- In the precision diagnostics field through the identification of new biomarkers that can provide answers on the illness evolution in order to develop diagnostic solutions.
- In decentralized diagnostics field through Point of Care platforms that bring patient closer, simplify processes and provide reliable results like the ones provided by laboratories, in less than 15 minutes. An example is the LIAISON® NES), which is in the process of being developed with an IoT *(Internet of Things)* system and can integrate innovative technologies and features.
- In the most current applications of algorithmic diagnosis and artificial intelligence for differential diagnosis and assessments of disease severity and prognosis.

Our growth has always been based on the consolidated ability to generate rapid and continuous innovation, meeting the laboratories' needs but also introducing new diagnostic tools that allow clinicians to make the most correct decisions in the treatment of the patient.

Thanks to our over 400 researchers, mainly based in Italy and the United States, and the significant investments in research and development we can support the continuous evolution of the diagnostics offering. This is our hallmark: the ability to bring every year in laboratories around the world cutting-edge solutions and very high-specialty tests, but also different and numerous clinic and research applications, thereby increasingly consolidating our positioning as the Diagnostic Specialist.

interview with

Giorgio Ghignoni

Corporate Vice President Scientific Affairs and Innovation Lead

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FROM DIAGNOSTICS TO CARE, PRECISION AS A METHOD.

Scientific research and new technologies have allowed Precision Medicine to affirm its key role in the present and future landscape for medicine. Taking into account individual can provide patients with personalized and accurate therapeutic pathways. This approach is supported by precision diagnostics which, to identify the specific cause of the disease, uses detailed information about patients: from genetic data to diagnostic images, up to laboratory tests. The information collected is analyzed using advanced data processing techniques, while artificial intelligence contributes to achieving accurate diagnoses and personalized therapies. This is the reference scenario where the new diagnostic challenges will be played out. We talked about this with Giorgio Ghignoni Corporate Vice President Scientific Affairs and Innovation Lead.

PRECISION MEDICINE

What is the role of Precision Medicine and how will medical diagnostics develop?

Precision Medicine predicts the treatment that could work best for a given group or subgroup of patients. At the same time, it can give us very relevant indications to better determine severity and prognosis of a disease. This is possible thanks to the studies about genome and epigenetics. Precision Medicine is a concept that I would define as secular since 2015 when, through the Precision Medicine Initiative, the Obama presidency introduced this topic and a series of important funding to accelerate biomedical discoveries and provide clinicians with new tools and therapies that could work best for each patient. In this context in Italy and in other countries, it is considered to be one of the elements of the so-called four P's medicine: Preventive, Predictive, Personalized, Participatory.

On the contrary, precision diagnostics employs the identification of new biomarkers to better understand the response of the patient, of the host and pathogen or the host and infectious agent and, at the same time, allows a better understanding of the response to the therapy chosen according to an identified biological target.

When we talk about precision diagnostics, we mainly refer to the relationship between translational medicine and laboratory medicine, that is to transform scientific breakthroughs into clinically relevant diagnostic applications. DiaSorin's research and development efforts are moving in this direction as precision diagnostics is a core element of the Company's ability to innovate.

What benefits should we expect from the Precision Diagnostics?

We can certainly expect a more accurate diagnosis, we can make more accurate prognostic assessments and choose accurate therapies. In this way we can have a better clinical outcome. Surely the Precision Diagnostic can improve the therapeutic diagnostic path by increasing effectiveness, promoting prescriptive appropriateness and directing towards a correct use of resources. Effectiveness refers to the impact that a given diagnosis and treatment pathway has outside a clinical study and, therefore on the general, real population.

What does host response and predictability represent in terms of clinical utility?

The benefits of this approach are manifold and integrated solutions, even from different bio-markers and with the use of "decision support" algorithms, help accelerate and support clinical evaluations that are often urgent and complex. The biomarkers to which we refer are often cytokines, which are very, very small molecules and their dosage, their determination, makes it possible to give important answers on what is technically called "host response", that is the response of the host subject.

In this sense we can, for example, differentiate between bacterial and viral infections, using panels with some selected biomarkers that can read the individual response and then direct towards a more correct therapeutic choice.

This is what the LIAISON® MeMed BV® diagnostic test can achieve: this is the first fully automated solution for rapid differential diagnosis for lung infections. The solution which has been developed through an Italian-Israeli partnership associates machine learning of artificial intelligence systems with the measurement of three proteins' levels linked to the immune response: TRAIL (tumor necrosis factor-related apoptosis-inducing ligand), IP-10 (interferon gamma induced protein-10) and C-reactive protein.

The MeMed BV® test is a great example of personalized medicine as, starting from the host response, makes it possible to implement precise antimicrobial choices. In this case, the benefits are not just for the single patient. In fact, through the differentiation between bacterial and viral infections we can prescribe proper antibiotics therapies, that is only when we have a bacterial infection, thus helping to combat the growing global threat posed by antimicrobial resistance.

In terms of clinical utility, we can predict the evolution of a disease. For example, a patient with acute condition goes to the emergency room and the clinician needs to define the severity of this condition and therefore the extent of care and treatment: ordinary, sub-intensive or intensive.

In some cases, we can even decide or plan not to hospitalize a patient on the basis of the results and indications that these biomarkers can provide.

NEW BIOMARKER

What are the challenges to overcome?

Identifying a new biomarker and then developing and validating a diagnostic test is certainly a very complex process, which normally starts from the study of gene expression, from the application of transcriptomics or omic sciences, that is all those researches that study the genetic code and the synthesis of the proteins we are made of and the related changes that can occur during a disease and in its different stages.

Then analytical validation phase establishes whether the test is accurate and reliable. And, finally, we have the clinical validity, the clinical utility, which is the correlation with a disease, or with its evolution, its outcome.

In the immunodiagnostic field, DiaSorin's Research and Development has long been committed to responding to these challenges, with a particular focus on: Infectious Diseases, Chronic and Inflammatory Diseases, Severity Markers and Prognosis and, last but not least, the innovative scope of the immune response in its different cellular and antibody components. The development of increasingly high-performance technologies for the amplified identification of proteins and the study of functional and multifunctional diagnostic materials work side by side with the research activity of new possible solutions to be used for an immediate clinical utility.

In addition to the complexity of developing and validating a test for biomarkers, we must then consider what we call Implementation Science, that is to make this biomarker usable by doctors for the ultimate benefit of patients.

Therefore, the synergy between laboratory medicine and clinics plays a key role. This synergy bridges the purely scientific front and the practical clinic front.

interview with

Fabrizio Bonelli

Corporate Vice President & Chief Technology Officer

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PREDICTIVE MODELS FOR DIAGNOSTICS OF THE FUTURE

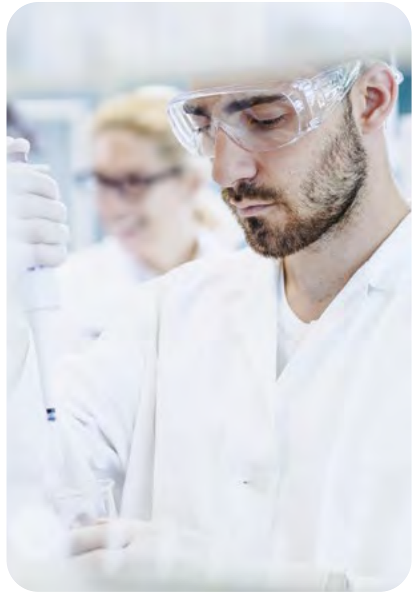
The use of innovative technologies, such as predictive models, in the medical and diagnostic field, has revolutionized the diagnosis and treatment of diseases in the last decade. Predictive models are tools that use clinical and statistical data to predict the risk of a certain disease or condition. The recent COVID pandemic has made the population and institutions aware of the important benefits that these tools can produce on the health. In this sense, Covid has been a precious "lesson" to develop strategies and products for Diagnostics of the future, in terms of approach.
We talked about this with Mr. Fabrizio Bonelli, Chief Technology Officer at DiaSorin.

Acquiring more and more information and interpreting complex data is set to become a crucial and decisive aspect in the treatment of diseases. Looking ahead, how will this increase in innovative technologies affect diagnostics?

The role of in vitro diagnostics is still limited to performing and producing the tests required by clinicians.

The model is very simple: the specialist needs dedicated tests to determine the patient's health status. The same happens in the diagnostics process: when a patient has certain symptoms the clinician carries out diagnostic checks to identify the pathology and decides the therapeutic treatment. This process does not take into account those who, having particular pre-existing individual characteristics, do not fully respond to this model and require additional checks.

Let's think about an Emergency Hospital Department that is managing a patient with acute pneumonia: in this case, it is important not only to correctly identify the etiological agent of the disease, but also to have the diagnostics tools to predict its evolution. To do this, it is necessary to move from a basic model, which will remain unchanged, to a model in which in vitro diagnostics can predict the evolution of the disease in a given patient. In this way, test results provided by the Laboratory Physician to the Clinician will determine not only the presence, or absence, of a certain etiological agent, but also a perspective on the disease evolution, so as to support the clinician in the optimal management of the patient.



In this scenario, as test manufacturers, one of our strategic objectives is to design clinical trials that allow, according to current laws, the collection of clinical information and biological material. To do this, we will need to work as closely as possible both with the Laboratory Physician and with the reference Clinician.

Only on the basis of such cooperation, as in vitro diagnostic manufacturers, we will be able to provide more and more personalized and precise answers to clinical complex questions.

DiaSorin's considerations about the future of diagnostics stem from both our experience during COVID and from the partnership with MeMed.

Artificial intelligence technologies in the future of DiaSorin diagnostics

AI

On the one hand, the development of the LIAISON® MeMed BV® test has revealed the increasing use of artificial intelligence technologies in the future.

On the other hand, the COVID experience has shown the importance of identifying, and promptly treating, patients at risk of negative health outcomes.

What lessons did we learn from the MeMed and the Covid experiences?

There are basically four lessons. The first is the importance of the patient's pre-existing conditions. The second is the need for artificial intelligence to combine the information resulting from clinical studies. The third refers to the relevance of clinical studies, containing as much information as possible in order to extract the characteristics necessary for the elaboration of the Machine Learning models. The fourth and final lesson highlights the importance of prediction in addition to diagnosis.

Determining the risk for a patient is, in fact, essential to avoid expensive and sometimes invasive diagnostic tests. And this produces an economic benefit in terms of health spending, and improves the patient's quality of life.

The MeMed experience and the Covid-19 pandemic have also revealed how important the host response is and how it depends on the host. Let's make a simple example: not all patients had the same symptom severity due to SARS-CoV-2 virus exposure. This teaches us that we need to investigate in order to provide diagnostic solutions that help handle different response in different patients.

Assessing comorbidities, pre-existing pathological conditions, age and a whole series of conditions affecting the disease path, are all areas of investigation that will be part of a broad and complete diagnostic picture.

A useful tool for the development of the MeMed B/V is the analysis of transcriptomes, capable of describing the behavior of cells and tissues as a result of physiological and pathological conditions. In concrete terms, exposed subjects are compared by their differential gene expression and not by an etiological agent. By putting together the number of subjects we can identify patterns that are uniquely associated with subjects exposed to an etiological agent.

The identification of patterns, which leads to a 'signature' of the type of infection (for example bacterial or viral), necessarily requires the use of Machine Learning (ML) technologies. In this perspective, clinical studies are extremely important: through the continuous collection of the data of patients these studies systematically provide the inputs for the construction of the ML models.

The MeMed experience and the COVID-19 pandemic

MeMed

In 2022 DiaSorin implemented a business plan 2023-2025. What does it provide for?

Through the MeMed partnership, DiaSorin has identified the decision to adopt an internal Machine Learning technology as strategic, in order to build diagnostic algorithms for Laboratory Medicine of the future. At the same time, the plan provides for the company to be equipped with biotech solutions which allows the identification of proteins, or hormones, that circulate in the blood at very low concentrations. These technologies are called "Ultrasensitive" because they can measure extremely low concentrations.

Machine Learning and Ultrasensitive Technologies will have a dual role: on the one hand, developing new products and on the other hand, reviewing and modernizing our current products, such as our Aldosterone test.

Among the new products to be developed, there are three particularly strategic ones.

The first will provide the differential diagnosis of Crohn's disease, a gastrointestinal pathology, by combining a known marker with two other markers algorithmically combined with the Machine Learning. The second product will be used with patients who have undergone the bone marrow transplant, to monitor the post-transplant immune reconstitution. The third, finally, will be able to reveal, predict and assess pneumonia severity.

Research and Development costs and investments

Consistent with the above, in 2022 the Group's research and development costs increased to € 138,767 thousand compared to 2021 (€ 116,224 thousand).

(€ thousands)	2022	2021
Research and development costs that were not capitalized	78,702	57,485
Annual amortization of capitalized costs	18,202	12,606
Total research and development costs charged to income	**96,904**	**70,091**
Development costs capitalized during the year	41,863	46,133
Total research and development costs	**138,767**	**116,224**

In 2022, the Group's Parent Company capitalized development costs totaling € 5,201 thousand. Research costs, amounting to € 15,107 thousand, were charged directly to the income statement.

10. Culture as a driver for business transformation

Like Research & Development investments, also investments for acquisition and development of new or present talents are strategic for the growth of the company and its ability to produce value.

We are a dynamic, agile and flexible company that competes on the market with the big diagnostic players thanks to our ability to combine speed and quality of the result. Thanks to this attitude for excellence, we can play a leading role in changes occurring in our business:

1. Diagnostic decentralization through connected and integrated technology platforms.
2. The evolution towards innovative solutions capable of providing the clinical world with reports that are valuable care instructions.
3. The huge growth chance provided by the Life Science business.

With an even more international scope and a more widespread presence in strategic markets, also thanks to the acquisition of Luminex, we have expanded our potential with new partnerships and business opportunities.

If today we are able to meet such complex challenges, it is also because of our ability to attract, involve and retain knowledge, skills and talent in the company, integrating new profiles and new experiences that are key to developing solutions, strategies and markets.

The acquisition of Luminex is an expression of our vision and its business integration aims to design the profile of an increasingly innovative, technological and competitive company, starting from our values and our culture. Following the company growth and the acquisition of Luminex, in 2022 we had 3,388 employees globally, including 2,236 DiaSorin employees and 1,152 Luminex employees.

Collaboration between heterogeneous work groups, innovation, excellence, speed of execution, diversity and inclusion mark the challenges of our new company profile. Motivating work team, stimulating creativity and planning help employees carry out projects and achieve goals that are consistent with the company's long-term vision. In this constant transformation context, the challenge of Human Resources is key.

In 2022, 600 new resources have been hired worldwide. This figure represents DiaSorin's growth and innovative potential. In light of the transformations underway, our objective is to combine the evolution of the company culture with the development of a people strategy, which has the Culture of Merit as a key element and which takes into account the new nature of the Group, guiding it in an inclusive way and promoting people's talents.

In line with the Corporate Culture, the HR team supports DiaSorin's sustainable success and its people's growth, through:

- development of current and future leadership skills;
- use of innovation and technology in order to ensure the excellence of processes;
- promoting the full potential of all employees.

In line with the renewed internal and external context of the company and its business strategies, in 2022 we engaged in several challenges and opportunities:

- extraordinary activities related to the Luminex acquisition;
- contribution in kind of the business branch of DiaSorin S.p.A. to DiaSorin Italia S.p.A.;
- implementation, at a global level, of a hybrid work policy, combining in-presence and remote activities, as an integral part of our employment value proposition. The adoption of this new policy ensured productivity, flexibility and work-life balance, care for the environment, diversity and inclusion in terms of sustainability;
- definition of a 2023-2025 ESG plan which, among the various new elements introduced, provides for specific areas of intervention in the field of human resources.

The main organizational, management and project activities carried out in the different geographical and professional areas, in line with the company strategy, are:

- talent acquisition activities, through management of complex researches from a geographical and professional profile (background and specialization required) point of view, aimed at identifying and attracting professional resources with distinctive skills;
- activities related to the annual performance management, with constant investments aimed at ensuring the quality of the process involving the assignment of objectives, measurement and feedback of individual and team performance. The excellence of this process is the result of employee engagement, in terms of education, and the use of HR platforms across all Group's companies and it has the purpose of promoting and developing behaviors that are consistent with the culture of merit. In 2022, we created a global work team in charge of integrating HR information systems of DiaSorin and Luminex;
- listening to employees, strengthening constant, transparent and direct dialogue and carrying out specific activities that foster employee engagement, to create and maintain a work environment favorable to growth and business innovation;
- activities in line with sustainability policies and principles, through employee training and support to the local communities in which we operate, in compliance with DiaSorin Code of Ethics and the 2030 United Nations Agenda.

This intense activity reflects our corporate identity, characterized by "entrepreneurial spirit" and "managerial style" and defined through:

1

Sense of Belonging, that is the ability to cultivate a sense of belonging and always operate consistently with the Diagnostic Specialist mission.

2

Sense of Ownership, that is the ability to translate the Group strategy into concrete actions, by fostering accountability at all levels.

3

Sense of Urgency, that is the ability to combine speed and quality of results with people's dedication.

This mix of talent and mindset enabled DiaSorin to maintain a long-term strategic vision, act swiftly, make quick decisions and run an international Group in a dynamic market, combining geographical expansion with a unique ability for innovation.

interview with

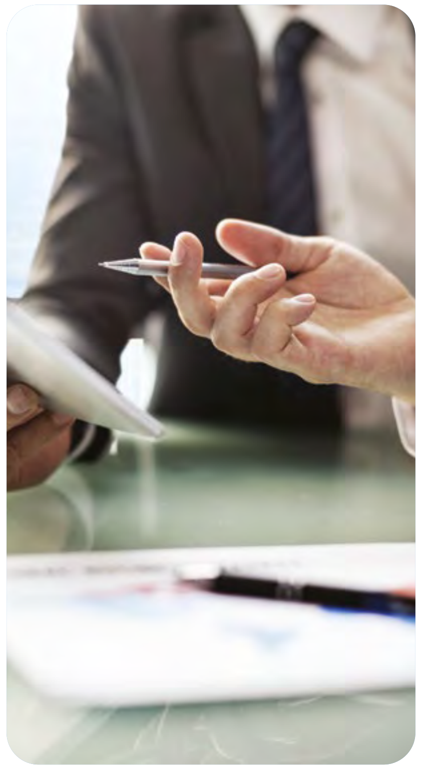
Stefano Ronchi

Senior Corporate Vice President Human Resources

CULTURAL INTEGRATION: THE KEY CHALLENGE OF 2022

In a global landscape marked by the COVID-19 pandemic and its economic and social repercussions, and following the acquisition of the U.S. Luminex in July 2021, DiaSorin faces a key challenge: outlining, also through a cultural integration, the new company profile capable of interpreting the future starting from its own history and values. As an Italian company with a global footprint, in a few years DiaSorin has become a company with half of its employees and revenues in the United States. What are the tools and processes to create an integration process of this scale? Stefano Ronchi, Senior Corporate Vice President of HR a DiaSorin talks about it, starting from the company culture and its core values.

"When we look at the history of this company, we immediately see the continuous growth that has marked the last twenty years and has transformed DiaSorin from a small Italian private company into an Italian-American multinational, an excellence in the diagnostics sector. The constant commitment of resources and talent in research, the winning strategic choices, the quality of execution confirm, year after year, our leading role as the "diagnostic specialist". I believe that between the lines of this success we can read the precious core of our business, a kind of rare pearl hiding in a shell. The shell is the organization, systems, processes and mechanisms regulating and making the company work, whereas the pearl is the company culture, made up of people, relations and values. Thanks to this culture we built a successful story, from which we can build an equally rewarding future."



VALUES

How would you describe the core of this "pearl"? What is DiaSorin business culture based on?

*To better understand the current system of values and relations that are with us in the difficult and challenging integration process, we must take a step back and look at the past. When 15 years ago the DiaSorin management started worked internally on the definition of our company culture's distinctive features, the theme was still new and little explored. The question was simple and difficult at the same time: what does it mean to be DiaSorin people in terms of values and behaviors? Finding a consistent answer to this question, which was not a formula to be filled with good intentions, required a long, silent, constant path. A daily comparison between people's actions and their related outcomes, at all levels, in different departments and in different countries. We had to focus on what we could not see: behaviors, values, culture, relationships, which led us to identify, in the best practices, **an intimate connection between the individual and the company value system**. A connection confirmed by figures: Today 60% of the first level top management has been working in the company for more than 10 years.*

This long process, which defined a shared and widespread system of values, made us aware that corporate culture is a fundamental pillar and a successful factor for DiaSorin. Awareness perceived at all levels, from the CEO to the employee of the furthest away subsidiary.

*When in July 2021 DiaSorin CEO, Carlo Rosa, met the employees and the management of Luminex, he talked about the company identity and its **sense of ownership, sense of urgency and sense of belonging**.*

Responsibility, passion, sense of belonging, these are our guiding values, that are in fact contained also in the Leadership Model of DiaSorin.

The dialogue for cultural integration with Luminex springs from these values, at a time of social, economic and cultural change.

As the pandemic spread, different systems and paradigms started faltering, lockdowns around the globe threw large economies and the globalization system into turmoil, with economic, financial, but also political and social consequences.

Organizations, as society, required social distancing, and in the workplace this meant remote working and the increasingly widespread use of technologies for communication and relationship. Work has been impacted by the Great Resignation which, starting from the U.S. and then spreading to the rest of the world, caused great instability in the labor market. Addressing an acquisition and developing the integration of two companies with different stories, in such a context, represented a complex and, at the same time, engaging challenge for the management.

How was the integration process of Luminex, also from a cultural point of view?

In a situation like the one I have just described, the integration process was characterized by clear planning and clear responsibilities, great discipline, important project management skills and a strong sense of urgency. There was so much work to be done and it had to be done well and quickly.

The first step was to redesign the Senior Leadership Team of Luminex, department by department, level by level, office by office. The new management team was ready in mid-November 2021, while the President of Luminex, identified as Angelo Rago, took over in April 2022.

Most of the figures chosen to make up the team, with the exception of the President and HR and R&D managers, come from both DiaSorin and Luminex and they have been chosen for recognized merits holding, in many cases, more important positions compared to the previous ones. Each of them combines consolidated skills with deep respects for the company's guiding values.

*This is just the starting point start. Cultural integration, in fact, is never a fait accompli, but a process in continuous evolution, which requires a particular sensitivity to reconcile all the different business areas, in the effort of to combine and harmonize **different forces**.*

I make an example that starts from flexibility at work: today it is recognized as a value, especially by the young generations. Of course, during Covid, we had adopted remote working as a measure to safeguard the health of workers; in January 2022 that measure, which had been implemented as an emergency, has been included in a Group policy. This policy envisages hybrid work, partly from home, partly in the office, where job and organization permit it. This choice, which is based on the driver of the increasing empowerment of management and individual employees, is the proof of our attention to our people and their well-being but, at same time, requires to work on interpersonal relationship, dialogue and exchange of knowledge.

*These are the different forces that we have to harmonize: while social changes and new generations require us to adapt our talent acquisition strategies with working tools and models that are now widely adopted in all the organizations, we need to make the uniqueness of our company known, and everyone can meet this uniqueness **by living concretely in DiaSorin**.*

I personally think that in such a stormy time we must resist the current, trying to elaborate a less conformist thought, focusing on our business culture's character, values and special nature, which has made DiaSorin an example of excellence in the world.

TALENT

What programs or processes linked to the Human Resources management for cultural integration characterized 2022?

The projects are manifold and operate on different company's aspects and levels.

For example, immediately after the Luminex acquisition, we designed and launched a new equity plan that offers the management a share-based program, as part of the integration process. This new model is based on a benchmark of the most widespread equity practices worldwide and promotes a loyalty mechanism that, in line with employee retention, helps achieve a long-term alliance with each person within the company. The process that led to the definition of the equity program was an important integration step, because it benchmarked the best market practices, the Luminex plan and that of DiaSorin. The result is a system that integrates some elements inspired by the best U.S. and European market practices, featuring key elements for DiaSorin, such as the link between the creation of value for shareholder with the contribution provided by the manager.

As far as values and behaviors are concerned, we initiated working internally on an analysis of Luminex and DiaSorin companies. The process will be progressively expanded to all the management and, starting from the Leadership Model, will involve all the stages of employees' company life, from Recruiting to Onboarding, from Talent Acquisition to Talent Development, from Performance to Rewarding, finally improving the Employee Value Proposition.

Finally, considering the evolution occurring in the way of managing people in the company, the external events and those internal to DiaSorin over the last two years, we activated a digitalization process for the integration in a single platform (Human Resource management System) of all the HR process of the Group, evolving and interpreting them, also thanks to technology, in a more modern way.

*This transition to a shared platform will also enable to enhance key aspects for our corporate culture, such as the **merit**. DiaSorin has always been a meritocratic company, but now we want to be more structured and explicit, making the links between assigned responsibilities, remuneration, rewarding actions, performance evaluation, behaviors, and the global identification in the company's guiding values and ability to help build healthy interpersonal relationships within the organization more transparent to our employees, but also to external stakeholders.*

*A merit-based assessment that is clearly expressed in the **Report on Remuneration** which, this year among other novelties, reports results of two important remuneration benchmarks on strategic executives.*

I would also like to outline the inherent consistency between our values and our actions, and ESG issues. The approach of the ESG model to sustainability is a priority of the DiaSorin Group and therefore a key topic also in the field of Human Resources. In particular, this consistency is expressed through a constant, concrete and widespread commitment to the promotion of talent and the recognition of merit.

*Leadership, engagement and talent are the key elements in our people strategy and are clearly expressed in the **Mad for Science** project, which promotes passion for science and collaboration among students and between students and teachers. Thanks to the competition, which rewards the most innovative and creative research projects, teachers and student of participating schools share the same goal, fostering the transmission of knowledge and the young people engagement. The Mad for Science project is a tangible proof of our desire to return value to the territory in which the company has grown up to become a leader in the reference market.*

Is the centrality of people also expressed in the centrality of relationship?

Let's get back to the central subject: interaction with people.

Interaction with people in DiaSorin means taking care of, making the person feel at the center of interest by those who have managerial responsibility over other colleagues. In a world of social distance, we need social closeness, in a world of virtual reality we need authentic, true, personal relationships, both inside and outside the world of work. We cannot believe that the social discomfort that we are experiencing today outside companies will not be part of the work environment, but the attention to people and the enhancement of relationship help us intercept this discomfort, interpret it and try to give answers.

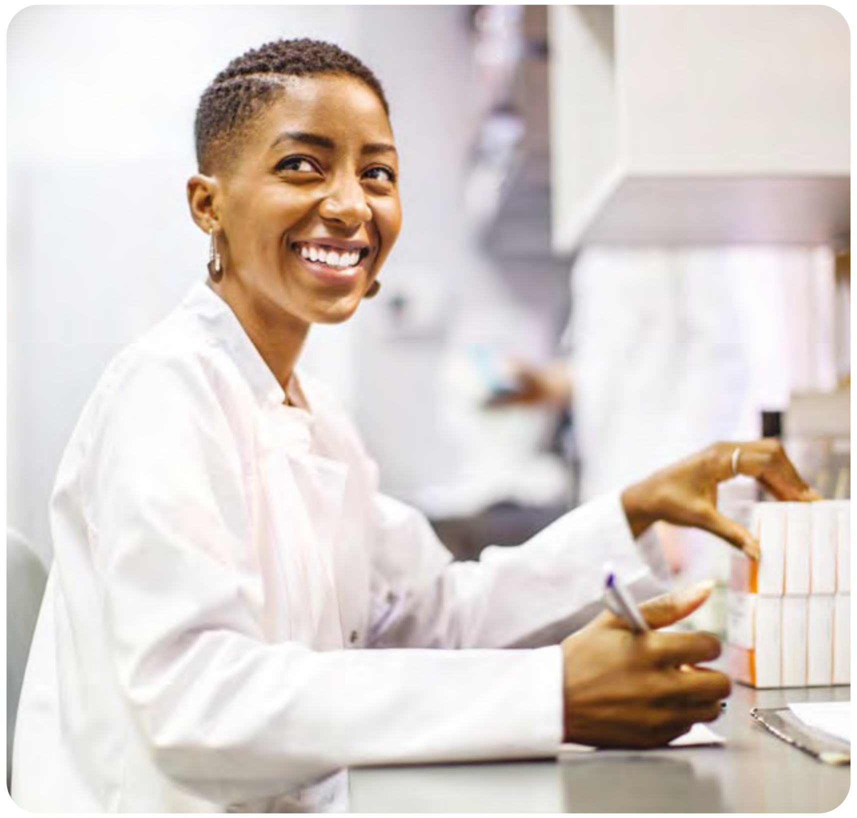
*The company's **people strategy**, which has been implemented for years along three fundamental lines: **leadership, engagement, talent**, is an expression of the centrality of relationship that takes place through personal authority (Leadership), through the awareness of the importance of our work (engagement) and the provision of talent (talent). These strategies and these paradigms, however, need to be verified and proved, to ascertain the correspondence between the actions and values inspiring them.*

The cultural integration must start from here, from the dialogue on shared values that made this company great, on the identity that characterizes us.

The interpersonal human relationship is, and will continue to be, the foundation of our corporate culture. Everything else, including scientific innovation and artificial intelligence, must always be at the service of man, not the other way around, and at the Service of the environment in which we live, as we are responsible for its safeguard.

All those who have responsibility over the common Good must act with the awareness of working for the future of the community and in particular for the new generations. To them goes our legacy.

These are our Values, the Values that guide the DiaSorin community's action through the cultural integration process aimed at building the DiaSorin of the coming decades, a company capable of imagining new markets, translating the vision into strategies and innovation, generating value for investors, employees and the community: the "DiaSorin way to be an Italian - American Company".



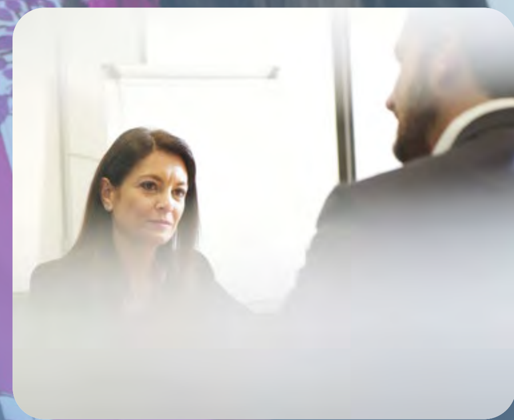
interview with

Valentina Fratto

Corporate Talent & Culture Director

Gianni Godino

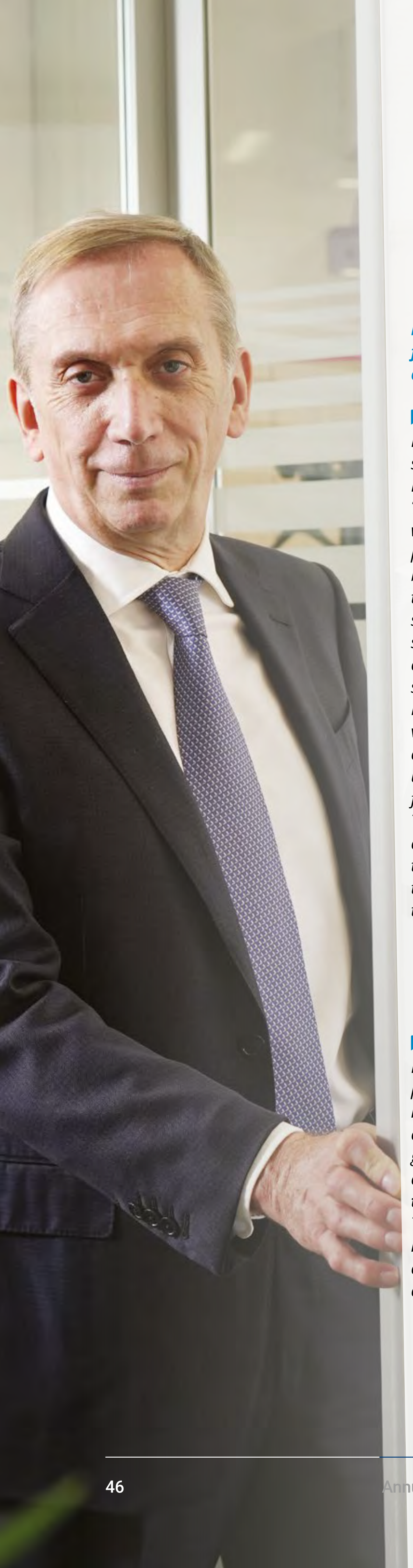
Vice President Corporate Human Resources



TALENT ACQUISITION STRATEGY TO OVERCOME THE CHALLENGES OF THE FUTURE

Continuing to be a leader in an ever-changing market, which is increasingly globalized and driven by scientific and technological innovations, requires an ability to interpret changes and a mindset for the challenges that are part of DiaSorin DNA. The constant growth of the last twenty years and the corporate culture of the Group in every field and in every country, are a concrete expression of our way of being. Not only is it strategic for the business to attract and retain new knowledge and new talents in the company, but it is equally important to identify people capable of interpreting their role, starting from the Company's culture and core values.

We met Valentina Fratto and Gianni Godino, Corporate Talent & Culture Director and Vice President Corporate HR at DiaSorin, respectively, to talk about talent acquisition.



I think the best way to introduce the talent acquisition theme at DiaSorin is through the "Hiring Excellence" concept, which is at the heart of our strategy.

Valentina Fratto

In detail, how does this concept fit into HR strategies and in talent acquisition?

Valentina Fratto

Frequently people hear about selection in terms of Recruiting, at DiaSorin we prefer to talk about ***Talent Acquisition****. This is because we have a well-rounded vision of the process, it is not only about hiring, but also attracting and hiring the best talents for the company in order to support current and future business strategies. When assessing talents, in addition to technical knowledge and skills, we consider also the "Cultural Fit", understood as a baggage of values, soft skills and vision that make a particular candidate a good fit for us, and our company a right place for its development. Moreover, the Talent Acquisition path does not stop at the selection stage, but continues to take care of the candidates in all the following steps, starting from their entry into the company, through the preparation of an accurate onboarding plan. Along this path, the theme of excellence is embodied in multiple aspects. DiaSorin is a diagnostics company with a mission to* ***improve the lives of people around the world****, and it accomplishes this mission through its role as* ***a Diagnostic Specialist****.*

This sets us apart from the big market players, also thanks to a business scope that allows us to operate with agility and flexibility. Our corporate identity, featuring Sense of Ownership, Sense of Urgency and Sense of Belonging, encourages people at DiaSorin to engage in the company's mission and live this mission in their role and daily activities. All these elements define the ***strategic perspective of our Talent Acquisition****.*

Gianni Godino

It is important to note that when people join our organization, they have actually the opportunity to have an impact on their field of activity: this goes beyond holding a position, it is a matter of being the ***right person in the right place****.*
This applies to all company areas and, in particular, to the most technical and scientific areas. In this case, these are professional figures to whom the labor market offers innumerable opportunities. Assessing their Cultural Fit, as well as knowledge, is key because we can select people also from a predictive perspective, imagining their future impact and investing in retention activities that foster talent and growth. This is a key aspect of our People Strategy that puts people's wellbeing and values at the center.

What does the centrality of people mean in the acquisition stage?

Valentina Fratto

Putting people at the center means taking care of candidates from the first contact, providing a detailed description of the selection process, the steps and the interlocutors they will meet.
In addition, we undertake to explain in detail the company culture, its key values and the role that people will hold. In general, the selection is a multi-step process, which puts candidates in touch with people they will work with.

After their entry into the company, our attention to people, which begins with the selection process, continues with an onboarding stage, the development of an induction plan and, once integrated into the company, with opportunities for personal growth and development.

These processes are strategic as they allow us to develop and retain knowledge, skills and talents within the company.

Everything we are talking about has extremely practical implications. Making the difference and actually having an impact, through our job, on a greater result is a concrete opportunity for everyone at DiaSorin. Working in a company like this, a company that continues to grow and evolve, allows us to look at our role focusing on challenges and changes.

If I were to interpret this in the light of DiaSorin 's Leadership Model, I would translate it into the value ***of innovation****, i.e.,* ***the ability of our people to find new solutions to the challenges we constantly face****.*

Looking at the future of people is crucial also in light of the Great Resignation phenomenon, which affected different countries and which, in 2022, partially affected also our company.
In particular, the phenomenon highlighted how the sense of belonging to the company and consistency with its values are key in relation to the challenges and opportunities that people face in their role.

This opportunity to make a difference makes DiaSorin a very attractive company. What else sets you apart?

Gianni Godino

I think the ***international scope of the company is an extremely interesting aspect****. Today at DiaSorin each single scientific, administrative, managerial or logistic process has a deep international matrix.*

This provides great possibilities for our people and, at the same time, changes the approach and mindset we look for in candidates. For example, even when it comes to recruiting juniors, the first question we ask ourselves about candidates is no longer "are they OK for the position?" but rather "Do they have the right mindset, skills, approach, and cultural fit to gradually fit into a global context?"

Internationality is now one of the intrinsic characteristics of our way of working and I personally think it is a huge advantage.
Being able to offer an international growth and vision, is one of the most gripping and attractive components of DiaSorin 's offer in my opinion.

In recent years, the approach to work, especially in the young generation, changed a lot. Does this change also show up in job interviews?

Valentina Fratto

The Generation Z certainly has needs and expectations that are different from those of millennials or baby boomers. During job interviews, candidates' approach has changed also and above all in terms of perspective.
The issue does not end in "I tell you what I can do for the company". Today young people ask us what the company can do for them, what it does for the community and what kind of sustainable projects the company promotes.

In addition, questions often concern their onboarding. Candidates require in-depth information about onboarding and the Induction plan envisaged for their entry, they want to know about their professional development and how the company will take care of them when they join the company.

Gianni Godino

There are also expectations that do not have a generational connotation, but are common to all. Today we are asked questions about Work-life Balance and flexibility. Three years ago, nobody would ask these questions.

The attention to this issue is transversal and pervasive and originates in the structural change occurred in the concept of job in the last years.

2022 was characterized by the Luminex integration, acquired in July 2021. At to Talent Acquisition, do you share a common approach, a philosophy and procedures that are being integrated?

Valentina Fratto

Following the Luminex integration we are working on multiple plans to achieve a unique and shared Talent Acquisition strategy at group level, while keeping in mind the specificities of each labor market and its dynamics. For this reason, we launched a process of change management aimed at standardizing processes for managing our people throughout the Group and, at the same time, empowering the management through the integration of HR processes into a single digital platform.

This project is a key element for cultural integration within the company and aims to manage the selection process in a more efficient manner, and improve candidate experience.

We aim to build a ***global strategy of Talent Acquisition*** *that immediately transmits culture and company values to candidates.*

Gianni Godino

It is important to point out that the bond of this process and the other integration processes in place is our Leadership Model, which is the lens through which we observe candidates to see their talent and the affinities with our company.

Culture and values are the starting point *for all* ***people processes.***

11. The strategy at 2025

Our strategy by technology

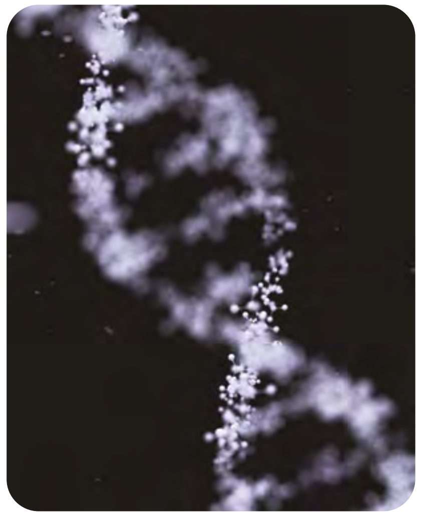
Immunodiagnostics

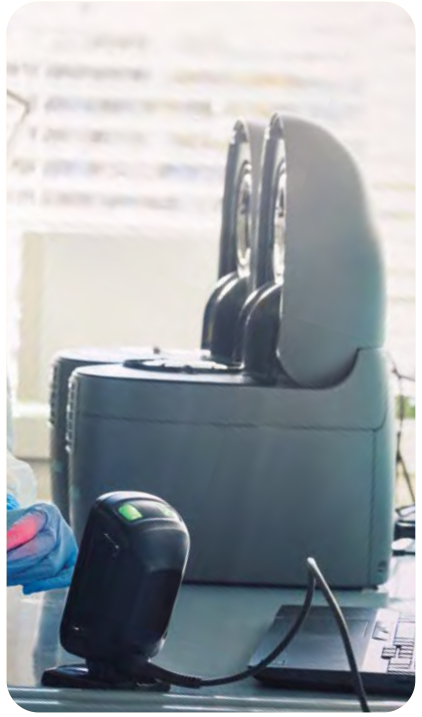
The business growth will be determined by the constant commitment to developing new tests, with solutions aimed at the rarest and most specialized pathologies, which have always been our main distinctive feature.

A further leverage will be the development and marketing of new solutions, through partnership agreements with leading companies in the sector, that will allow us to create synergies among different techno-scientific skills and provide innovative - often unique - solutions to laboratories. An example is the MeMed BV® test, which differentiate bacterial from viral infection as both infections can cause similar symptoms. Developed by the Israeli company MeMed and licensed to DiaSorin this test, which is based on the definition of a diagnostic/clinical algorithm combining and interpreting the result of three protein markers of the immune response, has been obtained following studies and validation conducted on thousands of patients over the last ten years.

Another innovative diagnostic solution is the LymeDetect® test for the early diagnosis of Lyme disease caused by tick bites transmitting the bacterium Borrellia to humans. LymeDetect® is an in vitro assay designed for the LIAISON® platforms. The assay exploits the combination of 3 markers of the immune response, by combining 2 conventional serology tests for determination of specific IgG and IgM antibodies to Borrelia and a test based on the cell-mediated immune response featuring the QuantiFERON technology. Developed by QIAGEN, the test allows to identify patients who in the first 3-4 weeks after the tick bite have been infected with the Borrelia bacterium, with greater sensitivity than current methods, thus allowing patients to benefit promptly from a specific antibiotic treatment to prevent side effects of the disease, such as disabling neuropathies.

In addition, to meet the needs of larger laboratories, we are developing the new LIAISON® XXL platform that will complement the existing LIAISON® XL and LIAISON® XS analyzers designed for medium-large and medium-small size laboratories, respectively.





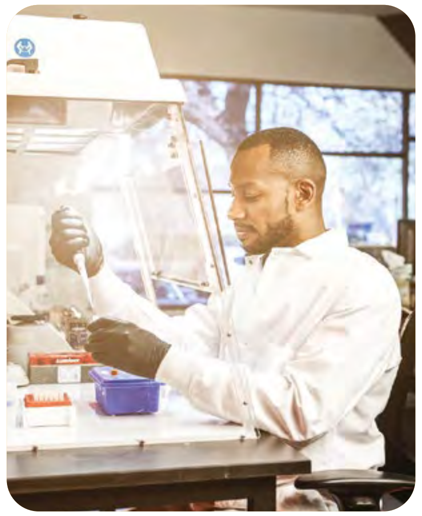
Molecular Diagnostics

The offer in this market is characterized by the Single-Low plex technology to detect up to four different pathogens on a single sample for each testing cycle, and the Multiplex technology to detect, throughout a single test panel, all pathogens that can affect organs the human body.

In Single-Low plex technology, our growth strategy provides for the consolidation of the commercial offer and the installed base on the new and more advanced LIAISON® MDX Plus platform, as an alternative to the well-known LIAISON® MDX and ARIES® platforms that are used in thousands of laboratories, mainly in Europe and in the North America market.

As part of the multiplex technology, the business growth leverages the launch of the fully-automated LIAISON® Plex platform, featuring the so-called flex technology: a pay-per-use solution that allows laboratories to have access to multiplex solutions, in a flexible and cost-effective manner, by directly correlating the price paid with the number of results reported.

The growth in the Molecular Diagnostics business will also develop throughout the offering of a Point-of-Care solution, addressed to decentralized laboratories, medical centers and pharmacies, with the launch of the LIAISON® NES platform, featuring high-reliable Low plex tests and providing test results in extremely short times (<15 minutes) and at reduced costs.



Licensed Technologies

Our Strategy in this business area is based on the success of the xMAP® microspheres technology and aims at strengthening our current global partnerships throughout strategic agreements, geographic expansion, new technologies and the continued relaunch of our newest system - xMAP® INTELLIFLEX®.

By expanding geographically with our existing partners, we will bring the value of the xMAP® to new markets, fueling the company growth with consolidated and proven technologies thanks to our unique partnership model.

Continuous growth will also be driven by the successful recent launch of our unique xMAP® INTELLIFLEX®, which enables analysis of 2 parameters per each of the 500 analytes detected in each sample.

Our sustainability strategy

It is the very nature of our business to strive for well-being.

Working in diagnostics means putting health, quality of life and the scientific approach at the center of all our actions. Inside and outside every manufacturing site, in the communities in which we operate, in schools and in health facilities, we are committed to creating a fair, healthy and sustainable future, which inspires products and services, actions and projects. Our dedication to "build well-being" has always been reflected in the activities, projects and initiatives that promote health, scientific knowledge, respect for the environment, attention to local communities and talent in all its forms. We firmly believe that there is no growth, progress and development unless these values are shared with the community.

These values give rise to projects such as those promoted in the Italian market:

- our national **Mad for Science** competition, which promotes the passion for science in high schools, and the **Mad for Science for Teachers** initiative dedicated to teachers of the Mad for Science network.
- **Project for Hospitals and Children** - **Pinocchio Project** through which, since 2014, we have been improving the quality of life of children within hospital settings, in the key areas of their daily lives: education, medical care, diagnostic examinations and rehabilitation.
- In order to promote talent in all its forms, we sponsored tournaments, teams and athletes engaged in Paralympic disciplines:
  - **Giovanni Nasi & DiaSorin International Cup Trophy**, international competition of the EDGA (European Disabled Golfers Association) circuit and valid for the world ranking. The competition has been approved by the Italian Golf Federation and sponsored by the Italian Paralympic Committee (first edition -September 2022);
  - Sponsorship of the **All-Star Game of Italian Sitting Volleyball**, the first sitting volleyball event completely reserved to players with disabilities;
  - Sponsorship of **FISIP** (Italian Winter Paralympic Sports Federation) athletes confirmed in December with an agreement that covers the three-year period up to the next Milan-Cortina 2026 Paralympics.

From 2023, our approach to sustainability will change in form, but not in substance. In December 2022, an ESG 2023-2025 Plan adopting the ESG Model was presented to the Board of Directors. The acronym ESG refers to 3 areas of intervention which companies are responsible for: Environment, Social and Governance. With the ESG 2023-2025 Plan, which sets objectives that are consistent with our business and corporate identity, our commitment to sustainability can be effectively applied and measured.

ESG

For the completeness of information please refer to the **Consolidated Non-Financial Statement** →

interview with

Riccardo Fava

Corporate Vice President Communication & Investor Relations

SUSTAINABLE BY NATURE

As a leading diagnostic company, DiaSorin manufactures products and instruments whose ultimate goal is the well-being of people. Diagnosis, in fact, is the knowledge base for accurate care pathways. This manufacturing specificity, which encompasses scientific research and technologies of excellence, reflects an innate vocation to act in line with the principles of sustainability. This inclination has led DiaSorin, in the last 20 years, to engage in actions and projects related to the company's guiding values. From scientific knowledge dissemination to talent development, from promotion of inclusiveness to adoption of environmentally friendly company policies, always with the ultimate aim of increasing the well-being of all local communities in which the Company operates.

The ESG 2023-2025 Plan approved by the Board of Directors in December 2022 stems from this commitment. To understand what this Plan is about and what its development entails, we met Riccardo Fava, Corporate Vice President Communication & Investor Relations at DiaSorin.

*"To DiaSorin, the approach to sustainability according to the ESG model and the **ESG 2023-2025 Plan** is not a starting point but rather a finishing line. This turning point deserves to be fully understood and developed". Thus begins our interview, which immediately becomes the passionate story of a company that, since its inception, operates in line with the principles of sustainability and formalizes its commitment in the Corporate Social Responsibility Reports as early as 2014, when companies were not required to provide such disclosure.*

Let's start from a relevant topic. What is sustainability for DiaSorin?

I always say that DiaSorin is sustainable by the very nature of its business, by the impact it has on people, patients, doctors and healthcare facilities. The impact of DiaSorin products and research on the health system is huge. When we say that every second ten people are touched by a DiaSorin test, we certainly approximate by defect. To this, which is the intrinsic scope of our business, we need to add the key theme of our high sustainable manufacturing processes. DiaSorin's manufacturing activities have, in fact, very low energy impact, reduced water consumption and, by treating biological material, are bound by strict regulations on waste disposal. Unlike other industrial companies, whose manufacturing generates a significant impact on the environment and resources, our company has a sustainability advantage that we must once again highlight. For sake of clarity, let me give an example: our manufacturing activity develops biological diagnostic tests -invisible to the naked eye -inside small-sized "cartridges" which are used in laboratories and which can contain up to 200 tests, depending on their use. This is to say how limited the material impact of our products is despite the company's high throughput. These intrinsic sustainability aspects, combined with a set of values that respects people, communities and local areas, are defined in our Group Governance.

Speaking of the communities and local areas in which the company is present, how the DiaSorin Group develops its sustainability values?

The innate sustainability of the company's structural aspects we have just talked about is paired with a solid activity of Corporate Social Responsibility that DiaSorin has always carried out in the communities in which it operates, especially in Italy and in the United States. I would like to make some preliminary remarks in order to explain in detail how our commitment and activities take shape. Today, company Sustainability is a very sensitive topic and has become increasingly important over the years. This led to the overlap of communication models and reporting tools that have proved to be, in some cases, unclear and difficult to understand. If in sustainability reporting companies are required to adopt the GRI Standards, it is more intuitive to link projects and concrete actions to the Sustainable Development Goals defined by the United Nations 2030 Agenda in terms of widespread communication. In our case, DiaSorin's Social Responsibility activities carried out in recent years have been divided into three macro-themes considered to be in tune with the company's values and business: Society & Education, Local area & Environment, Diversity & Inclusion. However, each of the projects promoted may fall within the scope of one or more objectives defined by the 2030 Agenda. It may seem like a small detail, but it allows us to determine precisely the scope in which we operate and how we disclose it.

As a company with a very low environmental impact, while adopting policies, behaviors and initiatives aimed at reducing our footprint on the environment, our sustainability actions have focused on the areas where we could significantly provide our contribution with contents and values that are part of our DNA, such

MAD FOR SCIENCE

as the ***promotion of talent in all its forms and settings***. *DiaSorin considers talent a natural drive to express our uniqueness. Talent means passion, learning and commitment.*

In some cases, talent is developed in schools, when supported by excellence, thanks to initiatives such as our national Mad for Science competition, which promotes the passion for science in High schools. The ***Mad for Science*** *is a project we are very proud of, because it invests in the future and in new generations. Thanks to the constant work of* ***Fondazione DiaSorin****, founded in 2020 to further develop this initiative, the project has created a network of schools of excellence, a network of skills and innovation where new talents can grow. From the Mad for Science network, in 2022 we created the* ***Mad for Science for Teachers*** *initiative dedicated to teachers.*

But talent is sometimes developed in challenging situations and for this reason DiaSorin supports the ***Project for Hospitals and Children – Pinocchio Project*** *through which, since 2014, we have been improving the quality of life of children within hospital settings, in the key areas of their daily lives: education, medical care, diagnostic examinations and rehabilitation.*

Always with the aim of promoting talent in all its forms we sponsored tournaments, teams and athletes engaged in Paralympic disciplines. The first edition of the ***Giovanni Nasi & DiaSorin International Cup Trophy*** *has been held in September 2022. This international competition of the EDGA (European Disabled Golfers Association) circuit, valid for the world ranking, has been approved by the Italian Golf Federation and sponsored by the Italian Paralympic Committee. Worth mentioning is also the Diasorin sponsorship of the* ***All-star game of Italian Sitting Volleyball****, the first sitting volleyball event completely reserved to players with disabilities and the renewed support to* ***FISIP (Italian Paralympic Winter Sports Federation) athletes*** *confirmed in December with an agreement that covers the three-year period up to the next Paralympics of Milan-Cortina 2026.*

To each of these activities and initiatives we can apply one or more of the United Nations 2030 goals. To this end, which we are working on a synthetic and multimedia publication, an e-brochure on sustainability, which will provide a description of what we have done over the years and will draw the starting line of the new ESG Plan.

How do we get to the ESG 2023-2025 Plan?

I think that looking at our story and at what we have done for local areas and communities in which we operate, it is clear how the ESG 2023-2025 Plan has been developed.

The ESG model represents an approach to business sustainability that does not change practices and initiatives, but essentially changes the strategic framework within which they are carried out. This framework summarizes and reports the activities within three specific areas that are: E as Environment, S as Social and G as Governance.

Of course, in the next three years we will continue to work to fully implement all the initiatives I have just talked about and that are described in a more extensive and detailed way in the ***Consolidated Non-Financial Statement****. In addition, we will add targeted initiatives with specific objectives related to each of the three areas of the ESG model.*

In particular, with regard to the scope of the E, in addition to reducing emissions and improving DiaSorin energy efficiency in the world, the company is committed to keeping the Group's Health, Safety and Environment Management System aligned with current ISO 14001 and ISO 45001 standards.

With reference to Social issues, we aim at consolidating a ***policy on meritocracy****, inspired by our Leadership model, to promote talent, while ensuring equal opportunities regardless of gender, status, race and religion. Another objective included in the plan* ***is listening to the corporate population****. DiaSorin has almost 3,400 employees spread over different continents; therefore, we consider it essential today, also in light of the Luminex acquisition, to take stock of the widespread sentiment regarding the working environment. Of course, such activity, which will be carried out through a Group Engagement Survey, will drive initiatives and strategies aimed at responding to the needs emerging from the audits. Still talking about Social issues, another strategic activity will concern the dissemination, also at local level, of the Group Policy that identifies the type of actions that can be activated for the benefit of the communities, inspired by the activities undertaken by DiaSorin.*

Finally, with reference to the G for Governance, the Group will be aligned with a single ESG strategy, strengthening and promoting, through a dedicated Governance, a corporate culture based on fairness and inclusion that have always inspired our actions. To this end, starting from 2023, a new corporate function has been established and entrusted to the Investor Relations and Corporate Communication function, which will be in charge of managing, promoting and communicating all ESG activities.

E
ENVIRONMENT

S
SOCIAL

G
GOVERNANCE

A new Plan and a new Corporate function are the new sustainable initiatives of the year just ended. But as Dr. Fava points out at the end of this interview, "The ESG 2023-2025 Plan would not exist, except as an intention on paper, without all the activities carried out in the past. Without that story of commitment and sustainability on which we intend to build the company of tomorrow".

interview with

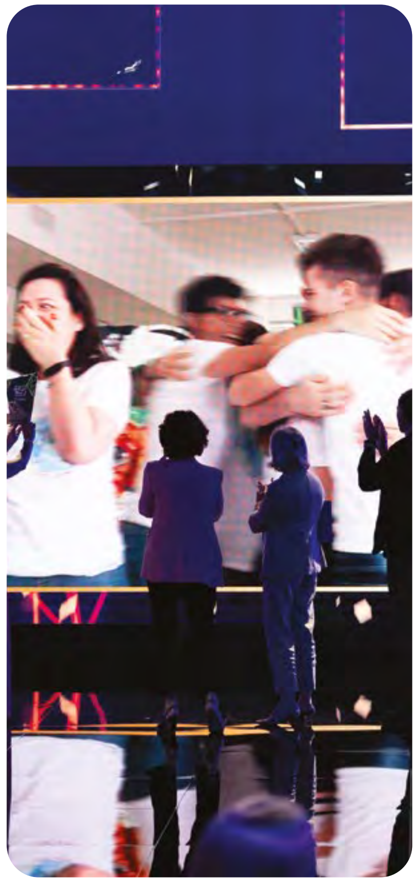
Assunta Croce

Scientific Communication Manager, Fondazione DiaSorin

EXCELLENCE AT SCHOOL

Since 2016, DiaSorin has been concretely promoting active and experimental science education in Italian schools, through the Mad for Science competition. In 2022, the project includes teacher excellence training. The initiative is called Mad for Science for Teachers and is divided into several specific activities. We talked about this initiative with Assunta Croce, Scientific Communication Manager at Fondazione DiaSorin, a biologist and researcher who, at some point in her professional career, chose to dedicate her skills and commitment to communication and scientific dissemination.

"The crucial challenge of the scientific disseminator is to be able to talk about science without trivializing it, while maintaining its rigor. As science is complexity, and it is right that this complexity is itself the theme and essence of scientific communication." Dr. Croce describes the mission of her role within Fondazione DiaSorin and the commitment characterizing all the activities of the foundation.



FONDAZIONE DiaSorin

In particular, what is the Fondazione DiaSorin about?

*Basically, the Foundation has two projects. The first is **Mad for Science**, developed within the company as a Corporate Social Responsibility activity and transferred to Fondazione DiaSorin when it was established in 2020. The second is **Mad for Science for Teachers** and is the natural evolution of the first projects.*

*Mad for Science was originally a regional competition, but at its third edition it became a national competition, reaching over 400 schools over the years. The competition is aimed at scientific high schools, high schools of applied sciences, classical high schools with biomedical curriculum and technical institutes. Each year, schools are invited to participate with five experimental experiences on the basis of the theme assigned. **The projects must be original, consistent with the theme and feasible in school laboratory, as well as developed in collaboration with a local research body**.*

This last requirement is essential because, if the purpose of the project is to make students perceive how research works, the partnership with a research body allows them to get in touch with institutions of excellence and to know the world of scientific research concretely.

In this way, we collaborate with public and private institutions or research institutes, universities, the CNR or other entities of the territory. The competition is developed in two stages: in the first stage, we select the best 50 proposals while in the second stage, we select the 8 finalist teams that will compete in the final Challenge. All the finalist schools win; however, the prize will be different according to the evaluation received. The first-place winners receive the largest share of the prize, which provides for the implementation of their school laboratory with a budget of 50,000 euros and a budget of up to 25,000 euros to buy consumables and reagents for the next five years. Thanks to this funding, the finalist schools will be able to carry out the research project presented in the competition.

Requirements and structure of the competition show that the selection stages are representative of the models and procedures that are typical of professional and academic research. What are students required to do in practice?

*Mad for Science is an initiative that brings young people closer to science and research, starting from the specifications that projects must have to participate in the competition. In the first place, we ask students to tell the **problem they want to solve through their research**, indicating **why this problem is relevant to the area in which they live and how it relates to the theme of competition.** They must **detail the proposed experimental experiences**, define **a financial plan** with costs and **a technological plan for the laboratory implementation**.*

Basically, a whole series of information and specifications that lead students to think just like a researcher does when writing a research project.

How is the competition theme selected and launched? Does it change every year?

Themes that are proposed to schools are never specific and detailed, but concern broad and complex research fields that are mostly related to the latest developments in the scientific research. These macro themes, which cover the competition on a three-year basis, are developed each year by focusing on specific aspects which become the theme of the competition. From 2019 to 2022, schools and students were required to design experimental activities starting from the SDGs, the Sustainable Development Goals of the United Nations 2030 Agenda. For the 2022 edition, we changed the theme and focused on the experience of the Covid-19 pandemic and the interest that society showed towards science and research. To highlight how these solutions help us in terms of health, the Foundation decided to focus the next three editions of the competition on ***biotechnologies for human health and the environment****.*

The Mad for Science project allows the Foundation to promote a constant and useful dialogue with different schools across Italy. From your privileged standpoint, how is science teaching and education developing in our schools?

Over the years, we came into contact with many schools and we established a constant and continuous dialogue with many of them, also because participation in the Challenge is not the end point for the finalist team but rather the beginning of a path. Fondazione DiaSorin does not limit its support to the provision of the contribution, but actively participates in the implementation of the laboratory and in the next stage of experimentation.

Therefore, the relationship with schools is very stimulating and constructive, and allowed us to know a varied and diversified reality, but characterized by a constant feature: excellence.
In the field of science teaching, there are many schools of excellence across the country. From big cities to small towns, from north to south. In these cases, what makes the difference is precisely the Department of Science, that is a group of teachers who work well together and are used to managing complex projects. They stimulate students to deal with this complexity. The Mad for Science for Teachers has been developed for them.

What is the aim of the Mad for Science for Teachers, how does it work concretely and who is it addressed to?

The project is aimed at science teachers of schools belonging to the Mad for Science network, especially those who reached the final.
Thanks to the competition, these schools have a technological equipment and a very high-level laboratory that, to express its full potential, needs adequate skills and specific training.
The Mad for Science for Teachers stems from the dialogue with the teachers who basically told us "You gave us the Ferrari of scientific laboratories, but now we have to learn how to use it!"

Therefore, we decided to develop ***a real and proper training strategy*** *with clear and specific objects, to accompany and support teachers, first of all, but also with important benefits departments, schools and students.*

The Mad for Science for Teachers project has three objectives:

1. providing up-to-date training on laboratory practice
2. opening a window on the latest Scientific developments
3. promoting educational tools that make Science teaching more inclusive, engaging and exciting.

TEACHERS

How are these objectives actually achieved?

As for ***training on the new technologies for laboratory practice****, we carry out a theoretical-practical course every year, a 'full immersion' of 2 days at the educational laboratories of the University of Milan. Team teachers from the first three winning projects together with three other collaborators chosen by the school are invited to participate in the course. This is a crucial step in terms of* ***transfer of knowledge****. Attending the course with other teachers of the Science department, technical teachers or laboratory assistants is a growth factor for the entire school community. Shared knowledge becomes the school's heritage and a significant legacy for all future students and teachers.*

Let's move on to the second objective. ***Training on the latest scientific developments is carried out through webinars*** *that involve prominent scientists of the national scientific landscape. These are high-level online workshops that give teachers the opportunity to deepen specific content. In 2022, we delivered two webinars: the one on the microbiota and the one on Cancer as a DNA disease, both with a wide participation of teachers (about 100), for a total of 20 schools.*

Finally, ***in terms of teaching****, we developed a program of methodological workshops, which aim to promote* ***more inclusive and participative scientific teaching methods****. Last year we held 4 meetings based on the PBL (Problem Based Learning) American teaching methodology which, starting from a specific case, involves students through guided questions and bibliographic research cues. We had very positive feedbacks from the teachers involved. Also in this case, participating teachers can drive knowledge, reporting their experience to the school community and applying the method together with the other colleagues of the Science department. For example, one school started a pilot project to introduce science teaching with the PBL approach in some classes.*

From what you told us it is clear how Fondazione DiaSorin pays the utmost attention to listening to teachers. Is it a crucial aspect in your activities and initiatives?

Yes, absolutely. ***Dialogue with schools of the Mad for Science network is crucial*** *to understand if we are moving in the right direction, actively helping teachers in performing their activity. For this purpose, we regularly conduct surveys, especially to understand how and where our projects can be improved.*

Let me give you a practical example. A teacher survey revealed that it is difficult to dedicate school time to the execution of the projects to be presented at the Mad for Science competition.
The same teachers therefore suggested to include participation in the competition (and therefore the entire design phase) within the pathway for transversal skills and orientation, the so-called PCTO. And we did so in 2021.

It is evident that our commitment does not end with competition, but is fully implemented thanks to the numerous activities that aim to make the creativity of the students, the skills and scientists of the teachers and the instrumentation received available to the school community.

We have the ambitious goal of making these schools a reference pole where students can increasingly attend laboratory and engage in their local areas. And, perhaps, these schools can become a training center for teachers, poles of excellence, places of knowledge, meeting and growth.

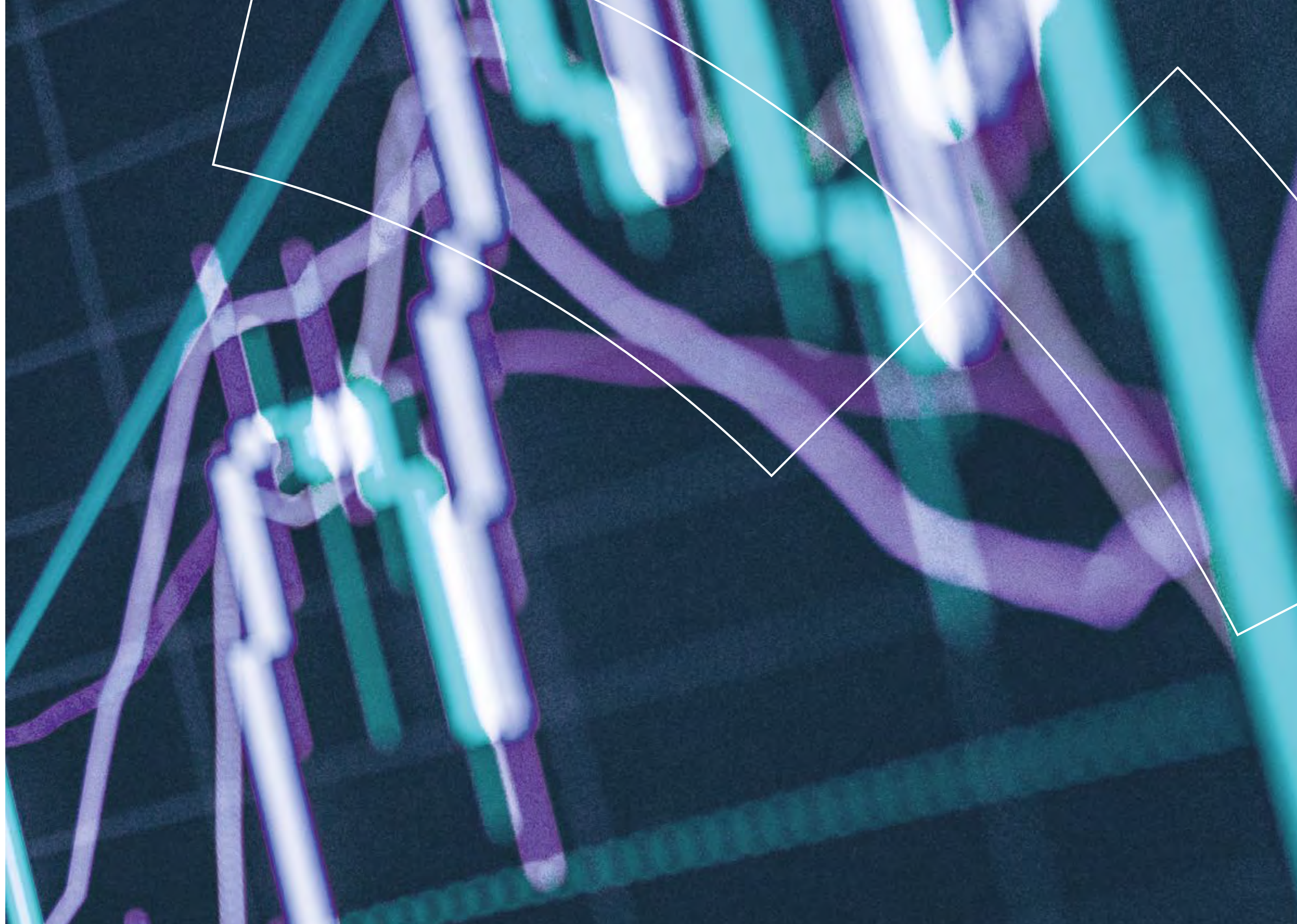
And in the near future? What has Fondazione DiaSorin in store for 2023?

The project is still in its embryonic stage, but ***we will offer teachers a Research Summer School****.*
The activity would be part of an organic program to offer teachers more meetings, throughout the year, to enhance laboratory skills, developing different themes.

What we are planning for ***September 2023 will be about genomics and evolution****, about how genomics and post-genomics can help us reconstruct the evolutionary history of man. It is a very interesting topical theme, in fact the 2022 Nobel Prize for Medicine was awarded to Svante Pääbo, founder of paleogenomics. A discipline that analyzes ancient DNA and reconstructs the phylogenetic trees, identifying crosses and migrations. To read history with the eyes of Science.*

As she tells us all this, the eyes of Dr. Assunta Croce light up. It is a spark of passion that ignites even those who listen to her. Let's imagine that the same happens at schools, with students and teachers meeting Fondazione DiaSorin and its projects. We imagine them as they light up with curiosity, a magical fire that, being banked up, can never be put out and makes them carriers of creativity, research and method.

Essential tools to interpret the world and generate change.



12. Financial communication and Investor Relations

In 2022, we continued to interact and communicate with Shareholders, Institutional Investors, Financial Analysts and the Italian and International press in order to provide complete and updated information about our objectives and the course of our business.

Again this year, our Investor Relations team met more than 350 analysts and investors and organized several meetings to provide a more in-depth understanding of the DiaSorin Group's business.

The Top Management and the IR team attended important financial conventions dedicated to the healthcare and diagnostic sector in the main European and U.S. financial centers and virtual roadshows organized by brokers who deal with DiaSorin stocks.

The 2022 financial calendar is provided below.

2022 Calendar

- Conference
- Roadshow

JAN.
- **Virtual** – *Berenberg*
- **Virtual** – SMID Cap Conference *BofA*
- **Portugal** – *Akros*
- **Virtual** – *Kepler Cheuvreux*
- **Virtual** – *Akros*

FEB.
- **Virtual** – *Mediobanca*
- **Virtual** – Annual Healthcare Conference *Citi*

MAR.
- **Virtual** – 3rd MedTech CEO Conference *Exane BNP Paribas*
- **Virtual** – *Mediobanca*

MAY.
- **London** – Diagnostics Conference *Berenberg*
- **Virtual** – Italian Investment Conference *Unicredit - Kepler Cheuvreux*

JUN.
- **Milan** – CEO Conference *Mediobanca*

JUL.
- **Switzerland** – *Banca IMI*

SEP.
- **New York** – Global Healthcare Conference *Morgan Stanley*
- **London** – Global Healthcare Conference *Bofa*
- **Milan** – CEO Lunch *Equita SIM*
- **Lisbon and Madrid** – *Akros*

NOV.
- **New York + Boston + Chicago** – *Intermonte*
- **Virtual** – 3rd Diagnostic Day *Kepler Cheuvreux*
- **Virtual** – 2nd DILS CEO Conference *Exane BNP Paribas*

DEC.
- **Paris** – ESN Conference *Akros*
- **London** – 20th European Conference *Berenberg*

Financial communication continues to be an essential interaction tool between DiaSorin and analysts and investors, in order to provide an overall in-depth understanding of business dynamics and activities.

We are committed to provide maximum accessibility to any corporate information, ensuring the utmost visibility, also through the Investor Relations section of the company website at www.diasoringroup.com.

DiaSorin is aware that a constant dialogue with the Company and sharing information on the web underpin a successful communication. Contact information with the offices responsible for communications and investor relations is provided below.

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Communication & Investor Relations

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Eugenia Ragazzo
Corporate Investor Relations
& ESG Analyst

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12.1 Stock Ownership

- 43.957% IP Investimenti and Partecipazioni S.r.l.
- 1.019% Finde S.p.A.
- 4.294% Sarago S.r.l.
- 3.980% Sarago 1 S.r.l.
- 0.089% Rosa Carlo
- 4.111% MC S.r.l.
- 0.089% Even Chen Menachem
- 3.032% T. Rowe Price Associates, Inc.
- 4.357% Treasury Shares
- 35.072% Market

12.2 Performance of the diasorin stock in 2022

In 2022, the DiaSorin stock was -20.1%, vis-à-vis -14.5% for the FTSE MIB reference stock market index.

Source: FactSet Prices

01.13*	Launch of a new version of the molecular Simplexa™ SARS-CoV-2 Variants Direct test
03.08	CE Marking of the new NxTAG® Gastrointestinal Molecular Multiplex Pathogen Panel
03.16*	**Results at 12.31.2021**
04.04	Filing of the lists submitted by IP Investimenti and Partecipazioni S.r.l.
04.05	Notice pursuant to art. 144-octies, paga 2 of CONSOB Regulation No. 11971/1999
04.07	Annual Financial Report release
04.08	Publication of the lists of candidates for the appointment of the Board of Directors, the Board of Statutory Auditors and relevant proposals for resolution
04.13	Publication of the updated proxy forms for voting through the Designated Representative
04.22	New proposal for resolution related to the remuneration of the Board of Statutory Auditors
04.29	Shareholders' meeting 2022
05.02	Publication of the summary report of the votes cast
05.06*	**Results at 03.31.2022**
05.09	DiaSorin and B·R·A·H·M·S, part of Thermo Fisher Scientific, partner to develop and commercialize the new LIAISON® B·R·A·H·M·S MR-proADM™
05.20*	DiaSorin CE Marks their ARIES® Flu A/B & RSV+SARS-CoV-2 Lowplex Assay
06.07	Execution of the project for the redefinition of the corporate structure of DiaSorin
07.14	DiaSorin receives FDA 510(k) clearance for its LIAISON® MeMed BV® test
08.03*	**Results at 06.30.2022**
09.14*	DiaSorin SIMPLEXA™ COVID-19 test received U.S. FDA 510(K) clearance
10.05	DiaSorin furthers its collaboration with BARDA for the LIAISON® NES
10.27	Completion of the acquisition of Luminex
10.27*	**Results at 09.30.2022**
11.07	DiaSorin commercializes molecular reagent for monkeypox virus
11.09	DiaSorin Simplexa® cCMV Direct assay received U.S. FDA 510(K) clearance

*** price sensitive**

13. Focus on the latest developments of 2022

13.1 Immunodiagnostics

Platforms

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

LIAISON® XS
With the end of the pandemic's acute phase, during which the priority for laboratories was to handle high test volumes for the diagnosis of COVID-19, in 2022 diagnostic tests have been brought back to pre-pandemic levels.

We resumed the LIAISON® XS rollout, a platform designed for hospital laboratories, both public and private, and commercial laboratories by leveraging the features that make it the most suitable platform for laboratories with low and medium specialty test volumes.

LIAISON® XS is also the best solution for diagnostic facilities distributed across the territory: routine testing is performed in a centralized reference "hub", which offers high-throughput processing in a very short time, while specialty testing, for which greater proximity to the patient is deemed necessary, is performed in smaller decentralized diagnostic facilities.

Menus

In 2022, we worked to rapidly launch and implement the MeMed BV® cutting-edge test, in addition to further expand the LIAISON® XS platform with new analytes, making its menu increasingly relevant for small and medium-sized laboratories.

Infectious Diseases
In mid-2022 our LIAISON® MeMed BV® test received FDA 510(k) clearance for the commercial launch in the US, addressing 5 million potential patients every year, both adults and children, that present suspected fever symptoms of unknown origin, possible infections in the lower airways or past or current infections or coronavirus-related infections that may benefit from a differential diagnosis between viral and bacterial infections. The same test was CE marked in December 2021, with market data referred to the 5 major European countries with over 4 million patients every year.

The LIAISON® MeMed BV® is the first fully automated solution which uses host response-based data to enable physicians to differentiate accurately between bacterial and viral infections by using a proprietary algorithm developed with the use of AI capable of combining the analysis of three biomarkers of the immune response. This test was designed in collaboration with the Israeli company MeMed, from which DiaSorin obtained the license to develop the test on its LIAISON® XL and XS platforms.

Differentiating between bacterial and viral infection is crucial in deciding the diagnostic treatment of the patients presenting to the hospital Emergency Room and that, depending on disease etiology, can be hospitalized in the Intensive Care unit, kept under observation in the Emergency Room or simply discharged when a bacterial or severe viral infection can be excluded.

Following the test result, clinicians can define a proper use of antibiotics for infectious disease treatment. Currently, the lack of appropriate diagnostic solutions and common clinical practice lead to antibiotic overuse. Scientific literature reports an antibiotic overuse in 30-50% of patients treated. This phenomenon is responsible for the development of drug-resistant bacteria strains (or antimicrobial resistance) and has concrete consequences on public health and the economy. The emergence of these bacterial strains reduces the amount of antibiotics that clinicians may use successfully; this phenomenon reduces the chance of survival for patients and has a significant economic impact. According to the World Health Organization antibiotic resistance is one of the top 10 public health threats and cause 700,000 deaths a year. In addition, confirmation through the MeMed test of bacterial infection help ER physician administer immediately antibiotics to quickly start the proper treatment with a better outcome, confirming the appropriateness criteria, that is using the right test to quickly decide the best treatment, thus investing money on patient care in an effective and efficient manner.

Analytes migration and implementation on the XS platform
In 2022, to support the growing demand for markers extension on the LIAISON® XS platform, 20 further analytes have been migrated for markets accepting CE marking and 16 for the US markets, thus completing the gastrointestinal menu that is already present on the LIAISON® XL platform.

13.2 Molecular Diagnostics

Platforms

The Single/Low plex technology is featured on our LIAISON® MDX and ARIES® platform, while the multiplex technology is featured on the VERIGENE® automated platform.
The xMAP® technology provide molecular users with high throughput, scalable solutions for centralized labs thanks to LX 200 and MAGPIX instruments. The portfolio combined with sample-to-answer and high throughput solutions offers laboratories different options to optimize testing algorithms and control costs, while at the same time responding to the testing needs in the field of respiratory diseases, gastrointestinal and hospital infections related to women's health and the central nervous system.

Single/Low Plex Platforms
The LIAISON® MDX platform can be used in association with the Direct Amplification Disc (DAD) for fast, "on demand" results or with the Universal Disc (UD) for routine, screening or high-throughput results.
The ARIES® platform allows laboratories to control every aspect of the sample-to-answer testing process, improving lab efficiency and workflows through the Universal Assay Protocol that allows multiple sample types and up to 12 different IVD assays.

Multiplex Platform
The VERIGENE® platform is scalable, allowing throughput customization to meet the size and testing demands of each laboratory. From a single biological sample can rapidly and accurately detect a wide range of infectious pathogens and their associated drug resistance markers.
Panels available on the platform are designed to target infections in the bloodstream, respiratory tract, and gastrointestinal tract.
Multiplexing technology includes also LUMINEX® 100/200 and MAGPIX® non-automated platforms.

Menus

In 2022, we rapidly responded to the health emergency declared by the World Health Organization about the monkeypox virus. We released a primer pair for its gene amplification to be used by clinical laboratories to develop and validate tests monitoring its outbreak.

Furthermore, we have been the first to receive clearance from the U.S. FDA for a diagnostic test capable of detecting cytomegalovirus DNA in both saliva swab and urine specimens from babies.

As for multiplexing molecular technology, we launched a panel that detects nucleic acids from 16 different gastrointestinal pathogens, including bacteria, viruses and parasites on the MAGPIX platform.
As the pandemic and vaccination programs continue and herd immunity against SARS-CoV-2 virus is spreading, the scientific community predicts a normalization of the COVID-19 prevalence and an evolution towards an endemic situation. This trend is increasingly associated with the recurrence of flu viruses that typically circulate during the winter season.

As a confirmation of this hypothesis, type A and B flu virus reemerged in 2022, while in previous winters surveillance data reported an "absence of seasonal flu", due to the precautionary measures taken to prevent the spread of COVID-19 (social distancing, use of masks, cancellation of events, screening programs).

Copresence of these respiratory viruses, which share very similar clinical manifestations, makes differentiation important in order to properly manage the patient and choose appropriate treatment. In response to this need, we launched two tests in countries accepting the CE mark: the SimplexaTM COVID-19 & Flu A/B on the LIAISON® MDX to differentiate SARS-CoV-2 from Influenza type A and B and the ARIES® FLU A/B & RSV+SARS-COV-2 assay designed to detect SARS-CoV-2, RSV, Influenza type A and type B infections on the ARIES® platform.

These tests support diagnostic laboratories' testing activities, providing additional information regarding the presence of COVID-19 or Influenza type A and B infections, specifically for symptomatic patients.

Last but not least, in October 2022, we receive BARDA funding *(Biomedical Advanced Research and Development Authority)* to support clinical validation and obtain FDA 510(K) clearance of the LIAISON® NES system, a new Point-of-Care platform.

13.3 Licensed Technologies

Platforms

In 2022, we successfully continued to launch our state-of-the-artxMAP® INTELLIFLEX® platform, developed primarily for the scientific research market. We consider this product as a major growth driver of our Licensed Technologies offer.

The xMAP® INTELLIFLEX® is the modern, compact and robust version of the xMAP® platform, which has been developed by Luminex and is considered the industry's gold standard for multiplexing of biological tests. The platform enables user to acquire data on two parameters per target nucleic acid or protein, saving time and generating more data with fewer samples.

Report on Operations

Overview of the results

1. Consolidated financial highlights

Income statement *(€ thousands)*	**2022**	**2021**
Net revenues	1,361,138	1,237,654
Gross profit	900,613	824,771
Adjusted [1] Gross profit	903,805	830,957
EBITDA [2]	497,286	515,492
Adjusted [1] EBITDA	514,162	543,061
Operating result (EBIT)	351,260	419,499
Adjusted [1] EBIT	417,021	465,127
Net profit for the period	240,110	310,732
Adjusted [1] Net profit	318,654	356,943
Statement of financial position *(€ thousands)*	**12/31/2022**	**12/31/2021**
Capital invested in non-current assets	2,301,718	2,262,145
Net invested capital	2,426,361	2,353,832
Net financial debt	(906,611)	(985,894)
Shareholders' equity	1,519,750	1,367,939
Cash flow statement *(€ thousands)*	**12/31/2022**	**12/31/2021**
Net cash flow for the period	(161,244)	63,139
Free cash flow[3]	315,702	300,699
Capital expenditures	113,686	117,393
Number of employees	3,386	3,358

[1] The adjusted Gross Profit, adjusted EBIT, adjusted EBITDA, and adjusted Net Profit indicators are provided in the table included in the section "Overview of the Group's operating performance in 2022 and comparison with 2021".
[2] EBITDA is defined as the "Operating Result", gross of amortization and depreciation of intangible and tangible assets. EBITDA is a measure used by the Group to monitor and evaluate the Group's operating performance and is not defined as an accounting measure in IFRS and therefore shall not be considered an alternative measure for assessing the Group operating result performance. Since the composition of EBITDA is not regulated by the reference accounting standards, the criterion of determination applied by the Group may not be homogeneous with that adopted by other operators and/or groups and therefore may not be comparable.
[3] Free cash flow is the cash flow from operating activities, counting utilizations for capital expenditures but before interest payments, acquisitions of companies and business operations and taking out/repaying borrowings.

2. Financial highlights of the Group's parent company

Income statement *(€ thousands)*	**2022**	**2021**
Net revenues	260,362	583,093
Gross profit	122,370	279,068
EBITDA [1]	63,587	191,054
Operating result (EBIT)	49,629	167,379
Net profit for the period	37,786	138,848
Statement of financial position *(€ thousands)*	**12/31/2022**	**12/31/2021**
Capital invested in non-current assets	1,049,561	902,276
Net invested capital	1,068,766	1,013,072
Net financial debt	(602,123)	(387,285)
Shareholders' equity	497,619	667,993
Cash flow statement *(€ thousands)*	**2022**	**2021**
Net cash flow for the period	(129,641)	12,142
Free cash flow [2]	(7,203)	89,235
Capital expenditures	15,531	32,818
Number of employees *(n.)*	132	809

[1] EBITDA is defined as the "Operating Result", gross of amortization and depreciation of intangible and tangible assets. EBITDA is a measure used by the Group's Parent 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 Parent Company operating result performance. Since the composition of EBITDA is not regulated by the reference accounting standards, the criterion of determination applied by the Group's Parent Company may not be homogeneous with that adopted by other operators and/or groups and therefore may not be comparable
[2] Free cash flow is the cash flow from operating activities, counting utilizations for capital expenditures but before interest payments, acquisitions of companies and business operations and taking out/repaying borrowings.

3. Overview of the Group's operating performance in 2022 and comparison with 2021

Foreword

The 2022 consolidated financial statements have been prepared in compliance with the International Accounting Standards (IFRS) issued by the International Accounting Standards Board ("IASB") and approved by the European Union and are consistent with the provisions issued in implementation of Art. 9 of Legislative Decree No. 38/2005.

This annual report presents and comments on certain financial indicators that are not identified in the IFRSs. These indicators, which are described below, are used to comment on the Group's business performance in sections "Consolidated financial highlights" and "Income Statement in 2022 and comparison with 2021", in compliance with the requirements of Consob communication of 28 July 2006 (DEM 6064293), as subsequently amended and supplemented (Consob communication 0092543 of 3 December 2015, which incorporates the ESMA Guidelines 2015/1415) and ESMA Guidelines 32-382-1138 of 4 March 2021.

The alternative performance indicators listed below should be used to supplement the information required by IFRS to help readers of the report gain a more comprehensive understanding of the Group's economic, financial and operating position, net of one-off elements for the Luminex acquisition and integration, the amortization deriving from the Purchase Price Allocation of Luminex, the borrowing costs related to the financing of the transaction, charges deriving from the remeasurement (in accordance with IFRS5) of the Flow Cytometry assets sold to Cytek, and their tax impact.

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

The following table provides the alternative performance indicators at December 31, 2022:

(€ thousands)	Gross profit	EBITDA	Operating Result (EBIT)	Net Profit
IFRS Financial Statements Measures	**900,613**	**497,286**	**351,260**	**240,110**
Adjustments				
Reversal of Fair value measurement of the initial Luminex inventory acquired	3,192	3,192	3,192	3,192
"One-off" costs related to the integration and restructuring of Luminex	-	13,684	13,684	13,684
Amortization of the higher values of Luminex intangibles identified in the Purchase Price Allocation	-	-	39,845	39,845
Financial charges relating to the debt instruments and to the convertible bond issued to finance the acquisition, net of the hedge effects	-	-	-	22,524
Remeasurement of the Flow Cytometry net assets as required by IFRS 5	-	-	9,039	9,039
Total adjustments, net of tax effects	**3,192**	**16,876**	**65,761**	**88,284**
Tax effects on adjustments				(9,741)
Total adjustments	**3,192**	**16,876**	**65,761**	**78,543**
Adjusted Indicators	**903,805**	**514,162**	**417,021**	**318,653**

The following table provides the alternative performance indicators at December 31, 2022:

(€ thousands)	Gross profit	EBITDA	Operating Result (EBIT)	Net Profit
IFRS Financial Statements Measures	**824,771**	**515,492**	**419,499**	**310,732**
Adjustments				
Reversal of Fair value measurement of the initial Luminex inventory acquired	6,186	6,186	6,186	6,186
"One-off" costs related to the integration and restructuring of Luminex	-	21,382	21,382	21,382
Amortization of the higher values of Luminex intangibles identified in the Purchase Price Allocation	-	-	18,089	18,089
Financial charges relating to the debt instruments and to the convertible bond issued to finance the acquisition, net of the hedge effects	-	-	-	15,743
Total adjustments, net of tax effects	**6,186**	**27,568**	**45,627**	**61,370**
Tax effects on adjustments				(15,160)
Total adjustments	**6,186**	**27,568**	**45,627**	**46,211**
Adjusted Indicators	**830,957**	**543,061**	**465,127**	**356,943**

Macroeconomic scenario and the foreign exchange market

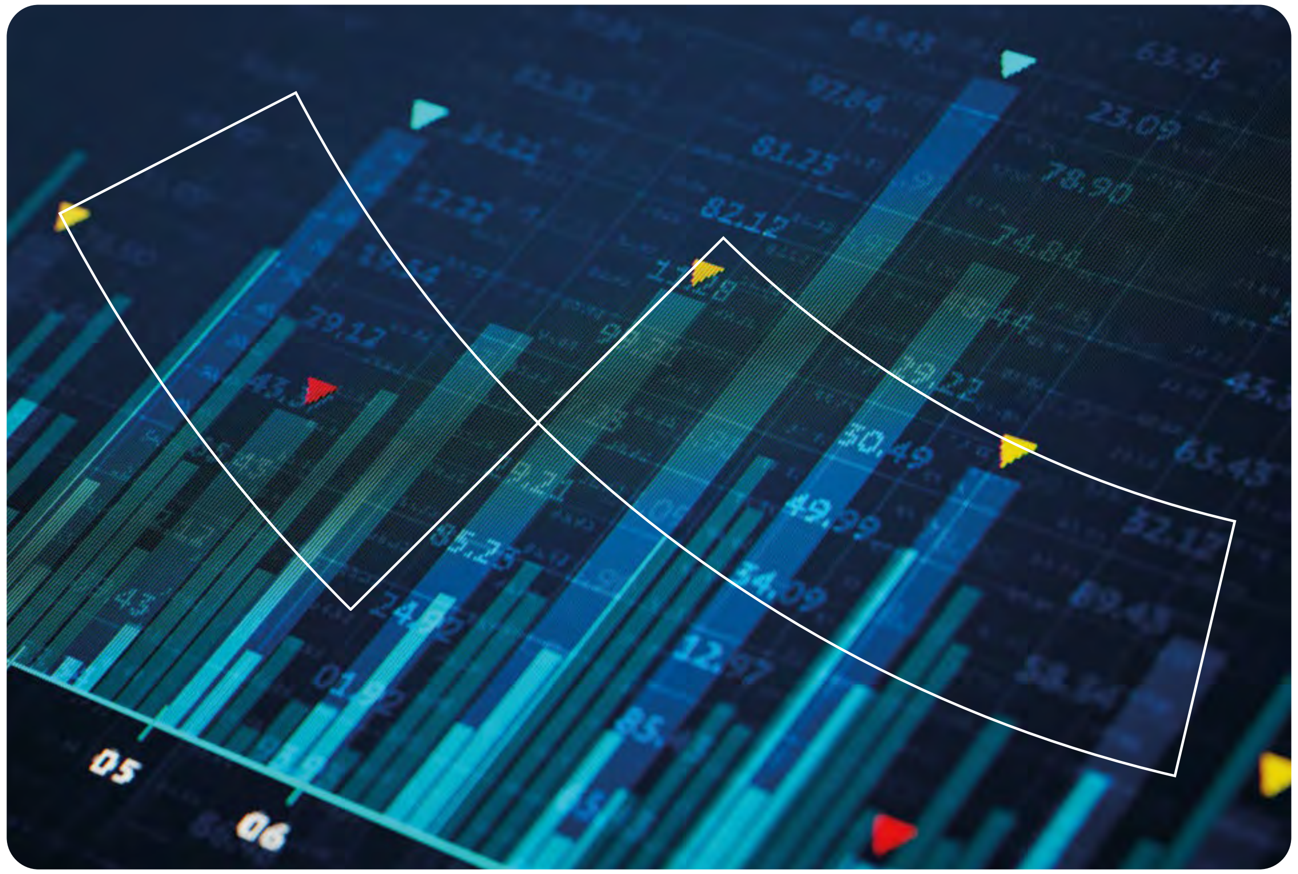
FY 2022 was marked by a steep increase in inflation and a major slowdown in the global growth rate. The Global GDP slumped to 2.9% in 2022, as against 5.9% in 2021 (source World Bank).

The strong inflationary pressure was countered by the rapid adoption of restrictive monetary policies, with significant interest-rate hikes by major central banks, that are likely to continue during the first half of 2023.

The persistence of international geopolitical instability paired with high inflation suggests that the global economy will continue to slow down in 2023.

In the foreign exchange market, the Euro depreciated significantly (as highlighted in the comparison between the average exchange rates in 2022 and in 2021) but the last months of the year showed signs of partial recovery.

Of note for the Company is the U.S. dollar appreciating by 11% in terms of annual average exchange rates, with minimum values falling below parity.



The table below provides a comparison of the average and end-of-period exchange rates for the periods under comparison concerning the main currencies used by the Group (Source European Central Bank).

Currency	Average exchange rates			Exchange rates at		
	2022	2021	Change	12/31/2022	12/31/2021	Change
U.S. dollar	1.0530	1.1827	-11%	1.0666	1.1326	-6%
Brazilian real	5.4399	6.3779	-15%	5.6386	6.3101	-11%
British pound	0.8528	0.8596	-1%	0.8869	0.8403	6%
Swedish kronor	10.6296	10.1465	5%	11.1218	10.2503	9%
Swiss franc	1.0047	1.0811	-7%	0.9847	1.0331	-5%
Czech koruna	24.5659	25.6405	-4%	24.1160	24.8580	-3%
Canadian dollar	1.3695	1.4826	-8%	1.4440	1.4393	0%
Mexican peso	21.1869	23.9852	-12%	20.8560	23.1438	-10%
Israeli shekel	3.5345	3.8208	-7%	3.7554	3.5159	7%
Chinese yuan	7.0788	7.6282	-7%	7.3582	7.1947	2%
Australian dollar	1.5167	1.5749	-4%	1.5693	1.5615	0%
South African rand	17.2086	17.4766	-2%	18.0986	18.0625	0%
Norwegian krone	10.1026	10.1633	-1%	10.5138	9.9888	5%
Polish zloty	4.6861	4.5652	3%	4.6808	4.5969	2%
Indian Rupee	82.6864	87.4392	-5%	88.1710	84.2292	5%
Singapore dollar	1.4512	1.5891	-9%	1.4300	1.5279	-6%
UAE Dirham	3.8673	4.3436	-11%	3.9171	4.1595	-6%

4. Review of the Group's operating performance and financial position

INCOME STATEMENT IN 2022 AND COMPARISON WITH 2021				
(€ thousands)	**12/31/2022**	**As a% of revenues**	**12/31/2021**	**As a% of revenues**
Sales and service revenues	1,361,138	100.0%	1,237,654	100.0%
Cost of sales	(460,525)	33.8%	(412,883)	33.4%
Gross profit	**900,613**	**66.2%**	**824,771**	**66.6%**
Adjusted Gross profit	**903,805**	**66.4%**	**830,957**	**67.1%**
Sales and marketing expenses	(292,050)	21.5%	(211,342)	17.1%
Research and development costs	(96,904)	7.1%	(70,091)	5.7%
General and administrative expenses	(122,697)	9.0%	(93,270)	7.5%
Total operating expenses	**(511,651)**	**37.6%**	**(374,703)**	**30.3%**
Other operating income (expense)	(37,702)	2.8%	(30,569)	2.5%
EBIT	**351,260**	**25.8%**	**419,499**	**33.9%**
Adjusted EBIT	**417,021**	**30.6%**	**465,127**	**37.6%**
Financial income/(expense)	(25,320)	1.9%	(20,164)	1.6%
Profit before taxes	**325,940**	**23.9%**	**399,335**	**32.3%**
Income taxes	(85,830)	6.3%	(88,603)	7.2%
Net profit for the period	**240,110**	**17.6%**	**310,732**	**25.1%**
Adjusted Net profit for the period	**318,654**	**23.4%**	**356,943**	**28.8%**
EBITDA [1]	**497,286**	**36.5%**	**515,492**	**41.7%**
Adjusted EBITDA	**514,162**	**37.8%**	**543,061**	**43.9%**

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

Net revenues
In 2022, DiaSorin generated **revenues amounting to € 1,361,138 thousand** (€ 1,237,654 thousand in 2021) up by 10.0% compared to 2021 (+2.4% at CER). The increase is due both to the Luminex inclusion in the scope of consolidation in July 2021 and to the strong performance of DiaSorin immunodiagnostic and molecular diagnostic business, partly offset by the expected decline of COVID sales.

The growth difference at constant and current exchange rates led to a positive impact on revenues equal to € 93 million, mainly due to the U.S. dollar appreciation.

Ex-COVID immunodiagnostics revenues grew by 8.4% (+3.3% at CER), mainly driven by solid CLIA performance of Latent Tuberculosis, Infectious Diseases and Gastrointestinal tests, partly offset by expected decline in Vitamin D and ELISA D sales.

Ex-COVID molecular diagnostics revenues grew by 65.2% (+48.8% at CER), driven by the Luminex contribution and the upward trend of DiaSorin products.

Licensed technologies revenues were € 214,285 thousand, on the back of the strong sales performance of xMAP® technology.

COVID serology and molecular diagnostic tests sales, equal to € 243,509 thousand, decreased by 35.5% compared to December 31, 2021 (-40.1% at CER). The expected decline reflects both the success of the pandemic containment measures implemented by government authorities and widespread and effective vaccination campaigns.

Nel 2022, Luminex overall contribution to Group revenues was equal to € 386,416 thousand, in line with the forecast made at the beginning of the year.

Breakdown of revenues by geography

The table that follows provides a breakdown of revenues by geography.

(€ thousands)	2022	2021	% Change at current exchange rates	% Change at constant exchange rates
Europe direct	363,248	328,519	10.6%	9.8%
North America direct	548,952	342,025	60.5%	43.0%
Rest of the World	205,429	189,309	8.5%	1.4%
Revenues, net of COVID	**1,117,629**	**859,853**	**30.0%**	**21.1%**
COVID	243,509	377,801	-35.5%	-40.1%
Total Revenues	**1,361,138**	**1,237,654**	**10.0%**	**2.4%**

Europe direct
In 2022, revenues were € 363,248 thousand, up 10.6% (+9.8% at CER) compared to 2021. The inclusion of Luminex revenues in the scope of consolidation and the positive immunodiagnostic business performance drove the growth compared to 2021.

It should be noted that CLIA revenues, net of Vitamin D, grew by approx. 6% at CER, on the back of the Latent Tuberculosis, Infectious Diseases and Gastrointestinal Infections test sales. Vitamin D sales declines slightly compared to 2021.

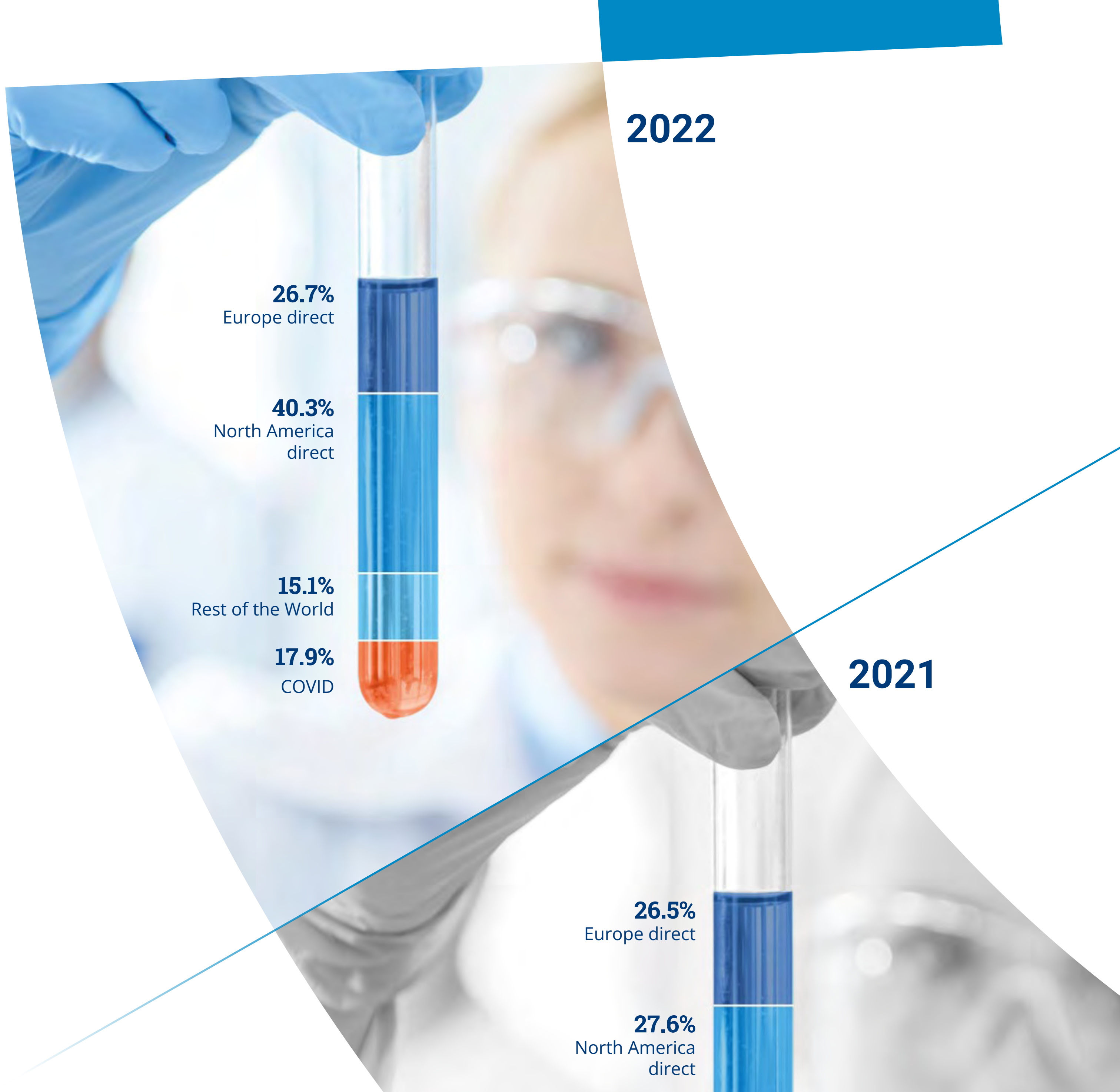
Strong performance for the molecular diagnostics business (approx. +64% at CER), driven by the Luminex inclusion in the scope of consolidation and the good performance of DiaSorin molecular combined COVID-Flu test.

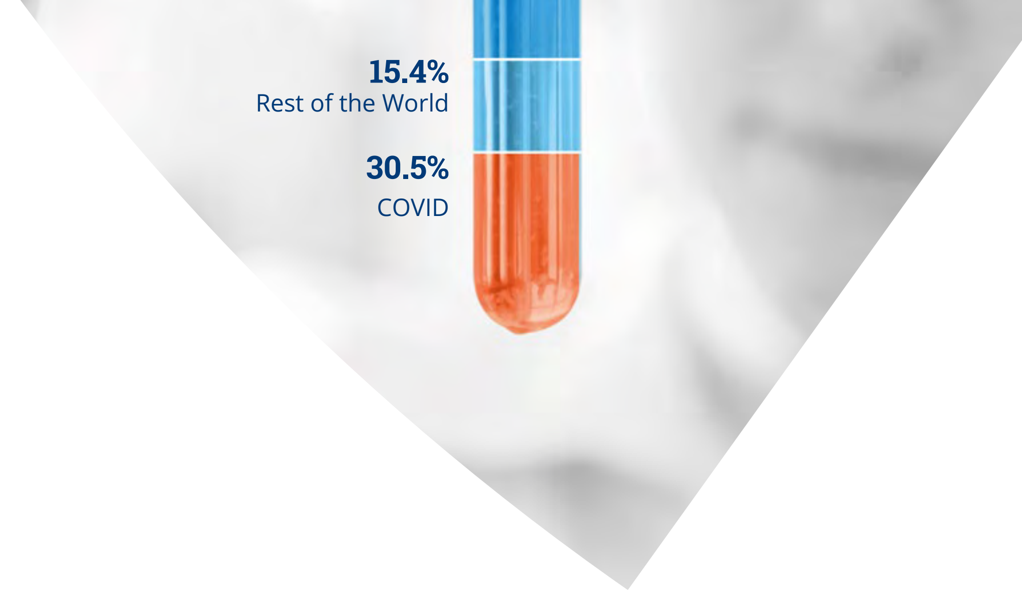
North America Direct
In 2022, revenues were € 548,952 thousand, up 60.5% (+43,0% at CER) compared to 2021. The positive immunodiagnostic business performance along with the inclusion of Luminex revenues in the scope of consolidation drove revenues up compared to 2021.

As regards the immunodiagnostic business, it should be noted the robust CLIA sales, net of Vitamin D, growing by approx. 22% at CER, mainly on the back of the successful commercial strategy aimed at increasing penetration in the U.S. hospitals segment and the expansion of test menus addressed to this market (Latent Tuberculosis, Gastrointestinal Infections, Hepatitis and Retrovirus panel). This upward trend was partly offset by the expected decline of Vitamin D and ELISA tests.

The molecular diagnostic business continued to grow (approx. +49% at CER) as a result of the complete inclusion of Luminex revenues in the scope of consolidation and robust DiaSorin tests sales, partly offset by a decline in revenues from instruments sales, partly offset by a decline in revenues from instruments sales that, in 2021, reached their peak buoyed by the spread of the pandemic and, as a result, hospitals made efforts to have adequate testing capacities.

Lastly, worthy of note is the solid performance of the Licensed Technologies business, mainly driven by sales of the xMAP® technology.





Rest of the World
In 2022, revenues were 205,429 thousand, up 8.5% (+1.4% at CER) compared to 2021. The benefit from the inclusion of Luminex revenues in the scope of consolidation was only partially offset by the decrease in sales recorded in the Chinese market, due to the restrictive measures implemented by local authorities to contain the spread of COVID infections and to industrial policies aimed at supporting local operators.

Breakdown of revenues by technologies

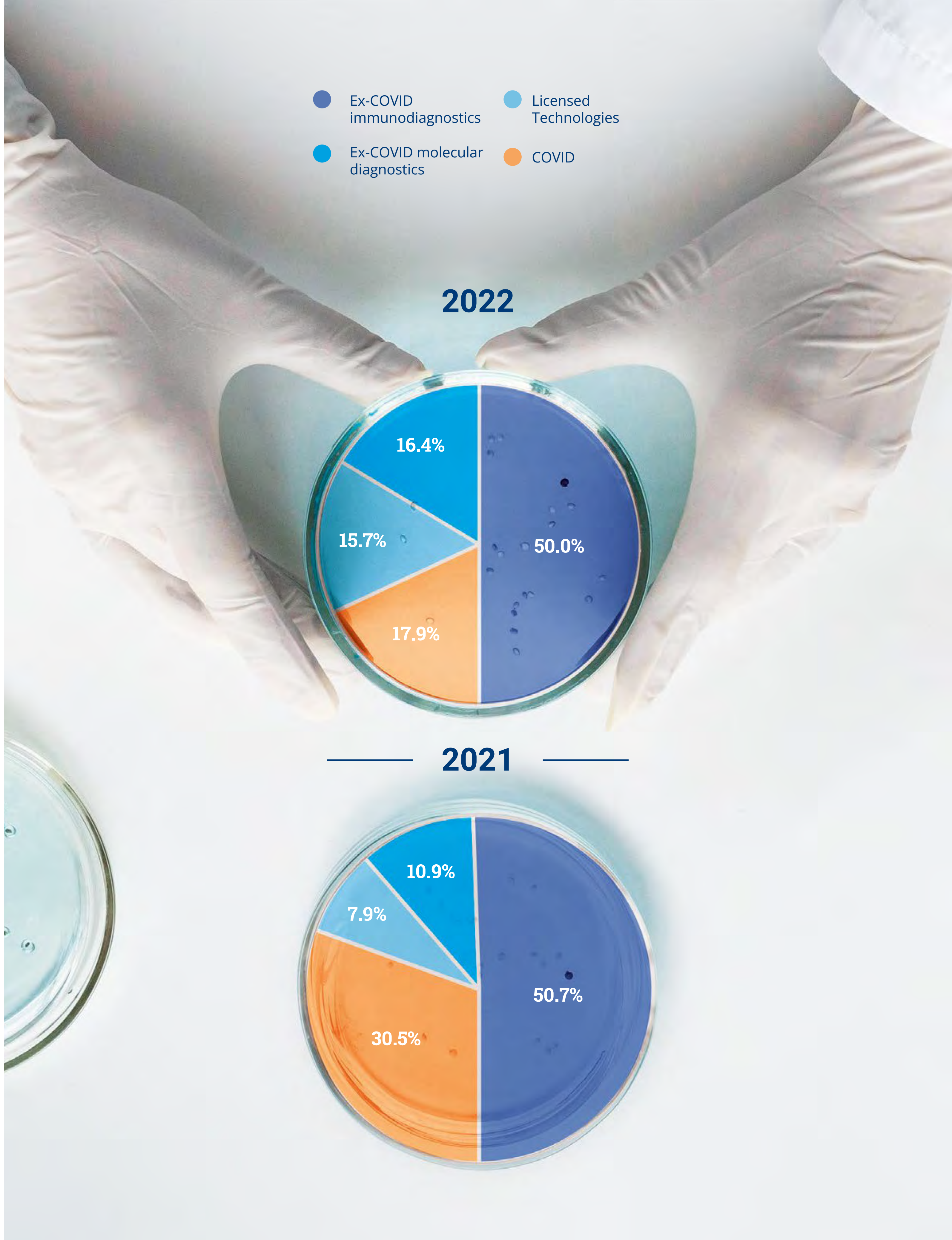
(€ thousands)	2022	2021
Ex-COVID immunodiagnostics	50.0%	50.7%
Ex-COVID molecular diagnostics	16.4%	10.9%
Licensed Technologies	15.7%	7.9%
COVID	17.9%	30.5%
Total	**100.0%**	**100%**

The breakdown of sales by technology is affected by the consolidation of Luminex in the scope of consolidation.

In 2022, ex-COVID immunodiagnostic business accounted for 50.0% of total revenues, down from 50.7% in 2021. The growth in revenues, mainly on the back of CLIA sales, was diluted by the inclusion of Luminex technologies.

Ex-COVID molecular diagnostics accounted for 16.4%, of total revenues, up from 10.9% in 2021, as a result of the contribution from Luminex revenues and the robust performance of DiaSorin business.

Licensed Technologies accounted for 15.7%, of total revenues, while COVID tests accounted for 17.9%, of total revenues, down from 2021 as a result of the expected reduction of test volumes due to the pandemic containment measures implemented by government authorities along with widespread and effective vaccination campaigns.



Operating performance

The adjusted gross profit was € 903,805 thousand, up 8.8% as against € 830,957 thousand in 2021; its ratio to revenues decreased to 66.4%, from 67.1% in 2021. The decrease is due to a different product mix and to the consolidation of the Luminex business, which has a lower margin compared to the DiaSorin portfolio. Finally, it should be noted the dilutive effect attributable to the inflationary trends that affected 2022, only partly offset by measures aimed at further reducing costs and improving manufacturing processes. The gross profit was **€ 900,613 thousand**.

Operating expenses, net of higher amortization deriving from the Luminex Purchase Price Allocation, amounted to € 471,806 thousand, up 32.3% (23% at CER) compared to 2021; their ratio to total revenues was equal to 34.7%, up from 28.8% in 2021. In addition to the exchange rate movement, the change is due to the consolidation of the Luminex business for the entire 2022, the decline in COVID sales which had generated a strong operating leverage and, finally, rising costs due to increased inflation, only partly offset by the initiatives aimed at restraining expenditure.

Sales and marketing expenses were € 252,808 thousand, excluding amortization deriving from the Luminex acquisition the item increased by € 59,253 thousand or 30.6% compared to 2021 (€ 193,555 thousand). This item consists mainly of costs related to the sale force and costs incurred to launch new products, as well as costs of technical support provided to customers. The ratio to total revenues increased to 18.6% in 2022 from 15.6% in 2021. In addition to the Luminex inclusion in the scope of consolidation for the whole 2022 (only six months in 2021), the increase of these expenses in absolute value is affected by the impact of the exchange rate movement; excluding this impact, the increase would be 21.3%.

Research and development costs, equal to € 96,301 thousand net of the Luminex Purchase Price Allocation, increased by 37.9% as against 2021 (€ 69,818 thousand); their ratio to total revenues was equal to 7.1% versus 5.6 percentage points in 2021. The increase of these expenses in absolute value, in addition to the impact of exchange rate movement, was due to the Luminex inclusion in the scope of consolidation for the entire 2022 and to the increase in the assets supporting the development of new products and technologies.

Other operating expenses, net of € 13,684 thousand relating to the costs for the Luminex integration and net of € 9,039 thousand for the remeasurement (as required by IFRS 5) of the Flow Cytometry assets sold to Cytek Biosciences, Inc. as a result of the deal completed on February 28, 2023, were € 14,979 thousand as against € 9,187 thousand in 2021.

Adjusted EBITDA amounted to **€ 514,162 thousand**, down 5.3% compared to 2021 and with an incidence to revenues of 37.8%. Excluding the exchange rate impact, **Adjusted EBITDA** decreased by 11.0% compared to 2021, equal to 38.1% of revenues. The change is due to the combined effect of the elements described above.

EBITDA amounted to € 497,286 thousand, down 3.5% compared to 2021, equal to 36.5% in 2022 as against 41.7% in 2021.

Adjusted EBIT amounted to **€ 417,021 thousand,** (€465,127 thousand in 2021), down 10.3% compared to 2021, equal to 30.6% of revenues as against 37.6% in 2021. EBIT was € 351,260 thousand and down 16.3% compared to 2021, equal to 25.8% of revenues.

Financial income and expense

In 2022, net financial expense amounted to € 25,320 thousand, as against € 20,164 thousand in 2021. The change is mainly due to the financing for the Luminex acquisition that was completed in July,

Interest expense and other financial charges include:

- € 9,381 thousand in financial charges arising from the application of the amortized cost relating to the convertible bond issued by the Parent Company (€ 6,018 thousand in 2021);
- € 16,908 thousand in interest expense and other charges for the bank loan to support the Luminex acquisition (€ 7,802 in 2021);
- € 2,874 thousand related to interest expense on lease recognized under the IFRS 16 accounting standard (€2,238 thousand in 2021).

Net exchange rate differences on other financial balances, which were positive by € 4,335 thousand (positive by € 1,422 thousand in 2021) mainly referred to the impact of exchange rates fluctuation on subsidiaries' financial balances denominated in foreign currencies.

Interest income for € 4,441 thousand accrued on financial instruments to manage the company's liquidity denominated in U.S. dollars.

Profit before taxes and net profit
2022 ended with a result before taxes of € 325,940 thousand (€ 414,223 thousand net of costs for the Luminex acquisition and those deriving from the PPA), down 18,4% as against € 399,335 thousand in 2021, equal to 23.9% of revenues (30,4% net of costs for the Luminex acquisition, costs deriving from the PPA and charges deriving from the remeasurement (as required by IFRS 5) of the Flow Cytometry assets sold to Cytek), down compared to 32.3% in 2021.

Income taxes were € 85,830 thousand (€88,603 thousand in 2021), with a tax rate of 26.3%, up compared to 22.2% in 2021.

Adjusted net profit was **€ 318,654 thousand**, down € 38,290 thousand or 10.7% compared to 2021, equal to 23.4% or revenues (28.8% in 2021). Net profit was € 240,110 thousand in 2022.

Statement of financial position at December 31, 2022

The consolidated statement of financial position at December 31, 2022 is shown below

(€ thousands)	12/31/2022	12/31/2021
Goodwill and Intangible assets	1,995,063	1,943,369
Property, plant and equipment	268,448	276,197
Other non-current assets	38,207	42,579
Net working capital	433,993	361,924
Other non-current liabilities	(309,350)	(270,237)
Net invested capital	**2,426,361**	**2,353,832**
Net financial debt	**(906,611)**	**(985,894)**
Total shareholders' equity	**1,519,750**	**1,367,939**

At December 31, 2022, non-current assets increased to €2,301,718 thousand at December 31, 2022 (€2,262,145 thousand at December 31, 2021). The change is due to the conversion in euros of fixed assets denominated in U.S. dollar.

Amortization and depreciation, equal to €137,546 thousand, more than offset investments amounting to € 113,686 thousand. Investments in intangible assets refer to the LIAISON PLEX and LIAISON NES projects, whilst investments in property, plant and equipment, in addition to the LIAISON NES projects, refer to the construction of the manufacturing facility in China and to the expansion of the lines to manufacture plastic consumables for CLIA LIAISON instruments and plastics for Liaison integral components.

Other non-current liabilities were € 309,350 thousand, increasing by € 39,954 thousand compared to December 31, 2021. This increase is driven by the exchange rate effect related to deferred taxes on intangibles identified in the Purchase Price Allocation of Luminex, only partly offset by the decrease of employee benefit plan following the application of new actuarial assumptions that take into account changes in cost of money.

The table that follows shows the consolidated net financial debt:

(€ thousands)	12/31/2022	12/31/2021
Trade receivables	220,035	217,588
Ending inventories	306,503	298,049
Trade payables	(104,204)	(84,773)
Other current assets/liabilities [1]	(27,906)	(68,940)
Net assets held for sale	39,565	-
Net working capital	**433,993**	**361,924**

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

At December 31, 2022, the net working capital was € 433,993 thousand, an increase of € 72,069 thousand compared to 2021. Trade receivables amounted to € 220,035 thousand, a slight increase over 2021. Inventories were € 306,503 thousand, an increase of €8,454 thousand due to exchange rate fluctuations.

Trade payables increased by € 19,431 thousand compared to 2021 on the back of increased purchases in the last part of the year.

Other current net liabilities were € 27,906 thousand, down by € 41,034 thousand compared to 2021; the change is due to a decline in tax payments deriving from tax advances paid.

Net financial assets held for sale refer to net balances of assets and liabilities of the Flow Cytometry business sold to Cytek on February 28, 2022. Further details are provided in Note 20 of the consolidated financial statements.

At December 31, 2022, the **net financial debt** was **negative by € 906,611 thousand.**

The table that follows shows the consolidated net financial debt:

	(€ thousands)	12/31/2022	12/31/2021	Change
A	Cash on hand	241,776	403,020	(161,244)
B	Cash equivalents	-	-	-
C	Other current financial assets	142,409	-	142,409
D	**Cash (A+B+C)**	**384,185**	**403,020**	**(18,835)**
E	Current financial debt (including debt instruments, but excluding the current portion of non-current financial borrowings)	48,140	9,644	38,496
F	Current portion of non-current financial borrowing	43,238	90,767	(47,529)
G	**Current financial debt (E+F)**	**91,378**	**100,411**	**(9,034)**
H	**Net current financial debt (G-D)**	**(292,807)**	**(302,609)**	**9,801**
I	Non-current financial debt (excluding the current portion and debt instruments)	750,854	848,982	(98,129)
J	Debt instruments	448,565	439,520	9,045
K	Trade payables and other non-current borrowings	-	-	-
L	**Non-current financial debt (I+J+K)**	**1,199,419**	**1,288,502**	**(89,083)**
M	**Total financial debt (H+L)**	**906,611**	**985,894**	**(79,282)**

As regards the net financial debt, the following is detailed:

- The repayment of a principal and interests expenses related to the Term Loan amounting to € 156,306 thousand, partly offset by interest accrued in 2022, amounting to € 14,838 thousand (€415 thousand in 2021) and negative impact of the exchange rate amounting to € 56,228 thousand (37,710 in 2021),
- Use of approx. €40,000 thousand related to the "Revolving Credit Facility".
- Use of the liquidity held by DiaSorin Inc. in Time Deposit for €142,409 thousand.

Further details on the debt instruments above are provided in the Notes to the financial statements →

At December 31, 2021, the **consolidated shareholders' equity** was **€ 1,519,750 thousand** (€1,367,939 thousand at December 31, 2021) and includes no. 2,435,372 treasury shares, equal to 4.35% of the share capital, for a total value of € 281,277 thousand.

The table below shows a reconciliation of net profit and shareholders' equity of the Group's Parent Company to the corresponding consolidated data at December 31, 2022:

(€ thousands)	Net profit at 12/31/2022	Shareholders' equity at 12/31/2022
Amount in the financial statements of the Parent Company DiaSorin S.p.A.	**37,786**	**497,619**
Difference between the carrying amount of equity investments and the value of the underlying shareholders' equity	-	1,053,559
Profits/(Losses) of consolidated companies	217,752	-
Elimination of unrealized intra-Group profits, net of the applicable tax effect	(8,055)	(31,429)
Elimination of write-down of investments in subsidiaries	-	-
Elimination of intra-group dividends	(7,373)	-
Amount in the consolidated financial statements	**240,110**	**1,519,750**

Analysis of consolidated cash flows

A complete statement of consolidated cash flows is provided in the 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.

(€ thousands)	12/31/2022	12/31/2021
Cash and cash equivalents- Opening balance	**403,020**	**339,881**
Net cash from operating activities	389,341	400,664
Cash used for investing activities	(231,952)	(110,436)
Cash used from/(for) financing activities	(318,633)	1,273,668
Business combinations, net of cash acquired	-	(1,500,757)
Change in net cash before investments in financial assets	***(161,244)***	***63,139***
Investments in financial assets	-	-
Change in net cash	***(161,244)***	***63,139***
Cash and cash equivalents – Closing balance	**241,776**	**403,020**

At December 31, 2022, available **liquid assets** held by the Group amounted to **€ 241,776 thousand**, a decrease of € 161,244 million compared to December 31, 2021.

In 2022, the cash flow from operating activities was € 389,341 thousand, down € 11,323 compared to 2021. Tax payments amounted to € 91,562 thousand (as against € 118,096 thousand in 2021), a reduction attributable to U.S. companies.

Investing activities absorbed cash for € 231,952 thousand; the increase compared to 2021 is mainly attributable to time deposit investments made by DiaSorin Inc. for cash denominated in U.S. dollars.

The **free cash flow** in 2022 was **€315,702 thousand**, an increase of €15,003 million compared to € **300,699** million in 2021.

Net cash from financing activities amounted to €318,633 thousand, as against €1,273,668 thousand in 2021. This cash outlay is the result of the Term Loan repayments described above, partly offset by the use of the Revolving Credit Facility. Dividend distribution amounted to € 57,052 thousand (€54,709 thousand in 2021), and the net purchase of treasury shares, net of stock options exercise, amounted to € 159,849 thousand (€ 8,579 thousand in 2021).

The translation currency effect on cash and cash equivalents was € 14,410 thousand (€ 17,182 thousand in 2021).

5. Transactions resulting from non-recurring, atypical and/or unusual operations

Consistent with Consob Communication No. DEM/6064293 of July 28, 2006, in 2022 the Group did not carry out atypical and/or unusual transactions as provided by the Communication, which defines as atypical and/or unusual transactions those transactions that, because of their significance/materiality, type of counterparty, purpose, method used to determine the transfer price and timing (close to the end of the year), could give rise to doubts with regard to: the accuracy/completeness of the disclosure provided in the financial statements, conflict of interests, safety of the corporate assets and protection of minority shareholders.

6. Main risks and uncertainties to which DiaSorin S.p.A. and the Group are exposed

Risks related to general economic conditions
The income statement and financial position of DiaSorin S.p.A. and the Group are unavoidably affected by macroeconomic factors beyond the Company's control.

The products distributed by the DiaSorin Group are part of basic medical care coverage, which, generally, is funded by national health services or private insurance companies. Some countries where the Group operates may question costs of welfare system, in which health care has a central role. This phenomenon can lead to increase pressure to reduce refunds for medical care and, in some cases, the volumes of laboratory tests ordered by physicians.

This implies an impact on the market where DiaSorin operates, despite diagnostics accounts for only a marginal portion of health care spending in the main industrialized countries.

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

Risks related to the Group's international presence and expansion

Because of their presence in several countries in Europe and elsewhere in the world, the Company and the Group are exposed to numerous risk factors. The current economic and macro-political situation, which is negatively impacted by the Ukraine conflict exposes some of these countries to social, economic and political instability, thus jeopardizing growth in such countries. Nevertheless, the Group is not significantly exposed in these markets.

In countries where it does not operate through a subsidiary, the Group uses independent distributors to sell its products. As a rule, these distributors are small or medium-sized companies with limited financial resources, whose risk could be to slow sales growth in the abovementioned countries or increase the risk that a distributor may become insolvent.

Risks related to funding requirements

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

In order to meet any financial needs and a credit market characterized by low liquidity, the Company has deemed it appropriate - in the first half of 2022- to adopt a EUR 150 million 3 year committed revolving credit facility, made available by a pool of banks and to be used upon set conditions.

Management believes that the funds and credit lines currently available, when combined with the resources generated by operating and financing activities (including dividends from subsidiaries), will enable the Group to meet its liquidity needs.

Credit risk

In certain emerging countries, receivables owed to the Company and to the Group can be affected by the limited financial liquidity of local customers and therefore the collection terms may be significantly longer than the contractual payment terms.

Risks associated with foreign exchange and interest rate fluctuations

The Group operates in countries and markets where the reporting currency is not the Euro and, consequently, it is exposed to the risk related to fluctuation in foreign exchange rates.

With regard to revenues, the currencies to which DiaSorin is more exposed are the U.S. Dollar (accounting for about 52% of revenues in 2022), Canadian dollar (accounting for about 5% of revenues in 2022) and the Chinese Yuan (accounting for about 4% of revenues in 2022).

From a balance sheet point of view, a significant portion of the debt from Luminex acquisition is denominated in U.S. Dollar (about two thirds), consistently with the currency of the assets acquired and with the economic composition of the Group revenues.

Future fluctuations of the Euro versus other currencies may have an impact, even though marginal, on the income statement, balance sheet and financial position of the Company and the Group.

With regard to interest rates, note that:

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

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

Commercial risk

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

7. Significant events occurred after December 31, 2022 and business outlook

On February 28, 2023, DiaSorin announced that Luminex Corporation, a wholly owned subsidiary of DiaSorin, completed the sale of its assets related to the Flow Cytometry & Imaging (FCI)Business Unit to Cytek, for approximately USD 46.5 million.

With reference to the business outlook, the Management expects in 2023:

- TOTAL REVENUES: approx.-14%
- REVENUES AT CONSTANT PERIMETER: approx. -11%, of which:
    - Ex- COVID revenues, net of molecular respiratory business: +4% / +6%
    - Molecular respiratory business revenues: approx. -20%
    - COVID revenues: about € 60 million (approx. -75% compared to 2022)
- ADJUSTED EBITDA MARGIN: approx. 34%.

8. Review of the operating performance and financial position of DiaSorin S.p.A.

Foreword

The 2022 separate financial statements have been prepared in compliance with the International Accounting Standards (IFRS) issued by the International Accounting Standards Board ("IASB") and approved by the European Union and are consistent with the provisions issued in implementation of Art. 9 of Legislative Decree No. 38/2005.

Significan events occurred in 2022

On July 1, 2022, the company completed the project for the redefinition of the corporate structure of DiaSorin, which was already approved by the Board of Directors of DiaSorin and communicated to the market on December 16, 2021 and on May 6, 2022. The aim of the project is to rationalize and identify, also from a corporate point of view, the activities currently carried out in DiaSorin S.p.A. by separating operational activities from holding and services activities.

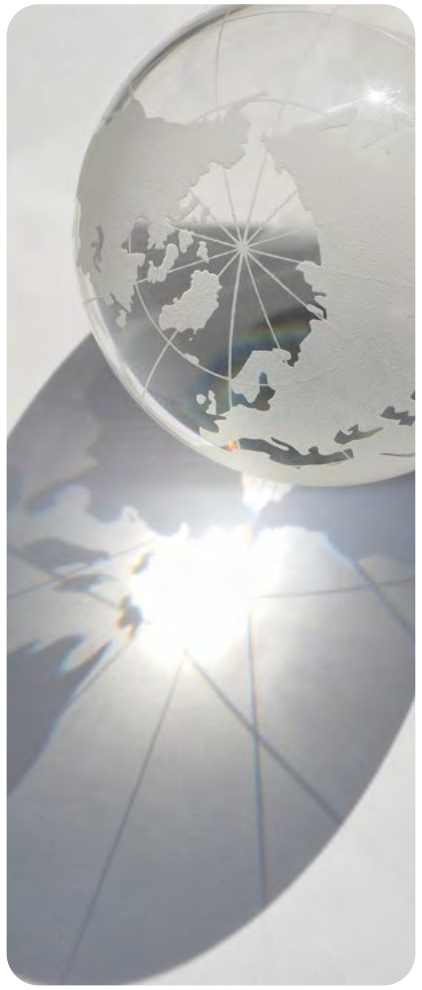
The reorganization has been envisaged through the contribution in kind of the business branch of DiaSorin related to the operating activities carried out in Italy and in the United Kingdom (i.e., industrial activities, R&D, commercial and marketing activities and those other ancillary activities in support thereof) in favor of DiaSorin Italia S.r.l. ("DiaSorin Italia"), a newly established and wholly-owned direct subsidiary of the Company.

The operation, structured as follows, has made it possible to achieve the following objectives:

- making the corporate structure consistent with the Group's organizational development and multinational profile. DiaSorin S.p.A., the listed parent company, is in charge of the definition and the development of the strategic orientation, treasury and coordination activities for the benefit of the entire Group, while the management of the operating activities currently carried out by the Company in Italy and in the United Kingdom are delegated to DiaSorin Italia;
- adopting a governance that is more aligned with the complexity and size of the Group;
- ensuring a better management of the individual geographical and business areas.

Overview of the Group's performance in 2022 and comparison with 2021

Due to the contribution described above, operating activities (industrial activities, R&D, commercial and marketing activities and those other ancillary activities in support thereof) have been carried out by DiaSorin S.p.A. up to June 30, 2022; as from that date the Company is in charge of the definition and the development of the strategic orientation, treasury and coordination activities for the benefit of the entire Group. For this reason, the income statements for the years 2022 and 2021 are not easy to compare.



The following table provides the income statement in 2022 and comparison with 2021.

(€ thousands)	2022	as a % of revenues	2021	as a % of revenues
Sales and service revenues	260,362	100.0%	583,093	100.0%
Cost of sales	(137,992)	53.0%	(304,025)	52.1%
Gross profit	**122,370**	**47.0%**	**279,068**	**47.9%**
Sales and marketing expenses	(25,175)	9.7%	(37,359)	6.4%
Research and development costs	(15,107)	5.8%	(24,066)	4.1%
General and administrative expenses	(38,216)	14.7%	(42,146)	7.2%
Total operating expenses	**(78,498)**	**30.1%**	**(103,571)**	**17.8%**
Other operating income (expenses)	5,757	-2.2%	(8,118)	1.4%
non-recurring amount	*(5,274)*	*2.0%*	*(9,867)*	*1.7%*
EBIT	**49,629**	**19.1%**	**167,379**	**28.7%**
Financial income	10,092	-3.9%	24,530	-4.2%
Financial expenses	(12,663)	4.9%	(11,512)	2.0%
Profit before taxes	**47,058**	18.1%	**180,397**	30.9%
Income taxes	(9,272)	3.6%	(41,549)	7.1%
Net profit	**37,786**	**14.5%**	**138,848**	**23.8%**
EBITDA[1]	**63,587**	**24.4%**	**191,054**	**32.8%**

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

Net revenues

In 2022, the Group's Parent Company reported net revenues of € 260,362 thousand (€ 583,093 thousand in 2022). The comparison with 2021 reflects the transfer of the operating activities to DiaSorin Italia S.p.A., on July 1, 2022, as a result of the "Hive down" described above: as from that date the Parent Company did not accrue commercial revenues. The following provides a breakdown of revenues by geographic region of destination.

BREAKDOWN OF REVENUES BY GEOGRAPHIC REGION			
(€ thousands)	**2022**	**2021**	**%Change**
Revenues from third customers - Italy	**73,876**	**157,034**	**-53.0%**
Italy	53,377	99,544	
Covid	20,499	57,490	
Revenues from third customers - International	**31,657**	**71,724**	**-55.9%**
Europe	7,947	17,305	-54.1%
Rest of the world	23,128	47,732	n.a.
Covid	582	6,687	-91.3%
Intercompany revenues	**154,828**	**354,335**	**-56.3%**
Europe	77,723	160,112	-51.5%
North America	33,560	88,995	-62.3%
Rest of the world	26,907	54,494	-50.6%
Covid	16,639	50,734	-67.2%
Total	**260,362**	**583,093**	**-55.3%**

In 2022, revenues generated in the domestic market amounted to € 73,876 thousand, of which € 20,499 thousand related to Covid.

Revenues from third customers were € 31,657 thousand, of which €582 thousand related to Covid. Most of the revenues deriving from distributors are outside the European market and amount to € 23,128 thousand.

Intercompany revenues were € 154,828 thousand.

BREAKDOWN OF REVENUES BY GEOGRAPHIC REGION		
(€ thousands)	**2022**	**2021**
Ex-COVID immunodiagnostics	82.1%	76.6%
Ex-COVID molecular diagnostics	3.3%	3.7%
Licensed Technologies	0.1%	0.0%
COVID	14.5%	19.7%
Total	**100.0%**	**100.0%**

Due to general decline in SARS COVID-19 tests, the contribution provided by ex-Covid Immunodiagnostics started to grow again, mainly on the back of tests for Latent Tuberculosis and Gastrointestinal Infections.

Operating performance

The Parent Company's gross profit totaled € 122,370 thousand (€ 279,068 thousand in 2021). The periods are not comparable due to the hive down described above. The ratio of gross profit to revenues was 47.0%, slightly down compared to 2021 (47.9%), as a result of higher costs incurred during the transfer of the activities to DiaSorin Italia S.p.A.. Operating expenses amounted to € 78,498 thousand, their ratio to total revenues was 30.1% also as a result of changes occurred in the business after the hive down.

The balance of other operating charges and income was positive by € 5,757 thousand (negative by € 8,118 thousand in 2021). In addition to non-recurring expenses amounting to € 5,274 thousand in connection with the Luminex Group integration, the amount includes income deriving from non-Corporate costs charged back to Group's companies.

EBITDA was € 63,587 thousand, with an incidence to revenues of 24.4%.

In 2022, EBIT was € 49,629 thousand, equal to 19.1% of revenues.

Financial performance

In 2022, net financial expenses were €2,571 thousand as against net financial income of €13,018 thousand in 2021.

Financial income amounted to €10,092 thousand (€24,530 thousand in 2021) and include mainly:

- dividends received by the subsidiaries amounting to € 7,373 thousand in 2022, as against € 11,934 thousand in2021;
- interest income and other financial income amounting to € 1,938 thousand (€ 1,162 thousand in 2021);
- positive translation differences for €728 thousand (€10,059 thousand in 2021).

Interest expenses and other financial charges amounted to € 12,663 thousand (€ 11,512 thousand in 2021) and refer to notional interests at amortized cost accrued on the convertible bond concluded during the Luminex acquisition.

Profit before taxes and net profit

In 2022, the Parent Company's profit before taxes amounted to €47,058 thousand (€180,397 thousand in 2021), down from 2021 as a result of the contribution of the operating activities to DiaSorin Italia S.p.A., in force from July 1, 2022.

The income tax liability amounted to € 9,272 thousand, with a 19.7% tax rate, down from 2021 (23.0%). The decrease was due to lower dividends compared to 2021.

The net profit was € 37,386 thousand (€138,848 thousand in 2021). The decrease is due to the combined effects of the elements described above.

Statement of financial position of the Group's Parent Company at December 31, 2022

The table below shows a breakdown of the financial position of the Group's Parent Company at December 31, 2022:

(€ thousands)	12/31/2022	12/31/2021
Goodwill and other Intangible Assets	8,518	121,357
Total property, plant and equipment	2,058	72,231
Equity investments	1,006,932	658,288
Other non-current assets	1,077	8,194
Net working capital	55,119	183,299
Other non-current liabilities	(4,938)	(30,298)
Net invested capital	**1,068,766**	**1,013,071**
Non-current financial receivables to Group companies	**30,976**	**42,206**
Net financial debt	**(602,123)**	**(387,285)**
Shareholders' equity	**497,619**	**667,992**

Non-current assets increased to € 1,018,585 thousand compared to December 31, 2021 (€ 860,070 thousand). The decrease in Goodwill and other intangible assets, along with property, plant and equipment is due to the transfer of these balances on July 1, 2022, offset by the recording of the equity investments in the newly established company DiaSorin Italia S.p.A. for €354 thousand.

The net working capital amounted to € 55,119 thousand and is as follows:

(€ thousands)	12/31/2022	12/31/2021	Change
Trade receivables	40,149	156,210	(116,061)
Ending inventories	-	120,130	(120,130)
Trade payables	(16,619)	(79,711)	63,092
Other current assets/liabilities [1]	31,589	(13,329)	44,918
Net working capital	**55,119**	**183,300**	**(128,181)**

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

Trade receivables were € 40,149 thousand and include receivables due to Group companies, accrued on sales of kits up to June 30, 2022, along with receivables deriving from intercompany services charged back.

Following the contribution, the entire inventories were transferred to DiaSorin Italia S.p.A..

Trade payables amounted to € 16,619 thousand and include payables to Group companies and third distributors. The decrease is due to lower business volume as a result of changes in the business model.

Other net assets were € 31,589 thousand at December 31, 2022 (net liabilities amounting to € 13,329 thousand in 2021); the change is due to the decrease in tax payments deriving from tax advances.

Other non-current liabilities were € 4,938 thousand and include provisions for employee benefits. The change is due to the contribution through which certain employees (and related provisions for employees' benefits) have been transferred to DiaSorin Italia S.p.A.. Also provisions for risks and charges were included in the scope of the contribution.

Non-current financial receivables owed to Group companies were € 30,976 thousand and refer mainly to loans granted to Group companies.

At December 31, 2022, the Parent Company's **net financial debt** was negative by **€ 602,123 thousand**. Further details are provided in the section on consolidated statement of cash flow of DiaSorin S.p.A.

The table that follows provides a breakdown of the net financial debt [*]:

	(€ thousands)	12/31/2022	12/31/2021
A	Cash on hand	16,805	146,446
B	Cash equivalents	-	-
C	Other current financial assets	13,919	6,600
D	**Cash (A+B+C)**	**30,724**	**153,046**
E	Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	(183,548)	(89,806)
F	Current portion of non-current financial debt	-	-
G	**Current financial debt (E+F)**	**(183,548)**	**(89,806)**
H	**Net current financial debt (G-D)**	**(152,824)**	**63,240**
I	Non-current financial debt (excluding the current portion and debt instruments)	(734)	(11,005)
J	Debt instruments	(448,565)	(439,520)
K	Trade payables and other non-current debts	-	-
L	**Non-current financial debt (I+J+K)**	**(449,299)**	**(450,525)**
M	**Total financial debt (H+L)**	**(602,123)**	**(387,285)**

[*] In accordance with the Consob Communication no. DEM/6064293 of 28 July 2006 the net financial position does not include non-current financial assets.

The net financial debt includes as follows:
- use of a "Revolving Credit Facility" for € 40,000 thousand
- Accrual of notional interests for € 9,045 on the Convertible bond for the Luminex acquisition.

Further details on debt instruments are provided in the explanatory Notes of the Financial Statements.

At December 31, 2022, **shareholders' equity** amounting to **€ 497,619 thousand** (€ **667,993** thousand at December 31, 2021) included no. 2,435,372 treasury shares, equal to 4,35% of the share capital, for a total of € 281,277 thousand.

The change, equal to € 161,255 thousand compared to December 31, 2021, refers to the purchase of treasury shares for € 164,958 thousand and the exercise of stock options for a total of € 3,703 thousand.

Analysis of cash flow

A complete statement of cash flow is provided in the financial statements. A schedule showing the statement of cash flow, followed by a review of the main statement items and the changes that occurred compared to 2021, is provided below:

(€ thousands)	2022	2021
Cash and cash equivalents- opening balance	**146,446**	**134,304**
Cash provided by operating activities	7,957	127,960
Cash used in investing activities	(8,438)	(562,058)
Cash provided by financing activities	(118,626)	446,240
Liquidity transferred to DiaSorin Italia S.p.A.	(10,535)	-
Net change in cash	***(129,641)***	***12,142***
Cash and cash equivalents- closing balance	**16,805**	**146,446**

At December 31, 2022, available **liquid assets** held by the Group's Parent Company decreased to **€ 16,805 thousand**, from € 146,446 thousand at December 31, 2021.

The cash flow from operating activities amounted to € 7,957 thousand, as against € 127,960 thousand in 2021. In 2022, tax payments decreased to € 54,834 thousand, from € 59,269 thousand in 2021.

Cash used in investing activities totaled € 8,438 thousand, as against € 562,058 thousand in 2021 (of which € 538,951 thousand as a result of the share capital increase in Diasorin Inc) and include mainly investments in tangible and intangible assets partly offset by dividends received from Group companies, amounting to € 7,373 thousand.

In the first half of 2022, investments in medical equipment totaled € 2,605 thousand (€ 6,454 thousand in 2021), investments in manufacturing and distribution equipment needed to support the manufacturing operations amounted to € 891 thousand (€ 2,731 thousand in 2021).

As regards financing activities, net of the contribution in kind to DiaSorin Italia S.p.A., the following should be noted:

- distribution of ordinary dividend equal to € 57,052 thousand (€ 54,709 in 2021);
- purchase and sale of treasury shares to service the stock options plans for an amount of € 159,849 thousand (purchase/sale of treasury shares equal to € 8,579 thousand in 2021);
- dividend collection from Group companies amounting to € 7,373 thousand (€ 11,934 thousand in 2022);
- use of a Revolving Credit Facility for an amount equal to € 40,000 thousand;
- increase of financial items owed to Group companies, equal to € 51,296 thousand (decrease of € 16,216 thousand in 2021).

9. Related-party transactions

DiaSorin S.p.A. engages on a regular basis in commercial and financial transactions with its subsidiaries, which are also Group companies. These transactions, which are executed on standard market terms, consist of the supply of goods and services, including administrative, information technology, personnel management, technical support and consulting services, which produce receivables and payables at the end of the year, and financing and cash management transactions, which produce income and expenses. The impact of these transactions on the single items of the statement of financial position, the income statement and the cash flow is summarized in the financial statements and detailed in Note 29 of the consolidated Financial Statements and in Note 28 of the annual Financial Statements.

Starting from July 1, 2022, DiaSorin S.p.A. no longer engages in commercial transactions with its subsidiaries as a result of the contribution in kind of the business branch related to the operating activities carried out in Italy and in the United Kingdom in favor of DiaSorin Italia S.p.A.

The "Procedure for Related-Party Transactions" for 2022 can be consulted on the company's website (www.diasorin.com).

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

Report on Operations

Report on Corporate Governance and Ownership Structure

pursuant to article 123-*bis* "TUF"
(Traditional management and control model)

Issuer: DIASORIN S.p.A.
Website: www.diasoringroup.com
Financial year to which the Report refers: 2022
Date of approval of the Report: 27 marzo 2023

GLOSSARY

"**Chief Executive Officer**" or "**CEO**": the Director to whom the Board has assigned the functions of Chief Executive Officer of the Issuer. At the date of this Report, the position of Chief Executive Officer is held by Mr. Carlo Rosa.

"**Shareholders' Meeting**": the Issuer's Shareholders' Meeting.

"**Borsa Italiana**": Borsa Italiana S.p.A.

"**Corporate Governance Code**" or "**CG Code**": the Corporate Governance Code for listed companies approved in January 2020 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, available at www.borsaitaliana.it, effective as of January 1, 2021.

"**Civil Code**" or "**c.c.**": the Italian Civil Code.

"**Board**" or "**Board of Directors**": the Issuer's Board of Directors. Information on its composition at the date of this Report is provided in Table 2B.

"**Board of Statutory Auditors**": the Issuer's Board of Statutory Auditors. At the date of this Report, it is composed of Ms. Monica Mannino (Chairman), Ms. Ottavia Alfano and Mr. Matteo Michele Sutera (Statutory Auditors)

"**CRS Committee**": the Issuer's Control, Risk and Sustainability Committee.

"**RN Committee**": The Issuer's Remuneration and Nominating Committee.

"**Documents Officer**": the Corporate Accounting Documents Officer. At the date of this Report, the position of Corporate Accounting Documents Officer is held by Mr. Piergiorgio Pedron.

"**Executives with Strategic Responsibilities**" or "**ESR**": persons identified by the Board who, pursuant to the Related Parties Regulation, have authority and responsibility for planning, directing and controlling the activities of the Issuer, either directly or indirectly. The Board identified as ESR the Senior Corporate Vice President & Chief Financial Officer and Corporate Accounting Documents Officer in the person of Mr. Piergiorgio Pedron, the Senior Corporate Vice President Human Resources in the person of Mr. Stefano Ronchi, and the Chief Executive Officer of the subsidiary DiaSorin Italia S.p.A in the person of Mr. Ugo Gay.

"**Issuer**", "**Company**" or "**Diasorin**": DiaSorin S.p.A., the securities Issuer to which the Report refers.

"**Year**": the year to which the Report refers.

"**Euronext Milan**": the market segment managed by Borsa Italiana S.p.A. on which the Issuer's shares are traded.

"**Oversight Body**" or "**OB**": the Issuer's Oversight Body appointed pursuant to Legislative Decree 231/2001.

"**Chairman**": the Chairman of the Board of Directors. At the date of this Report, the position of Chairman is held by Mr. Michele Denegri.

"**Issuers' Regulation**" or "**IR**": the Regulation issued by Consob with Resolution No. 11971 of 1999 (as amended) on issuers.

"**Consob Market Regulation**": the Regulation issued by Consob with Resolution No. 20249 of 2017 (as amended) on markets.

"**Related Parties Regulation**": the Regulation issued by Consob with Resolution No. 17221 of March 12, 2010 (as amended) on related-party transactions.

"**Report**": the Report on corporate governance and ownership structure drawn up by DiaSorin, pursuant to Article 123-*bis* of the TUF, for the reporting year.

"**ICRMS**": the Issuer's Internal Control and Risk Management System.

"**Concentrated Ownership Companies**": companies in which one or more shareholders participating in a shareholders' voting agreement hold, either directly or indirectly (through subsidiaries, trustees or third parties), the majority of the votes that can be exercised in the ordinary shareholders' meetings.

"**Large Company**": the company whose capitalization was greater than €1 billion on the last exchange business day of each of the previous three calendar years.

"**By-Laws**": the current Issuer's By-Laws, last amended on October 4, 2021.

"**Consolidated Law on Finance/TUF**": the Legislative Decree No.58 of February 24, 1998 (as amended).

"**Deputy Chairman**": the Deputy Chairman of the Board of Directors. At the date of this Report, the position of Deputy Chairman is held by Mr. Giancarlo Boschetti.

1. Profile of the Issuer

Diasorin S.p.A. was granted permission to trade on the former Italian Telematic Stock Market, organized and managed by Borsa Italiana S.p.A, Star segment, on July 19, 2007.

Subsequently, after the company entered the FTSE MIB Index (where it was listed until December 23, 2013 and then listed again on December 4, 2018, until today), the Issuer submitted a request of voluntary exclusion from the STAR segment.

The Issuer does not qualify as a SME, pursuant to art 1, paragraph 1, letter w-*quater*.1), of the TUF and to art. 2-ter of the Consob Issuers' Regulation.

Diasorin's system of Corporate Governance, as described in this Report, is consistent with the main recommendations of the Corporate Governance Code (subject to the specifications provided in this Report) to which Diasorin adheres.

Based on the provisions of the Corporate Governance Code, the Issuer qualifies as (i) a Large Company since on the last Exchange business day of 2020, 2021 and 2022 its capitalization was greater than €1 billion and (ii) a concentrated ownership company since Finde s.s., directly and indirectly through IP Investimenti e Partecipazioni S.r.l. and Finde S.p.A., holds the majority of the votes that can be exercised in the ordinary shareholders' meeting.

This Report describes the corporate governance structure, as set forth in the By-Laws in force.

Diasorin is organized in accordance with the conventional management and control model referred to in articles 2380-*bis* and following of the Civil Code. Accordingly, it includes a Shareholders' Meeting, a Board of Directors and a Board of Statutory Auditors.

Pursuant to a resolution approved by the Shareholders' Meeting on April 28, 2016, the independent auditing function has been awarded to "PricewaterhouseCoopers S.p.A.". The assignment will end upon approval of the financial statements as at December 31, 2024.

Pursuant to articles 3 and 4 of Legislative Decree 254/2016, the Issuer is required to prepare the Consolidated Non-Financial Statement, published as an annex to the Annual Financial Report, (published on the Issuer's website in the Section "Investors/Financial Corner/Financial Statements and Reports", to which reference is made for additional information), which presents the main policies applied by the company, management models and the main activities carried out by the Group in 2022 with regard to the issues expressly referred to by legislative Decree 254/16 (environmental, social and employee-related matters, respect for human rights, fight against corruption), as well as the main risks identified with those issues.

The Board of Directors, as part of the process of adjustment to the recommendations contained in the Corporate Governance Code, promotes the integration of sustainability issues within its corporate governance system and the compensation policy, in the terms described in the following Report and summarized in Section 16 "*Considerations on the letter dated January 25, 2023, from the Chairman of the Corporate Governance Committee*".

1.1 Main contents of the Report 2022

The Report, approved by the Board of Directors on March 27, provides a general description of the corporate governance system adopted by the Group, the ownership structure and quantitative and qualitative information about the activities of the Board of Directors, its Committees and System of Internal Control and Risk Management. The Report describes how the Company has concretely applied the principles of the CG Code and its cases of disapplication, and the reasons thereof on a "comply or explain" basis.

The following table reconciles paragraphs reporting the main innovations contained in the Report compared to the previous version, and profiles that are of potential interest to investors.

Highlights 2022	Reference paragraph
Compliance with the CG Code and cases of disapplication	Table 7
Shareholders' Engagement Policy	12. *Dialogue with Shareholders*
Classification of the Issuer pursuant to the Corporate Governance Code	1. *Profile of the Issuer*
Board review and relevant results	7.1 *Directors' review and succession*
Succession plans	7.1 *Directors' review and succession*
Considerations on the letter dated January 25, 2023, from the Chairman of the Corporate Governance Committee.	*16. Considerations on the letter dated January 25, 2023, from the Chairman of the Corporate Governance Committee.*

2. Information about share ownership
(pursuant to art. 123-bis, section 1, tuf) as at December 31, 2022

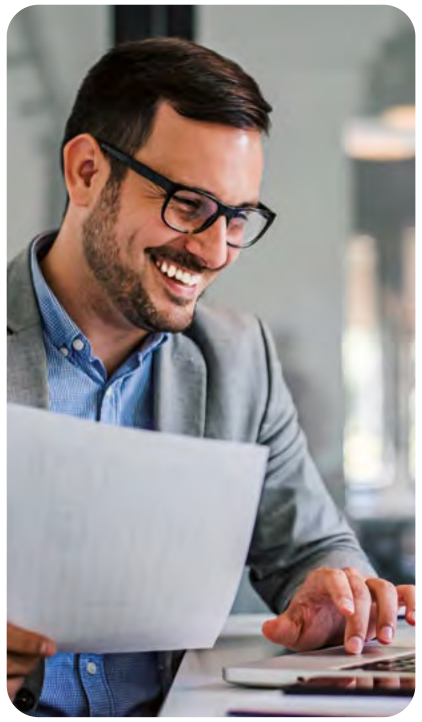
A) Share capital structure
(pursuant to art. 123-bis, section 1, letter a), TUF)

As at December 31, 2022, a breakdown of the Company's share capital of 55,948,257.00 (subscribed and fully paid-in) is as follows:

SHARE CAPITAL STRUCTURE

	Number of shares	*Number of voting rights***	*Listed*	*Rights and obligations*
Ordinary share (par value 1 € each) without increased voting rights ISIN IT0003492391	23,439,989*	23,439,989	Euronext Milan	Shareholders' rights and obligations are those provided in arts. 2346 et seq. of the Civil Code; specifically, each share gives right to one vote, without prejudice to the shares that accrued increased voting rights, pursuant to art. 9-*bis* of the By-Laws.
Ordinary share (par value 1 € each) without increased voting rights ISIN IT0005188385	32,508,268	65,016,536	Euronext Milan	Shareholders' rights and obligations are those provided in arts. 2346 et seq. of the Civil Code; the shares that have accrued increased voting rights pursuant to Article 9-bis of the By-Laws are entitled to two share votes.

* N. 2,430,372 treasury shares currently held in the Company's portfolio; the number of treasury shares was 2,437,872 at 12.31.2022.
** The amount of voting rights was equal to 88,456,525 at 12.31.2022.



Stock Option Plans

The terms of the Stock Option Plans currently in force and, namely "DiaSorin S.p.A. 2016 Stock Option Plan" ("**2016 Plan**"), "DiaSorin S.p.A. 2017 Stock Option Plan" ("**2017 Plan**"), "DiaSorin S.p.A. 2018 Stock Option Plan" ("**2018 Plan**"), "DiaSorin S.p.A. 2019 Stock Option Plan" ("**2019 Plan**"), "DiaSorin S.p.A. 2020 Stock Option Plan" ("**2020 Plan**") and "DiaSorin S.p.A. 2021 Stock Option Plan" ("**2021 Plan**") and the plan "*Equity Awards Plan*" approved by the Shareholders' Meeting on April 29, 2022 ("**Equity Plan**")are available in the Disclosure Memoranda on the Issuer's website (in Section "Governance/Remuneration/ Information Documents Incentive Plans"). Updates are reported in the Report on the remuneration policy and fees paid available on the Issuer's website in the Section "Governance/ Governance Documents/ Shareholders' Meeting /2023".

It should be noted that the Extraordinary Shareholders' Meeting held on October 4, 2021 resolved to increase the share capital in cash, against payment and in separate issues, for a maximum par value of €2,370,411, in addition to €497,629,589 by way of share premium for the convertibility of the bond issue called "€ 500 million Zero Coupon Equity Linked Bonds due 2028" to be paid up in one or more tranches by means of the issue of the Company's common shares, according to the criteria established by the relevant regulation, it being understood that the deadline for the subscription of the shares is set at May 5, 2029 and where the share capital increase had not been fully subscribed it will be in any case increased by the amount deriving from the subscriptions made by that date and effective as from the same dates, with express authorization for the directors to issue the new shares as and when they are subscribed. The authorized share capital amounts to € 58,318,668.

In 2022, a number of shareholders, including two shareholders holding a number of voting rights higher than 3% of the total amount of voting rights, accrued increased voting rights in accordance with article 9-*bis* of the By-Laws. As at December 31, 2022, no. 32,508,268 shares accrued increased voting rights (see Section 2, Lett. **d**).

Total amount of voting rights, the updated list of Shareholders registered in the Special List to benefit of increased voting rights and holding equity investment of more than 3% of the company's share capital, along with Shareholders entitled to increased voting rights (two votes for each share held) and holding a number of voting rights exceeding 3% of the total amount of voting rights pursuant to art. 85-*bis*, section 4-*bis* and 143-*quater*, section 5, of the Consob Issuers' Regulation, are published on the Company's website at www.diasoringroup.com in the Section "Governance/Ownership structure/ Increased voting rights", where further information on increased voting rights is provided.

B) Restrictions on transfer of securities (pursuant to art. 123-bis, section 1, letter b), TUF)

No restrictions on transfer of securities have been issued.

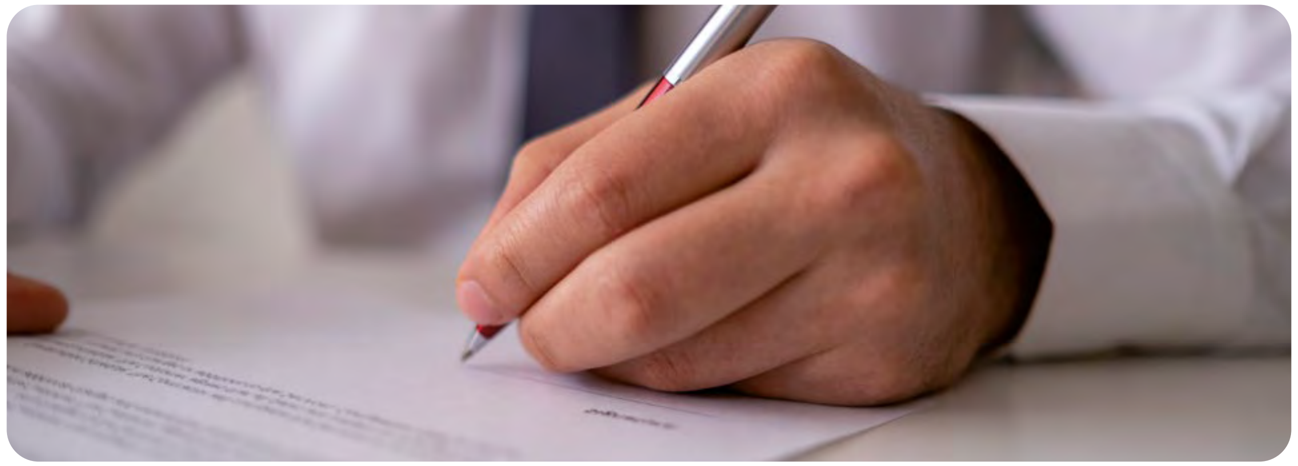
C) Significant equity interests (pursuant to art. 123-bis, section 1, letter c), TUF)

As at the date of this Report, Shareholders holding, either directly or indirectly, equity investments exceeding 3% of the share capital (and/or a number of voting rights exceeding 3% of the total amount of voting rights), through pyramid structures and cross-shareholdings, in accordance with communications made pursuant to Art. 120 of the TUF and with information available to the Company, are as follows:

SIGNIFICANT EQUITY INTEREST

Reporting party	Direct shareholders	Number of shares	% of share capital*	Number of voting rights**	% of voting rights
Finde SS	IP Investimenti e Partecipazioni S.r.l.	24,593,454	44.976	49,186,908	56.895
	Finde S.p.A.	570,000		1,140,000	
Rosa Carlo	Sarago S.r.l.	2,402,532	8.363	4,805,064	10.523
	Sarago 1 S.r.l.	2,226,682		4,453,364	
	Rosa Carlo	50,000		50,000	
Even Chen Menachem	MC S.r.l.	2,300,000	4.200	4,600,000	5.257
	Even Chen Menachem	50,000		50,000	
T. Rowe Price Associates, Inc.	T. Rowe Price Associates, Inc.	1,696,073	3.032	1,696,073	1.917

* The share capital consists of 55,948,257 shares (par value of €1.00).
** At 12.31.2022, the total amount of voting rights was 88,456,525.



D) Securities conveying special rights (pursuant to art. 123-bis, section 1, letter d), TUF)

On April 28, 2016, the Shareholders' Meeting approved amendments to the Company By-Laws, pursuant to art. 127-*quinquies* of the TUF, providing that two votes are attributed to each share that has been held by the same shareholder for a continuous period of at least twenty-four months from the date of registration in a special list (the "**Special List**"). The Shareholder may apply for the registration in the Special List at any time by the fifth trading day from the end of each calendar month and, in any case, by the trading day following the date as set forth in Article 83-*sexies*, paragraph 2 of the TUF (record date).

At December 31, 2022, shares that accrued increased voting rights amounted to 32,508,268.
The list of Shareholders who, at the date of this Report, have obtained the registration to the Special List to benefit of increased voting rights as they hold equity investments exceeding 3% of the share capital, the list of Shareholders who have an amount of voting rights exceeding 3% of the total amount of increased voting rights, and the total amount of voting rights are available on the Issuer's website (www.diasoringroup.com, Section "Governance/ Ownership structure/ increased voting rights") where additional information on increased voting rights is provided.

E) Employee stock ownership: mechanisms for the exercise of voting rights (pursuant to art. 123-bis, section 1, letter e), TUF)

No employee stock ownership plans have been issued, as defined in Article 123-*bis*, section 1, letter e), of the TUF.

F) Restrictions on voting rights (pursuant to art. 123-bis, section 1, letter f), TUF)

No restrictions of voting rights have been issued.

G) Shareholders' agreements (pursuant to art. 123-bis, section 1, letter g), TUF)

As far as the Issuer is aware, as at December 31, 2022, there were no relevant agreements among Shareholders, pursuant to Article 122 of the TUF.

H) Change of control clauses (pursuant to art. 123-bis, section 1, letter h), TUF) and statutory provisions on takeover bids (pursuant to art. 104, section 1-ter, and 104-bis, section 1, TUF)

Except for what is set forth on these clauses in the Report on the remuneration policy and fees paid, published pursuant to Article 123-*ter* of the TUF on the Issuer's website www.diasoringroup.com, Section "Governance/ Shareholders' Meeting/2023" to which reference is made, the Issuer entered into certain significant agreements for the acquisition of Luminex, whose validity is conditional upon or connected to the Company change of control.

More specifically:

- the "terms and conditions" of the equity-linked bond issue called "€500 million Zero Coupon Equity Linked Bonds due 2028", provide that during the period from the date on which the change of control ("Change of Control") occurs until the end of the sixtieth day following the change of control, or in the period commencing from the date the Company gives notification to the bondholders of a change of control until the end of the sixtieth day following the change of control (Relevant Event Period), each investor shall be granted either (i) the right to request the reimbursement of all or part of the Bonds at par value (principal amount), by exercising a put option, or (ii) the right, subsequent to any exercise of the conversion or settlement right, to convert the Bonds at a (new) conversion price temporarily modified on the basis of a specific formula, at the terms and according to the conditions of the Bond issue. A Change of Control means a change of control of the Issuer if one or more individuals (with the exception of Finde s.s. and its subsidiaries), acting in concert with others or individually, acquire control of the Company or more than 50 % of the voting rights or control on the exercise of more than 50% of the Issuer's voting rights;
- the Senior Facilities Agreement, which was signed on April 11, 2021 by DiaSorin Inc. (as borrower),the Issuer (as guarantor), the Agent Bank (i.e., Mediobanca – Banca di Credito Finanziario S.p.A.) and a pool of Lending Banks, provides that, inter alia, where any person who, acting individually or in concert with others (with the exception of Finde s.s. and its subsidiaries) acquires Control (as described below) of the Issuer: (i) the Issuer shall promptly notify the Agent Bank of the change as soon as the Issuer is informed of such event; (ii) the lending banks will no longer be obliged to finance DiaSorin Inc.; and (iii) if one of the lending banks so requires and gives notice to the Agent Bank within 20 days after the Company has notified the change of control, the Agent Bank shall cancel the commitment of that bank to finance DiaSorin Inc. and shall declare the sums due to that bank immediately due and payable together with interests.

"Control" means the right to exercise or control more than 50% of voting rights or the power to appoint the majority of the Board of the Issuer.

On 29 April 2022, the Shareholders' Meeting approved pursuant to art. 114-*bis* TUF a new incentive plan based on the assignment of rights, which grant the right to receive Issuer's financial instruments, called the "Equity Awards Plan", intended for employees other than the members of the Board of Directors and Control bodies and who do not qualify, in any case, as Executives with Strategic Responsibilities. The regulations of the Plan provide for an acceleration to accrue rights, provided that the beneficiaries of the Plan are still employed by the Issuer (or other Group companies) if, (a) a change of control takes place pursuant to Article 93 of the TUF, even if this does not result in the obligation to launch a takeover bid; (b) a public purchase offer or a public exchange offer concerning the Company's shares is launched; or (c) resolutions are passed on transactions which may result, even indirectly, in the permanent withdrawal of shares being listed on regulated markets; or (d) resolutions and/or commitments are made that make the delisting certain. Additional information is provided in the relevant information document published on the Company's website (www.diasoringroup.com, Section "Governance"/ "Remuneration"/ "Information Documents Incentive Plans").

The Issuer's By-Laws do not include exemptions to the provisions of the passivity rule envisaged by art. 104, Section 1 and 1-bis of the TUF nor do they provide for application of the neutralization rules referred to in Art. 104-bis, section 2 and 3, of the TUF.

I) Proxies for share capital increase and authorization to purchase treasury shares (pursuant to art. 123-bis, section 1, letter m), TUF)

On April 29, 2022, the Shareholders' Meeting approved a motion to authorize the purchase and disposal of ordinary shares of Diasorin S.p.A. to be allocated (i) to the holders of the equity-linked bonds issued by the Company, as an alternative to the shares resulting from the capital increase approved by the Shareholders' Meeting on 4 October 2021, in the event of exercise of the conversion right in accordance with the "terms and conditions" of the equity-linked loan and (ii) for incentive and loyalty plans adopted by the Company.

The Shareholders' Meeting resolved, among other things:

- to authorize, pursuant to and for the purposes of Article 2357 of the Civil Code, the purchase, on one or more occasions, for a period of eighteen months from the date of the resolution of the Ordinary Shareholders' Meeting, of ordinary shares of the Company up to a maximum amount of 1,500,000 ordinary shares, at a consideration not lower than a minimum of 15% and not higher than a maximum of 15% compared to the official price of the DiaSorin S.p.A. share of the stock exchange session preceding each individual purchase transaction, in compliance with the conditions relating to trading, established in Article 3 of Delegated Regulation (EU) 2016/1052;at any time the maximum number of treasury shares held for the purposes of adopting this resolution shall not exceed the maximum limit established by applicable legislation in force, also taking into account the shares of the Company that may be owned by the companies controlled by it;
- to give a mandate to the Board of Directors, and on its behalf, to the Chairman and the Chief Executive Officer, also separately, to identify the amount of shares to be purchased in relation to each purchase program, within the scope of the purposes indicated above, prior to the start of the program, and to proceed with the purchase of shares in the manner established in the applicable provisions of Consob Regulation 11971/1999 (as amended) implementing Article 132 of the TUF, in compliance with the conditions relating to the listing referred to in Article 3 of Delegated Regulation (EU) 2016/1052 and in the stages deemed appropriate in the interest of the Company, assigning the widest-ranging powers for the execution of the purchase transactions referred to in this resolution and any other formalities relating thereto, including the possible appointment of intermediaries authorized pursuant to law and with the right to appoint special attorneys-in-fact;

The Shareholders' Meeting provided, in accordance with the law, that the purchases referred to in this authorization are contained within the limits of distributable profits and available reserves resulting from the last financial statements (including interim financial statements) approved at the time of carrying out the transaction and that, on the occasion of the purchase and sale of treasury shares, the necessary accounting entries are recorded, in compliance with applicable provisions of law and accounting standards.

The Board of Directors launched the treasury share buy-back plan on May 6, 2022; as part of the plan that has not yet been completed at the date of this Report, a total of 1,250,872 ordinary shares, equal to 2.2358% of the share capital, for a total value of € 159,829,274.52.

Given the purpose of these authorizations, the transactions involving treasury shares are consistent with Article 5 of (EU) Regulation no. 596/2014 (the Market Abuse Regulation, hereinafter "**MAR**") and the procedures contemplated under Article 13 of MAR.

At December 31, 2022, Diasorin held no. 2,437,872 treasury shares, corresponding to 4.3574% of the share capital. As at the date of this Report, Diasorin holds no. 2,430,372 treasury shares, corresponding to 4.3440 % of its share capital.

All disclosure required by the applicable regulation is available in the Explanatory Report of the Board of Directors published, pursuant to law, also on the Company website (www.diasoringroup.com in the Section "Governance/Shareholders' Meeting /2023".

CAPITAL

L) Management and coordination activities (pursuant to art. 2497 et seq. Italian civil code)

Even though Article 2497-*sexies* of the Italian Civil Code states that "*unless proof to the contrary is provided, it is presumed that management and coordination authority over a company is exercised by the company or entity required to consolidate that company's financial statements or otherwise controls it, pursuant to Article 2359 of the Italian Civil Code*" neither Finde Società Semplice nor IP Investimenti e Partecipazioni S.r.l., exercise management and coordination authority over the Company. Specifically, the Issuer in its corporate and entrepreneurial endeavors operates independently of Finde s.s., its controlling company, and IP Investimenti e Partecipazioni S.r.l.

Consequently, the Issuer's relationship with Finde s.s. and IP Investimenti e Partecipazioni is limited to the normal exercise by these companies of the administrative and ownership rights inherent to their status as shareholders (such as voting at Shareholders' Meetings and collecting dividends).

***

It is specified that the information required by Article 123-*bis*, Section 1, Letter i) of the TUF on "*Agreements between the Company and its Directors, Management Board or Supervisory Board members, which envisage indemnities in the event of resignation or dismissal without just cause or if their employment relationship terminates following a take-over bid*" are illustrated in the Report on the Remuneration policy and fees paid drawn up in accordance with Article 123–ter of the TUF and available on the Company's website (www.diasoringroup.com, Section "Governance/Governance Documents/Shareholders' Meeting/2023".

Information required under Article 123-*bis*, Section 1, Letter l) of the TUF on "*Provisions applicable to the appointment and substitution of Directors, Management Board or Supervisory Board members, as well as to the amendment to the Articles of Association, if different from the legislative and regulatory provisions applicable as a supplementary measure*" are illustrated in the section of the Report dedicated to the Board of Directors (paragraph 4.2).

3. Compliance with the Corporate Governance code 2020

(pursuant to art. 123-bis, section 2, letter a), TUF)

The Corporate Governance System adopted by DiaSorin is based on the principles and recommendations expressed by the Corporate Governance Committee, which is composed of the Business Associations (ABI, ANIA, Assonime, Confindustria), Borsa Italiana S.p.A. and the Association of Professional Investors (Assogestioni), and contained in the CG Code approved in January 2020. The CG Code is available to the public on the Borsa Italiana website at **https://www.borsaitaliana.it/corporate-governance-committee/code/2020.pdf.**

During the Board of Directors meeting held on November 11, 2021, DiaSorin examined the recommendations contained in the new edition of the Corporate Governance Code that had not been previously transposed and, on December 16, 2021, the Board of Directors passed the necessary resolutions in order to comply with it. At the date of this Report, the governance structure of Diasorin complies with the provisions of the Corporate Governance Code applicable to the Company, except in cases of disapplication provided in Table 7 and explained hereunder.

It should be noted that none of the subsidiaries established in other countries is subject to non-Italian provisions of law that influence the Issuer's own corporate governance structure.

The application of the CG Code is provided in Table 7. →

4. Board of Directors

4.1. Role of the Board of Directors

(pursuant to art. 123-bis, section 2, letter d) TUF).

Powers and authorities of the Board of Directors

Pursuant to Article 15 of the By-Laws, the Board of Directors enjoys the broadest powers to manage the Issuer. In accordance with the abovementioned statutory provision and pursuant to Article 2365 of the Italian Civil Code, the Board of Directors also has jurisdiction (which may not be delegated to anyone but may be ceded to the Shareholders' Meeting) over the adoption of resolutions concerning the following:

- mergers and demergers, when permissible pursuant to law;
- the opening and closing of secondary offices;
- reductions of share capital in the event of Shareholders withdrawal;
- amendments to the By-Laws required pursuant to law;
- moving the Issuer's registered office to another location in Italy.

The Board of Directors performs a pivotal role within the corporate organization. Its task and responsibilities include setting strategic and organizational guidelines and ensuring that adequate controls to monitor the performance of the Issuer and the other companies of the Diasorin Group are in place.

As specified in the Regulation of the Board of Directors (the "**Board Regulation**") in accordance with the CG Code, the Board of Directors (i) leads the Issuer by pursuing its sustainable success (ii) defines the strategies of the Company and the Group it heads in accordance with this principle and monitors its implementation; (iii) defines the corporate governance system that is most functional for carrying out the company's business and pursuing its strategies, taking into account the flexibility offered by the legal framework. If necessary, the Board of Directors assesses and promotes the appropriate adjustments and submit them to the Shareholders' Meeting, when appropriate; (iv) promotes dialogue with shareholders and other stakeholders that are relevant for the company, in the most appropriate way; (v) performs, with the support of the internal committees, the powers and functions referred to in the CG Code and the applicable law on compensation and internal control and risk management.

More specifically, the Board of Directors:

a) reviews and approves the business plan of the Company and the Group it heads, also on the basis of matters that are relevant for the long-term value generation, carried out with the support of the CRS Committee;

b) periodically monitors the implementation of the business plan and assesses the general course of the business, by comparing the results achieved with those planned; in 2022, this assessment was carried out during the Board Meeting on March 16, 2022 and on March 27, 2023;

c) defines the nature and level of risk compatible with the company's strategic objectives, including all the elements that can be relevant for the company's sustainable success in its evaluations;

d) defines the corporate governance system of the Company and the structure of the Group it heads, and assesses the adequacy of the company's organizational, administrative and accounting structure and of its strategically relevant subsidiaries, with particular reference to the Internal Control and Risk Management System;

e) adopts internal procedures, including market abuse issues (EU Regulation no. 596/2014, so-called Market Abuse Regulation);

f) approves transactions of the company and its subsidiaries that have a significant impact on the company's strategies, profitability, assets and liabilities or financial position. In this regard, it should be noted that the Board has not established general criteria to identify transactions that have a significant impact on the company's strategies, profitability, assets and liabilities or financial position since the Board of Directors considers it more suitable to assess significant transactions on a case-by-case basis;

g) on December 16, 2021, the Board adopted a shareholder engagement policy (further information is provided in Section 14 "Investor Relations")

The Board of Directors is also responsible for the ICRMS (for which reference is made to the Section **9** below) and assesses the adequacy, efficiency and effective implementation of the system and defines the system's guidelines with the support of the members involved in the Company's ICRMS, namely the CRS Committee, the Chief Executive Officer (the "**Chief Executive Officer**" or also the "**CEO**"), pursuant to the Corporate Governance Code, the Internal Audit Officer, the Corporate Accounting Documents Officer, the Board of Statutory Auditors and the Oversight Body of the Company.

Pursuant to Article 13 of the By-Laws, on the occasion of Board meetings but not less frequently than once a quarter, the governance bodies to whom powers have been delegated inform the Board of Directors and the Board of Statutory Auditors about the performance of the Issuer and of its subsidiaries, its business outlook and transactions that have a material impact on its income statement, balance sheet and financial position, focusing on transactions in which Directors may have an interest, directly or through third parties, or which may be influenced by a party with management and coordination authority.

Pursuant to Article 15 of the By-Laws, the Board of Directors, which is required to act with the mandatory input of the Board of Statutory Auditors, has jurisdiction over the appointment and dismissal of the Corporate Accounting Documents Officer and the determination of his compensation. The Company's Corporate Accounting Documents Officer must meet the integrity requirements of the relevant statutes currently in force for those who perform administrative and management functions, as well as professional requirements that include specific expertise in administrative and accounting issues. Expertise in these areas must be verified by the Board of Directors and must be the result of work performed in a position of sufficiently high responsibility for an adequate length of time.

Pursuant to Article 17 of the By-Laws, the Board of Directors can appoint one or more General Managers and determine their powers, which may include the power to appoint representatives or grant powers of attorney for specific transactions or classes of transactions. General Managers attend the Board of Directors meetings and are entitled to make non-binding recommendations with regard to the items on the agenda.

Pursuant to Article 15 of the By-Laws and Article 3, Principle XI of the Corporate Governance Code, the Board may establish committees and determine their composition and tasks. With regard to the Committees established internally by the Issuer's Board of Directors, refer to the following Sections 7.2 (Remuneration and Nominating Committee), 9.2 (Control, Risk and Sustainability Committee) and 10.2 (Committee for Related-Party Transactions).

Pursuant to Article 12 of the By-Laws and Art. 3, Recommendation 18 of the Corporate Governance Code and the current Board Regulation, the Board of Directors may appoint a standing Secretary (the "**Secretary of the Board**"), even outside its members. In implementation of the aforementioned provisions, on April 29, 2022, the Board appointed Ulisse Spada, Corporate V.P. General Counsel, as its standing secretary.

Further information is provided in Section 4.5 below.

All members of the Board of Directors are required to make informed and independent decisions, pursuing the goal of creating sustainable success for the Issuer and undertake to devote to the diligent performance of their duties within the Issuer the time necessary, irrespective of the posts held outside the Diasorin Group, being fully aware of the responsibilities entailed by the office they hold.

During the meeting held on November 5, 2010, the Board approved the procedure to regulate related-party transactions; the updated procedure is available on the Company's website (www.diasoringroup.com, Section "Governance/Governance Documents") and detailed in Section 10.1 below.

The Issuer is required to publish information documents for significant transactions as per art. 70, paragraph 6 and art. 71, paragraph 1 of the Consob Issuers' Regulation as the Issuer did not exercise the right to waive the obligation to publish the abovementioned information documents.

The Shareholders' Meeting did not authorize general and precautionary derogations from the ban of competition set forth in article 2390 of the Italian Civil Code. No critical situation occurred on the matter.

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4.2 Appointment and replacement of Directors (pursuant to art. 123-bis, section 1, letter l), TUF)

The Issuer is managed by a Board of Directors comprised of at least 7(seven) and not more than 16 (sixteen) members. At the time of election, the Ordinary Shareholders' Meeting determines the size of the Board of Directors, within the abovementioned limits, and its term of office, which may not exceed three years. Directors may be re-elected.

The provisions of the By-Laws that govern the composition and election of the Issuer's Board of Directors have been designed to ensure compliance with provisions concerning rights of minority shareholders' rights, independence of Directors and gender balance.

In addition, the ability to serve as a Director is subject to the candidate meeting the requirements set forth in the statutory and regulatory provisions currently in force.

Regarding Regulation on gender balance, the reference regulatory framework has been recently amended under Budget Law no. 160/2019, in force since January 1, 2020, which has amended the procedure set forth in Article 147-ter, paragraph 1-ter of the TUF.[1] The Law imposed a mandatory gender quota for six board mandates and provides a mechanism whereby the quota of the less represented gender must be no less than two-fifths of the members, instead of one-third.

Pursuant to Article 144-undecies.1, paragraph 3, of the Issuers' Regulation, if the application of the gender distribution criterion does not result in a whole number of members of the Board of Directors and Board of Statutory Auditors belonging to the less represented gender, this number is rounded up to the next higher unit, with the exception of the corporate bodies made up of three members whose number is rounded down.

[1] Paragraph 1-*ter*, of Article 147-ter, of TUF, in force at the date of this Report provides, inter alia, that *"the less represented gender shall obtain at least two fifths of the appointed Directors. This criterion shall apply for six consecutive mandates".*

In this regard, it should be noted that the Shareholders' Meeting held on April 22, 2021 has amended, among other things, Article 11 of the By-Laws relating to the composition (in terms of gender balance) of the slates which present a number of candidates equal to or greater than three, in order to eliminate the previous one-third quota and provide for a reference to the contents of the notice convening the Shareholders' Meeting to comply with the current law in force on gender balance

The abovementioned new rules have been applied during the Shareholders' Meeting held on April 29, 2022, which was convened to approve the renewal of the Board of Directors coming to the end of their terms of office with the approval of the financial statements at December 31, 2021.

This paragraph describes the procedures for the election of the Board of Directors in compliance with the current provisions of the By-Laws. Article 11 of the By-Laws requires that the Board of Directors be elected, in compliance with applicable gender balance laws and regulation, by a voting system based on slates of candidates filed by shareholders who, individually or in concert with others, represent the percentage of share capital subscribed at the date the slate is filed, which is laid down and published by Consob under the Issuers' Regulation. As duly established by Art. 144- *septies*, paragraph 1, of the Consob Issuers' Regulation, under the Management Decision no. 76 of 30 January 2023 of the Head of the Corporate Governance Division, shareholders owning a shareholding equal to 1% of the share capital are entitled to present the slates of nominees to allocate the Directors to be elected.

Each shareholder, shareholders who are parties to a shareholders' agreement that qualifies as such pursuant to Article 122 of the TUF, as well as the Company's controlling party, its subsidiaries and joint ventures that qualify as such pursuant to Article 93 of the TUF may not file or participate in the filing, directly or through a third party or a nominee, of more than one slate and may not vote for multiple slates. Each candidate can be included in only one slate, on penalty of losing the right to be elected. Votes cast in violation of this provision will not be allocated to any slate.

Notwithstanding additional statutory disclosure and filing requirements, including those set forth in regulation currently in force, slates filed by Shareholders, duly signed by the filers, must be deposited at the Company's registered office, where they must be available to anyone upon request, at least 25 (twenty-five) days prior to the date of the first calling of the Shareholders' Meeting. The slates must be accompanied by the following documents: (i) information identifying the shareholders who are filing the slates and showing the total percentage of interest held; (ii) affidavits by which the individual candidates accept their nomination and attest, under their responsibility, that there are no issues that would make them incompatible or unelectable and that they meet the requirements of their respective offices; (iii) a curriculum vitae setting forth the personal and professional qualifications of each candidate and indicating whether a candidate qualifies as an independent Director. In addition, a special attestation issued by an intermediary qualified, pursuant to law, certifying the ownership, when the slate of candidates is being filed with the Company, of the number of shares needed to qualify for filing the slate must be filed with the Company within the deadline required by the rules applicable to the publication of slates of candidates by the Company.

Slates filed with a number equal to or with more than 3 candidates shall be composed of candidates belonging to both genders, as indicated in the notice convening the Shareholders' Meeting in accordance with the provisions currently in force on gender balance.

Slates filed in a manner that does not comply with the foregoing provisions shall be treated as if they were never filed.

The election of the Board Directors shall be carried out as follows:

(a) all except one of the Directors that need to be elected shall be taken from the slate that received the highest number of votes, in the consecutive order in which they are listed on the slate;
(b) the remaining Director is taken from a minority slate that is not connected in any way, directly or indirectly, with the parties who filed or voted for the slate referred to in paragraph (a) above and received the second highest number of votes cast by the shareholders, selecting for election the first candidate listed in the slate's numerical sequence. However, should the minority slate referred to in paragraph (b) above fail to receive a percentage of the votes equal at least to half the required percentage for filing a slate, as stated above, all of the Directors that need to be elected will be taken from the slate that received the highest number of votes referred to in paragraph (a) above.

Directors who meet the independence requirements that apply to Statutory Auditors pursuant to Article 148, Section 3, of the TUF to achieve the minimum statutory percentage of the total number of elected Directors, the non-independent candidate elected last in the sequence listed in the slate that received the highest number of votes, as referred to in paragraph (a) above, shall be replaced with the first non-elected independent candidate who is listed next sequentially in the same slate or, alternatively, by the first non-elected candidate listed sequentially on other slates, based on the number of votes received by each slate. This replacement procedure shall be applied repeatedly until the Board of Directors includes a number of Directors who meet the requirements of Article 148, Section 3, of the TUF equal to at least the statutory minimum. As a further alternative, the replacement candidates may be elected by means of a resolution approved with a relative majority, provided candidates have been placed in nomination in accordance with statutory requirements.

If, upon conclusion of voting, the composition of the Board of Directors does not satisfy the gender balance enjoined by applicable laws and regulation, the nominee of the most highly represented gender who was the last to be elected in the sequential order of the slate that received the highest number of votes shall be replaced by the first candidate of the least represented gender who was not elected on the same slate, in the sequential order of that slate. The elected nominees shall be replaced according to the same procedure until the composition of the Board of Directors complies with applicable laws and Regulation in force on gender balance. If this procedure does not guarantee the final result indicated hereinabove, the Shareholders' Meeting shall make the necessary changes by resolution with the statutory majority of votes, upon submission of candidates belonging to the gender less represented.

If only one slate is filed or if no slate is filed, the Shareholder's Meeting shall approve its resolution with the majorities required by law without being required to comply with the procedure described above, in compliance with the laws currently in force on gender balance.

Lastly, pursuant to Article 11 of the By-Laws, if one or more Directors cease to be in office during the course of the year, provided the majority of Board members are still Directors elected by the Shareholders' Meeting, they shall be replaced in the manner described below, in accordance with the provisions of Article 2386 of the Italian Civil Code: (i) the Board of Directors appoints as replacements candidates taken from the same slate to which the Directors no longer in office belonged and the Shareholders' Meeting votes with the majorities required pursuant to law and in accordance with the principle described above; (ii) should there be no unelected candidates or eligible candidates left in the abovementioned slate or if the provisions of paragraph (i) above cannot be complied with for any reason, the Board of Directors and the Shareholders' Meeting elect replacements with the majorities required pursuant to law, without using a slate voting system.

In all cases, the Board of Directors and the Shareholders' Meeting shall carry out the election in a manner that will result in (i) the election of a total number of independent Directors equal to at least the minimum number required by the relevant statute provisionally in force and (ii) in compliance with the laws currently in force on gender balance.

If the majority of the Directors elected by the Shareholders' Meeting ceases to be in office, the entire Board of Directors shall be deemed to have resigned and a Shareholders' Meeting must be convened promptly by the Directors still in office to elect a new Board.

Additional information about the procedures for the election of the Board of Directors is provided in Article 11 of the By-Laws and in Section 7 below. →

4.3. Composition (pursuant to art. 123-bis, section 2, letter d) and d-bis), TUF)

Composition of the Board until April 29,2022

The Board of Directors appointed by the ordinary Shareholders' Meeting on April 24, 2019 was in office until April 29, 2022 when the Shareholders' Meeting was called to approve the financial statements at December 31, 2021. The Board was composed of executives and non-executives Directors, all having appropriate responsibilities and skills for the duties assigned. The presence of 13 non-executive directors, including 8 independent directors, out of 15 members was sufficient to ensure that their opinion has a significant impact on the Board resolutions and that such resolutions were properly managed.

The Board of Directors was appointed on the basis of two slates. The first slate had been filed by IP Investimenti e Partecipazioni S.r.l. (jointly with Finde S.p.A), which certified its ownership of an equity interest equal to about 44.98% of the Company's common shares. The second slate had been filed as minority list by a number of asset management companies representing their funds, which certified their ownership of an overall equity interest equal to 1,012% of the Company's common shares.

Pursuant to the Company By-Laws, all except one of the Directors that needed to be elected were taken from the slate that received the highest number of votes, in this case from the slate filed by the reference shareholder IP Investimenti e Partecipazioni S.r.l. (with favorable votes amounting to 82.890% of the voting capital), in the consecutive order in which they were listed on the slates. The remaining Director was taken from the slate filed by the aforementioned asset management companies (with favorable votes amounting to 16.989% of the voting capital), selecting for election the first and only candidate in the list[2].

[2] On April 2, 2019, Roberto Rettani - the first candidate on the slate for the appointment of the Board of Directors- announced he withdrew from his application and its acceptance for personal reasons. As a result of the communication by Mr. Rettani, the slate was considered as consisting of a single candidate, in the person of Ms. Elisa Corghi.

The Board of Directors in office until April 29, 2022, was composed of 15 members, as detailed in the table below:

First and last name	Place and date of birth	Post held	Date of appointment
Gustavo Denegri	Turin, March 17, 1937	Chairman and Non-Executive Director	April 24, 2019
Michele Denegri	Turin, January 7, 1969	Deputy Chairman and Non-Executive Director	April 24, 2019
Carlo Rosa	Turin, January 15, 1966	Chief Executive Officer and Executive Director	April 24, 2019
Chen Menachem Even	Ashkelon (Israel), March 18, 1963	Executive Director	April 24, 2019
Giancarlo Boschetti	Turin, 14 November 1939	Non-executive Director	April 24, 2019
Luca Melindo	Turin, November 11, 1970	Non-executive Director	April 24, 2019
Stefano Altara	Turin, June 4, 1967	Non-executive Director	April 24, 2019
Giuseppe Alessandria	Novello Monchiero (CN), May 15, 1942	Independent Director	April 24, 2019
Franco Moscetti	Tarquinia (VT), October 9, 1951	Independent Director	April 24, 2019
Roberta Somati	Rivoli (TO), January 9, 1969	Independent Director	April 24, 2019
Francesca Pasinelli	Gardone Val Trompia (BS), March 23, 1960	Independent Director	April 24, 2019
Monica Tardivo	Turin, April 19, 1970	Independent Director	April 24, 2019
Tullia Todros	Turin, June 18, 1948	Independent Director	April 24, 2019
Fiorella Altruda	Turin, August 12, 1952	Independent Director	April 24, 2019
Elisa Corghi	Mantova, August 11, 1972	Independent Director	April 24, 2019

The table that follows summarizes personal and professional characteristics of each Director in office until the Shareholders' Meeting held on April 29, 2022 Additional information is provided in the Directors' professional curricula at the Issuer's registered office and available at the Issuer's website at **www.diasoringroup.com**, Section "Governance/Governance Documents/ Shareholders' Meeting/2019" as part of the application forms and relevant documents.

First and last name	Post held	Background	Professional characteristics
Gustavo Denegri	Chairman and Non-Executive Director	Economic-management education	General Management
Michele Denegri	Deputy Chairman and Non-Executive Director	Economic-management education	General Management
Carlo Rosa	Chief Executive Officer and Executive Director	Economic-management and scientific education	General Management (formerly Research and Development director)
Chen Menachem Even	Executive Director	Economic-management and scientific education	Strategic Director of commercial operations at international level
Stefano Altara	Non-executive Director	Law education	Legal and Corporate Affairs Advisor
Fiorella Altruda	Independent Director	Scientific education	Research and Development Advisor
Giuseppe Alessandria	Independent Director	Economic-management education	Management Advisor
Giancarlo Boschetti	Non-executive Director	Economic-management education	General Management
Elisa Corghi	Independent Director	Economic-management education	General Management, financial analysis, governance
Luca Melindo	Non-executive Director	Economic-management education	Financial Advisor
Franco Moscetti	Independent Director	Economic-management education	Management Advisor
Francesca Pasinelli	Independent Director	Scientific-management education	Management Advisor
Roberta Somati	Independent Director	Scientific education	Management Advisor
Monica Tardivo	Independent Director	Law education	Legal Advisor
Tullia Todros	Independent Director	Scientific education	Research and Development Advisor

For further information on the structure of the Board of Directors and Committees in office until April 29, 2022 see Tables 2A and 3A annexed to this Report.

Composition of the Board appointed on April 29, 2022

The Board of Directors appointed by the Shareholders' Meeting on April 29, 2022 is of executives and non-executives Directors, all having appropriate responsibilities and skills for the duties assigned.

The presence of (13) non-executive directors, including (7) independent directors, out of 15 members is sufficient to ensure that their opinion has a significant impact on the Board resolutions and that such resolutions are properly managed.

The Board of Directors was appointed on the basis of single slate filed by IP Investimenti e Partecipazioni S.r.l. (jointly with Finde S.p.A), which certified its ownership of an equity interest equal to about 43.957% of the Company's ordinary shares. Submission of the slate took into account the recommendations provided by the outgoing Board concerning (i) limits to the number of posts held as director or statutory auditor in other companies (ii) the guidelines about managerial and professional figures and skills whose presence is deemed to be appropriate- taking into account also diversity criteria such as gender, age, skills, also international- described in the Explanatory Report of Directors on the appointment of the Board of Directors, made available on the company's website.

These guidelines have been formulated by the outgoing Board, taking into account the indications of the RN Committee expressed on the meeting held on March 7, 2022, following the annual review process of the Board of Directors, with the aim of ensuring a mix of expertise, experience and skills among the members of the Board to be appointed for the 2022-2024 term of office.

Pursuant to the Company By-Laws, directors to be elected were taken from the single slate submitted, in this case from the slate filed by the reference shareholder IP Investimenti e Partecipazioni S.r.l. (with favorable votes amounting to 98,342% of the voting capital).

The Board of Directors appointed from the Shareholders' Meeting on April 29, 2022, is comprised of the following 15 members:

First and last name	Place and date of birth	Post held	Date of appointment
Michele Denegri	Turin, January 7, 1969	Chairman and Non-Executive Director	April 29, 2022
Giancarlo Boschetti	Turin, 14 November 1939	Deputy Chairman and Non-Executive Director	April 29, 2022
Carlo Rosa	Turin, January 15, 1966	Chief Executive Officer and Executive Director	April 29, 2022
Chen Menachem Even	Ashkelon (Israel), March 18, 1963	Executive Director	April 29, 2022
André Michel Ballester	Orleansville (Algeria), May 22, 1958	Non-executive Director	April 29, 2022
Stefano Altara	Turin, June 4, 1967	Non-executive Director	April 29, 2022
Fiorella Altruda	Turin, August 12, 1952	Independent Director	April 29, 2022
Luca Melindo	Turin, November 11, 1970	Non-executive Director	April 29, 2022
Franco Moscetti	Tarquinia (VT), October 9, 1951	Non-executive Director	April 29, 2022
Francesca Pasinelli	Gardone Val Trompia (BS), March 23, 1960	Independent Director	April 29, 2022
Giovanna Pacchiana Parravicini	Turin, 10 November 1969	Independent Director	April 29, 2022
Diego Pistone	Nizza Monferrato (AT), November 28, 1950	Non-executive Director	April 29, 2022
Roberta Somati	Rivoli (TO), January 9, 1969	Independent Director	April 29, 2022
Monica Tardivo	Turin, April 19, 1970	Independent Director	April 29, 2022
Tullia Todros	Turin, June 18, 1948	Independent Director	April 29, 2022

The table that follows summarizes personal and professional characteristics of each Director in office as at the year-end date and as at the date of this Report. Additional information is provided in the Directors' professional curricula at the Issuer's registered office and available at the Issuer's website at www.diasoringroup.com, Section "Governance/ Governance Documents/ Shareholders' Meeting/2022" as part of the application forms and relevant documents.

First and last name	Post held	Background	Professional characteristics
Michele Denegri	Deputy Chairman and Non-Executive Director	Economic-management education	General Management
Giancarlo Boschetti	Non-executive Director	Economic-management education	General Management
Carlo Rosa	Chief Executive Officer and Executive Director	Economic-management education Scientific education	General Management (formerly Research and Development director)
Chen Menachem Even	Executive Director	Economic-management education Scientific education	Strategic Director of commercial operations at international level
André Michel Ballester	Non-executive Director	Economic-management education Scientific education	General Management (previous executive roles in the biomedical industry)
Stefano Altara	Non-executive Director	Law education	Legal and Corporate Affairs Advisor
Fiorella Altruda	Independent Director	Scientific education	Research and Development Advisor
Luca Melindo	Non-executive Director	Economic-management education	Financial Advisor
Franco Moscetti	Independent Director	Economic-management education	Management Advisor
Francesca Pasinelli	Independent Director	Scientific-management education	Management Advisor
Giovanna Pacchiana Parravicini	Independent Director	Law education	Legal and labour law advisor
Diego Pistone	Non-executive Director	Economic-management education	General Management
Roberta Somati	Independent Director	Scientific education	Management Advisor
Monica Tardivo	Independent Director	Law education	Legal Advisor
Tullia Todros	Independent Director	Scientific education	Research and Development Advisor

For further information on the structure of the Board of Directors and Committees see Tables 2B and 3B annexed to this Report.

Diversity policies

In the meeting held on November 11, 2021, the Board of Directors resolved to implement Art. 2, principle VII, Recommendation 8 of the Corporate Governance Code providing that the diversity criteria for the composition of the Board of Directors to be identified (i) in general terms within the Board Regulation and (ii) when the Board of Directors is called to approve the guidelines on the composition of the new Board.

In the meeting held on March 16, 2022, the Board of Directors, upon proposal of the RN Committee and taking into account the evaluation outcomes, defined the guidance as to managerial and professional profiles whose presence is considered necessary within the Board, considering also the limits on the number of posts held in other companies (for which further details are provided in the paragraph below) and diversity criteria such as gender, managerial, professional and international skills and age group within the composition of the Board itself.

In this respect, the Board provided the following guidelines about the appointment of the Board of Directors by the Shareholders' Meeting called to approve the financial statements at December 31, 2021 during the Shareholders' Meeting held on April 29, 2022. Such guidelines are disclosed in the explanatory report prepared pursuant to art. 125-ter of TUF:

- taking into account the Company size and business, it is considered appropriate that the number of Directors does not exceed the current number of 15 (fifteen) Directors;
- at least one third of the Directors must meet the independence requirements, pursuant to art. 148, paragraph 3 of TUF and of the Code;
- in compliance with regulations on gender balance, at least two fifths of Directors must belong to the less represented gender (rounded up to the next higher unit);
- as regards diversity policy (art. 123-*bis*, letter d-*bis* of the TUF) and in order to facilitate the understanding of the organization of the Company and its activities, as well as the development of an efficient governance of the Company, without prejudice to the legal requirement regarding gender balance, it is appropriate that: (a) the Board is characterized by the age diversity of its members; and (b) the educational and professional career of Directors guarantees a balanced combination of profiles and experiences, suitable to ensure the correct performance of its functions;
- it is deemed necessary that each candidate complies with limits on the number of posts held, as director and statutory auditor (further details are provided in the paragraph below), in other companies in order to ensure sufficient time for the correct performance of his duty;
- with regard to the balance between executive and non-executive members, the presence of a chief executive officer with broad management powers and who has acquired specific experience and expertise in the Company is positively evaluated.

During the meeting held on April 29, 2022 for the last renewal of corporate bodies, the Company complied with regulation on gender balance in the composition of corporate bodies. The reference regulatory framework has been recently amended under Budget Law no. 160/2019, in force since January 1, 2020, which has amended the procedure set forth in Article 147-*ter*, paragraph 1-*ter* of the TUF.

The Board of Directors in office (as at the year-end date and as at the date of this Report) is composed of 9 men and 6 women.

With the exception of Mr. Chen Even - Executive Director and Chief Commercial Officer – of Israeli origin and Mr. André Michel Ballester - Independent Director- of French origin, the Board's members are Italian.

The Board of Directors is composed of members belonging to different age groups: 53% of Directors belong to the 51-60 age group, 20% of Directors belong to the 61-70 age group, 20% of Directors belong to the 71- 80 age group, and 7% of Directors belong to the 81-90 age group.

Professional experience and background of the Board members can be grouped into three macro areas: economics and management, science and law. In detail, 33.33% of members have a background in economics and management, 26.66% of members have a background in science, 20% of members have both a background in economics and science and 20% of members have a background in a law. Most of them gained significant experience abroad, especially in the United States.

Skills and professional experience of the Board members are provided in the professional curricula available at the Issuer's registered office and at the Issuer's website at www.diasoringroup.com, Section "Governance/ Shareholders' Meeting /2022", as part of the application forms and relevant documents.

Diversity criteria have been made available to the public in the Explanatory report, prepared pursuant to art. 125-*ter* TUF and in compliance with art. 84-*ter* of the Issuers' Regulation, prior to the appointment of the current Board of Directors, as resolved by the Shareholders' Meeting held on April 29, 2022.

Limits on the number of posts held in other companies

With regard to the posts held by DiaSorin Directors in management and supervisory bodies of other companies, during the meeting held on December 16, 2021, the Board of Directors adopted its own Regulation (i.e. the Board Regulation) which identifies limits on the number of posts held as Director and Statutory Auditor in other companies listed in regulated markets (including abroad), in finance, banking and insurance companies or companies of significant size ("**Limits on the number of Posts**").

For the purposes of the Limits on the number of Posts covered by the aforementioned Board Regulation, relevant companies are defined as (a) companies with shares listed on regulated markets in Italy or abroad; (b) Italian or foreign companies other than the companies referred to in lett. *(a)* above, and operating in insurance, banking, securities brokerage, asset management or financial sectors; *(c)* Italian or foreign companies other than the companies referred to in lett. (a) and (b) above, which individually or jointly at group level, if they prepare the consolidated financial statements have net revenues exceeding € 200 million.

Executive Directors are not allowed to take up a post as executive directors in other relevant companies other than the Issuer and the maximum number of posts as non-executive director in other relevant companies other than the Issuer cannot exceed 4 posts. For non-executive directors the maximum number of posts as directors and statutory auditors in other relevant companies other than the Issuer cannot exceed 6 posts.

In the computation of the posts held, the following is not taken into account:

- posts held in companies that are directly or indirectly controlled by the Issuer, as well as in parent companies;
- posts held in holding companies where directors of the Issuer hold the majority of the voting rights that can be exercised in Shareholders' Meetings;
- posts held in companies or entities whose sole purpose is the management of private interests of the Issuer's director or of the spouse not legally separated, person bound in civil partnership or de facto cohabitation, relative or similar within the fourth degree and who do not require any type of daily management by the director himself;
- posts as alternate auditors and posts as directors and statutory auditors held in tertiary sector bodies are not taken into account (e.g., foundations, including bank foundations, associations, voluntary organization) including consortium companies, companies set up as consortia and cooperative firms that are not listed and posts held as professional in professional organizations.

All members of the Board of Directors are also required to inform the Board of any new appointments to Boards of Directors or Boards of Statutory Auditors in other companies, in order to allow the Company to comply with the relevant statutory and regulatory disclosure requirements.

In duly performing their tasks, Directors accept the post taking into account the Limits on the number of Posts, the commitment related to each role also in the light of the nature and the size of the companies in which such positions are held, as well as of whether they belong to the Issuer's Group or have as company purpose merely the management of private interests of the director, without any daily management being requested by the director.

As to the Board of Directors expired on April 29, 2022, on March 16, 2022 the Board verified that the posts held at other companies complied with the Limits set. Directors appointed by the Shareholders' Meeting on April 29, 2022 issued an affidavit on their compliance with Limits on the posts held.

The current composition of the Board complies with the abovementioned Limits that have been verified on the meeting held on March 27, 2023.

The list of posts held by Directors at other companies is provided in the Tables 5A and 5B annexed to this Report. →

Induction program.
In line with the provisions of the Corporate Governance Code providing that each Director carries out his role in an efficient and informed manner, the Chairman and the Chief Executive Officer ensure that Directors and Statutory Auditors are kept constantly abreast of changes in the Company's operating climate and market environment, as well as in the major legislative and regulatory requirements concerning the Issuer and its Group.

Directors were also invited to participate in the Investor Day organized by the Issuer on December 17, 2021, where updates were provided on DiaSorin business initiatives and strategies.

Furthermore, an induction session has been held on July 8, 2022. The session lasted nine hours and was dedicated to new directors. The session was divided into eleven modules dedicated to the most relevant business issues, corporate governance, Internal Control and Risk Management System of the Issuer, in order to provide proper information to directors and ensure that the Board meetings are more constructive.

In addition, in 2022, matters defined by art. 3, Recommendation 12, let d) of the Corporate Governance Code (i.e., in-depth understanding of the Issuer's business, company dynamics and their evolutions also in relation to the company's sustainable success, principles of sound risks management, and laws and self-regulatory framework) have been regularly discussed at the CRS Committee's meetings and submitted to the Board of Directors' meetings.

The Company management has also been in constant contact with corporate bodies for the appropriate flows of information and/or updates on issues of interest.

The Issuer undertakes, in any case, to plan structured training programs when it is deemed necessary or when requested by directors and statutory auditors.

4.4. Functioning of the Board of Directors
(pursuant to art. 123- bis, section 2, letter d), TUF).

Pursuant to Article 13 of the By-Laws, the Board of Directors meets at the Company's registered office, or elsewhere, whenever the Chairman deems it necessary or when a meeting is requested by the Chief Executive Officer (if one has been appointed) or by at least three Directors, without prejudice to the right of other parties to call a Board meeting pursuant to law. If the Chairman is absent or incapacitated, Board meetings are called by the person who replaces him pursuant to Article 12 of the By-Laws (i.e., the Deputy Chairman or the oldest Director, in that order).

Meetings of the Board of Directors are validly convened when a majority of the Directors in office is in attendance and resolutions are adopted with a majority of the votes cast by the Directors attending the meeting. In the event of a tie, the Chairman has the tie-breaking vote (Article 14 of the By-Laws).

In order to avoid or manage potential conflict of interest, Executives with Strategic Responsibilities that are also members of the Board of Directors (namely Mr. Carlo Rosa and Mr. Chen Menachem Even) abstain from voting on the resolutions concerning their compensation.

In compliance with the CG Code, in the meeting held on December 16, 2021, the Board approved the Board Regulation which governs, among other things, the procedure to convene the meeting, timely flow of information and procedures for board meetings. More specifically, the Board is convened by the Chairman who plays a connecting role between executive and non-executive Directors, taking care of the effective functioning of the Board's work. The Chairman convenes the Board, defines the items on the agenda in agreement with the Chief Executive Officer and forwards the items on the agenda to Directors, to Statutory Auditors, at least three days before the date set for the meeting, with the exception of urgent cases, in which twenty-four hours' notice is required. The Board Regulation provides that any documentation relating to the items on the agenda will be made available to those concerned at least three working days before the meeting, with the exception of urgent cases or confidentiality needs.

Where it is not possible to provide the information in the aforementioned terms, the timing and scope of the flows of information will not be compromised and adequate and timely insights will be provided during the meeting.

The Chairman ensures that items on the agenda are properly discussed, promoting debate that is useful for the contribution that may arise for the purposes of the decisions to be taken. To this end, the Chairman may request that directors and managers of corporate functions of the Issuer or of the group and, where necessary, consultants may attend the meeting in order to provide appropriate supplemental information on items on the agenda.

In 2022, directors of the Issuer, managers of corporate functions and consultants attended the meeting in order to support board proceedings and provide appropriate supplemental information on items on the agenda. The Documents Officer attends meetings relating to the financial statements.

So that the greatest number of Directors can participate in the corporate activities, pursuant to art. 14 of the By-Laws, it is possible to take part in the meetings by attending at distance, using audiovisual connection systems that ensure promptness and opportunities for attending the meeting, without prejudice to the fact that attendee can be correctly identified by the Chairman.

Pursuant to the Board Regulation, resolutions are to be recorded in minutes signed by both the Chairman and the Secretary of the meeting; as a rule, drafts of the minutes are previously made available to the participants with an invitation to submit comments during the next useful meeting, where they will be brought for approval. Part of the minutes, concerning resolutions adopted that require immediate execution, may be subject to certification or extract by the Chairman and the Secretary of the Board of Directors, even before the whole minutes, which will include any intervention, have been fully checked.

Pursuant to Article 3, Recommendation 18 of the CG Code, the Regulation defines professional requirements and duties of the Secretary of the Board (see Section 4.5 below).

In 2022, the Board had 6 meetings on March 16, 2022, April 29, 2022, May 6, 2022, August 3, 2022, October 27, 2022, and December 1, 2022. The meetings lasted 2 hours on average. Information on the meeting attendance by each director is provided in Tables 2A and 2B annexed to this Report.

In 2023, in addition to the meeting held on March 27, 2023, 3 Board meetings are scheduled for the current year, as provided in the Calendar of Corporate Events published on December 1, 2022 and available on the Issuer's website www.diasoringroup.com, Section "*Media/Press Releases*".

All the required pre-meeting information on the resolutions in agenda have been properly sent in a timely manner, with a notice period of at least three days before the relevant Shareholders' Meeting; in any case, where the pre-meeting information had not been provided to the Board of Directors, the Chairman ensured that in-depth analyses were carried out at the Board meetings in a correct and timely manner.

The Board of Directors' meetings were attended by the Chief Financial Officer, the Documents Officer, the General Counsel who attends the meeting as Secretary, and the Company's directors qualified to provide in-depth analysis on subjects and/or special projects in the agenda.

For information on the participation of each Administrator in the meetings held during the Financial Year, please refer to Tables 2A and 2B annexed to this Report

4.5. Role of the Chairman of the Board of Directors

Chairman of the Board of Directors.
Until April 29, 2022, the post of Chairman was held by Mr. Gustavo Denegri, who had been appointed by the Shareholders' Meeting on April 24, 2019 with the same post held during the previous term of office of the Board.

The Chairman has been granted the powers referred to in Article 1 and 2 of the Corporate Governance Code of listed companies approved in July 2018 by the Corporate Governance Committee in force at that time. The Chairman did not receive managerial powers and he does not play a specific role in the formulation of organizational strategies.

On April 29, 2022, the Shareholders' Meeting called to appoint the new Board of Directors, appointed Mr. Michele Denegri as Chairman, whom are granted the functions provided by art. 12 of the By-Laws. The Chairman has been granted the functions indicated in the Principle X and in the Recommendation no. 12 of the CG Code.

The Chairman plays a connecting role between executive and non-executive Directors, taking care of the effective functioning of the Board's work. The Chairman convenes and chairs the meetings of the Board of Directors, sets the agenda of the Board's meetings after consultation with the Chief Executive Officer, plans and coordinates its activities and ensures that sufficient information about the items on the Agenda is provided to all Directors and Statutory Auditors.

The Chairman, as well as being the legal representative under By-Laws before third parties and in court, has been granted any other powers by the Board of Directors.

CHAIRMAN
BOARD OF DIRECTORS

In compliance with the provisions of the Corporate Governance Code, the Chairman of the Board of Directors, with the support of the Secretary, ensures that:

a) the pre-meeting documents are completed and provided in a timely manner and the pre-meeting documents and complementary information provided during the meetings are suitable to allow directors to act in an informed manner in performing their role;

b) the activity of the board committees with investigating, consulting and advisory functions is coordinated with the activity of the Board of Directors;

c) in agreement with the Chief Executive Officer, the managers of the company and managers of Group companies, who are competent on the issues concerned, participate in the board meetings to provide appropriate insights on items on the agenda, even upon request of single Directors;

d) all the members of the Board of Directors and Board of Statutory Auditors can take part, after the appointment and during their office, in initiatives aimed at providing them with adequate knowledge of the industry in which the Company operates, of company dynamics and their evolution, also in relation to the Company's sustainable success, as well as of principles of sound risks management and relevant laws and self-regulatory framework, with the support of the lead independent director (see section 4.3 above);

e) the review process of the Board of Directors is adequate and transparent, with the support of the Remuneration and Nominating Committee.

The Chairman works with the CEO in relation to the Shareholder engagement. Policy on the shareholder engagement has been approved on December 16, 2021, and published on the Issuer's website (*www.diasoringroup.com*, Section Governance / "Governance Documents" / "Corporate Procedures").

MEETING

Deputy Chairman of the Board of Directors.
Until April 29, 2022, the post of Deputy Chairman of the Board of Directors was held by Mr. Michele Denegri, who had the same functions as the Chairman to be exercised in his absence or impediment.

The Board of Directors, by a resolution dated April 29, 2022, appointed Mr. Giancarlo Boschetti as Deputy Chairman of the Board of Directors, with the same functions as the Chairman to be exercised in his absence or impediment and deputy powers compared to those granted to the Chief Executive Officer to be exercised exclusively in case of his inability, absence or impediment, even temporary, of any kind.

DEPUTY CHAIRMAN BOARD OF DIRECTORS

Secretary of the Board.
Pursuant to Article 12 of the By-Laws and of the Board Regulation, the Board of Directors may appoint a standing Secretary, also external to the Committee. Appointment and annulment of the Secretary is proposed by the Chairman. The Secretary must be a party with adequate professional requirements and experience in the legal and corporate field, with particular reference to corporate governance and corporate secretarial activities of listed companies.

In the event of his impediment or absence, his duties are entrusted to another person designated from time to time by the Chairman and approved by the Board of Directors of the individual meetings.

The Secretary of the Board supports the activity of the Chairman and assists him in the organization of meetings, in the transmission of pre-meeting information and, in general, in flows of information and in minutes of the meetings. The Secretary of the Board provides impartial advice and assistance to the Board of Directors on all aspects relevant to the proper functioning of the corporate governance system.

On December 21, 2020 the Board, after having verified that professional and experience requirements are met, appointed Mr. Ulisse Spada, Manager of the Corporate Legal Affairs Department, as its standing Secretary. Mr. Spada has been confirmed as Secretary for the new term of office during the meeting held on April 29, 2022. In 2022, the Secretary carried out all the functions described above.

SECRETARY OF THE BOARD

4.6 Executive Directors

CHIEF EXECUTIVE OFFICER

Chief Executive Officer.
By resolution dated April 29, 2022, Diasorin's Board of Directors appointed Mr. Carlo Rosa to the post of Chief Executive Officer granting him the power to handle all ordinary and extraordinary business transactions over which the Board of Directors has jurisdiction, with the exception of those that are expressly reserved to the Board of Directors pursuant to law, the By-Laws and the abovementioned resolution, confirming the same offices and functions granted during the previous term of office of the Board. Mr. Carlo Rosa, appointed as General Manager by the Board on April 28, 2006, continued to hold his post with special functions in operating management concerning industrial, commercial and financial areas.

The following powers, by resolution dated April 29, 2022, are reserved to the Board of Directors and may not be delegated:

- approval and change of industrial plan and the annual budget;
- purchase of equity investments, subscription of capital increase in third-party companies for a consideration exceeding € 20,000,000;
- transfer and sale of the Company's equity investments to third parties for a consideration exceeding € 20,000,000;
- purchase, sale and lease of company and business branch for a consideration exceeding € 20,000,000;
- sale/purchase, transfer, in-kind contributions and, in general, any other disposal of intangible assets for a consideration exceeding € 5,000,000;
- investments in instruments for a total amount exceeding € 10,000,000.00 for each transaction;
- assumption of loans, credit lines and bank advances, discount of promissory notes and overdraft facilities for an amount exceeding € 25,000,00.00 for each transaction, excluding credit lines for sureties and except for factoring contracts, which are covered by the delegated powers without amount limitations;
- grant of mortgages, pledges and liens on Company assets for an amount exceeding € 5,000,000.00 for each transaction;
- grant of sureties with third parties for an amount exceeding € 25,000,000.00;
- recruitment and dismissal of directors with level equal or above Corporate Vice President.

At all meetings or at least every three months, the Chief Executive Officer reports to the Board on activities in exercise of delegate powers.

Mr. Carlo Rosa, Chief Executive Officer and General Manager, is the main administrator in charge of the company management (Chief Executive Officer). Mr. Carlo Rosa does not serve as Director at other Issuers.

Finally, the Chief Executive Officer with the support of the Chief Financial Officer leads and manages relations with shareholders, institutional investors, asset managers, analysts and proxy advisors, pursuant to the Shareholder Engagement policy adopted by the Board on December 16, 2021 in compliance with art. 1, Recommendation 1, letter a) of the Corporate Governance Code.

Information on the role of the Chief Executive Officer in connection with Shareholders Engagement is provided in the Shareholder Engagement policy published on the Issuer's website (www.diasoringroup.com, Section "Governance"/"Governance Documents"/"Corporate Procedures").

Executive Committee (pursuant to Art. 123-bis, Section 2, Letter d), TUF).
Pursuant to Article 15 of the By-Laws, the Board of Directors may select some of its members to staff an Executive Committee, to which it may delegate some of its powers, except for those that the law reserves expressly to the Board of Directors, determining the Committee's composition, powers and rules of operation. As at the date of this Report, the Issuer's Board of Directors has not appointed an Executive Committee.

EXECUTIVE **COMMITTEE**

Report to the Board of Directors
In 2022, at all meetings of the Board of Directors and at least every three months, the Chief Executive Officer has reported to the Board of Directors on activities performed in exercise of delegate powers.

REPORT TO THE BOARD OF DIRECTORS

OTHER EXECUTIVE **DIRECTORS**

Other Executive Directors
The only executive director different from the Chief Executive Officer is the Chief Commercial Officer. Mr. Chen Menachem Even serves as Senior Corporate Vice President Commercial Operations (apart from being a Strategic Director).

4.7. Independent Directors

As to the minimum number of Independent Directors, the Board of Directors is composed of 7 independent directors out of 15 members - in compliance with Art. 2, Recommendation 5 of the Corporate Governance Code, according to which in large Concentrated Ownership Companies at least one third of the members of the Board of Directors shall be independent.

The slate-voting system required by Article 11 of the By-Laws is designed to ensure the election of a minimum number of Directors that meet the independence requirements set forth on the joint basis of Article 147-*ter*, Section 4 and Article 148, Section 3 of the TUF.

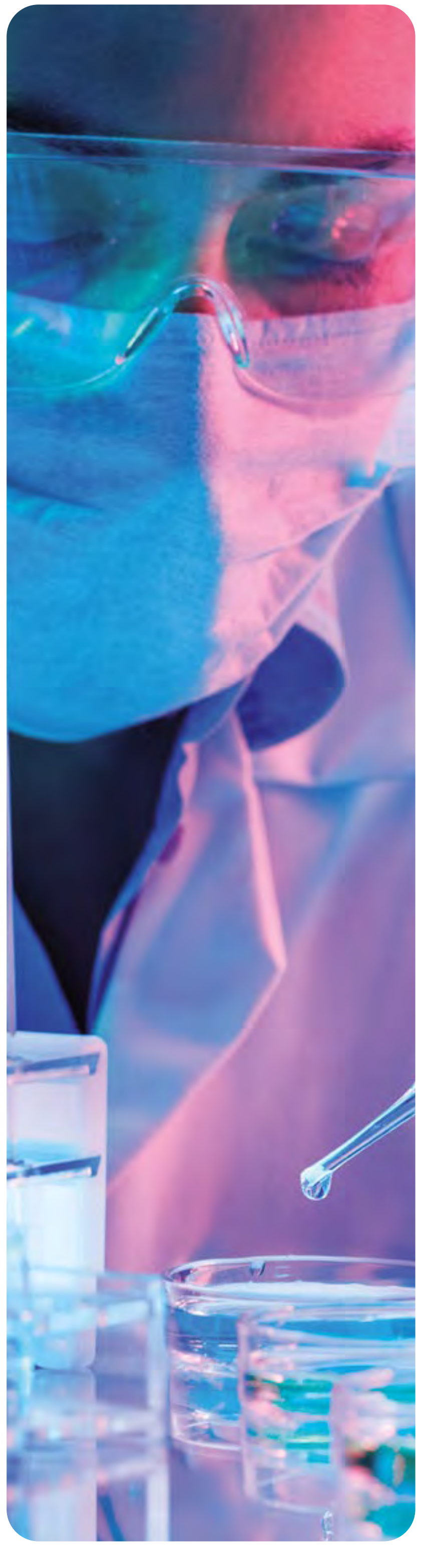
At the meeting held on April 29, 2022, the Board of Directors ascertained that the independent Directors currently in office met the independence requirements. The results of such assessment were disclosed to the market on the same date by press release available on the company website www.diasoringroup.com, Section "Media/Press Releases/2022", pursuant to Art. 144-novies, section 1-bis, of the Consob Issuers Regulation.

Subsequently, the Board of Directors assessed the independence requirements during the Board meeting held on March 27, 2023, for the approval of the financial statements.

The Company applied all criteria of the Corporate Governance Code to verify and assess the independence requirements, except as indicated below.

The Board of Directors, in relation to Director Somati, has in fact assessed as appropriate the non-application of art. 2, Recommendation 7, lett. e) of the Corporate Governance Code –which provides that director who has served on the board for more than nine years, even if not consecutive, of the last twelve years cannot be considered as independent- considering that the party indicated above have maintained the independence of judgment in performing her role and it is appropriate, in the Company's interest, to continue to make use of the high professionalism and experience of the aforementioned Directors by focusing on her key role within the Company and confirming her independence requirements.

The Issuer's Board of Directors in office (at the year-end date and at the date of this Report) appointed on April 29, 2022 includes seven (7) Independent Directors out of 15 members: Fiorella Altruda, Andrè Michel Ballester, Giovanna Pacchiana Parravicini, Roberta Somati, Francesca Pasinelli, Monica Tardivo and Tullia Todros. The number and authoritativeness of the Independent Directors is sufficient to ensure that their opinion has a significant impact on the decision-making process of the Issuer's Board of Directors. Independent Directors contribute specific professional expertise to Board meetings and help the Board adopt resolutions that are in the Company's interest.



INDEPENDENT **DIRECTORS**

The Independent Directors met on March 7, 2022 and, in 2023, on March 3, 2023; during the aforementioned meetings Independent Directors assessed that the independent requirements were still met as confirmed when accepting the post of Director and as last confirmed in the regular check carried out in January 2023. Independent Directors assessed also various matters regarded as being proper to the functioning of the Board of Directors and the Company's management. The aforementioned meetings took place upon request from the Lead Independent Director, in a separate and dedicated session and in the absence of the other directors, pursuant to Article 2, Recommendation 5 of the Corporate Governance Code.

The Board of Statutory Auditors verified the correct use of the criteria and procedures adopted by the Board to assess the independence of its members.

The Board of Directors in the meeting held on November 11, 2021, decided not to define ex-ante (and therefore not to apply the relevant provision of art. 2, Recommendation 7 of the Corporate Governance Code) the quantitative and qualitative criteria for assessing the significance (i) of commercial, financial or professional relationships and (ii) additional compensation, that are relevant for assessing the independence of its members. The Company decided not to define ex-ante fixed and predetermined quantitative and qualitative criteria in order to give prevalence to substance over form and assess the individual situation on a case-by-case basis, taking into account the relevant circumstances of the particular case. The adjustment would not have had a concrete application impact, since there are no significant commercial, financial and professional relationships between the Issuer, Company's subsidiaries and/or parent companies and independent directors. Furthermore, independent directors do not receive an additional remuneration other than the fixed remuneration for the post held within the board and for the membership in the committees.

LEAD INDIPENDENT **DIRECTOR**

Lead Independent Director

Until April 29, 2022, Mr. Giuseppe Alessandria operated as Lead Independent Director. He had been appointed by the Board of Directors during the meeting held on April 24, 2019.

The Board of Directors of April 29, 2022 appointed Mr. André Michel Ballester as Lead Independent Director.

Serving in this capacity, the Lead Independent Director provides a reference point for and coordinates issues relevant specifically to non-executive Directors and Independent Directors and, pursuant to Art. 3, Recommendation 14, let. b) of the Corporate Governance Code, he coordinates the meeting of Independent Directors only.

The appointment of the Lead Independent Director was one of the requisites for companies listed in the STAR segment on Borsa Italiana. This post was kept also after the Company submitted a request of voluntary exclusion from the STAR segment (thereby annulling the requisite mentioned above).

In 2022, the Lead Independent Director convened the annual meeting (on March 3, 2023) of Independent Directors to verify that the independence requirements were still met.

5. Treatment of insider information

Insofar as the issues related to the treatment of insider information are concerned, the Issuer's Board of Directors has adopted the initiatives and/or procedures summarized below, which are designed to monitor access to and circulation of insider information prior to their disclosure to the public and ensure compliance with statutory and regulatory confidentiality requirements.

On July 3, 2016, the Market Abuse Regulation "MAR" - containing "Regulatory technical standards" and ESMA (European Securities and Markets Authority) "Implementing technical standards" approved by the European Commission and reflecting the new rules and regulations on Market Abuse within the European Union - came into force. The Company has, thus, adopted new procedures – approved by the Board of Directors on August 4, 2016 and updated in 2019 - to replace the existing procedures. The Company updated the "Procedure for the Internal Management of Relevant Information and Inside Information and Public Disclosure of Inside Information" and the " Procedure to manage the Register of persons having access to Relevant Information and Inside Information" in 2020.

PROCEDURE

Procedure for the Internal Management of Relevant Information and Inside Information and Public Disclosure of Inside Information.
In 2016, the Board of Directors adopted a new "Procedure for the internal management and public disclosure of inside information" (now named "Procedure for the Internal Management of Relevant Information and Inside Information and Public Disclosure of Inside Information", see below), pursuant to art. 17 of MAR and the related implementing rules and regulations of the European Commission, in force as of July 3, 2016.

The Procedure was amended by the Board on December 21, 2020 in order to set up, pursuant to the recommendations of CONSOB Guidelines, a register of persons having access to relevant information, the so-called "Relevant Information List" with the aim of tracking the stages before the disclosure of inside information, by identifying and monitoring those types of information that the Issuer deems to be relevant such as data, events, projects or circumstances which may -at a future day- become inside information.

The Procedure, as amended, contains instructions relating to both the internal management and the external disclosure of inside information (as defined by art. 7 of MAR) regarding the Issuer and the Group companies; the internal procedure is aimed at ensuring compliance with the current laws and regulations on the subject and guaranteeing maximum secrecy and confidentiality in handling Relevant Information and Inside Information; the Procedure, in particular, is aimed at ensuring greater transparency towards the market and appropriate preventive measures against market abuse.

Public disclosure of Inside Information shall occur through a press release prepared by the Investor Relations Function; prior to its external disclosure, the text of the press release shall be submitted for final approval to the Chief Executive Officer or, in case of his absence or impediment, to the Chairman of the Board of Directors and, if deemed appropriate or necessary, to the Board of Directors, subject to the prior attestation by the Corporate Accounting Documents Officer when the text contains accounting information, pursuant to and for the effects of article 154-*bis* of the TUF.

The Procedure currently in force is available on the Issuer's website (www.diasoringroup.com, Section "Governance/ Governance Documents/Corporate Procedures").

Procedure to manage the Register of persons having access to Relevant Information and Inside Information
In 2016, pursuant to art. 18 of MAR and the related implementing rules and regulations of the European Commission, in force as of July 3, 2016, issuers and persons acting in their name or on their behalf are required to establish, manage and update a register listing the persons who have access to inside information. The Company has, thus, adopted a new "Procedure to manage the Register of persons having access to Inside Information".

Following the adoption of the "Relevant Information List", the Procedure was amended by the Board of Directors on December 21, 2020 in order to set up a register of persons having access to Relevant Information.

The Procedure currently in force is available on the Issuer's website (www.diasoringroup.com, Section "Governance/ Governance Documents").

Procedure to comply with Internal Dealing requirements
In 2016, the Board adopted a new "Procedure to comply with Internal Dealing requirements", pursuant to art. 19 of MAR and the related implementing rules and regulations of the European Commission, in force as of July 3, 2016.

The Board of Directors updated the Procedure on March 14, 2019, to adopt the Consob's amendments to the Issuers' Regulation by resolution no. 19925 of 22 March 2017 and take account of amendments to TUF introduced by Legislative Decree no. 107/2018.

Pursuant to the Procedure, the Head currently in force of the Corporate Legal Affairs (Corporate Counsel and Corporate Affairs Department) of the Company performs the functions of Designated Officer. Currently Mr. Ulisse Spada serves as Designated Officer.

The Procedure currently in force is available on the Issuer's website (www.diasoringroup.com, Section "Governance/ Governance Documents/Corporate Procedures").

6. Board of Directors' internal committees
(pursuant to art. 123-Bis, section 2, letter d), tuf)

The Board of Directors elected on April 29, 2022, appointed internally the following Committees:

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

The composition of the Committees was determined taking into account the skills and experience of their components.

Functions, tasks, resources and activities are described in the Paragraphs below.

7. Review and succession of Directors -remuneration and nominating Committee

7.1 Review and succession of Directors

Review of the Board of Directors and its Committees

Although DiaSorin qualifies as Large Company and Company with Concentrated Ownership – and pursuant to art. 4, Recommendation no. 22 the board's review can be conducted on a three-year basis - the Company decided to continue to carry it out on an annual basis in order to periodically assess the effectiveness of its activity and the contribution of its Committees.

In 2022, in view of the renewal of corporate bodies during the Shareholders' Meeting called to approve the financial statements at December 31, 2021 - the Board carried out a review process on the size, composition and functioning of the Board and its committees. On March 16, 2022 the Board approved, upon proposal of the RN Committee and taking into account the review outcomes, the guidelines of the outgoing Board about managerial and professional figures whose presence is deemed to be appropriate within the future Company's Board, also in relation to the Limits on the number of Posts and the diversity policy in the composition of the Board of Directors and, thus, diversity criteria such as gender, managerial and professional, also international, skills, and age.

Since the Issuer qualifies as a Concentrated Ownership Company, and therefore is not subject to the Recommendation 23 of the GC Code, the guidelines of the outgoing Board have been included in the explanatory report prepared pursuant to art. 125-*ter* of the TUF concerning the appointment of the Board of Directors by the Shareholders' Meeting called to approve the financial statements at December 31, 2021. Shareholders filing a slate took into account the guidelines expressed by the outgoing Board and complied with the related recommendations.

In 2023, the Board renewed its review process on size, composition and functioning of the Board and its Committees.

The RN Committee assisted the Board and the Chairman of the Board in ensuring that the Board's evaluation process is adequate and transparent and, more generally, supported the Board in the review activities, by supervising the preparation of the questionnaire (also through prior examination and sharing the questionnaire in the RN Committee meeting held on January 25, 2023) and by examining the findings received in order to support the Board in setting forth guidelines on qualitative-quantitative composition deemed to be optimal.

In the review process the Board took into account, among other things, the recommendations contained in the annual letter of the Chairman of the Corporate Governance Committee.

The process involved all the directors and was performed through a questionnaire filled out anonymously, broken down into different areas of investigation and with the possibility of providing comments and proposals, including the following items:

(i) size, composition and functioning of the Board of Directors, also with reference to diversity profiles;

(ii) size, composition and functioning of the Board's Committees;

(iii) communication between the Board of Directors and Top Management - Induction Program;

(iv) Corporate Governance and Risks Management;

(v) Number and role of Independent Directors.

The outcomes of the review carried out at the beginning of 2023 (relating to 2022) were provided in the meeting held on March 27, 2023. More specifically, this review confirmed a general satisfaction with the Board of Directors' and Committees' functioning and activities, as already highlighted in the previous years.

The review, which presented a high level of satisfaction, highlighted some areas of improvement, namely (a) the number of Directors is considered to be too high;(b) the adequacy of the number of meetings vis-à-vis the number and type of matters on the agenda; (c) the adequacy of information provided to ensure proper understanding of significant transactions;(d) the method for succession of executive directors;(e) the adequacy of the Board of Directors' role to define strategies consistent with the aim of achieving sustainable success;(f) the role of the Board in monitoring the operating performance and (g) promoting dialogue with shareholders and stakeholders.

Succession plans of Executive Directors

In accordance with Article 4, Recommendation 24 of the Corporate Governance Code, the Board of Directors, during the meeting held on December 20, 2018, approved a proposal concerning the Chief Executive Officer's succession plan, following the appropriate assessments made by the RN Committee in its area of competence. According to this proposal, if the Board of Directors does not identify a candidate within the DiaSorin Group, powers will be conferred to the Chairman, for this purpose. The Chairman, with the necessary operating powers to address and coordinate the company management and with support, if necessary, of a Top executives committee, shall implement and manage the process to select candidates outside the DiaSorin Group.

The Board of Directors at the meeting held on December 16, 2021, approved a similar proposal concerning the remaining Executive Directors' succession plan, following the appropriate assessments made by the RN Committee in its area of competence. This procedure provided for granting (i) a proxy to the Chief Executive Officer for the interim management of the matters for which the Chief Executive Officer is responsible;(ii) a proxy to the Chief Executive Officer to be exercised along with the Chairman for the identification of a successor by making use of an internal pipeline or, alternatively, by starting a selection process outside the Group. In the event the above powers are exercised, it will be necessary to promptly inform the RN Committee and maintain adequate information flows on the selection process.

7.2 Remuneration and nominating Committee

The Issuer's Board of Directors currently in office, consistent with the provisions of the Corporate Governance Code, established an internal Remuneration and Nominating Committee, consisting of non-executive Directors, the majority of its members being independent Directors, including the Chairman who performs the functions set forth in art. 4 of the Corporate Governance Code on issues related to nominations and in art. 5 of the Corporate Governance Code on issues related to compensation, in compliance with principles and criteria required by the provisions of the Code.

Functions of the RN Committee have been formalized on December 16,2021 in the new " *Regulation of the Remuneration and Nominating Committee"* (the "**RN Committee Regulation**") subsequently approved by the Board of Directors that grants to the Committee consulting and advisory functions provided for by the CG Code with regard to nomination and compensation.

Functions of the Remuneration Committee

- assisting the Board in the formulation of the compensation policy;
- submitting proposals or expressing opinions on compensation of executive directors and of all other directors who perform special tasks and setting performance objectives associated with the variable component of such compensation;
- monitoring the concrete application of the remuneration policy and verifying, more specifically, the actual achievement of performance objectives;
- periodically assessing the appropriateness and overall coherence of the general compensation policy of directors and top management.

Pursuant to art. 5, Recommendation 26 of the Corporate Governance Code, Directors shall not participate in the RN Committee meetings where proposals are submitted to the Board concerning their remuneration.

Functions of the Nominating Committee

Assisting the Board in the following:

- assessing the Board of Directors and its committees;
- defining the optimal composition of the Board of Directors and of its committees;
- identifying candidates for the office of directors to be coopted;
- assisting the outgoing Board of Directors in the submission of slates of candidates, so as to ensure a transparent composition and presentation;
- preparing, updating and implementing any succession plan for the Chief Executive Officer and other executive directors.

Composition and functioning of the Remuneration and Nominating Committee (pursuant to art. 123-*bis*, Section 2, Letter d), TUF).

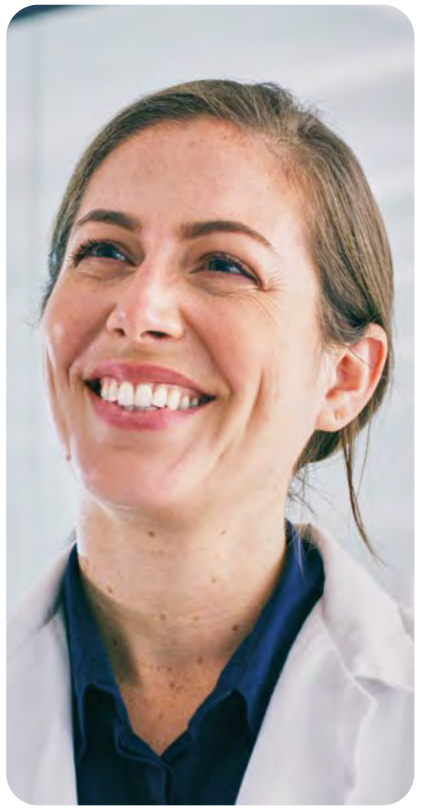
Committees in office until April 29, 2022

By a resolution dated April 24, 2019, the Board of Directors merged the functions of the Compensation Committee and the Nominating Committee into a single "Remuneration and Nominating Committee", composed of the following Directors: Giuseppe Alessandria (Independent Director) who serves also as Chairman, Elisa Corghi (Independent Director) and Michele Denegri (Non-Executive Director). Pursuant to Article 5, Recommendation 26 of the Corporate Governance Code, all members of the RN Committee in office until April 29, 2022, had proper knowledge and expertise in finance or compensation policies, as assessed by the Board of Directors at the time of their appointment.

Committee appointed on April 29, 2022

On April 29, 2022, the Board appointed as members of the RN Committee the following directors: Roberta Somati (Independent Director) who serves also as Chairman, Giovanna Pacchiana Parravicini (Independent Director) and Giancarlo Boschetti (Non-Executive Director). Pursuant to Article 5, Recommendation 26 of the Corporate Governance Code, all members of the RN Committee have proper knowledge and expertise in finance or compensation policies, as assessed by the Board of Directors at the time of their appointment.

In 2022, the RN Committee met on January 21, 2022, March 7, 2022, April 7, 2022, May 4, 2022, June 23, 2022, July 21, 2022 and December 5, 2022. During the meeting, the Committee:



- examined the questionnaire for Board review and provided recommendations on defining and accounting for variable remuneration;
- approved the draft of the Report on remuneration and fees paid in 2021;
- expressed proposals for changes in remuneration and for the assignment of monetary benefits;
- examined the proposal to adopt the incentive plan named "Equity Awards Plan", which is based on the allocation of financial instruments of the Issuer in favor of key employees of the Group;
- developed the guidelines on the composition of the new Board;
- verified that the slates filed for the renewal of corporate bodies comply with regulatory requirements and the recommendations provided in the guidelines;
- formulated proposals for the remuneration of the Chairman and the Deputy Chairman for the office relating to the financial years 2022-2024;
- examined the proposal to update the remuneration benchmark of certain Executives with Strategic Responsibilities, formulating, where deemed appropriate, proposals for the adjustment of the remuneration packages.

Further details are provided in Section I and Section II of the Report on the Remuneration policy and fees paid, published pursuant to Article 123-*ter* of TUF on the Company's website www.diasoringroup.com, Section "Governance/ Shareholders' Meetings /2023".

In 2022, the RN Committee meetings were attended by members of the Board of Statutory Auditors and, upon invitation of the Chairman, some corporate directors qualified to attend the meeting.

In addition to the meetings already held, at the date of this Report, no further meetings are scheduled for 2023.

The frequency, the average length, the attendance at the Remuneration and Nominating Committee meetings are listed in Tables 3A and 3B annexed to this Report, to which reference is made.

As described above, the Board met on December 16, 2021 and approved the RN Committee Regulation which provides, among other things, that:

- the Chairman convenes the RN Committee at least three days before the date set for the meeting, except in cases of urgency for which twelve hours' notice is required;
- documents are made available at least two days before the meeting, except in cases of urgency;
- the Board of Statutory Auditors is entitled to attend the RN Committee meetings;
- the RN Committee appoints a Secretary, also external to the Committee, who is entrusted with the task of recording the meetings;
- the Chairman of the RN Committee may invite to individual meetings the Chairman of the Board of Directors, the Chief Executive Officer, other directors and individual executives qualified to attend the meeting, as well as other parties whose contribution is deemed to be useful.

In performing its functions, the RN Committee has free access to the company's areas and information considered important for fulfilling its duties and can make use of external consultants, subject to authorization by the Board of Directors.

Although the RN Committee can make use of external consultants within the limits of a budget approved by the Board of Directors on a reasoned proposal of the Committee, in 2022 the Committee was not provided with financial resources ex-ante as it uses the Issuer's resources and company structures to discharge its duties.

8. Remuneration of Directors

Information about (i) the Company policy for the remuneration of Directors and Executives with Strategic Responsibilities and (ii) fees paid in 2022 is provided in Section I and Section II of the Report on the Remuneration policy and fees paid published pursuant to Art. 123-*ter* of the TUF on the Company's website: www.diasoringroup.com, Section "Governance /Shareholders' meeting /2023", to which reference is made.

9. Internal control and risk management system - Control, Risk and Sustainability Committee

With regard to the ICRMS, The Board of Directors is responsible for defining the guidelines of the ICRMS, which is a set of processes designed to monitor the efficiency of the Company's operations, the reliability of all information (including financial information), the degree of compliance with laws and regulations and the level of protection of the Company's assets.

On December 19, 2012, the Board of Directors adopted the guidelines of the ICRMS (the "**Guidelines**"), last amended on August 3, 2022 to comply with the CG Code, identifying the main risks connected to the Company's activity. The Board of Directors is responsible for (i) properly identifying, adequately measuring, monitoring, managing and assessing the risks in which the Company may incur, in accordance with the goal of protecting the corporate assets and consistent with the principles of sound management, including all the main risks that can have a major adverse impact on the Issuer's long-term sustainability and (ii) verifying on a regular basis (at least once a year) that the ICRMS is adequate, effective and functions correctly.

Pursuant to art. 2086 of the Italian civil code and art. 3 of Legislative Decree 14/2019 (the so-called Business crisis and Insolvency Code), the Board is also responsible for the implementation of adequate organizational structures also in view of the timely detection of the company crisis, and related measures in order to take action in a timely manner to overcome the crisis.

The document is composed of a first section dedicated to the members involved in the System and defines the Guidelines adopted by the Issuer's Board of Directors.

The ICRMS of the Issuer involves, each for its own part, the following corporate bodies:

- The Board of Directors has the function of directing and evaluating the adequacy of the ICRMS identifying, inter alia, within the Committee a (i) Control, Risk and Sustainability Committee that assists the Board of Directors comprised of non-executive Directors, the majority of whom is Independent, with a proper preliminary investigation and (ii) one or more Directors in charge of establishing and preserving an efficient ICRMS (i.e. the Chief Executive Officer, pursuant to the Corporate Governance Code);

- The Officer of the Internal Audit function, who is appointed by the Board of Directors upon proposal of the Chief Executive Officer, with the assent of the CRS Committee, has the function to verify the adequacy and efficiency of the ICRMS;
- The Board of Statutory Auditors has the function to verify the efficiency of the ICRMS;
- The Corporate Accounting Document Officer, pursuant to the art. 154-*bis* TUF;
- The Oversight Body established pursuant Legislative Decree 231/2001.

With regard to the Guidelines, the Organizational and Management Model adopted by the Diasorin Group pursuant to Legislative Decree No. 231/2001 is taken into account.

As far as the company's financial statements are concerned, the ICRMS applied to the financial reporting process adopted by the Diasorin Group was developed using as a reference model the COSO Report[3], according to which the ICRMS, in the most general terms, can be defined as "a *process, effected by the Board of Directors, management and other personnel for the purpose of providing reasonable assurance regarding the achievement of objectives in the following categories:*

(i) design and effectiveness of operations;
(ii) reliability of financial reporting;
(iii) compliance with applicable laws and Regulation".

Insofar as the financial reporting process is concerned, the corresponding objectives are the truthfulness, accuracy, reliability and timeliness of the financial reporting.

The Group, in defining its ICRMS for the financial reporting process, complied with the guidelines provided in this area in the following reference laws and regulations:

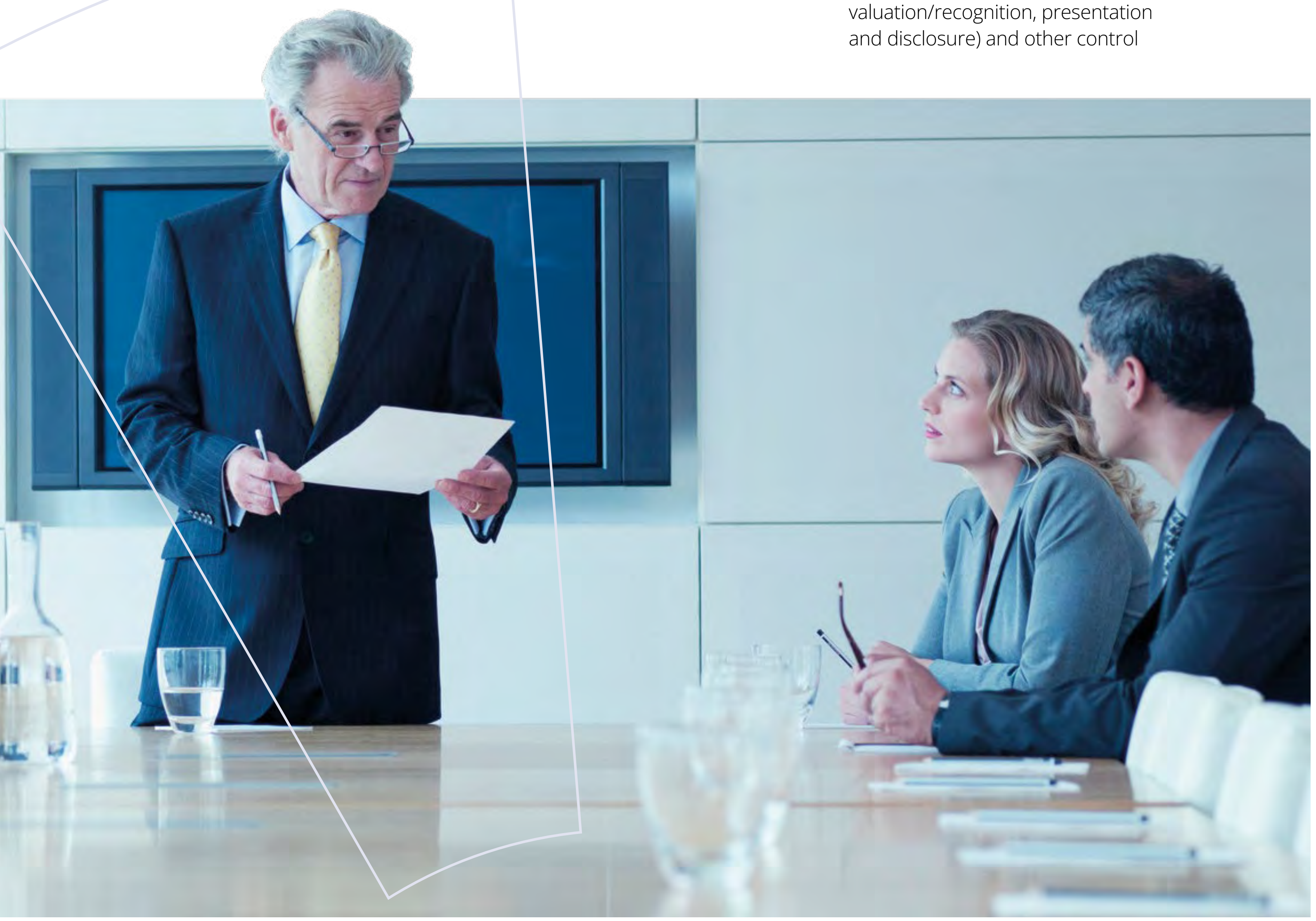
- Legislative Decree No. 58 of February 24, 1998 (TUF), as amended, specifically with regard to the provisions concerning the "*Certification of the Statutory and Consolidated Annual Financial Statements and Semiannual Report by the Corporate Accounting Documents Officer and the Delegated Governance Bodies pursuant to Article 154-bis of the TUF*";

[3] COSO Model developed by the Committee of Sponsoring Organizations of the Treadway Commission - "Interbak Control - Integrated framework" published in 1992 and updated in 1994 by the Committee of Sponsoring Organizations of the Treadway Commission.

- Law No. 262 of December 28, 2005 (as amended, including the amendments introduced by the Legislative Decree of October 30, 2007 adopting the Transparency Directive) specifically with regard to the preparation of corporate accounting documents;
- The Consob Issuers' Regulation, as amended and integrated;
- The Italian Civil Code, which extends to the Corporate Accounting Documents Officers the liability for company management actions (Article 2434 of the civil code) corruption between private individuals (Article 2635 of the civil code) and the crime of obstructing public and oversight authorities in the performance of their functions (Article 2638 of the civil code).
- Legislative Decree No. 231, of June 8, 2001, which citing, inter alia, the abovementioned provisions and the civil liability of legal entities for market abuse crimes, as well as corporate crimes, classifies the Corporate Accounting Documents Officer as a Top Management Person.

In addition, the reference components of the Group include:
- the Group's Code of Ethics;
- the Organizational and Management Model Pursuant to Legislative Decree No. 231/2001, its Special Parts and related protocols;
- procedure to comply with Internal Dealing requirements;
- the Procedure for Related-Party Transactions;
- Procedure for the Internal Management of Relevant Information and Inside Information and Public Disclosure of Inside Information;
- Procedure to manage the Register of persons having access to Relevant Information and Inside Information;
- the System of delegated and proxy powers;
- the organization chart and job description chart;
- the risk assessment process applied to quantitative and qualitative risk analysis;

- the Accounting and Administrative Control System, which is comprised of a set of procedures and operational documents, including:
  - Group Accounting Manual: document designed to promote the development and use within the Group of consistent accounting criteria for the recognition, classification and measurement of the results from operations;
  - Administrative and accounting procedures: documents that define responsibilities and control rules specifically with regard to administrative and accounting processes;
  - Financial statements and reporting instructions and closing schedules: documents used to communicate to the various Company departments the operational and detailed procedures for managing the activities required to prepare the financial statements by predetermined and shared deadlines;
  - Technical User Manual for the Group Reporting System: document provided to all employees who are directly in the process of preparing and/or reviewing accounting reports, which explains how the Reporting System operates.



Diasorin's Accounting and Administrative Control Model defines the method that must be applied when implementing the Internal Control System, which includes the following phases:

a) Mapping and assessment of the risks entailed by financial reporting.
The mapping and assessment of the risks entailed by the production of accounting reports is carried out by means of a structured risk assessment process. The implementation of this process includes identifying all of the objectives that the ICRMS applied to financial reporting must achieve to deliver a truthful and fair presentation. These objectives refer to the financial statement "assertions" (existence and occurrence of events, completeness, rights and obligations, valuation/recognition, presentation and disclosure) and other control objectives (e.g., compliance with authorization limits, segregation of duties and responsibilities, documentation and traceability of transactions, etc.).

The risk assessment process is thus focused on those areas of the financial statements identified as potentially having an impact on financial reporting in terms of failure to achieve control objectives.

The process of determining which entities should be classified as "significant entities" in terms of their impact on financial reporting serves the purpose of identifying, with regard to the Group's consolidated financial statements, the subsidiaries, financial statement accounts and administrative and accounting processes that are deemed to be "material," based on valuations carried out using both quantitative and qualitative parameters.

b) Definition of controls for the mapped risks.
The definition of the controls required to mitigate the mapped risks within administrative and accounting processes is carried out taking into account the control objectives associated with financial reporting for processes deemed to be material.

If the implementation of the phase of determining the scope of the assessment process uncovers sensitive areas that are not governed, in whole or in part, by the corpus of administrative and accounting procedures, the existing procedures are amended and, working in concert with the Corporate Accounting Documents Officer, new procedures are adopted for the affected areas.

The risk assessment process is thus focused on those areas of the financial statements identified as potentially having an impact on financial reporting in terms of failure to achieve control objectives.

c) Assessment of controls for the mapped risks and handling of any known issues.
The assessment of the effectiveness and level of implementation of the administrative and accounting procedures and of the controls they contain is carried out through specific testing activities that are consistent with best industry practices.

Testing is carried out continuously throughout the year at the request of and in coordination with the Documents Officer, who uses his own organization and the Internal Auditing Department.

As part of the implementation process, the delegated governance bodies and the administrative managers of subsidiaries are required to provide the Documents Officer with an affidavit concerning tests performed to assess the effectiveness and level of implementation of the administrative and accounting procedures.

The Internal Auditing Officer prepares an "Audit Report" in which he provides an overview of the assessment of the controls established for the mapped risks. The assessment of controls results in the definition of supplemental controls, corrective actions or improvement plans to address any identified issues.

The Audit Reports produced during the year are communicated to the CRS Committee and relevant outcomes are communicated to the Company's Board of Statutory Auditors, and the Board of Directors.

Internal Control System applied to the financial reporting process is overseen by the Documents Officer, who appointed by the Board of Directors, in concert with the Chief Executive Officer, is responsible for developing, implementing an approving the Accounting and Administrative Control Model and assessing its effectiveness, and is required to issue certifications of the annual financial statements (separate and consolidated) and the semiannual financial report (separate and consolidated). The Documents Officer is also responsible for establishing adequate administrative and accounting procedures for the production of statutory and consolidated financial statements and, with the support of the Internal Auditing Department, providing subsidiaries with guidelines for the implementation of appropriate activities to assess their Accounting Control Systems.

In the performance of his functions, the Documents Officer:
- interacts with the Internal Auditing Director and the CEO, who performs independent audits of the effectiveness of the Internal Control System and supports the Documents Officer in monitoring the System;
- is supported by the managers of the affected departments, who, with respect to the area under their jurisdiction, attest to the completeness and reliability of the information flows provided to the Documents Officer for financial reporting purposes;
- coordinates the activities of the Accounting Managers of subsidiaries, who are responsible, together with the delegated governance bodies, for implementing within their companies adequate accounting control systems to monitor administrative and accounting processes and assessing their effectiveness over time, reporting the results to the Parent Company as part of the internal certification process;
- establishes a mutual exchange of information with the Control, Risk and Sustainability Committee and the Board of Directors.

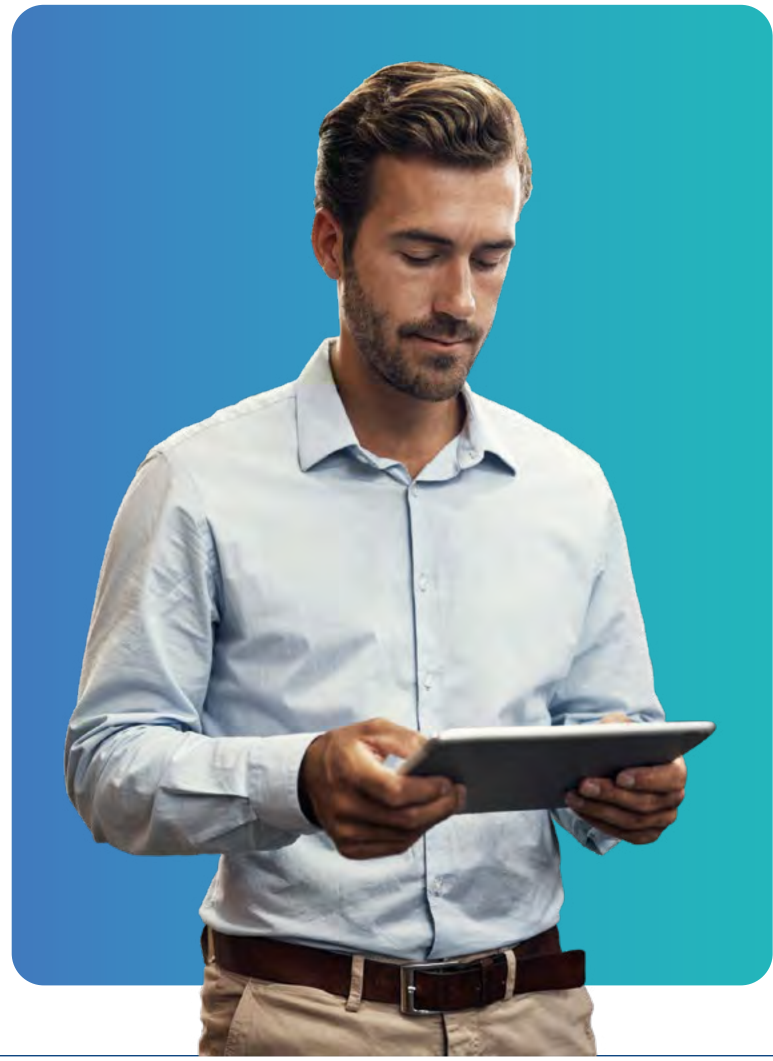
The Board of Statutory Auditors and the Oversight Body are informed about the adequacy and reliability of the internal control system applied to financial reporting.

A detailed description of the main characteristics of the ICRMS applied to financial reporting, including consolidated financial statements, as required by Article 123-bis, Section 2, Letter b), of the TUF, is provided in the Report on the Company's Operations annexed to the statutory and consolidated financial statements.

9.1 Chief Executive Officer

The Chief Executive Officer, pursuant to the Corporate Governance Code, is responsible for overseeing the effective implementation of the ICRMS by the Board of Directors, with the support of the CRS Committee.

The CEO working within and in accordance with the guidelines established by the Board of Directors, is responsible for:
- identifying corporate risks on the basis of the activities carried out by the Issuer and its subsidiaries and periodically submitting such risks to the attention of the Boards of Directors;
- implementing the Guidelines defined by the Board, taking care of the design, implementation and management of the internal control and risk management system and constantly verifying its adequacy and effectiveness, as well as ensuring its adaptation to the dynamics of the operating conditions and the legislative and regulatory framework;
- promptly reporting to the CRS Committee on problems and critical issues which arise in conducting his activities or which he became aware of, so that the Committee may take suitable measures;
- in performing these tasks, the Designated Officer may ask the Internal Auditing Office to carry out checks on specific operational areas and in compliance with internal rules and procedures when performing corporate operations, at the same time notifying the Chairman of the Board, the Chairman of the CRS Committee and the Chairman of the Board of Statutory Auditors. In 2022, needs were no found to exercise this power.



On April 29, 2022, the Board of Directors of the Issuer confirmed Mr. Carlo Rosa, Chief Executive Officer and General Manager of the Company, as "Chief Executive Officer" for the purposes of the ICRMS. Mr. Carlo Rosa had been previously appointed as "Designated Officer" pursuant to the previous Corporate Governance Code of listed companies approved in July 2018 by the Corporate Governance Committee at the time in force.

In 2022, the CEO:
- took care of the identification of the main business risks (strategic, operational, financial and compliance), taking into account the characteristics of the activities carried out by the Company and its subsidiaries, and periodically submitted them to the Board for examination;
- implemented the Guidelines defined by the Board of Directors, taking care of the planning, realization and management of the ICRMS and constantly verifying the system's

overall adequacy, effectiveness and efficiency and the need for any adjustments;
- updated the system in response to changes in the operating conditions and in the relevant regulatory framework;
- attended the meetings of the CRS Committee;
- did not deemed it necessary to request interventions from the Internal Audit Officer or to report to the CRS Committee on specific issues since no problems or critical issues required such disclosure.

9.2. Control, Risk and Sustainability Committee

Following the renewal of corporate bodies on April 29, 2022, and in compliance with art. 3, Recommendation 16 of the CG Code, the Board of Directors resolved - on the same date- to assign the "Control, Risk and Sustainability Committee" the task of supervising sustainability issues connected to the corporate activities and to its interactions with its stakeholders.

Functions of the CRS Committee had been updated on December 16, 2021 with the adoption of the new "*Regulation of the Control, Risk and Sustainability Committee*" (the "**Regulation of the CRS Committee**").

Functions concerning internal control and risk management
In assisting the Board of Directors as part of its duties in the ICRMS, the CRS Committee:
- assesses, jointly with the Documents Officer, the Independent Auditors and the Board of Statutory Auditors, the correct use of the accounting principles and their uniformity in view of preparation of the consolidated financial statements;
- assesses that regular, financial and non-financial reporting is suited to properly represent the Company's business model and strategies and the impact of Company's activity and the performance achieved;
- examines the content of the periodic non-financial disclosure relevant to the ICRMS;
- expresses its opinions on specific aspects related to the identification of the main business risks and supports the assessments and decisions of the Board concerning the risk management arising from prejudicial events which the latter has become aware of;
- assesses the periodic reports and those of particular relevance prepared by the internal audit function;
- monitors the independence, adequacy, efficacy and effective implementation of the Internal Audit function;
- may request the Internal Audit to check specific operating areas and at the same time inform the Chairman of the Board of Statutory Auditors of such requests;
- reports to the Board of Directors, at least every six months, on approval of the financial statements and the interim report, on the activities carried out, as well as on the adequacy of the ICRMS;
- performs any additional tasks that the Board of Directors may choose to assign to the CRS Committee, with particular reference to interactions with the Independent Auditors, the activities of the Oversight Body, pursuant to Legislative Decree No. 231/2001, and to the functions concerned with related-party transactions;

Functions concerning sustainability
- supports the Board in the analysis of relevant issues for the generation of long-term value upon examination and approval of the business plan of the Company and of the Group it heads;
- has the function to provide consultation and make proposals to the Board of Directors concerning sustainability issues; it has the task of supervising sustainability issues connected to corporate activities and interactions with its stakeholders.

Among other things, it has the task of:
- monitoring sustainability issues, evaluating and assessing sustainability matters relating to corporate activities and interactions with its stakeholders;
- supervising the activities of the Issuer and of DiaSorin Group companies concerning sustainability;
- examining and assessing the system of data collection and consolidation to prepare the Consolidated Non-Financial Statement, pursuant to Legislative Decree 254/2016 **("NFS");**
- reviewing the NFS, expressing its opinion to the Board of Directors called to approve this document, and
- expressing, upon request of the Board of Directors, opinions on any sustainability issues.

The aforementioned task of supporting the Board in the analysis of relevant issues for the generation of long-term value upon examination and approval of the business plan had been granted to the CRS Committee by the Board during the meeting of December 16, 2022, in implementation of art. 1, Recommendation n. 1, lett. a) of the Corporate Governance Code.

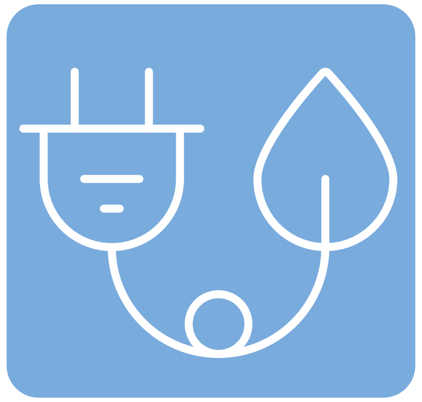
Pursuant to Article 6, Recommendation 37 of the Corporate Governance Code, the CRS Committee and the Board of Statutory Auditors exchange information relevant to the performance of their respective tasks, in a timely manner.

The CRS Committee can require specific Internal Audit intervention. In this regard, the Committee did not exercise this power in 2022.

In 2022, the CRS Committee performed its constant control activity, concerning the correct and timely implementation of the guidelines and the proper management of the ICRMS and the internal control and risk management system of the subsidiaries.

In 202, during the meetings held on March 7, 2022, the CRS Committee - as required pursuant to Article 6, Recc. 35, lett.h) of the Corporate Governance Code - reported to the Board of Directors on the activities and audits the Committee carried out and the effectiveness of the Internal Control and Risk Management System highlighting how the system proved to be largely in line with the size and organizational and operational structure of the Issuer. The last meeting held to report to the Board of Directors on the activities and adequacy of the ICRMS was on March 27, 2023.

In 2022, the CRS Committee:
- supported the Board in performing the tasks concerning internal control and risk management;
- assessed the adequacy of the accounting principles and the consistency and uniformity of their use in preparing the consolidated financial statements,
- assessed that regular financial and non-financial reporting was suited to properly represent the Issuer's business model and strategies;
- examined the content of regular non-financial reporting that is relevant to the ICRMS;
- examined the regular reports prepared by the internal audit function;
- monitored the independence, adequacy, efficiency and effective implementation of the internal audit function.



Composition and functioning of the Control, Risk and Sustainability Committee (pursuant to art. 123-bis, Section 2, letter d), TUF)

Composition of the Control, Risk and Sustainability Committee until April 29, 2022.
Until April 29, 2022, the Control, Risk and Sustainability Committee was composed of non-executive Directors, the majority of its members being independent Directors, including the Chairman; the CRS Committee was composed of: Franco Moscetti (Independent Director), acting as Chairman, Roberta Somati (Independent Director) and Giancarlo Boschetti (Non- executive Director), who have significant expertise in accounting and finance.

Composition of the Control, Risk and Sustainability Committee as from April 29, 2022.
The CRS Committee is composed of non-executive Directors, the majority of its members being independent Directors, including the Chairman; the Board of April 29, 2022 resolved the CRS Committee to be composed of Directors André Michel Ballester (Independent Director) as Chairman, Roberta Somati (Independent Director) and Franco Moscetti (Non- executive Director), who have significant expertise in accounting and finance.

The frequency, average length, attendance at the CRS Committee meetings are listed in Tables 3A and 3B 3 annexed to this Report.

In 2022, the CRS Committee met on March 7, 2022, July 29, 2022, October 21, 2022 and November 24, 2022.

The Board of Statutory Auditors takes part in the meetings of the CRS Committee. The Chief Executive Officer may participate in the meetings, pursuant to the Corporate Governance Code, and upon request of the CRS Committee, the Internal Audit Officer, the Document Officer, the Chairman of the Oversight Body and company's directors whose presence may be deemed useful for the proceedings.

In 2022, meetings of the CRS Committee were attended by members of the Board of Statutory Auditors and, upon request of the Chairman, certain company's directors such as the Chief Executive Officer, the Document Officer, the Internal Audit Officer and other company's directors qualified to attend the meeting.

The Board, during the meeting held on December 16, 2021, approved the Regulation of the CRS Committee providing, among others, that:
- the Chairman convenes the CRS Committee at least three days before the date set for the meeting, except in cases of urgency for which twelve hours' notice is required;
- the documents are made available at least two days before the meeting, except in cases of urgency;
- the CRS Committee appoints a Secretary, also external to the Committee, who is entrusted with the task of recording meetings;
- the Chairman of the Board of Statutory Auditors or another member of the Board of Statutory Auditors designated by the Chairman always participate in the CRS proceedings. In any case the other members of the Statutory Auditors, who are regularly invited, may participate in the meetings;
- upon invitation of the Chairman and also upon request of the CRS Committee, the Chairman of the Board of Directors, other Directors, including the Chief Executive Officer, company officers qualified to attend the meeting (in such case the Company Chief Executive Officer shall be informed), the Document Officer and other parties who are not members of the CRS Committee and whose contribution is deemed to be useful may attend the meeting.

In performing its functions, the CRS Committee has free access to the company's areas and information considered to be important for fulfilling its duties and can make use of external consultants, subject to the authorization by the Board of Directors.

During the Shareholders' Meeting held on April 29,2022, the Board of Directors resolved to provide financial resources of € 50,000,00 thousand to the CRS Committee to perform its activities.

9.3 Internal Audit Officer

The Board of Directors appointed the Internal Audit Officer as the person in charge of verifying that the ICRMS is functional and suited to and coherent with the guidelines defined by the Board.

During the Board meeting held on December 19, 2019, the Board of Directors in compliance with the provisions of the Corporate Governance Code and on the input of the Designated Officer (now Chief Executive Officer) and following the favorable opinion of the CRS Committee and of the Statutory Auditors, appointed Mr. Francesco Mongelli to the post of Internal Audit Officer, with effect as of January 1, 2020. The Internal Audit Officer was entrusted with tasks and responsibilities contained in the Code and detailed in the Guidelines.

Pursuant to the CG Code, the Board of Directors, with the support of the CRS Committee has the task of providing the Internal Audit Officer with adequate resources to perform its tasks and of defining its compensation, coherently with the company's policy.

The Internal Audit Officer, who is not responsible for any operational area, is hierarchically dependent from the Board:

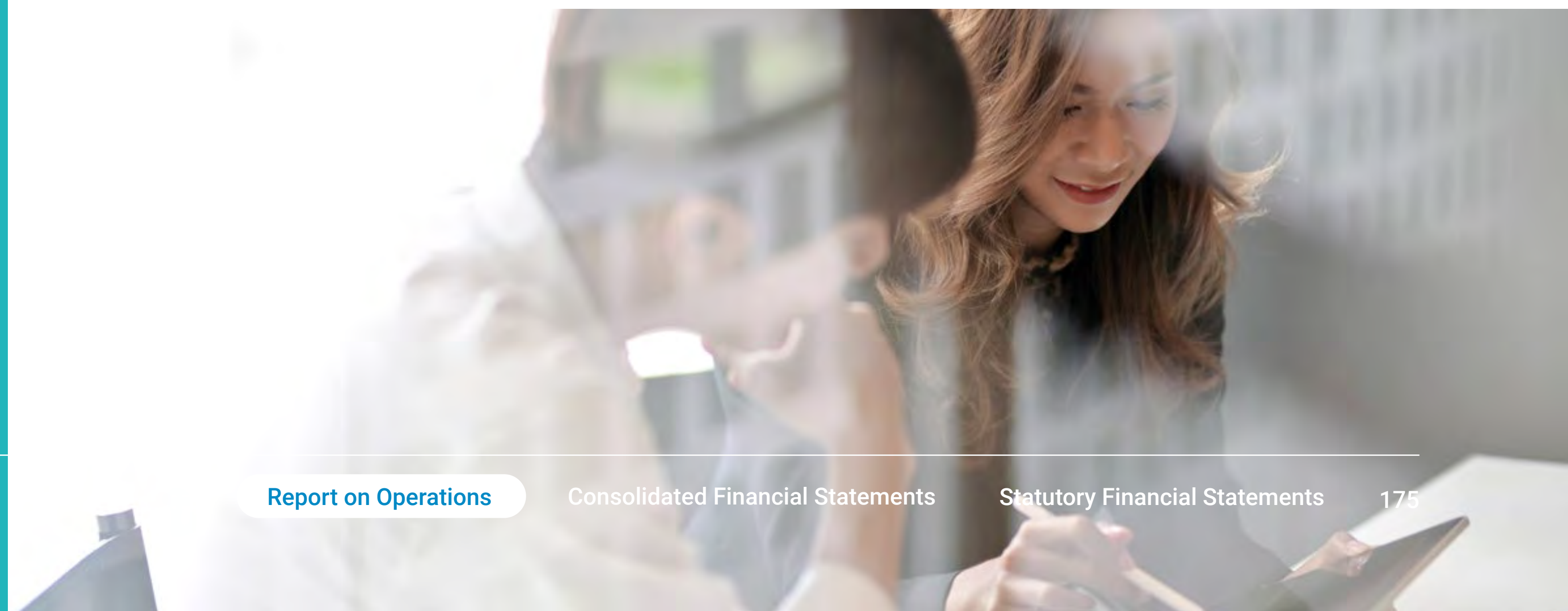
- monitors, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the operation and the adequacy of the ICRMS, through an audit plan, which is approved by the Board of Directors annually and shared with the CRS Committee and is based on a structured analysis and prioritization of key risks;
- has direct access to useful information to carry out his duty;
- draws up regular reports containing information on its activity, the procedures governing risk management, as well as on compliance with the programs defined for the mitigation of such risks. The regular reports provide a suitability assessment of the ICRMS;
- draws up promptly reports on relevant events;
- conveys the abovementioned reports to the Chairmen of the Board of Statutory Auditors, the CRS Committee, and the Board of Directors and to the Chief Executive Officer.
- verifies, in relation with the audit plan, the reliability of the information systems, including the accounting systems.

As from January 1, 2013, the Internal Audit Officer's work-plan is approved on annual basis by the Board of Directors, after receiving a favorable opinion from the Board of Statutory Auditors and the Chief Executive Officer; the 2022 Audit Plan was approved during the meeting held on March 16, 2022 and the 2023 Audit Plan was subject to approval on March 20, 2023. At least twice a year, the Internal Audit Officer reports and explains the audits carried out to the Board of Directors, the Chief Executive Officer, the CRS Committee and the Board of Statutory Auditors.

In compliance with his duties, in 2022 the Internal Audit Officer carried out his tasks drawing up and following an annual plan, that was presented to the Board of Statutory Auditors and CRS Committee to show the results achieved during the year.

In 2022, the Internal Audit Officer carried out all the activities of his annual work-plan, reporting to the CRS Committee during the meetings held on March 7 and July 29, 2022, and to the Board of Directors during the meeting held on March 16, 2022. The Internal Audit Officer reported to the CRS Committee and to the Board of Directors again on March 27, 2023.

In compliance with his duties, in 2022 the Internal Audit Officer carried out his tasks drawing up and following an annual plan, that was presented to the Board of Statutory Auditors and CRS Committee to show the results achieved during the year.



9.4 Code of ethics and organizational model pursuant to legislative decree no. 231/2001

The Group's Code of Ethics.
On December 18, 2006, the Issuer approved and implemented a Group's Code of Ethics ("the **Code of Ethics**"), with the aim of providing all employees with common consistent rules of conduct and defining their rights and obligations, as they apply to the performance of any activity that may affect the Issuer's interests The Code of Ethics sets forth the general principles that define the values that underpin the Issuer's operations and it has been currently adopted by all Diasorin Group's companies.

On December 19, 2016, the Board of Directors approved a new edition of the Code of Ethics, in compliance with the new MedTech Code of Ethics.

The update was carried out following the release of a new Code of Ethics drafted by MedTech Europe, an association representing the European IVD industry through EDMA-European Diagnostic Manufacturers Association; DiaSorin S.p.A., as a member of EDMA, was required to adopt the provisions – having an impact on the sections of the DiaSorin Group's Code of Ethics referred to the relationship with healthcare professionals and healthcare organizations - of the new MedTech Code of Ethics by the end of 2016. Briefly, the Code was amended to introduce a new section, entitled "*Relationship with Healthcare Professionals and Healthcare Organizations*" providing a series of principles and provisions regulating relationships with the abovementioned counterparties, to safeguard medical-scientific sector and create transparent and free of any commercial interest interactions.

The Code of Ethics currently in force is available on the Issuer's website (www.diasoringroup.com, Section "Governance/Code of Ethics").

The Organization and Management Model pursuant to Legislative Decree No. 231/2001
In order to ensure that all business transactions and corporate activities are carried out fairly and transparently, protecting the Company's position and image, meeting the expectations of its shareholders and protecting the jobs of its employees, the Board of Directors adopted the model required by Legislative Decree No. 231/2001 in connection with the Company's administrative liability for crimes committed by its employees (also referred to as the "**Model**") in apical positions and appointed the related Oversight Board, pursuant to Art. 6 and 7 of the abovementioned Legislative Decree.

This model was developed taking into account the provisions of Legislative Decree No. 231/2001, and the guidelines published by Confindustria.

Moreover, the Issuer revised its Model to make it consistent with the new requirements of Legislative Decree No. 123/2007 and the rules on Market Abuse introduced by the TUF. The revised model includes two new Special Sections that concern violations of rules concerning health and safety on the job of Legislative Decree No. 81/2008 (Uniform Occupational Safety Code), and crimes involving market abuse (and manipulation) and abuse of insider information.

Subsequently, the Board of Director agreed to amend the Model, adding "Special Section E" that deals with certain issues listed in Legislative Decree No. 121/2011 concerning environmental crimes, and lastly the Board of Directors agreed to update Special Section "A" (Offences against the Public Administration) and Special Section "B", and added Special Section "F" (Employment of citizens of other countries illegally residing in the country) and, lastly, on November 11, 2015 updating Special Section "E" following the "new presumed offences" included in the provisions of Legislative Decree No. 231/2001.

In 2017, the Oversight Body carried out a regulatory adjustment on the Special Sections "B" and "C" of the 231 Model following the entry into force of Legislative Decree 38/2017 aimed at reinforcing the fight against corruption in the private sector and of MAR, providing new provisions on Market Abuse, respectively, in addition to mapping of the risks concerning the Special Sections "A" and "B", following the reorganization of some functional areas included in the abovementioned mapping that led to a change in the allocation of tasks and responsibilities. The Oversight Board promoted a series of training sessions concerning responsibility issues, pursuant to Legislative Decree 231/2001 to support sale force in Italy and Global Procurement and Supply Chain Functions.

In 2019, the Board of Directors resolved to amend the Model with (i) the implementation of an IT system to manage reports received on violations and breaches of the Model, assuring confidentiality of the identity of the whistleblower (in accordance with the provisions of Legislative Decree no. 179/2017) – the so-called Whistleblowing (fully operational from June 30, 2019) and (ii) the introduction of a new Special Section ("Special Section G") – and related operating protocols – regarding receiving of stolen goods, money laundering, utilization of money, goods or other benefits of unlawful origin, self-laundering (as referred to in Article 25-octies of Legislative Decree 231/2001).

On July 30, 2020, following the input of the Oversight Body and after receiving approval from the CRS Committee, the Board of Directors resolved to introduce a new Special Section (called "Special Section H") – and the related operational protocols – concerning tax offences, as per Article 25-quinquiesdecies of Legislative Decree 231/2001 (introduced after the entry into force of the Legislative Decree no. 124 of 26 October 2019, as converted into law, with amendments by Law no. 157 of 19 December 2019).

The Board during the meeting held on May 14, 2021, approved the amendment to the General Section of the Model aimed at promoting an in-depth analysis of the Oversight Body's functions and roles with a relevant strengthening of information flows, to the Oversight Body's benefit.

Lastly, on August 3, 2022, the Board approved the amendment of the Special Sections and, in particular, risk mappings, also in relation to additional types of offence introduced as a result of the transposition into Italian law of Directive (EU) 2017/1371 (so-called PIF Directive). More generally, in the light of the new organizational structures due to the expansion of the company scope, the Company needed to update and adjust its Organization Model pursuant to Legislative Decree 231/2001, taking into account the indications required by reference case-law, Regulation and best practice in order to align the Model with the new company structure and processes. The update of the Model took into account changes occurred in the Company's organizational structure due to redefinition of the corporate structure that was announced to the market on December 16, 2021 and become effective on July 1, 2022.

As of the year-end date, the Model (whose summary is available on the Company's website www.diasoringroup.com, Section "Governance/ Governance Documents/Code of Ethics and Model 231") includes:

- "General Section": includes (i) the description of the regulatory framework, (ii) the governance and organizational structure adopted by Diasorin for preventing the commission of crimes, (iii) the purposes of the Model, (iv) the requirements and tasks of the Supervisory Body (see below), (v) the disciplinary measures adopted by the Company in case of non- compliance with the measures set out in the Model and (vi) the training and communication plan to ensure an accurate knowledge and awareness of the provisions of the Model by all the persons who must observe them.
- "Special Section" is composed by the following 21 decision-making Protocols:
  1. Management of marketing events
  2. Management of gifts, pro bono and sponsorship
  3. Reimbursement of expenses and representation allowances
  4. Procurement
  5. Consultancy
  6. Request and management of public grants
  7. Relationship with the Public and Supervisory Authorities
  8. Institutional relation
  9. Monetary and financial flows
  10. Management of investment (equity interests, financial instruments and extraordinary transactions)
  11. Accounting, financial statements and asset transactions
  12. Tax compliance
  13. Cybersecurity
  14. Selection, hiring and management of the employees
  15. Litigation, criminal proceedings and settlement agreements
  16. Relationship with shareholders and corporate bodies
  17. Management of conflicts of interest and related-party transactions
  18. Management of inside information and internal dealing;
  19. Management of external communication;
  20. Health & Safety;
  21. Intercompany transactions.

The Oversight Body pursuant to Legislative Decree 231/2001

The Oversight Body, in office until its revocation, includes in its collective form the following members: Mr. Ezio Maria Simonelli (external member) appointed as a member on May 13, 2021 and as a Chairman on July, 30,2021, Mr. Matteo Michele Sutera (Statutory Auditors) appointed on July 30, 2021 and Mr. Ulisse Spada as a Corporate V.P. General Counsel, in the light of the provisions of Article 6. Recc. 33 lett.e) of the Corporate Governance Code, according to which the Board of Directors considers the Head of the Legal Department to be included among the members the Oversight Board in order to ensure cooperation between the various parties involved in the ICRMS. The Oversight Body is responsible for ensuring that the Model is functioning correctly, is effective and is being complied with, and for recommending updates to the model and Company procedures, when appropriate. To this end, on March 27, 2023, the Board of Directors resolved to provide the Oversight Body with financial resources amounting to € 50,000,000 for the year ended December 31, 2023, confirming the same budget provided in 2022.

Every six months, the Oversight Body submits to the Board of Directors the findings of its oversight activity. Last meeting was held on March 27, 2023.

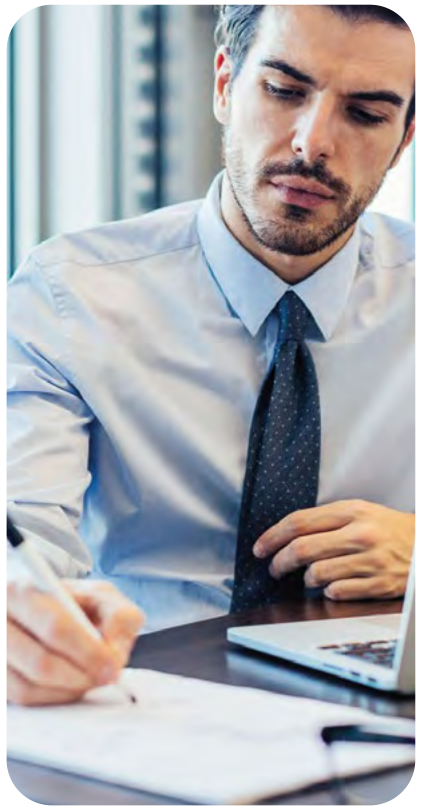
9.5 Independent Auditors

Pursuant to a resolution approved by the Shareholders' Meeting on April 28, 2016, the Company appointed PricewaterhouseCoopers S.p.A., on a reasoned proposal by the Board of Statutory Auditors, for the 2016-2024 period.

9.6 Corporate accounting documents officer

Pursuant to Article 15 of the By-Laws, the Board of Directors, which is required to act with the mandatory input of the Board of Statutory Auditors, has jurisdiction over the appointment and dismissal of the Documents Officer and over the determination of his compensation. The Documents Officer must meet the integrity requirements of the relevant statutes currently in force for those who perform administrative and management functions, as well as professional requirements that include specific expertise in administrative and accounting issues. Expertise in these areas must be verified by the Board of Directors and must be the result of work performed in a position of sufficiently high responsibility for an adequate length of time.

On April 28, 2016, the Board of Directors appointed Mr. Piergiorgio Pedron (Manager of the Issuer's Accounting, Finance and Control Department) to the post of Documents Officer, for an unlimited time, after verifying compliance with the requirements of integrity and professional expertise and taking into account the favorable opinion of the Board of Statutory Auditors, granting him the powers required pursuant to Article 154-bis of the TUF, and specifically:



- free access to all information considered important for fulfilling his duties, both within the Company and within the companies in the Group, with the power to inspect all the documentation related to drawing up the accounting documents of Diasorin and the Group and with the power to request explanations and elucidations of all the subjects involved in the process of forming the accounting data of Diasorin and the Group;
- attendance at the meetings of the Board of Directors;
- the right to dialogue with the CRS Committee;
- the right to approve the company procedures, when they impact the balance sheet, the consolidated financial statements and the documents submitted for certification;
- participation in designing the information systems that impact the economic asset and financial situation;
- the power to organize a suitable structure (amount and skills of resources) within his own area of activity, internally employing the available resources and, where necessary, outsourcing;
- the right to employ the Internal Audit function for mapping the processes of competence and in the phase of execution of specific checks, with the possibility, if this Function is not internally present, of using resources through outsourcing;
- the possibility of using the information systems for monitoring activity;
- the approval and signing of each document connected to the function of the accounting documents officer and/or that required the statement pursuant to the rules.

The Board of Directors acknowledges the annual compensation of Mr. Pedron for the post of Accounting Document Officer, pursuant to art. 154-*bis* of the TUF, has to be included in the annual compensation of Mr. Pedron as Company Director.

9.7. Coordination of parties involved in the internal control and risk management system

The Company has attributed the function of coordinating parties involved in the ICRMS to the Board of Directors, which carries out such activity through the Chief Executive Officer. Such function has been duly and regularly performed in 2022.

In particular, Company's Guidelines analytically identify activities carried out by parties involved in the ICRMS, determining concrete procedure for coordination in order to make activities of each party more efficient. Specifically, all members of the Board of Statutory Auditors, managers directly involved in the company risk management (particularly the Internal Audit Officer) and the Chief Executive Officer participate in the CRS Committee meetings for the purposes of the ICRMS.

Pursuant to Article 6, Recommendation 37 of the Corporate Governance Code, the CRS Committee and the Board of Statutory Auditors exchange information relevant to the performance of their respective tasks, in a timely manner.

COORDINATION

The CRS Committee reports to the Board of Directors about the work performed and the ICRMS adequacy at least once every six months. As for the Oversight Body, its coordination with other parties involved is fully ensured by the presence the Board of Statutory Auditors members and of the General Counsel, as members of the Oversight Body. Lastly, the Board of Statutory Auditors, during its quarterly audits, meets periodically the Documents Officer, the Independent Auditors and all the company functions involved in processes and procedures being audited by the Board of Statutory Auditors, including those concerning the ICRMS.

On March 27, 2023, the Board of Directors, pursuant to Article 6, Recommendation 33 of the Corporate Governance Code, after consulting the Internal Audit function, the CRS Committee and the Oversight Body deemed the ICRMS, including procedures for coordinating the parties involved, to be adequate.

10. Interests of Directors and transactions with Related Parties -Committee for Related-Party Transactions

10.1 Interests of Directors and transactions with Related Parties

With regard to related-party transactions, the Issuer's Board of Directors adopted a Procedure for Related-Party Transactions and established a Committee for such transactions.

The Board of Directors adopted the Procedure on November 5, 2010, in accordance with Consob Regulation on Related-Party transactions, in force at that date. The Procedure went into effect on January 1, 2011 and was amended:

- by the Board of Directors on March 14, 2019 – following approval from the Committee for Related-Party Transactions on February 27, 2019, in order to, inter alia, take into account that from the date on which 2017 consolidated data have been approved, the Company is no longer qualified as "small sized company" pursuant to art. 3, paragraph 1, lett. f) of the Consob Related-Party Regulation;
- in 2022, by the Board of Directors on May 14, 2021, following a favorable opinion by the Committee for Related-Party Transactions, in order to adjust it to the amendments brought to the Consob Regulation on Related-Party Transactions and Consob Market Regulation by Consob Resolution no. 21624 of 10 December 2020 implementing, also at secondary legislation level, the contents of Directive (EU) 2017/828, the so-called "Shareholders' Right Directive II"

The updated Procedure for Related-Party Transactions is published pursuant to the Consob Related-Party Regulation on the company website www.diasoringroup.com, Section "Governance/ Governance Documents/ Procedures". The list of Company's Related Parties is updated at any time, if necessary, and revised on an annual basis and shared with the Committee for Related-Party Transactions.

Referring to the abovementioned Procedure, Directors who have a vested interest in a transaction must provide in a timely manner full information regarding the existence of a vested interest and the circumstances of the same to the Board, evaluating on a case-by-case basis the opportunity of leaving the meeting at the time at which the resolution is taken and to abstain from voting on the matter. In case the vested interest is held by a Chief Executive Officer, the same abstains from carrying out the operation. In such cases, the resolutions of the Board of Directors will motivate adequately the reasons and interest of the Company to carry out the operation.

The Board of Directors takes the appropriate decisions in the case that Directors abandoning the meeting when the matter is discussed would result in there no longer being the required quorum.

In 2022, no operations concerning Directors with direct or indirect interest or Related-Party interest have been carried out.

10.2 Committee for Related-Party Transactions

Until April 29,2022, the Committee for Related-Party Transactions was composed of Independent Directors - Franco Moscetti (who served as Chairman), Giuseppe Alessandria and Roberta Somati.

The Board of April 29,2022 resolved the Committee for Related-Party Transactions to be composed of Independent Directors Roberta Somati (who serves as Chairman), André Michel Ballester and Giovanna Pacchiana Parravicini. The frequency, average length, attendance at the Committee for Related-Party Transactions meetings are listed in Tables 3A and 3B 3 annexed to this Report.
In 2022, the Committee for Related-Party Transactions met on January 21, 2022 to monitor the update of the List of Related Parties and express its opinion on the method used in the computation of the Group's Adjusted EBIT for the disbursement of additional bonuses. The aforementioned meetings of the Committee for Related-Party Transactions– coordinated by its Chairman – have been regularly recorded and communicated to the first scheduled Board of Directors' meeting by the Chairman of the Committee.

On December 16, 2021, the Board provided the Committee for Related-Party Transactions with its own Regulation.

11. The Board of Statutory Auditors

11.1 Appointment and replacement of Statutory Auditors

Pursuant to Article 18 of the By-Laws, the Board of Statutory Auditors is comprised of 3 (three) Statutory Auditors and 2 (two) Alternates, who are elected for a three-year term of office and may be re-elected.

Statutory Auditors must meet the requirements of the relevant laws currently in force, also with regard to the limits on the number of posts they may hold. Specifically, in the areas of professional requirements, for the purposes of the provisions (when applicable) of Article 1, Section 3, of Ministerial Decree No. 162 of March 30, 2000, which makes reference to Section 2, Letters b) and c), of the abovementioned Article 1, it shall be understood that the expression "*subject matters closely related to the businesses in which the Issuer is engaged*" shall be understood to mean those related to the healthcare and medical industries.

The provisions of the Issuer's By-Laws (Article 18) that govern the composition and the election of the Board of Statutory Auditors effectively ensure compliance with rules and Regulation concerning with provisions concerning rights of minority shareholders' rights, independence of Directors and gender balance.

As regards amendments introduced by Budget Law no. 160/2019 on gender balance as referred to Article 148, Paragraph 1-bis of TUF[4], it should be noted that pursuant to art. 144-*undecies*.1, paragraph 3, of the Issuers' Regulation if the application of the gender distribution criterion does not result in a whole number of members of the Board of Directors and Board of Statutory Auditors belonging to the less represented gender, this number is rounded up to the next higher unit, with the exception of the corporate bodies made up of three members whose number is rounded down.

In this regard, the Shareholders' Meeting of April, 22, 2021 amended, among other things, article 18 of the By-Laws relating to the composition (in terms of gender balance) of slates filed with a number equal to or with more than 3 candidates in order to eliminate the reference to the previous quota of one third and require that the slates shall be composed of candidates belonging to both genders so that the first two candidates for the post of Statutory Auditor and the first two candidates for the post of Alternates belong to different genders.

The abovementioned rules have been applied upon the Shareholders' Meeting of April 29, 2022 which resolved to renew the Board of Statutory Auditors whose term of office ended with the approval of the annual report at December 31, 2021.

This paragraph provides details on the election of corporate bodies, in accordance with the statutory provisions currently in force.

The Board of Statutory Auditors is elected on the basis of slates of candidates filed by shareholders. Each shareholder, shareholders belonging to a shareholders' agreement that meet the requirements of Article 122 of the TUF, the Company's controlling party, its subsidiaries and joint ventures that qualify as such pursuant to Article 93 of the TUF may not file or participate in the filing, directly or through a third party or a nominee, of more than one slate and may not vote for multiple slates. Each candidate can be included on only one slate, on penalty of losing the right to be elected. Votes cast in violation of this requirement will not be attributed to any slate of candidates.

The provisions of the Issuer's By-Laws (Article 18) that govern the composition and the election of the Board of Statutory Auditors effectively ensure compliance with rules and Regulation concerning with provisions concerning rights of minority shareholders' rights, independence of Directors and gender balance.

[4] Paragraph1-*ter*, of Article 147-*ter*, of TUF, in force at the date of this Report provides, inter alia, that "*the Company's By-laws state, moreover, that the division of members pursuant to section 1 shall be made in such a way that the less-represented gender shall obtain at least two fifths of the regular members of the Board of Statutory Auditors. This criterion shall apply for six consecutive mandates*".

According to the By-Laws only shareholders who represent at least the percentage of the share capital required by the By-Laws for the submission of slates concerning the appointment of the members of the Board of Directors (and thus Shareholders who, individually or jointly, collectively own shares representing at least the percentage of share capital subscribed at the date the slate is filed, which is laid down and published by Consob, pursuant to Issuers' Regulation). In compliance with Art. 144-*septies*, paragraph 1, of the Consob Issuers' Regulation, for 2023 Consob established under the Management Decision of the Head of the Corporate Governance Division no. 76 of 30 January 2023 that the percentage of the share capital required to submit slates of candidates to allocate the DiaSorin's Directors to be elected is equal to 1%.

Slates filed with a number equal to or with more than 3 candidates shall be composed by candidates belonging to both genders so that the first two candidates for the post of Statutory Auditor and the first two candidates for the post of Alternates belong to different genders.

Slates filed by shareholders must be deposited at the Company's registered office at least 25 (twenty-five) days prior to the date of the first calling of the Shareholders' Meeting, on penalty of becoming invalid, together with the documents required by the By-Laws, and specifically:

(i) Information identifying the shareholders who are filing the slates and showing the total percentage interest held;
(ii) An affidavit by the shareholders different from those who hold, jointly or individually, a controlling or relative majority interest attesting that they are not linked with the latter as a result of transactions such as those defined in the relevant laws and Regulation currently in force;
(iii) Detailed information about the candidates' backgrounds, affidavits by the candidates attesting that they meet statutory requirements and accept the nomination and listings of any management and control posts held by the candidates at other companies.

Within the deadline set out in the applicable regulation for the publication of slates by the Company, the appropriate certification must be filed, issued by an intermediary qualified pursuant to law, which proves ownership, at the time the list is filed at the Company, of the number of shares needed to present said slates.

If the conditions set forth above are not complied with, the affected slate shall be treated as if it had never been filed.

The election system set forth in the By-Laws provides that, after the votes cast, directors will be elected as follows:
(a) The Statutory Auditor candidate listed first (1) in the slate that received the second highest number of votes and is not in any way linked, directly or indirectly, with the parties who filed the slate that received the highest number of votes is elected to the post of Statutory Auditor and Chairman of the Board of Statutory Auditors;
(b) The candidates listed, respectively, first (1) and second (2) in the slate that received the highest number of votes are elected to the post of Statutory Auditor. Alternate candidates who are listed first (1) in the slates that received the highest and second highest number of votes are elected to the post of Alternate.

If two or more slates receive the same number of votes, a new balloting is held. If the outcome of the second balloting is still a tie, the slate filed by the shareholders controlling the largest equity interest or, failing that, the slate filed by the largest number of shareholders shall prevail.

If with the manner above described the composition of the Board of Statutory Auditors with reference to the Statutory Auditors, does not comply with the laws currently in force on gender balance, the necessary replacements, in consecutive order, with candidates running for the election as Statutory Auditors from the slate that received the highest number of votes shall be carried out.

If only one slate of candidates is filed, the Statutory Auditors and Alternates are elected from that slate, in compliance with the laws currently in force on gender balance.

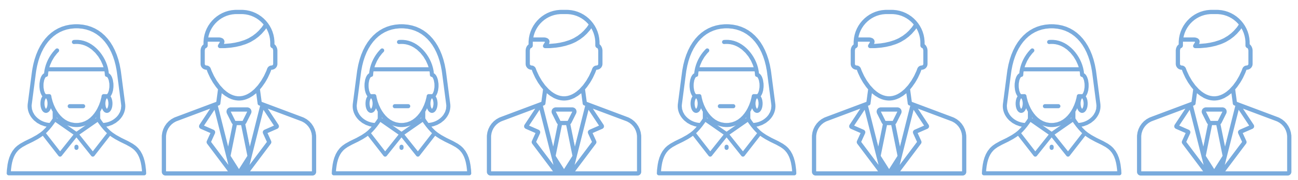
If no slates are filed, the Shareholders' Meeting shall adopt the relevant resolutions with the majorities required pursuant to law, in compliance with the laws currently in force on gender balance.

If a Statutory Auditor needs to be replaced, he/she is replaced by an Alternate taken from the same slate as the Statutory Auditor who is being replaced. The Alternate thus elected will serve until the next Shareholders' Meeting.

If the Chairman of the Board of Statutory Auditors needs to be replaced, the Chairmanship will pass to the Statutory Auditor elected from the same minority slate. When the Shareholders' Meeting needs to elect replacement Statutory Auditors and/or Alternates, it shall proceed as follows: if the Statutory Auditors that need to be replaced had been elected from the majority slate, they shall be elected by a plurality of the votes, without any slate requirements; if, on the other hand, the Statutory Auditors that need to be replaced had been elected from the minority slate, the Statutory Auditors are elected by a plurality of the votes taking them from the slate to which the Statutory Auditors who are being replaced belonged. If, for any reason, the use of the abovementioned procedures would not result in the replacement of Statutory Auditors designated by minority shareholders, the Shareholders' Meeting shall act by a plurality of the votes. However, in the ballot counting process, the votes cast by shareholders who, based on disclosures provided pursuant to current laws, control, directly or indirectly or jointly with other members of a shareholders' agreement, as defined in Article 122 of the TUF, a majority of the votes that may be cast at a Shareholders' Meeting and shareholders who control, are controlled by or are subject to joint control by the former shall not be counted.

The replacements procedure of the sections above shall comply with the laws currently in force on gender balance.

Additional information about the method used to elect the Board of Statutory Auditors is provided in Article 18 of the By-Laws.



11.2 Composition and functioning of the Board of Statutory Auditors (pursuant to art. 123-bis, section 2, letter d) and d-bis), TUF)

The Board of Statutory Auditors performs the task and activities required pursuant to law. Moreover, Statutory Auditors, acting collectively or individually, may ask the Directors to provide information, clarify previous disclosures and, more in general, furnish data about the Company's operating performance or specific transactions. They may also carry out at any time inspections and controls and request information pursuant to law.

Two members of the Board of Statutory Auditors acting jointly, have the right to convene a Shareholders' Meeting.

The Board of Statutory Auditors is required to meet at least once every 90 days. See Table 4 for further details on meetings held.

In 2022, the Board of Statutory Auditors held 13 meetings. The average length of meetings was 2 hours and 30 minutes.

The Board of Statutory Auditors of the Issuer has been appointed by the ordinary Shareholders' Meeting of April 29, 2022, and its term of office will end with the approval of the financial statements at December 31, 2024.

Composition of the Board of Statutory Auditors appointed on April 24, 2019

The Board of Statutory Auditors in office until April 29,2022 - the date on which the Shareholders' Meeting approved the financial statements at December 31, 2021 - had been appointed by the ordinary Shareholders' Meeting of April 24, 2019.

The Board of Statutory Auditors had been appointed on the basis of two slates. The first slate had been filed by IP Investimenti e Partecipazioni S.r.l., which certified its ownership of an equity interest equal to about 41.109% of the Company's common shares. The second slate had been filed as minority list by a number of asset management companies representing their funds which certified their ownership of an overall equity interest equal to 1.012% of common shares.

Pursuant to the By-Laws, the Statutory Auditor candidate listed first in the slate that received the second highest number of votes (namely the slate presented by minority shareholders, receiving 16.974% of the voting capital) was elected

to the post of Chairman of the Board of Statutory Auditors and Statutory Auditor. The candidates referred to in 1) and 2) listed in the slate that received the highest number of votes (and specifically from the slate filed by IP Investimenti e Partecipazioni S.r.l., receiving 82.831% of the Voting capital) were elected to the post of Statutory Auditors. Alternate candidates referred to in 1) listed in the slates presented by minority shareholders and by the reference shareholder were elected to the post of Alternates.

The members of the Board of Statutory Auditors were as follows:

First and last name	Place and date of birth	Office held	Domicile for the office held
Monica Mannino	Palermo, October 18, 1969	Chairman	Saluggia (VC) Via Crescentino snc
Ottavia Alfano	Milan, May 2, 1971	Statutory Auditor	Saluggia (VC) Via Crescentino snc
Matteo Michele Sutera	Milano, September 29, 1981	Statutory Auditor	Saluggia (VC) Via Crescentino snc
Romina Guglielmetti	Piacenza, March 18, 1973	Alternate	Saluggia (VC) Via Crescentino snc
Cristian Tundo	San Pietro Vernotico, October 25, 1972	Alternate	Saluggia (VC) Via Crescentino snc

Pursuant to Articles 144-*octies* and 144-*decies* of Consob Issuers' Regulation, the professional curricula of the Statutory Auditors and the Alternates are available at the Issuer's registered office and at the Issuer's website www.diasoringroup.com (Section "Governance/Shareholders' meeting /2019") as part of the application forms and relevant documents.

Composition of the Board of Statutory Auditors appointed on April 29,2022

The Board of Statutory Auditors has been appointed on the basis of two slates. The first slate had been filed by IP Investimenti e Partecipazioni S.r.l., which certified its ownership of an equity interest equal to about 43.957% of the Company's common shares. The second slate has been filed as minority list by a number of asset management companies representing their funds which certified their ownership of an overall equity interest equal to 0.691% of common shares.

Pursuant to the By-Laws, the Statutory Auditor candidate listed first in the slate that received the second highest number of votes (namely the slate presented by minority shareholders, receiving 16.998% of the voting capital) was elected to the post of Chairman of the Board of Statutory Auditors and Statutory Auditor. The candidates referred to in 1) and 2) listed in the slate that received the highest number of votes (and specifically from the slate filed by IP Investimenti e Partecipazioni S.r.l., receiving 81.691% of the Voting capital) were elected to the post of Statutory Auditors. Alternate candidates referred to in 1) listed in the slates presented by minority shareholders and by the reference shareholder were elected to the post of Alternates.

The members of the Board of Statutory Auditors at the date of this Report, are as follows:

First and last name	Place and date of birth	Office held	Domicile for the office held
Monica Mannino	Palermo, October 18, 1969	Chairman	Saluggia (VC) Via Crescentino snc
Ottavia Alfano	Milan, May 2, 1971	Statutory Auditor	Saluggia (VC) Via Crescentino snc
Matteo Michele Sutera	Milano, September 29, 1981	Statutory Auditor	Saluggia (VC) Via Crescentino snc
Romina Guglielmetti	Piacenza, March 18, 1973	Alternate	Saluggia (VC) Via Crescentino snc
Cristian Tundo	San Pietro Vernotico, October 25, 1972	Alternate	Saluggia (VC) Via Crescentino snc

Pursuant to Articles 144-*octies* and 144-*decies* of Consob Issuers' Regulation, the professional curricula of the Statutory Auditors and the Alternates are available at the Issuer's registered office and at the Issuer's website **www.diasoringroup.com** (Section "Governance/Shareholders' meeting /2022") as part of the application forms and relevant documents.

Functioning of the Board of Statutory

The Board of Statutory Auditors oversaw the independence of the external auditors, verifying that the relevant legal requirements were met, as well as the nature and extent of the various auditing services carried out for the Company and its subsidiaries by the external auditors and its network. The assessment for the year will be expressed in the report presented to the Shareholders' meeting that will approve the financial statements for the year ending December 31, 2022.

In performing its duties, the Board of Statutory Auditors coordinates and collaborates with the internal auditing department and with the CRS Committee, through constant exchange of information.

The Legislative Decree no. 39/2010, as last amended by the Legislative Decree no. 135/2016, attributed to the Board of Statutory Auditors the function of committee for internal control and accounting audit and in particular the Board of Statutory Auditors is in charge of:

- informing the Board of Directors of the result of the legal audit and provides them with an up-to-date report in accordance with Article 11 of European regulation 537/2014, complete with comments;
- monitoring financial reporting process and submitting recommendations or proposals to ensure its integrity;
- monitoring the effectiveness of the systems of internal quality control and business risk management and, where applicable, internal audit concerning the financial disclosure of the audited entity, without violating its independence;
- monitoring the statutory audit of separate financial statements and of consolidated financial statements, also taking account of any possible result and conclusion of quality control processes carried out by CONSOB according to Art. 26, paragraph 6, of Regulation (EU) 537/2014, where available;
- establishing and monitoring the independence of independent auditors or of the auditing firm according to Articles 10, 10-*bis*, 10-*ter*, 10-*quater* and 17 of Legislative Decree 39/2010 and Art. 6, paragraph 6, of Regulation (EU) 537/2014, in particular as regards the provision of adequate services other than auditing to the Company, in accordance with Art. 5 of said Regulation;
- carrying out any procedure aimed at selecting independent auditors or auditing firms and providing advice on independent auditors or auditing firms to be appointed pursuant to Art. 16 of Regulation (EU) 537/2014.

Additional information on activities carried out by the Board of Statutory Auditors is provided in the report of the Statutory Auditors.

Diversity policy and criteria

On March 8, 2022, on the occasion of the renewal of the Board of Statutory by the Shareholders' Meeting convened to approve the financial statements at December 31, 2022, the Board of Auditors approved the document annexed to the explanatory report prepared pursuant to art. 125-*ter* of the TUF and called " *Guidelines for Shareholders on the renewal of the Board of Statutory Auditors*" providing some guidelines for shareholders on the diversity policy applied to the composition of the Company's Board of Statutory Auditors. This report is available on the Issuer's website www.diasoringroup.com Section "Governance/Shareholders' Meeting/2022".

Starting from the appointment of corporate bodies on April 22, 2013, up to their last renewal on April 29, 2022, the Issuer complied with regulations on gender balance concerning the composition of such corporate bodies.

The Board of Statutory Auditors currently in office at the date of this Report is composed of 1 man and 2 women, while as regards the Alternates, the Board is composed of 1 man and 1 woman (in office since 2013).

The Board of Statutory Auditors is composed of members belonging to the following age groups: two members belong to the 51-60 age group, while one member belongs to the 41-50 age group. Finally, both Alternates belong to the 41-50 age group.

All Statutory Auditors and one Alternate work as Certified Public Accountants and Independent Auditors; one Alternate works as a lawyer.

The Board of Directors in the meeting held on November 11, 2021 resolved to implement art. 2, principle VII, Recommendation 8 of the Corporate Governance Code providing for diversity criteria in the composition of the Board of Statutory Auditors to be included in the Explanatory report pursuant to art. 125-*ter* of TUF concerning the appointment of the new control body on the basis of the outcomes of the Board of Statutory Auditors' evaluation.

Independence.

The Board of Statutory Auditors, taking also into account the requirements for Directors that are set forth in Article 2, Recommendation 7 of the Corporate Governance Code, assesses the independence of its members upon their election and at least once a year while they are in office. See Section 4.7 for the Company's decision not to define ex-ante fixed and predetermined quantitative and qualitative criteria to assess the independence of the members of the Board of Directors and Control Bodies.

The Board of Statutory Auditors assesses periodically the independence of the Independent Auditors and provides each year its opinion on this issue in a report to the Shareholders' Meeting.

The Board of Statutory Auditors:

- assessed the independence of its members on April 29, 2022, during the Shareholders' Meeting held to appoint the Statutory Auditors. This assessment has been disclosed to the public by press release on the same date;
- as regards the Statutory Auditor Ottavia Alfano, the Board of Statutory Auditors has not deemed it appropriate to apply the independent requirement provided for by the Recommendation n. 7, lett. e) of the CG Code which provides that director who has served on the board for more than nine years, even if not consecutive, of the last twelve years cannot be assessed as independent, as such director has a high level of professionalism and experience and there are no relations that may jeopardize, or appear to jeopardize, her independence of judgement and unbiased assessment of the activity of the management. The Board of Statutory Auditors has thus opted for a high level of expertise and professionalism for the composition of the control body;
- on March 27, 2023, following the review process the outcomes of which are described in the "Review Report" forwarded to the Board of Directors, the Board of Statutory Auditors assessed whether the independence requirement continued to apply to its own members (the Report has been disclosed to the public by press release);
- in carrying out these assessments, the Board of Statutory Auditors applied all the criteria set out in the GC Code related to the independence of Directors, with the exception of what is set forth above, with reference to the Statutory Auditor Ottavia Alfano.

Remuneration

Information about (i) the Company policy on the remuneration of member of the Board of Statutory Auditors, and (ii) fees paid in 2022 is provided in Section I and Section II of the Report on the Remuneration policy and fees paid published pursuant to Art. 123-*ter* of the TUF on the Company's website: www.diasoringroup.com, Section "Governance/Shareholders' meeting /2023".

Interest management

The Statutory Auditor who, on his own behalf or on behalf of a third party, has an interest in a particular transaction of the Issuer, has to promptly provide comprehensive information on the nature, terms, origin and scope of such interest to the other Statutory Auditors and to the Chairman of the Board.

12. Investor Relations

Access to information
DiaSorin considers it is of paramount importance to ensure ongoing and transparent dialogue with all its shareholders, institutional investors and other operators of the financial community in order to provide a more in-depth understanding of the activities carried out by the Company and the Group, in compliance with the rules and procedures governing the management and disclosure of inside information. In this context, the Board of Directors endeavors to provide correct, comprehensive and timely disclosure to the market and to all the stakeholders in general.

Investor Relations reporting is firstly ensured by making available corporate information and documentation in a timely and on-going manner, on the Issuer's website www.diasoringroup.com, Sections "*Governance*", "*Investors*" and "*Media*"); in particular, the website provides access to documents, regulated information and most relevant information, including that relating to the equity story, strategy and the most important strategic agreements concluded by the Group in recent years.

In order to ensure that Stakeholders are constantly updated, the Company publishes specific press releases (available in Section "*Investors/Financial Corner/Press Releases*" and in Section "*Notices to Shareholders*"), in a timely and on-going manner.

For the transmission and storage of regulated information, the Issuer uses the eMarket SDIR dissemination system and the eMarket STORAGE storage mechanism, respectively, both managed by Teleborsa S.r.l., with registered office in Rome, Piazza di Priscilla, 4 - following the CONSOB authorization and resolutions no. 22517 and 22518 of November 23, 2022.

Dialogue with shareholders
Departments with jurisdiction over this area are actively engaged in an on-going dialogue with the shareholders.

To this end, the Issuer established an internal Investor Relations Office, with responsibility for handling relations with all Shareholders and performing additional tasks in connection with the handling of price sensitive information. At the date of this Report, this office is currently headed by Mr. Riccardo Fava.

Shareholders can contact directly DiaSorin Investor Relations at **ir@diasorin.it**.

DiaSorin considers it is of paramount importance to ensure ongoing and transparent dialogue with all its shareholders, institutional investors and other operators of the financial community in order to provide a more in-depth understanding of the activities carried out by the Company and the Group, in compliance with the rules and procedures governing the management and disclosure of inside information.

In line with international best practices, the Issuer promotes the dialogue with the financial community through specific institutional (including virtual) meetings and other communication and meeting opportunities. In particular, dialogue also takes place also through (i) the organization of roadshows in all the main financial centers, during which the Company is available to discuss issues concerning the Group's operational performance and strategic choices; (ii) meetings with the financial community (so-called Investor Days); (iii) organization of one-to-one meetings with Stakeholders; (iv) conferences; (v) forums; (vi) scientific and commercial events; (vi) social channels.

It should be noted that the Board of December 16, 2021 adopted, upon proposal of the Chairman in agreement with the CEO, pursuant to art. 1, Principle IV., Recommendation 3 of the Corporate Governance Code, an engagement policy which has been drawn up taking into account, inter alia, the engagement policies adopted by institutional investors and assets managers and has been published on the Issuer's website (**www.diasoringroup.com**, Section "Governance"/ "Governance Documents" / "Procedures").

Following the adoption of the policy mentioned above, there have been neither significant developments nor Shareholders' requests for dialogue addressed directly to the Board or on matters that, in general, fall within the remit of the Board of Directors.

13. Shareholders' Meetings
(pursuant to art. 123-bis, section 2, letter c), TUF)

When convened in ordinary session, the Shareholders' Meeting has jurisdiction over the following areas:
(a) approval of the financial statements;
(b) appointment and annulment of Directors, Statutory Auditors and the Chairman of the Board of Statutory Auditors and, where required, the Accounting Document Officer;
(c) determination of the remuneration of Directors and Statutory Auditors;
(d) resolutions concerning the responsibility of Directors and Statutory Auditors;
(e) resolutions concerning other matters over which it has jurisdiction pursuant to law and authorizations that the By-Laws may require in connection with activities carried out by Directors, who are responsible for the actions they perform;
(f) approval of any Regulation governing the handling of Shareholders' Meetings;
(g) resolutions concerning any other issue over which it has jurisdiction pursuant to law.

The Extraordinary Shareholders' Meeting approves resolutions concerning amendments to the By-Laws, the appointment, replacement and powers of liquidators, and any other issue over which it has specific jurisdiction pursuant to law. The Board of Directors has jurisdiction over the areas listed in Article 15 of the By-Laws, it being understood that it can cede jurisdiction over these issues to the Shareholders' Meeting convened in extraordinary session.

The relevant provisions of the law shall be applied to determine whether an Ordinary or Extraordinary Shareholders' Meeting has been validly convened and its resolutions validly adopted.

Pursuant to Article 9 of the By-Laws, only the holders of voting rights may attend the Shareholders' Meeting, in accordance with the regulations in effect at any given time.

Parties eligible to vote may submit questions about the items on the Agenda prior to the Shareholders' Meeting. Questions that are received prior to the Shareholders' Meeting shall be answered at least on the day of the Meeting. The Company may provide a single answer to question with the same content. The notice calling the meeting specifies the terms within which questions raised prior to the shareholders' meeting must reach the company. The terms must be no earlier than five trading days prior to the date of the first or only calling of the shareholders' meeting, or at the record date pursuant to article 83-*sexies*, paragraph 2, TUF (close of the accounting day on the seventh trading day prior to the date set for the Meeting) where the notice requires the Company to reply to submitted questions prior to the Meeting. In this case, replies are provided at least two days prior to the Shareholders' Meeting also by publication in a specific section of the company website. Ownership of the voting right can be proved even after submission of questions provided that it occurs within the third day following the abovementioned record date.

At present, the Issuer finds no need to adopt special Regulation to govern the handling of Shareholders' Meetings, since it believes that the governance of the Meeting exercised by the Chairman, in accordance with attendance rules summarized by the Chairman at the beginning of each session, is adequate. The Chairman to ensure an orderly progress of the proceedings, mentioned some of the rules of conduct in reference to speech requests, contents of the speech and voting criteria.

Pursuant to Article 106, Paragraph 4 of Legislative Decree no. 18 of 17 March 2020, converted into law no.27 of 24 April 2020 providing " *Measures to strengthen the National Health Service and economic support for families, workers and businesses related to the COVID-19 epidemiological emergency*", and as last amended by art. 3, paragraph 6 of Legislative Decree 183/2020 converted into law 21/2021 during the only Diasorin Shareholders Meetings convened in 2022 (on April 29, 2022), those who were entitled to vote may participate in the Shareholders' Meeting only through the Designated Representative chosen by the Company, pursuant to Article 135-undecies of TUF (by conferring proxy); under the same provision, Directors and Statutory Auditors attended the Meeting through remote connection systems that allowed identification.

In 2022, no significant changes occurred in the market capitalization of the Issuer's shares or in the ownership structure of the Issuer, except for the effects of the increased voting rights as described in Paragraph **2** of this Report.

14. Additional Corporate Governance practices
(pursuant to art. 123-bis, section 2, letter a), TUF)

There are no additional corporate governance practices, other than those described above that the Issuer effectively applies, above and beyond its legislative and regulatory obligations.

15. Changes occurring after the close of the reporting year

No changes occurred in the Corporate Governance of the Issuer between the end of the reporting period and the date on which the Annual Report has been published.

16. Considerations on the letter dated January 25, 2023, from the Chairman of the Corporate Governance Committee

The letter of the Chairman of the Corporate Governance Committee of January 25, 2023, to the Chairmen of Boards of Directors of listed companies has been forwarded to the Directors and to the Chairman of the Board of Statutory Auditors by the Lead Independent Director on January 27, 2023, with the request to consider the recommendations contained therein in the review process in order to identify any evolutions of the governance or fill the gap in the applications or explanations provided.

The Board acknowledged that the Issuer’s governance is basically in line and consistent with the recommendations of the Corporate Governance Code.

With regard to the areas of improvement indicated in the letter, it should be noted that the Issuer complied with the recommendation to provide, in condensed form, essential information which indicates compliance with the specific recommendations of the CG Code or their disapplication, by including Table 7 which provides application, disapplication or non-application for each provision of the Corporate Governance Code.

During the Shareholders' Meeting held on March 27, 2023, the Board of Directors examined the letter which had been previously shared also with members of the Board's Committees, expressing the following considerations:

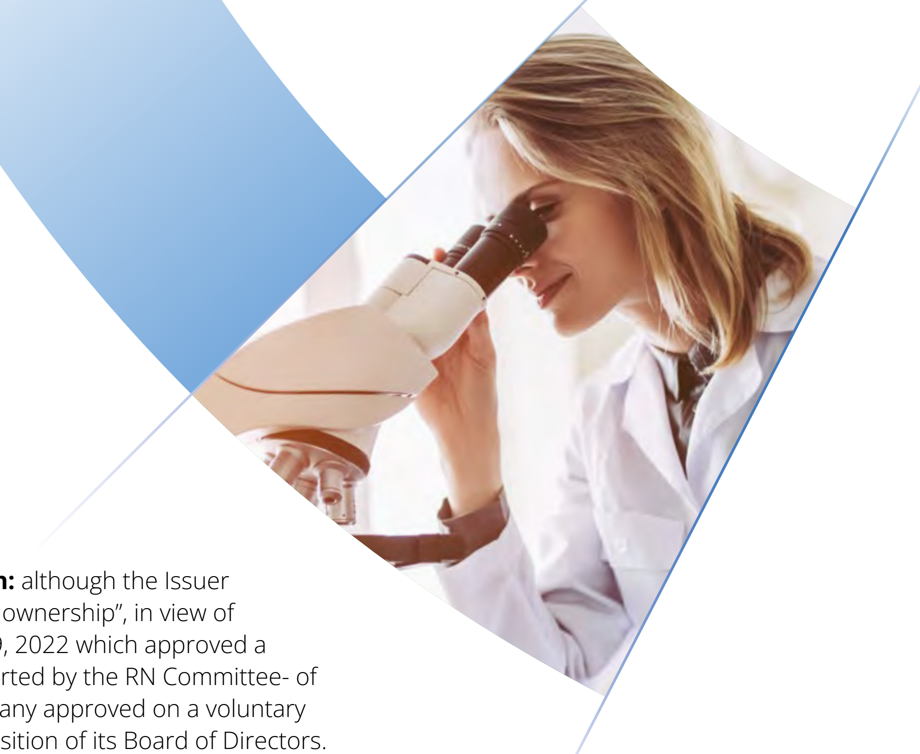
1. **Dialogue with shareholders:** the policy for managing dialogue with shareholders envisages that dialogue takes place upon initiative of the Issuer or investors and defines the methods, points of contact and stages of interactions, taking into account the size and ownership structures of the Company. Dialogue with the financial community has been conducted through the usual investor relations activities and mainly concerned the economic and financial performance of the Issuer, the launch of new products, the rationale behind voting before and after shareholders' meetings, the implementation of ESG issues. The Company has taken into account the outcomes of the dialogue acknowledging, for example, some observations made by investors on the Report on the Remuneration Policy 2022 and fees paid in 2021, and launching a project aimed at making some adjustments to the Policy and enhancing the level of disclosure provided. Following the adoption of the policy for managing dialogue with shareholders, there have been neither significant developments nor Shareholders' requests for dialogue on the matters that fall within the remit of the Board of Directors. More information is provided in paragraph 12, "*Dialogue with shareholders*".

2. **Dialogue with stakeholders:** dialogue activities with stakeholders refer to the interactions carried out to update the list of relevant issues described in the Consolidated non-Financial Statement pursuant to Legislative Decree 254/2016, to which reference is made for more details.

3. **Delegation of managerial powers to the Chairman:** the Chairman of the Board of Directors of the Issuer was not granted with managerial powers.

4. **Pre-meeting information:** the Regulation of the Board of Directors of the Issuer provides that pre-meeting information is made available at least three working days before the meeting, with the exception of urgent cases or confidentiality needs. In any case, the Company management provides appropriate insight on items on the agenda concerning the approval of the financial statements or significant transactions.

5. **Attendance of Directors at the meetings of the Board of Directors:** the Regulations of the Board of Directors and of its three Committees provide that the Chairman may request that directors and managers of corporate functions of the Issuer or of the Group attend the meetings. According to the standard procedure, the Board of Directors' meetings are attended by the Chief Financial Officer and the Secretary and the Internal Audit Officer for issues concerning the Internal Control and Risk management System. Periodically, the Head of the Corporate Human Resources and the Head of Communications & Investor Relations are invited to discuss specific items on the agenda.



6. **Guidelines on the optimal composition:** although the Issuer qualifies as a "company with concentrated ownership", in view of the Shareholders' Meeting held on April 29, 2022 which approved a resolution concerning the renewal - supported by the RN Committee- of the outgoing Board of Directors, the company approved on a voluntary basis the guidelines on the optimal composition of its Board of Directors. The document has been promptly annexed to the Explanatory Report pursuant to 125-*ter* of the TUF, for the benefit of shareholders called to submit the slates of candidates.

7. **Criteria for assessing the significance of commercial, financial, professional relationships and additional remuneration:** in the last meeting held on November 11, 2021, the Board did not deem it necessary to define ex-ante the qualitative and quantitative criteria for assessing the significance of commercial, financial, professional relationships and additional remuneration in relation to the fixed compensation for the office held. The Boards assesses, also through prior examination by the RN Committees, that the independence requirements of the directors are still met. This assessment is carried out under the consolidated principle which gives prevalence to substance over form and that takes into account the principles of the CG Code, as well professionalism and commitment demonstrated by directors, their active attendance at the Board's meeting, their comments and contribution to debates.

8. **Transparency of the remuneration policies and weight of the variable components:** the Report on the Remuneration Policy 2023 and fees paid in 2022, to which reference is made, includes an executive summary table describing the composition of the remuneration package, its characteristics, the weight of fixed components, and long and short-term variable components in relation to the overall remuneration.

9. **Long-term horizons in remuneration policies:** the remuneration packages for executives and other executives with strategic responsibilities provide an adequate balance between fixed and variable components. The long-term variable component has a significant weight on the overall remuneration. Further details are provided in the Report on the Remuneration 2023 and fees paid in 2022.

10. **ESG criteria for the remuneration of directors:** the Report on the remuneration policy 2023 and fees paid in 2022, to which reference is made, provides timely disclosure of nature and contents of the ESG objective assigned to the top management.

TABLE 1: Information on ownership structure at the date of this report

SHARE CAPITAL STRUCTURE					
	Number of shares	*% on the share capital*	*Number of voting rights***	*Listed*	*Rights and obligations*
Ordinary share (par value 1 € each)	55,948,257*	100%	88,456,525	Euronext Milan	Rights and obligations are those provided in arts. 2346 et seq. of the Civil Code. Specifically, each share gives right to one vote, without prejudice to the shares that accrued increased voting rights, pursuant to art. 9-*bis* of the By-Laws

* The figure refers to the total amount of shares subscribed. No. 2,430,372 treasury shares held in the company's portfolio; number of treasury shares at 12.31.2022 was equal to 2,437,872.
** The amount of voting rights was equal 88,456,525 at 12.31.2021

OTHER FINANCIAL INSTRUMENTS (conferring the right to subscribe newly issued shares)				
	Listed	*No. of instruments outstanding*	*Type of shares at the service of the conversion/exercise*	*No. of shares at the service of the conversion/exercise*
Convertible bonds – "€ 500 Million Senior Unsecured Equity – Linked Bonds Due 2028"	*Wien MTF – Wiener Börse*	5,000	Ordinary shares (par value € 1 each)	2,370,411*

* Deriving from the capital increase to service the conversion of the Convertible Bond, as resolved by the extraordinary Shareholders' Meeting of October 4, 2021

SIGNIFICANT EQUITY INTEREST					
Reporting party	**Direct shareholders**	**Number of shares**	**% on the share capital**	**Number of voting rights****	**% of voting rights**
Finde SS	IP Investimenti e Partecipazioni S.r.l.	24,593,454	44.976	49,186,908	56.895
	Finde S.p.A.	570,000		1,140,000	
Rosa Carlo	Sarago S.r.l.	2,402,532	8.363	4,805,064	10.523
	Sarago 1 S.r.l.	2,226,682		4,453,364	
	Rosa Carlo	50.000		50,000	
Even Chen Menachem	MC S.r.l.	2,300,000	4.200	4,600,000	5.257
	Even Chen Menachem	50,000		50,000	
T. Rowe Price Associates, Inc.	T. Rowe Price Associates, Inc.	1,696,073	3.031	1,696,073	1.917

TABLE 2A: Structure of the Board of Directors at December 31, 2021 until April 29, 2022

BOARD OF DIRECTORS

Post	Members	Year of birth	Date of first appointment (*)	In office since	In office until		List (filed by) (**)	List (***)	Exec.	Non exec.	Indep. code	Indep. TUF	Number of other offices held (****)	Equity interest (*****)
Chairman	Gustavo Denegri	1937	3.26.2007	4.24.2019	4.24.2019		Shareholders	M		X			0	1/1
Deputy Chairman and Director	Michele Denegri	1969	3.26.2007	4.24.2019	4.24.2019		Shareholders	M		X			0	1/1
CEO •	Carlo Rosa	1966	3.26.2007	4.24.2019	4.24.2019		Shareholders	M	X				0	1/1
Director °	Giuseppe Alessandria	1942	3.26.2007	4.24.2019	4.24.2019		Shareholders	M			X	X	0	1/1
Director	Stefano Altara	1967	4.23.2014	4.24.2019	4.24.2019		Shareholders	M		X			0	1/1
Director	Fiorella Altruda	1952	12.19.2016	4.24.2019	4.24.2019		Shareholders	M			X	X	0	1/1
Director	Giancarlo Boschetti	1939	4.28.2016	4.24.2019	4.24.2019		Shareholders	M		X			0	1/1
Director	Elisa Corghi	1972	4.24.2019	4.24.2019	4.24.2019		Shareholders	M			X	X	3	1/1
Director	Chen Menachem Even	1963	3.26.2007	4.24.2019	4.24.2019		Shareholders	M	X				0	1/1
Director	Luca Melindo	1970	4.24.2019	4.24.2019	4.24.2019		Shareholders	M		X			0	1/1
Director	Franco Moscetti	1951	3.26.2007	4.24.2019	4.24.2019		Shareholders	M			X	X	6	1/1
Director	Francesca Pasinelli	1960	4.28.2016	4.24.2019	4.24.2019		Shareholders	M			X	X	6	1/1
Director	Roberta Somati	1969	4.22.2013	4.24.2019	4.24.2019		Shareholders	M			X	X	0	1/1
Director	Monica Tardivo	1970	4.28.2016	4.24.2019	4.24.2019		Shareholders	M			X	X	1	1/1
Director	Tullia Todros	1948	4.28.2016	4.24.2019	4.24.2019		Shareholders	M			X	X	0	1/1

Number of meetings held until April 29, 2022	1
Average length of meetings	2 hours and 35 minutes
Quorum required to file minority slates (pursuant to art. 147-*ter* TUF)	1%

NOTES

- • This symbol indicates the Director in charge of the internal control and risk management.
- o This symbol indicates the Lead Independent Director (LID).
- (*) Date of first appointment of each Director means the date when the Director has been appointed for the very first time in the Board of Directors of the Issuer..
- (**) This column indicates whether the list from which each Director comes has been presented by Shareholders (indicating "Shareholders") or by the Board of Directors (indicating "Board of Directors").
- (***) This column indicates the list from which each Director comes "("M": majority list; "m": minority list);
- (****) This column indicates the number of posts held as Director or Statutory Auditors in other listed or large companies. In the Corporate Governance Report posts are listed in detail.
- (*****) This column indicates the number of the Board of Directors meetings attended by each director (show the number of meetings the director attended compared with the overall number of meeting the director could have attended i.e., 6/8 and 8/8 etc.).

TABLE 2B: Structure of the Board of Directors from April 29, 2022 to the date of this report

BOARD OF DIRECTORS

Post	Members	Year of birth	Date of first appointment (*)	In office since	In office until	List (filed by) (**)	List (***)	Exec.	Non exec.	Indep. code	Indep. TUF	Number of other offices held (****)	Equity interest (*****)
Chairman	Michele Denegri	1969	3.26.2007	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X			-	6/6
Deputy Chairman and Director	Giancarlo Boschetti	1939	4.28.2016	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X			-	6/6
CEO •	Carlo Rosa	1966	3.26.2007	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M	X				-	6/6
Director °	Andrè Michel Ballester	1958	4.29.2022	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X	X	X	-	5/6
Director	Stefano Altara	1967	4.23.2014	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X			-	6/6
Director	Fiorella Altruda	1952	12.19.2016	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X	X	X	-	6/6
Director	Chen Menachem Even	1963	3.26.2007	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M	X				-	6/6
Director	Luca Melindo	1970	4.24.2019	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X			-	5/6
Director	Franco Moscetti	1951	3.26.2007	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X			6	6/6
Director	Francesca Pasinelli	1960	4.28.2016	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X	X	X	6	6/6
Director	Giovanna Pacchiana Parravicini	1969	4.29.2022	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X	X	X	-	6/6
Director	Diego Pistone	1950	4.29.2022	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X			1	6/6
Director	Roberta Somati	1969	4.22.2013	29.04.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X	X	X	-	6/6
Director	Monica Tardivo	1970	4.28.2016	29.04.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X	X	X	1	6/6
Director	Tullia Todros	1948	4.28.2016	29.04.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X	X	X	-	6/6
Number of meetings held at December 31, 2022					5								
Average length of meetings					2 hours								
Quorum required to file minority slates (pursuant to art. 147-*ter* TUF)					1%								

NOTES

- • This symbol indicates the Director in charge of the internal control and risk management.
- o This symbol indicates the Lead Independent Director (LID).
- (*) Date of first appointment of each Director means the date when the Director has been appointed for the very first time in the Board of Directors of the Issuer..
- (**) This column indicates whether the list from which each Director comes has been presented by Shareholders (indicating "Shareholders") or by the Board of Directors (indicating "Board of Directors").
- (***) This column indicates the list from which each Director comes "("M": majority list; "m": minority list);
- (****) This column indicates the number of posts held as Director or Statutory Auditors in other listed or large companies. In the Corporate Governance Report posts are listed in detail.
- (*****) This column indicates the number of the Board of Directors meetings attended by each director (show the number of meetings the director attended compared with the overall number of meeting the director could have attended i.e., 6/8 and 8/8 etc.).

TABLE 3A: Structure of the Board Committees at December 31, 2021 and until April 29, 2022

Board of Directors		Control, Risk and Sustainability Committee			Remuneration and Nominating Committee		Committee for Related-Party Transactions	
Post/position	**Members**	**(*)**	**(**)**		**(*)**	**(**)**	**(*)**	**(**)**
Deputy Chairman	Denegri Michele				2/2	M		
Non-executive Director independent from the TUF and from the Code	Alessandria Giuseppe				2/2	P	1/1	M
Non-executive and non-independent Director	Boschetti Giancarlo	1/1	M					
Non-executive Director independent from the TUF and from the Code	Corghi Elisa				2/2	M		
Non-executive Director independent from the TUF and from the Code	Moscetti Franco	1/1	P				1/1	P
Non-executive Director independent from the TUF and from the Code	Somati Roberta	1/1	M				1/1	M
No. of meetings held in the year		1			2		1	
Average length of the meetings		1 hour and 30 minutes			50 minutes		30 minutes	

NOTES
(*) This column shows the number of committees' meetings attended by each director (show the number of meetings the director attended compared with the overall number of meetings the director could have attended i.e., 6/8 and 8/8 etc.).
(**) This column shows the post the Director holds inside the Committee: "C": Chairman; "M": member.

TABLE 3B: Structure of the Board Committees from April 29, 2022 to the date of this report

Board of Directors		Control, Risk and Sustainability Committee			Remuneration and Nominating Committee		Committee for Related-Party Transactions	
Post/position	**Members**	**(*)**	**(**)**		**(*)**	**(**)**	**(*)**	**(**)**
Non-executive Deputy Chairman independent from the TUF and from the Code	Boschetti Giancarlo				4/4	M		
Non-executive Director independent from the TUF and from the Code	Ballester André Michel	4/4	P				0/0	M
Non-executive Director independent from the TUF and from the Code	Moscetti Franco	4/4	M					
Non-executive Director independent from the TUF and from the Code	Pacchiana Parravicini Giovanna				4/4	M	0/0	M
Non-executive Director independent from the TUF and from the Code	Somati Roberta	4/4	M		4/4	P	0/0	P
No. of meetings held in the year		3			5		0	
Average length of the meetings		1 hour and 30 minutes			55 minutes		Not applicable	

NOTES

(*) This column shows the number of committees' meetings attended by each director (show the number of meetings the director attended compared with the overall number of meetings the director could have attended i.e., 6/8 and 8/8 etc.).

(**) This column shows the post the Director holds inside the Committee: "C": Chairman; "M": member.

TABLE 4: Structure of the Board of Statutory Auditors at the date of this report

BOARD OF STATUTORY AUDITORS									
Post held	Members	Year of birth	Date of first appointment (*)	In office since	In office until	List (**)	Indep. Code	Attendance at the Board of Statutory Auditors' meeting (***)	Number of other posts (****)
Chairman	Monica Mannino	1969	4.28.2016	4.24.2022	Approval of Fin. Stat. at 12.31.2024	m	X	13/13	9
Statutory Auditors	Ottavia Alfano	1971	4.22.2013	4.24.2022	Approval of Fin. Stat. at 12.31.2024	M	X	13/13	28
Statutory Auditors	Matteo Michele Sutera	1981	4.24.2019	4.24.2022	Approval of Fin. Stat. at 12.31.2024	M	X	13/13	19
Statutory Alternate	Romina Guglielmetti	1973	4.24.2019	4.24.2022	Approval of Fin. Stat. at 12.31.2024	M	X	-	7
Statutory Alternate	Cristian Tundo	1972	4.24.2019	4.24.2022	Approval of Fin. Stat. at 12.31.2024	m	X	-	9
Statutory Auditors who resigned in the year: none									
Number of meetings held in 2022: 13									
Average length of meetings: 2 hours and 30 minutes									
Indicate minimum quorum required for the presentation of lists at the last appointment of the Board: 1%									

NOTES

(*) The date of first appointment indicates the date when the Statutory Auditor has been appointed for the very first time in the Issuer's Board of Statutory Auditors.

(**) This column indicates the list from which each statutory auditor comes ("M": majority list; "m": minority list).

(***) This column indicates the number of the Board of Statutory Auditors' meeting attended by each member (show the number of meetings the statutory auditors attended compared with the overall number of meeting the statutory auditor could have attended; i.e., 6/8 and 8/8 etc.)

(****) This column indicates the number of posts held in other companies deemed relevant pursuant to Art. 148-bis TUF and the implementation of the Consob Issuer's Regulation. A complete list of posts held is published on the Consob's website pursuant to Art. 144-quinquiesdecies of Consob Issuers' Regulation.

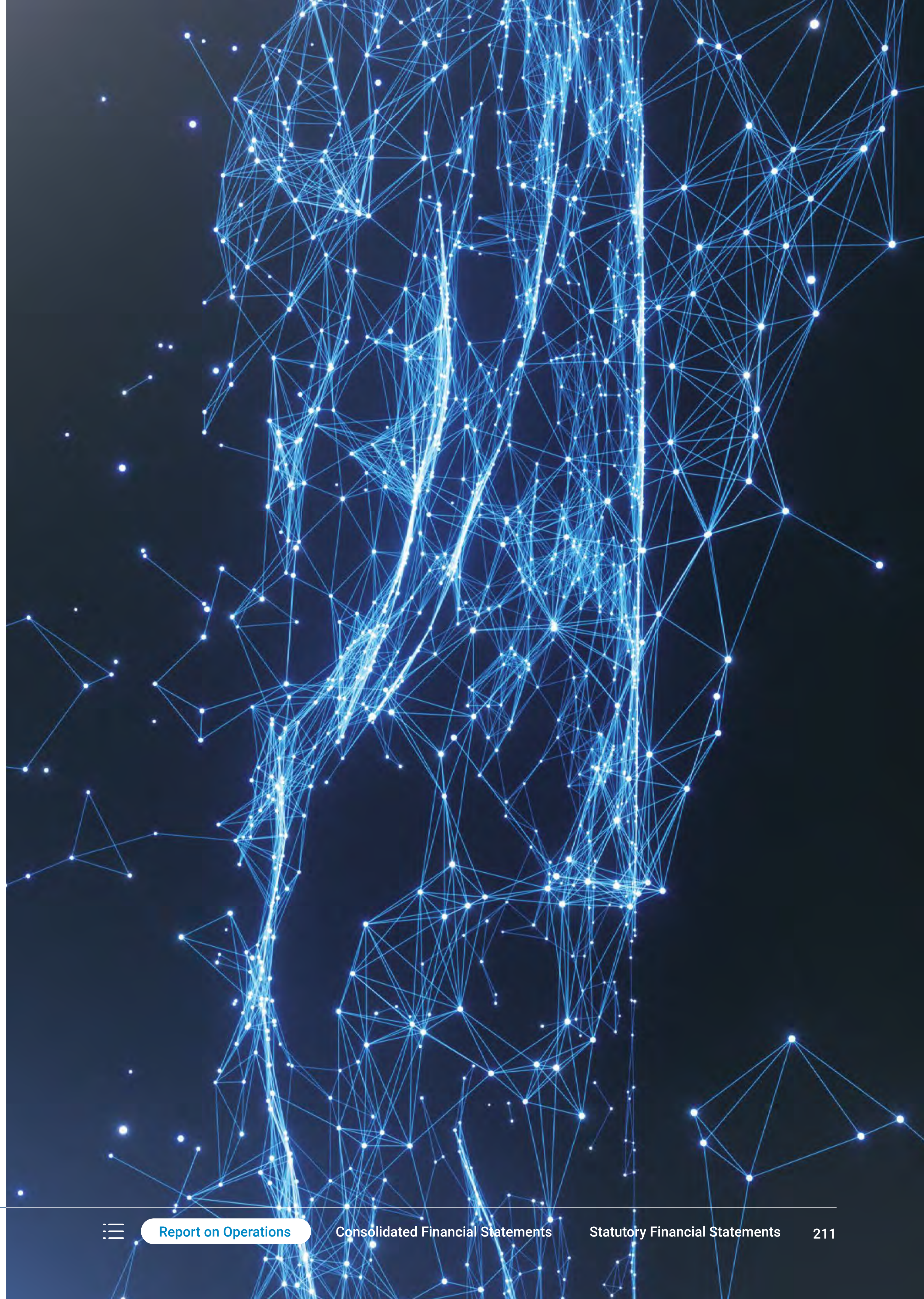


TABLE 5: List of the offices held by the Board of Directors in office from December 31, 2021 to April 29, 2022

(Offices held in other listed companies, or banking, financial, insurance companies or companies of a significant size pursuant to the criteria for the maximum number of offices held by the Board of Directors of December 16, 2021)

Office held in Diasorin	Members	Other offices held
chairman	Gustavo Denegri	-
Deputy Chairman and Director	Michele Denegri	-
Chief Executive Officer	Carlo Rosa	-
Director	Giuseppe Alessandria	-
Director	Stefano Altara	-
Director	Fiorella Altruda	-
Director	Giancarlo Boschetti	-
Director	Elisa Corghi	BasicNet S.p.A. (Director) Nexi S.p.A. (Director) Tinexta S.p.A. (Director)
Director	Chen Menachem Even	-
Director	Luca Melindo	-
Director	Franco Moscetti	ASTM S.p.A. (Deputy Chairman) Clessidra Capital SGR S.p.A. (Director) Fideuram SGR S.p.A. (Deputy Chairman) OVS S.p.A. (Chairman) Pellegrini S.p.A. (Director) Zignago Vetro S.p.A. (Director)
Director	Francesca Pasinelli	Anima Alternative SGR (Director) Anima Holding S.p.A. (Director) Anima SGR (Director) Bormioli Pharma S.p.A. (Director) CIR Compagnie Industriali Amiche S.p.A (Director) Dompè Farmaceutivi S.p.A. (Director)
Director	Roberta Somati	-
Director	Monica Tardivo	Banca del Piemonte S.p.A. (Director)
Director	Tullia Todros	-

TABLE 5B: List of the offices held by the Board of Directors in office at the date of this report

(Offices held in other listed companies, or banking, financial, insurance companies or companies of a significant size pursuant to the criteria for the maximum number of offices held by the Board of Directors of December 16, 2021)

Office held in Diasorin	Members	Other offices held
chairman	Michele Denegri	-
Deputy Chairman and Director	Giancarlo Boschetti	-
Chief Executive Officer	Carlo Rosa	-
Director	André Michel Ballester	-
Director	Stefano Altara	-
Director	Fiorella Altruda	-
Director	Chen Menachem Even	-
Director	Luca Melindo	-
Director	Franco Moscetti	ASTM S.p.A. (Deputy Chairman) Clessidra Capital SGR S.p.A. (Director) Fideuram AM SGR S.p.A. (Deputy Chairman) OVS S.p.A. (Chairman) Pellegrini S.p.A. (Director) Zignago Vetro S.p.A. (Director)
Director	Francesca Pasinelli	Anima Alternative S.pA. (Director) Anima Holding S.p.A. (Director) Anima SGR S.p.A. (Director) CIR Compagnie Industriali Riunite S.p.A. (Director) Dompé Farmaceutici S.p.A. (Director) Bormioli Pharma S.p.A. (Director)
Director	Giovanna Pacchiana Parravicini	-
Director	Diego Pistone	Juventus FC S.p.A. (Director)
Director	Roberta Somati	-
Director	Monica Tardivo	Banca del Piemonte S.p.A. (Director)
Director	Tullia Todros	-

TABLE 6: List of the offices held by the Board of Statutory Auditors

(Offices held in other listed companies, or banking, financial, insurance companies or companies of a significant size)

Office held in Diasorin	Members	Other offices held
Chairman	Monica Mannino	Corvallis S.r.l. (Chairman of the Board of Statutory Auditors) ERAMET ALLOYS Italia S.r.l. (Chairman of the Board of Statutory Auditors) FBS Next S.p.A. (Statutory Auditor) Fiera Milano S.p.a. (Chairman of the Board of Statutory Auditors) Luxmaster S.p.A. (Statutory Auditor) TINEXTA S.p.A. (Statutory Auditor) Tinexta Cyber S.p.A. (Chairman of the Board of Statutory Auditors) Istituto Stomatologico Italiano Cooperativa Sociale – Onlus (Statutory Auditor) Made Eventi S.r.l. (Statutory Auditor)
Statutory Auditor	Ottavia Alfano	Amalfi Invest S.p.A. (Chairman of the Board of Statutory Auditors) Cashfin S.p.A. (Chairman of the Board of Statutory Auditors) Cleanbnb S.p.A. (Statutory Auditor) Cypress Holdings S.r.l. (Statutory Auditor) Evoca S.p.A. (Chairman of the Board of Statutory Auditors) Evolvere S.p.A. Società Benefit (Chairman of the Board of Statutory Auditors) FSI Holding S.p.A. (Chairman of the Board of Statutory Auditors) FSI SGR S.p.A. (Chairman of the Board of Statutory Auditors) Genextra S.p.A. (Statutory Auditor) Illimity SGR S.p.A. (Statutory Auditor) Italian renewable Resources S.p.A. (Chairman of the Board of Statutory Auditors) L&B Capital S.p.A. (Chairman of the Board of Statutory Auditors) La Doria S.p.A. (Statutory Auditor) Nuova Energia Holding S.r.l. (Chairman of the Board of Statutory Auditors) Pay Holding S.p.A. (Statutory Auditor) Servizi per l'Informatica S.r.l. (Statutory Auditor) Reale Compagnia Italia S.r.l. (Statutory Auditor) Saga Coffee S.p.A. (Chairman of the Board of Statutory Auditors) Sarago 1 S.r.l. (Statutory Auditor) Sarago S.r.l. (Sole Auditor) VEI S.r.l. (Sole Auditor) VND S.p.A. (Statutory Auditor) Vodafone Gestioni S.p.A (Chairman of the Board of Statutory Auditors) Abilio S.p.A. (Alternate) B4IFund SiS S.p.A. (Alternate) Bonafous S.p.A. in liquidazione (Alternate Neprix S.r.l. (Alternate) Residenziale Immobiliare 2004 S.p.A. (Alternate)
Statutory Auditor	Matteo Michele Sutera	Arno S..r.l. in liquidazione (Statutory Auditor) Assietta S.p.A. (Chairman of the Board of Statutory Auditors) Beingpharma S.p.A. (Director) Bioearth International S.r.l. (Director) Bribri S.p.A. (Statutory Auditor) Corporate Value S.p.A. (Statutory Auditor) Deltatre S.p.A. (Statutory Auditor) E.P. Preziosi Participations S.p.A. (Statutory Auditor) Exilles S.p.A. (Chairman of the Board of Statutory Auditors) Gerola Energia S.r.l. (Sole Independent Auditor) I.M.S. Industria Materiali Stampati S.p.A. (Statutory Auditor) Natural Way Laboratories S.r.l. (Director) Naturalia Tantum S.p.A. (Director) OdeXa S.p.A. (Chairman of the Board of Statutory Auditors) Panakes Partners SGR S.p.A. (Statutory Auditor) Preziosi Investments S.p.A. (Statutory Auditor) Technical Plast S.r.l. (Alternate) Togethair S.r.l. (Director) Valbrenta S.p.A. (Chairman del Consiglio di Amministrazione)
Alternate	Romina Guglielmetti	Tod's Group S.p.A. (Director) Compass Banca S.p.A. (Director) MB Facta S.p.A. (Director) DEA Capital Alternative Funds SGR S.p.A. (Director) The Technoshop SGR S.p.A. (Director) Autogrill Italia S.p.A. (Alternate) Autogrill Europe S.p.A. (Alternate)
Alternate	Cristian Tundo	Ce.P.I.M. S.p.a. (Statutory Auditor) CHR Hansen Italia S.p.A. (Statutory Auditor) DUC S.p.A. (Statutory Auditor) Everis Italia S.p.A. (Statutory Auditor) Immobiliare Oasi nel Parco S.r.l. (Statutory Auditor) Oterra S.p.A. (Chairman of the Board of Statutory Auditors) Oterra Italia S.p.A. (Chairman of Statutory Auditors) Rimini Parking Gest S.r.l. (Sole Auditor) SITI B&T Group S.p.A. (Statutory Auditor)

TABLE 7 – Executive summary of compliance with the Corporate Governance Code

Corporate Governance Code 2020	Applied	Not applied	Inapplicable	Paragraph
Art. 1 - Role of the board of directors *Principles* I. The board of directors leads the company by pursuing its sustainable success.	V			4.1
II. The board of directors defines the strategies of the company and the group it heads in accordance with principle I and monitors its implementation.	V			4.1
III. The board of directors defines the corporate governance system that is most functional for carrying out the company's business and pursuing its strategies, taking into account the flexibility offered by the legal framework. If necessary, the board of directors evaluates and promotes the appropriate changes and submit them to the shareholders' meeting.	V			4.1
IV. The board of directors promotes dialogue with shareholders and other stakeholders which are relevant for the company, in the most appropriate way.	V			12.

Corporate Governance Code 2020	Applied	Not applied	Inapplicable	Paragraph
Recommendations 1. The board of directors: a) reviews and approves the business plan of the Company and the Group it heads, also on the basis of matters that are relevant for the long-term value generation. That analysis is carried out with the possible support of a committee whose composition and functions are defined by the board of directors; b) periodically monitors the implementation of the business plan and assesses the general course of the business, comparing the results achieved with those planned; c) defines the nature and level of risk compatible with the company's strategic objectives, including all the elements that can be relevant for the company's sustainable success; d) defines the corporate governance system of the company and the structure of the group it heads, and assesses the adequacy of the company's organizational, administrative and accounting structure and of its strategically important subsidiaries, with particular reference to the internal control and risk management system;	V			4.1
e) approves transactions of the company and its subsidiaries that have a significant impact on the company's strategies, profitability, assets and liabilities or financial position; to this end, it establishes the general criteria for identifying significant transactions;		X		4.1
f) on proposal of the chairman in agreement with the chief executive officer, adopts a procedure for the internal and external management of documents and information concerning the company, with particular reference to inside information, in order to ensure the correct management of corporate information.				4.1,

Corporate Governance Code 2020	Applied	Not applied	Inapplicable	Paragraph
2. If deemed necessary for the effectiveness of the company's corporate governance system, the board of directors develops specific proposals to be submitted to the shareholders' meeting on the following issues: a) choice and characteristics of the corporate model (traditional, "one-tier", "two-tier"); b) size, composition and appointment of the board of directors and term of office of its members; c) structure of the shares' administrative and property rights; d) percentages established for the exercise of the prerogatives set up to safeguard minority shareholders. In particular, if the board of directors intends to propose to the shareholders' meeting the introduction of increased voting rights, it provides adequate reasons in the explanatory report that will be submitted to the shareholders. The report indicates the expected effects on the company's ownership and control structure and its future strategies. In the same report, the board discloses the decision-making process followed for the definition of such a proposal and any dissenting opinions voiced within the board.	V			2 d)
3. Upon proposal of the Chairman in agreement with the chief executive officer, the board of directors adopts and describes in the corporate governance report a policy for managing dialogue with the generality of shareholders, taking also into account the engagement policies adopted by institutional investors and asset managers. The Chairman ensures that the board of directors is in any case informed, within the first suitable meeting, of the development and the significant contents of the dialogue that has taken place with all the shareholders.	V			12
Art. 2 - Composition of the corporate bodies *Principles* V. The board of directors is comprised of executive and non-executive directors. All directors ensure professional skills and competence that are appropriate to their tasks.	V			4.3

Corporate Governance Code 2020	Applied	Not applied	Inapplicable	Paragraph
VI. The number and skills of non-executive directors ensure significant influence in the decision-making process of the board and guarantee an effective monitoring of management. A significant number of non-executive directors is independent.	V			4.3
VII. The company applies diversity criteria, including gender ones, to the composition of the board of directors, ensuring the primary objective of adequate competence and professionalism of its members.	V			4.3
VIII. The control body's composition is appropriate for ensuring the independence and professionalism of its function.	V			4.3
Recommendations 4. The board of directors defines the delegation of managerial powers and identifies who among the executive directors holds the position of chief executive officer. If the Chairman is entrusted with the position of chief executive officer or with significant managerial powers, the board of directors explains the reasons for this choice.	V			4.6
5. The number and skills of independent directors are appropriate to the needs of the company and to the well-functioning of the board of directors, as well as to the establishment of board committees. The board of directors includes at least two independent directors, other than the Chairman. In large companies with concentrated ownership, independent directors account for at least one third of the board. In other large companies, independent directors account for at least half of the board. In large companies, independent directors meet, in the absence of the other directors, on a periodic basis and at least once a year to evaluate the issues deemed of interest to the functioning of the board of directors and to the corporate management.	V			4.7

Corporate Governance Code 2020	Applied	Not applied	Inapplicable	Paragraph
6. The board of directors assesses the independence of each non-executive director immediately after his or her appointment. The assessment is renewed during the mandate upon the occurrence of circumstances that concern his or her independence and at least once a year. Each non-executive director provides all the elements necessary or useful for the assessment of the board of directors. On the basis of all the information available, the board considers any circumstance that affects or could affect the independence of the director.	V			4.7
7. The circumstances that jeopardize, or appear to jeopardize, the independence of a director are at least the following: a) if he or she is a significant shareholder of the company; b) if he or she is, or was in the previous three financial years, an executive director or an employee: - of the company, of its subsidiary having strategic relevance or of a company subject to joint control; - of a significant shareholder of the company; c) if he or she has, or had in the previous three financial years, a significant commercial, financial or professional relationship, directly or indirectly (for example through subsidiaries, or through companies of which he or she is an executive director, or as a partner of a professional or a consulting firm): - with the company or its subsidiaries, or with their executive directors or top management; - with a subject who, also together with others through a shareholders' agreement, controls the company; or, if the control is held by a company or another entity, with its executive directors or top management; d) if he or she receives, or received in the previous three financial years, from the company, one of its subsidiaries or the parent company, significant remuneration other than the fixed remuneration for the position held within the board and for the membership in the committees recommended by the Code or required by law;	V			4.7

Corporate Governance Code 2020	Applied	Not applied	Inapplicable	Paragraph
e) if he or she has served on the board for more than nine years, even if not consecutive, of the last twelve years; f) if he or she holds the position of executive director in another company whereby an executive director of the company holds the office of director; g) if he or she is a shareholder or director of a company or other legal entity belonging to the network of the external auditor of the company; h) if he or she is a close relative of a person who is in any of the circumstances set forth in previous letters. The board of directors defines ex ante, at least at the beginning of its mandate, the quantitative and qualitative criteria for assessing the significance of the situations set forth above in letters c) and d). If the director is also a partner in a professional or a consulting firm, the board of directors assesses the significance of the professional relationships that may have an effect on his or her position and role within the professional or the consulting firm and in any event those pertaining to important transactions of the company and the group it heads, even regardless of the quantitative parameters. The chair of the board of directors, who has been nominated for such role according to recommendation 23, can be assessed as independent if none of the circumstances set forth above occurs. If the independent chairman is member of the board committees recommended by the Code, such committees are made up in majority of independent directors, other than the chair. The independent chairman of the board of directors cannot chair the remuneration committee and the control and risk committee.		X		4.7
8. The company defines the diversity criteria for the composition of the board of directors and the control body and identifies the most suitable tool for their implementation, taking into account its ownership structures. At least a third of the board of directors and the control body, where the latter is autonomous, is to be comprised of members of the less represented gender. Companies adopt measures to promote equal treatment and opportunities among genders within the entire organization, monitoring their specific implementation.	V			4.3, 7.1, 11.2,

Corporate Governance Code 2020	Applied	Not applied	Inapplicable	Paragraph
9. All members of the control body meet the independence requirements set out in recommendation 7 for directors. The independence assessment is carried out, with the timing and manner provided for by recommendation 6, by the board of directors or by the control body; such an assessment is based on the information provided by each member of the control body.	V			11.2
10. The outcome of the assessments of independence of directors and members of the control body referred to in recommendations 6 and 9 is disclosed to the market immediately after the appointment through a specific press release and, later, in the corporate governance report. In both cases, the outcome of the assessment provides information about: the criteria used for the assessment of the significance of the relationships and, in case of any deviation from the circumstances set forth in recommendation 7, a clear and detailed reason for this choice motivated by the individual situation and characteristics of the director concerned.	V			4.7
Art. 3 - Functioning of the board of directors and the role of the Chairman *Principles* IX. The board of directors defines the rules and procedures for its functioning, ensuring an efficient flow of information to directors.	V			4.1
X. The chairman of the board of directors plays a liaison role between executive and non- executive directors and ensures the effective functioning of the board.	V			4.5
XI. The board of directors ensures an adequate division of its functions and establishes board committees with preliminary, propositional and consultative functions.	V			7.2, 9.2, 10.
XII. Each director ensures adequate time commitment for the fulfilment of their board responsibilities.	V			4.3

Corporate Governance Code 2020	Applied	Not applied	Inapplicable	Paragraph
Recommendations 11. The board of directors develops internal rules that define the functioning of the board and its committees, including the means for recording the minutes of the meetings and the procedures for providing information to directors. These procedures identify the prior notice for the submission of the documentation, ensuring that confidentiality issues are properly managed without affecting the timeliness and completeness of the flow of information. The corporate governance report provides adequate information on the main contents of the board of director's internal rules and on compliance with the procedures aimed at ensuring the timeliness and adequacy of the information provided to the directors.	V			4.1
12. The chairman of the board of directors, with the help of the board secretary, ensures that: a) the pre-meeting information and the complementary information provided during the meeting are suitable to allow directors to act in an informed manner; b) the activity of the board committees with preliminary, propositional and consultative functions is coordinated with the activity of the board of directors; c) in agreement with the chief executive officer, the managers of the company and those of the companies of the group it heads, who are competent on the issues concerned, participate in the relevant board meetings to provide appropriate insights on the items on the agenda, also upon request of one or more directors; d) all the members of the board of directors and control body can take part, after the appointment and during the mandate, in initiatives aimed at providing them with adequate knowledge of the industry in which the company operates, the company dynamics and their evolution, also in relation to the company's sustainable success. Such initiatives also cover the risk management issues as well as any relevant part of the regulatory and self-regulatory framework; e) to provide for the adequacy and transparency of the board review, with the support of the nominating committee.	V			4.5

Corporate Governance Code 2020	Applied	Not applied	Inapplicable	Paragraph
13. The board of directors appoints an independent director as lead independent director: a) if the chairman of the board of directors is the chief executive officer or holds significant managerial powers; b) if the office of chairman is held by the person who controls, also jointly, the company; c) in large companies, even in the absence of the conditions indicated in letter a) and b), if requested by the majority of independent directors.	V			4.7
14. The lead independent director: a) collects and coordinates the requests and contributions of non-executive directors and, in particular, of independent ones; b) coordinates the meetings of the independent directors.	V			4.7
15. In large companies, the board of directors expresses its guidelines on the maximum number of offices that can be considered compatible with an effective performance and the time commitment required by the role of the directors. The relevant offices are those held in corporate bodies of other listed companies and of companies having a significant size.	V			4.7

Corporate Governance Code 2020	Applied	Not applied	Inapplicable	Paragraph
16. The board of directors sets up internal committees with preliminary, propositional and consultative functions regarding appointments, remuneration and control and risks. The functions that the Code assigns to the board committees can be either distributed in a different manner or even combined in a single committee. In any case, the company ensures an adequate disclosure on the tasks and activities carried out by each of the assigned functions as well as an adequate composition of each committee, as recommended by the Code. The functions of one or more committees can even be assigned to the board of directors, under the coordination of the chairman, provided that: a) independent directors represent at least half of the board; b) the board dedicates adequate sessions to the performance of such functions. In the event that the functions of the remuneration committee are assigned to the board of directors, the last paragraph of recommendation 26 applies. Companies other than large ones may assign the functions of the control and risk committee to the board of directors even in absence of the condition set forth above in letter a). Companies with concentrated ownership, even large ones, can assign the functions of the nominating committee to the board of directors even in absence of the condition set forth above in letter a).	V			7.1

Corporate Governance Code 2020	Applied	Not applied	Inapplicable	Paragraph
17. The board of directors defines the tasks of the committees and their composition, favoring the competence and experience of their members and avoiding, in large companies, an excessive concentration of offices. Each committee is coordinated by a chairman who informs the board of directors about the committee's activities at the first useful board meeting. The chairman of the committee may invite the chairman of the board of directors, the chief executive officer, the other directors and, by informing the chief executive officer, the managers of the corporate functions that are competent on the matters of the committee meeting, to individual committee's meetings. The members of the control body can attend the meetings of each committee. Board committees can have access to the information and the corporate functions that are necessary for the performance of their duties. Board committees have adequate financial resources and can avail themselves of external consultants according to the conditions set forth by the board of directors.	V			7.2, 9.2
18. The board of directors, upon proposal of the chairman, provides for the appointment and dismissal of the board secretary and defines his or her professional requirements and attributes in the board's internal rules. The board secretary supports the activities of the chairman and provides impartial assistance and advice to the board of directors on all aspects relevant to the proper functioning of the corporate governance system.	V			7.2, 9.2, 10.2
Art. 4 - Appointment of directors and board evaluation *Principles* XIII. The board of directors ensures, within its competence, that the process of appointment and succession of directors is transparent and functional to achieve the optimal composition of the board according to the principles set forth in Article 2.	V			4.1
XIV. The board of directors periodically evaluates, through formalized procedures, its effectiveness and the contribution made by individual directors. The implementation of the board evaluation procedures is supervised by the board itself.	V			7.1
Recommendations 19. The board of directors entrusts the nominating committee to support it on: a) the evaluation of the board and its committees; b) the definition of the optimal composition of the board and its committees; c) the identification of candidates in case of the director's co-optation; d) the possible submission of a slate by the outgoing board, ensuring the transparency of the process that led to the slate's structure and proposition; e) the development, updating and implementation of succession plan for the chief executive officer and the other executive directors.	V			7.2
20. The majority of directors of the nominating committee are independent.	V			7.2
21. The board evaluation assesses the size, composition and functioning of the board and its committees. It includes also the board's active involvement in the definition of the company's strategy and in the monitoring of the management of the company's business as well as the appropriateness of the internal control and risk management system.	V			7.1
22. The board evaluation is conducted at least every three years, before the renewal of the board of directors. In large companies other than those with concentrated ownership, the board evaluation is conducted on an annual basis and can be diversified according to the term of the board's mandate. In such companies, the board considers whether to appoint an external facilitator for its evaluation at least once every three years.	V			7.1

Corporate Governance Code 2020	Applied	Not applied	Inapplicable	Paragraph
23. In companies other than those with concentrated ownership, the board of directors: - sets forth guidelines on board quantitative and qualitative composition deemed optimal before its renewal, considering the outcome of the board evaluation; - requires anyone submitting a slate with a number of candidates that is higher than half the number of members to be elected to provide adequate information on the compliance of the slate with the board guidelines mentioned above, and with the board diversity criteria set forth in principle VII and recommendation 8. In such cases, the slate also identifies its candidate for the chairmanship of the board, whose appointment is conducted according to the company's bylaws. All the information mentioned in this paragraph are disclosed in the documentation attached to the slate during its filing process. The guidelines of the outgoing board of directors are published on the company's website before the publication of the notice of the shareholders' meeting convened for the board's renewal. They identify the managerial and professional profiles and the skills deemed necessary, having due consideration of the company's sectoral characteristics, the board diversity criteria set forth in principle VII and recommendation 8 as well as the board guidelines on the maximum number of offices set forth in recommendation 15.	V			7.1
24. In large companies, the board of directors: - elaborates, with the support of the nominating committee, a plan for the succession of the chief executive officer and executive directors by identifying, at least, the procedures to be followed in the event of an early termination of office; - ascertains the existence of appropriate procedures for the succession of the top management.		X		7.1

Corporate Governance Code 2020	Applied	Not applied	Inapplicable	Paragraph
Art. 5 - Remuneration *Principles* XV. The remuneration policy for directors, members of the control body and the top management contributes to the pursuit of the company's sustainable success and takes into account the need to have, retain and motivate people with the competence and professionalism deemed adequate for their role.	V			8
XVI. The remuneration policy is developed by the board of directors through a transparent procedure.	V			8
XVII. The board of directors ensures that the remuneration paid and accrued is consistent with the principles and criteria defined in the policy, considering the results achieved and any other circumstances relevant for its implementation.	V			8
Recommendations 25. The board of directors entrusts the remuneration committee with the task of: a) supporting it in the development of the remuneration policy; b) submitting proposals or expressing opinions on the remuneration of executive directors and other directors who hold specific responsibilities, as well as on the setting of performance objectives related to the variable component of this remuneration; c) monitoring the actual application of the remuneration policy and verifying the effective achievement of the performance objectives; d) periodically assessing the adequacy and overall consistency of the remuneration policy for directors and the top management. In order to have people with adequate competence and professionalism, the remuneration of executive and non-executive directors and of the members of the control body is defined with due consideration of the remuneration practices that are common with regards to the company's reference sectors and size. It also considers comparable international practices, with the possible support of an independent consultant.	V			7.2

Corporate Governance Code 2020	Applied	Not applied	Inapplicable	Paragraph
26. The remuneration committee is made up of non-executive directors, the majority of whom are independent, and is chaired by an independent director. At least one member of the committee has adequate knowledge and experience in financial matters or remuneration policies; such skills are assessed by the board of directors before his or her appointment. No director takes part in the meetings of the remuneration committee in which proposals relating to his or her remuneration are made.	V			7.2
27. The remuneration policy for executive directors and the top management defines: a) a balance between the fixed and the variable component which is consistent with the company's strategic objectives and risk management policy. Consistency is assessed taking into consideration the business's characteristics and the industry of the company. The variable component has in any case a significant weight on the overall remuneration; b) caps to the variable components; c) performance objectives, to which is linked the payment of the variable components, that are predetermined, measurable and predominantly linked to the long-term horizon. They are consistent with the company's strategic objectives and with the aim of promoting its sustainable success and includes non-financial parameters, where relevant; d) an adequate deferral of a significant part of the variable component that has been already accrued. Such a deferral period is consistent with the company's business activity and its risk profile; e) provisions that enable the company to recover and/or withhold, in whole or in part, the variable components already paid-out or due, where they were based on data which subsequently proved to be manifestly misstated. The company can identify other circumstances in which such provisions are applied; f) clear and predetermined rules for possible termination payments, establishing a cap to the total amount that might be paid out. The cap is linked to a certain amount or a certain number of years of remuneration. No indemnity is paid out if the termination of the office is motivated by director's objectively inadequate results.	V			8
28. The share-based remuneration plans for executive directors and the top management are aligned with the interests of the shareholders over a long-term horizon, providing that a predominant part of the plan has an overall vesting and holding period of at least five years.		X		8
29. The remuneration of non-executive directors is adequate to the competence, professionalism and commitment required by their role within the board of directors and its committees; this remuneration is not related to financial performance objectives, except for a non-significant part.	V			8
30. The remuneration of the members of the control body is adequate to the competence, professionalism and commitment required by their role and the company's size, industry and current situation.	V			8
31. On the occasion of the termination of office and/or dissolution of the relationship with an executive director or general manager, a press release is published as soon as the internal processes that led to the assignment or the recognition of any indemnities and/or other benefits has been concluded. The press release provides for detailed information on: a) the assignment or the recognition of indemnities and/or other benefits, the circumstances that justify their accrual (e.g. due to the expiration of the term of office, its termination or a settlement agreement) and the decision-making process followed for this purpose within the company; b) the total amount of the indemnity and/or other benefits, the related components (including non-monetary benefits, the vesting of rights connected with incentive plans, the compensation for non-competitive commitments or any other remuneration allocated to any reason and in any form) and the timing of their disbursement (distinguishing the part paid immediately from the part subject to deferral mechanisms); c) the application of any claw-back or malus clauses; d) the compliance of the elements indicated in letters a), b) and c) consistently with the remuneration policy, with a clear indication of the reasons and the decision-making process followed in the event of non-compliance, even if only partial, with the policy itself; e) the procedures that have been or will be followed for the replacement of the executive director or the general manager whose office has been terminated.	V			8

Corporate Governance Code 2020	Applied	Not applied	Inapplicable	Paragraph
Art. 6 - Internal control and risk management system *Principles* XVIII. The internal control and risk management system consists of a set of rules, procedures and organizational structures for an effective and efficient identification, measurement, management and monitoring of the main risks, aimed at contributing to the sustainable success of the company.	V			8
XIX. The board of directors defines the guidelines of the internal control and risk management system in accordance with the company's strategies and annually assesses its adequacy and effectiveness.	V			9
XX. The board of directors defines the principles concerning the coordination and the flow of information among the parties involved in the internal control and risk management system. Such principles aim at maximising the effectiveness of the system itself, reducing the duplication of activities and ensuring the successful performance of the duties of the control body.	V			9, 4.1

Corporate Governance Code 2020	Applied	Not applied	Inapplicable	Paragraph
Recommendations 32. The organization of the internal control and risk management system involves: a) the board of directors, which plays a role in guiding and assessing the adequacy of the system; b) the chief executive officer, in charge of establishing and maintaining the internal control and risk management system; c) the control and risk committee set up within the board of directors, with the task of supporting the board of directors' assessments and decisions relating to the internal control and risk management system and the approval of periodical financial and non-financial reports. In companies that adopt the "one-tier" or "two-tier" corporate model, the functions of the control and risk committee can be assigned to the control body; d) the head of the internal audit function who is in charge of verifying that the internal control and risk management system is functional, adequate and consistent with the guidelines defined by the board of directors; e) the other corporate functions involved in the internal control and risk management system (such as the risk management functions and the functions dealing with legal and non-compliance risk) which are articulated in relation to the company's size, sector, complexity and risk profile; f) the control body, which monitors the effectiveness of the internal control and risk management system.	V			9, 4.1

Corporate Governance Code 2020	Applied	Not applied	Inapplicable	Paragraph
33. The board of directors, with the support of the control and risk committee: a) defines the guidelines of the internal control and risk management system consistently with the company's strategies and assesses, at least once a year, the adequacy of this system with respect to the company's characteristics and its risk profile, as well as its effectiveness; b) appoints and dismisses the head of the internal audit function, defining his or her remuneration which is consistent with the company policies. The board ensures that he or she has adequate resources to carry out his or her duties. If the internal audit function is entrusted, as a whole or by operating segments, to an external entity, the board ensures that it meets the adequate requirements of professionalism, independence and organization, providing adequate reasons for this choice in the corporate governance report; c) approves, at least on an annual basis, the work plan prepared by the head of the internal audit function, after hearing the control body and the chief executive officer; d) evaluates the opportunity to take measures to ensure the effectiveness and impartial assistance of the other corporate functions mentioned in recommendation 32(e). To this end, the board verifies that such functions have adequate professionalism and resources; e) assigns the supervisory functions pursuant to Art. 6(1)(b) of Legislative Decree No. 231/2001 to the control body or to a body established specifically for this purpose. If the body does not correspond to the control body, the board of directors considers whether to appoint within the body at least one non-executive director and/or a member of the control body and/or the head of a legal or supervisory function of the company, in order to ensure coordination among the various parties involved in the internal control and risk management system; f) evaluates, after consultation with the control body, the results presented by the statutory auditor in any letter of suggestions and in the additional report addressed to the control body;	V			9, 4.1

Corporate Governance Code 2020	Applied	Not applied	Inapplicable	Paragraph
g) describes, in the corporate governance report, the main characteristics of the internal control and risk management system and the methods of coordination among the subjects involved. The report provides information about the national and international reference models and best practices adopted and the board's overall assessment of the adequacy of the system itself. Moreover, it provides an adequate explanation of the composition of the control body referred to in letter e) above.	V			9, 4.1
34. The chief executive officer: a) identifies the main business risks, considering the characteristics of the activities carried out by the company and its subsidiaries, and periodically submit them to the examination of the board of directors; b) implements the guidelines defined by the board of directors, providing for the design, implementation and management of the internal control and risk management system and constantly verifying its adequacy and effectiveness, as well as adapting it to the dynamics of the operating conditions and the legislative and regulatory landscape; c) can entrust the internal audit with the tasks of carrying out specific controls on defined operational areas and on compliance with internal rules and procedures in the implementation of company transactions. Such requests are contextually conveyed to the chairman of the board of directors, to the chairman of the control and risk committee and to the chairman of the control body; d) reports promptly to the control and risk committee on problems and critical issues that emerged in the performance of his or her activity or of which he or she nevertheless has information so that the committee can take appropriate actions.	V			9.1

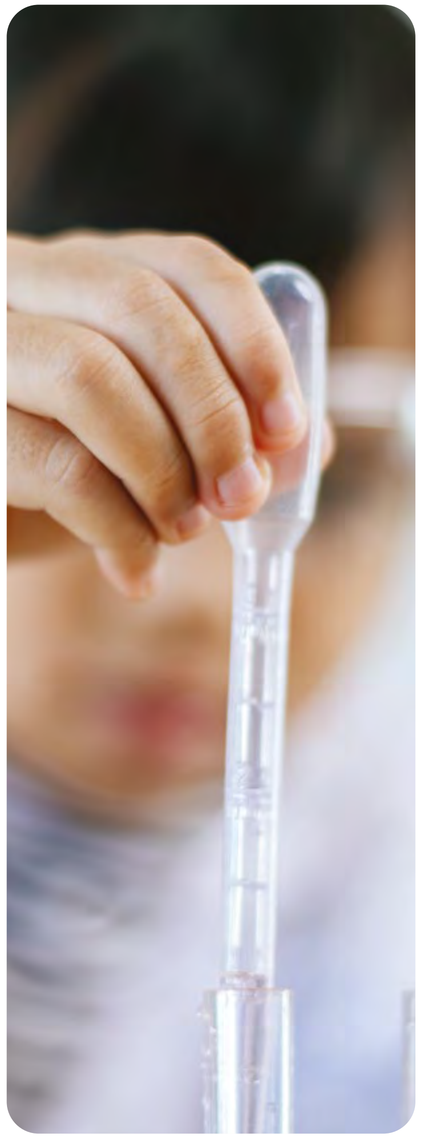
Corporate Governance Code 2020	Applied	Not applied	Inapplicable	Paragraph
35. The control and risk committee is comprised of non-executive directors, the majority of whom are independent, and is chaired by an independent director. The committee has expertise that is consistent with the company’s industry and assessment of its risks; at least one member of the committee has adequate knowledge and experience in accounting, finance or risk management. The control and risk committee, in assisting the board of directors: a) assesses the external auditor and the control body, the correct application of the accounting principles and, in the case of groups, their homogeneity for the purposes of preparing the consolidated financial statement, after hearing the manager responsible for the corporate financial documents; b) assesses whether the periodic financial and non-financial information is suitable to correctly represent the company’s business model, its strategies, the impact of its business and the performance achieved, in coordination with the committee mentioned in recommendation 1(a), if established; c) examines the content of the periodic non-financial information relevant to the internal control and risk management system; d) expresses opinions on specific aspects relating to the identification of the main corporate risks and supports the board of directors’ assessments and decisions relating to the management of risks deriving from prejudicial facts of which the latter has become aware; e) examines the periodic and particularly relevant reports prepared by the internal audit function; f) monitors the autonomy, adequacy, effectiveness and efficiency of the internal audit function; g) can entrust the internal audit with the task of carrying out specific controls on defined operational areas. Such a request is contextually conveyed to the chairman of the control body; h) reports to the board of directors, at least upon the approval of the annual and half- yearly financial report, on the activities carried out and on the adequacy of the internal control and risk management system.	V			9.2.
36. The head of the internal audit function is not responsible for any operational area. He or she depends hierarchically on the board of directors and has direct access to all information that is useful for carrying out his or her duty. The head of the internal audit function: a) verifies, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the functioning and the suitability of the internal control and risk management system according to the audit plan. The audit plan is approved by the board of directors and is based on a structured process of analysis and prioritization of the main risks; b) prepares periodic reports containing adequate information on its activity, on the ways in which risk management is conducted, as well as on compliance with the plans defined for the containment of risks. The periodic reports contain an assessment of the suitability of the internal control and risk management system; c) prepares promptly, at the request of the control body, reports on events of particular relevance; d) submits the reports referred to in letters b) and c) to the chairmen of the control body, of the control and risk committee and of the board of directors, as well as to the chief executive officer, except in cases where the matter of these reports specifically concerns the activity of these subjects; e) verifies, as part of the audit plan, the reliability of the information systems, including the accounting systems.	V			9.3
37. The member of the control body who, on his or her own behalf or on behalf of third parties, has an interest in a specific transaction of the company, provides prompt and exhaustive information to the other members of the same body and to the chairman of the board of directors about the nature, terms, origin and extent of his or her interest. The control body and the control and risk committee promptly exchange relevant information for the performance of their respective duties. The chairman of the control body, or another member of the control body designated by its chairman, takes part in the meetings of the control and risk committee.	V			10.1

#INCLUSION
#2030AGENDA

Report on Operations

Consolidated Non-Financial Statement

at December 31, 2022, pursuant to Legislative Decree no. 254/2016



1. Note on methodology

1.1 Objectives of the Non-Financial Statement

This Consolidated Non-Financial Statement (hereinafter referred to as "**Non-Financial Statement**") has been prepared by the DiaSorin Group in order to comply with Legislative Decree no. 254 of 30 December 2016, issued in *"implementation of Directive 2014/95/EU of the European Parliament and the Council of 22 October 2014, amending Directive 2013/34/EU as regards non-financial disclosure and information by certain large undertakings and groups"* (hereinafter referred to as "**Legislative Decree 254/16**" or "**the Decree**").

In order to comply with the obligations provided by Articles 3 and 4 of Legislative Decree no. 254/16, the DiaSorin Group presented the main company policies, its management models and the main activities carried out by the Group in 2022 with respect to the topics expressly specified by Legislative Decree no. 254/16 (environmental, social and employee-related matters, respect for human rights, fight against corruption), as well as the main risks identified with those topics. Such topics are described in this Report to the extent necessary to ensure an understanding of the Group's activities, performance, results and impact generated. As from 2021, the Non-Financial Statement also includes disclosure obligations required by Regulation EU 2020/852 (hereinafter referred to as "EU Taxonomy") and specified in the Disclosures Delegated Act published on July 6, 2021. See paragraphs *"2.7 Taxonomy"* and *"Appendix (to Taxonomy)"* for the disclosure of the internal analyses conducted.

It should be noted that this NFS has been subject to limited audit by the independent auditing firm PricewaterhouseCoopers S.p.A. In accordance with current regulatory interpretations, the limited assurance does not concern information and data relating to the EU Taxonomy or the requirements of art. 8 of EU Regulation 2020/852.

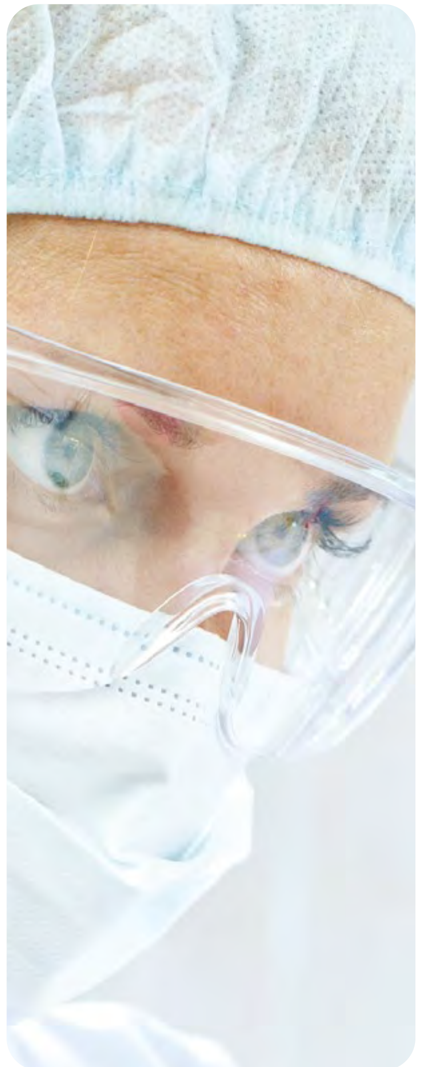
1.2 Reporting standards

Legislative Decree no. 254/16 requires companies to provide the aforementioned information *"in accordance with methodologies and principles under the reporting standard used as reference or by the autonomous reporting methodology used for drawing up the non-financial statement"*. The DiaSorin Group chose to apply the updated GRI Standards 2021 issued by the "Global Reporting Initiative" as a technical and methodological reference to report the information contained hereto, in compliance with the Decree.

The DiaSorin Group reports the non-financial information contained in this Report with reference to the GRI Standards, selecting the single Standards useful for reporting the information required by the Decree, in line with the provisions of Section 3 of the GRI Standard 1: Foundation 2021. The following paragraphs present GRI-referenced claims for each Standard used to report data.

Due to the Standards update in 2021, DiaSorin complied with the new reporting requirements envisaged by GRI 1, GRI 2 and GRI 3, where applicable for the organization. Following the issue of a revised version of the GRI Standards 303: Water and effluents 2018, GRI 403: Occupational Health and Safety 2018 and GRI 306: Waste 2020, the DiaSorin Group adjusted its reporting to comply with these updated Standards, whose adoption came into effect for reports published on 1 January 2021 with reference to GRI 303 and 403, while GRI 303 came into effect on 1 January 2022.

The *"Correlation Table between Legislative Decree 254/16 and material topics"* and "GRI content index" annexed to the Non-Financial Statement is intended to provide additional information on the use of each indicator and paragraph and reflects the Group compliance with the requirements set forth in the Decree.



1.3 Reference scope and reporting period

The scope of this Consolidated Statement includes all the companies that fall within the scope of the 2022 Consolidated Financial Statements, as detailed in the Section *'General information and scope of consolidation'* in the notes to the 2022 Consolidated Financial Statements. These companies are consolidated line by line starting from the date when the Group obtains control until control ceases to exist.

With reference to data and information on the supply chain management, as described in paragraph *"Quality of products and processes"*, it should be noted that such data and information refer to manufacturing companies supplying products/services that have a direct impact on compliance with end product requirements. Further details on the reference scope of each material topic are provided in the correlation Table between Decree 254/16 and material topics, annexed to this document.

In September 2020, the DiaSorin Group announced the extension of the joint venture with FuYuan to Shanghai Baoshan District Government, with the aim of opening the Group's first manufacturing and research site in Shanghai – China. In the first half of 2022 the structural works have been completed and at the end of 2022 the company started validating the products to be registered in China. This agreement will affect the non-financial statements in 2024 when the company expects to obtain the first manufacturing licenses and enter the Chinese market.

On July 14, 2021, the DiaSorin Group completed the acquisition of the entire share capital of Luminex Corporation, headquartered in Austin – USA. The company has thus been included in the reporting area of the consolidated Non-Financial Statement in 2021, starting from its acquisition date (July 14, 2021). The Luminex acquisition required to extend the Company's scope to 5 new manufacturing sites and to additional businesses and services.

On June 7, 2022, the project for the redefinition of the corporate structure of the DiaSorin Group in Italy was executed. The transaction has been completed through the contribution in kind of the business branch related to the operating activities carried out in Italy and in the United Kingdom – the latter, through a branch – (i.e., industrial activities, R&D, commercial and marketing activities and those other ancillary activities in support thereof) in favor of DiaSorin Italia S.p.A., a newly established and wholly- owned direct subsidiary of DiaSorin S.p.A. Following completion of the transaction, as from July 1, 2022, DiaSorin S.p.A. will continue to be in charge of the definition and the development of the strategic orientation, treasury and coordination activities for the benefit of the entire Group, while the management of the operating activities currently carried out by the Company in Italy and in the United Kingdom will be delegated to DiaSorin Italia This reorganization does not give rise to significant changes in relation to the data included in this Report.

In order to ensure a comparison with the previous year data, as required by the Legislative Decree 254/16, and comply with the benchmarking principles required by the GRI Standards, data reported in this document cover the 2020 - 2022 reporting period.

2. Company profile and material topics for the DiaSorin Group

2.1 The DiaSorin Group's business

The DiaSorin Group has been active in the laboratory diagnostics market for over 20 years. As from July 2021, following the Luminex acquisition, DiaSorin has included the "Licensed Technologies" business in the scope of its activities.
The new business includes the production of a technological solution that may be used in combination with platforms that are designed and sold by Luminex, in order to develop tests that can simultaneously detect a wide range of elements in the analyzed sample. This technology can be used both in diagnostics and in research and development of drugs and vaccines, among others. A residual component of the "Licensed Technologies" business is represented by the flow cytometry which consists in designing, manufacturing and commercializing cutting-edge instruments. These instruments allow users to analyze single cells in a population both through parameters analysis and through imaging.

The Business ('The Business') and strategies ('The Strategy') sections of this Report provide full and detailed description of the Group's business model, mission and structure. ⟶

Below is a summary of the process - divided into 3 phases - through which the DiaSorin Group produces and distributes its products.

Step 1: Raw Materials and Product Development

Immunodiagnostics

The Group produces both the end product and, in most cases, all the required components. The product development process involves two phases: "upstream" and "downstream". During the "upstream" phase the desired quantity of bioreagents is produced through fermentation or cell culture techniques.
In the "downstream" phase bioreagents are purified to separate proteins or monoclonal antibodies (raw material) from other cellular components of the recipient organism. Usually, this process is carried out through chromatography techniques.

Molecular Diagnostics

Likewise other producers, DiaSorin purchases and/or develops the components necessary for the end product from external suppliers and in-house manufacturing.
In the case of a purchase from external partners, the components are produced by companies in the Life Sciences sector from whom the Group purchases three essential components to product development: oligonucleotides, enzymes and reaction buffers.

Licensed Technologies

As regards the xMAP® Licensed Technologies Group business, which joined the DiaSorin's business scope through the Luminex acquisition, the company develops and produces proprietary microspheres encoded with fluorescent dyes and coated with specific reagents and mixed so as to detect multiple targets in a single sample. In addition to these reagents, DiaSorin develops and produces, through Luminex, platforms and software that can analyze bead-based assays, together with calibration, verification and maintenance reagent kits for xMAP® instruments.

Step 2: Manufacturing

Immunodiagnostics

The kits are assembled using raw materials, the origin of which can be synthetic or biological (human or animal), to create semi-finished components that will be later combined with other components to produce final reagents, as part of a completed kit. Some initial components, such as buffers and cleaning solutions, can be found in different products and prepared in large batches that will be distributed, at the end of the process, in single kits. Other components (such as solids, markers, controls and calibrators, etc.) are specifically designed for each single test. Production levels are defined on the basis of batch size of the end product. Each component is subject to the strictest quality control before entering the market. Kit components are assembled in finished kits and subject to quality control, in terms of performance, in accordance with international standards (for example: WHO, CDC etc.), if necessary, or tested vis-à-vis the performance of selected sample batches.

End products are stored in temperature-controlled warehouses and distributed, through specialized logistics operators, to warehouses or local distributors to be finally delivered to end customers.

Molecular Diagnostics

Products are manufactured with the use of a solution containing an exact quantity of raw material (enzymes, primers, buffers,) called reaction mix, which is dispensed into vials as part of kits available for sale.

End products are stored in temperature-controlled warehouses and distributed, through specialized logistics operators, to warehouses or local distributors to be finally delivered to end customers.

Licensed Technologies

The xMAP® microsphere are produced and made available to licensees of the technology, or partners, who use these microspheres to manufacture their products and kits for various applications, including, but not limited to, transplant and molecular diagnostics, immunodiagnostics and research in the field of life sciences. The platforms used to read test results and developed using xMAP® microsphere technology are produced and sold to licensees and distributors for resale. In addition to production and sales to partners DiaSorin, through Luminex, sells to end users both the microspheres, which are used for the development of custom tests, and a limited number of platforms to support the aforementioned applications. By using the xMAP® microspheres, DiaSorin finally produces a limited number of kits featuring niche applications, which are marketed directly to customers.

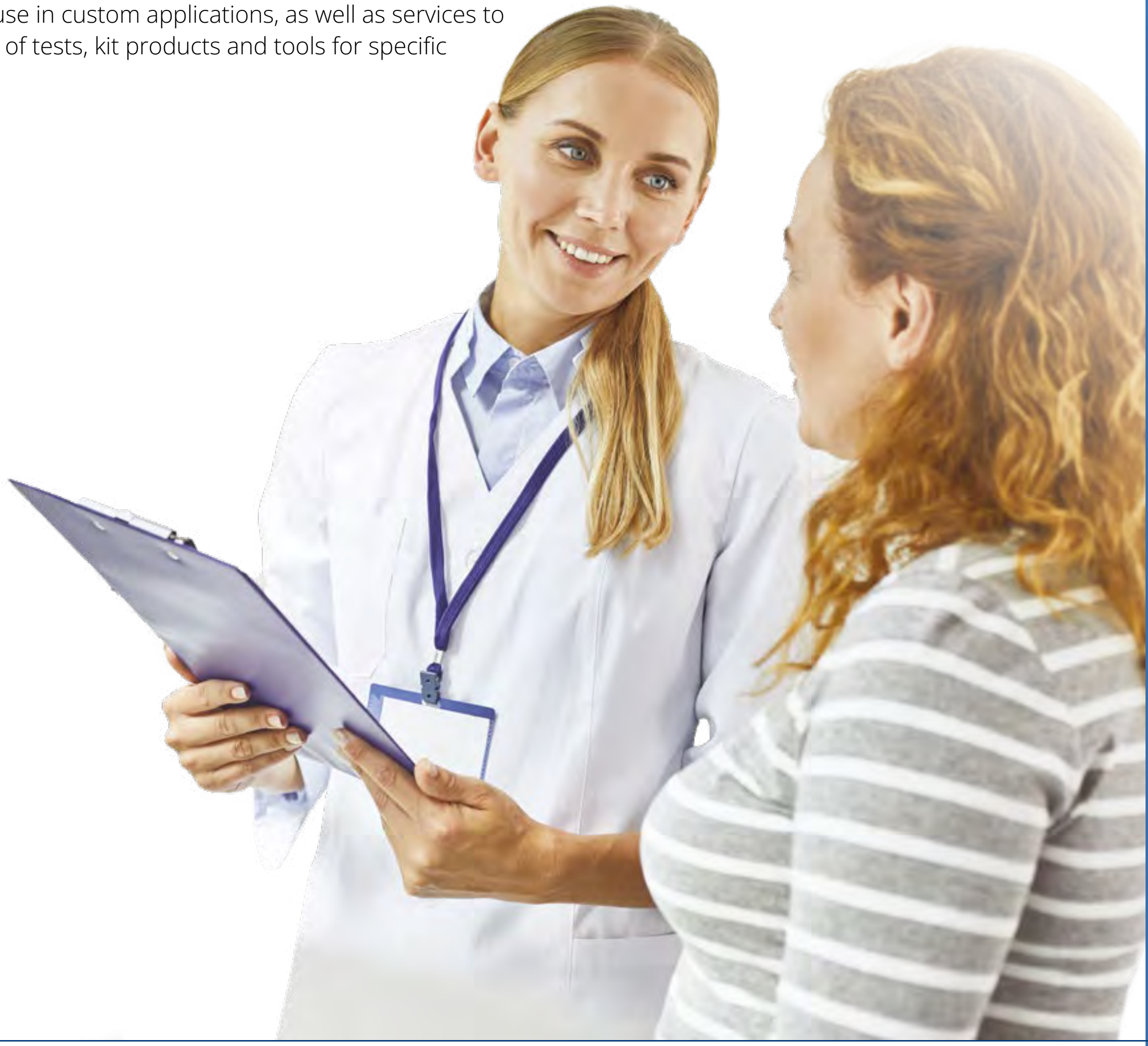
Step 3: Distribution

Typically, direct sales include sales made through:

- public calls for tenders in countries which rely on public health systems, through open tendering procedures;
- supply contracts with private customers defining general supply terms, including costs, minimum quantities and payments terms. It should be noted that due to the need to meet the demands arising from the pandemic emergency and in line with the trend of the previous years, private national and international Lab Chains with which DiaSorin interacts have strengthened and further expanded their presence (through acquisitions of small and medium-sized laboratories);
- letters of offer used for limited sales of reagents that are not combined with analyzers;
- distribution contracts according to which distributors purchase DiaSorin products and resell the concerned product in relevant markets.

In some cases, the DiaSorin Group provides customers with its medical instruments under gratuitous loan contracts on the basis of reagent supply contracts. Pursuant to these loan contracts, DiaSorin provides gratuitous technical assistance. According to this business model, investments on installed instruments and service costs are expected to be offset by sales of the reagent kits that will be used on the analyzer platform, which is a closed system (i.e., these instruments work exclusively with DiaSorin reagents and vice versa).

As regards the xMAP® technology, DiaSorin mainly sells products through global or international partners who resell the xMAP® instruments, typically in conjunction with specific analysis software, for use with kit products based on the xMAP® microsphere technology. In addition, DiaSorin sells single beads directly to end users, for use in custom applications, as well as services to support the development of tests, kit products and tools for specific applications.



Immunodiagnostic and Molecular Diagnostics supply chain

1. Raw materials

Purchase
External suppliers

General
Magnetic Beads, purified water, plastic for cartridges

Biological
Antibodies, Isoluminol

Internal Production
Research and Development Department

2. Production — **Biology and Biochemistry Department**

Production and Purification
Production of internal raw materials, processing of external raw materials and purification of the material in order to isolate the needed elements.

Storage
Cell banks for the storage of raw materials or semi-finished products at the correct temperature.

Manufacturing
From storage to mass production: antibody multiplication together with other raw materials (e.g. water, magnetic beads and other control fluids) inserted in plastic cartridges.

Storage
Cartridges with reagents.

3. Distribution — **Land, sea and air transport of reagents to logistics hubs or clients**

A. Subsidiaries & sites that distribute locally
B. Distributors

Clients
Hospitals, labs

2.2 The Group's approach to sustainability

The DiaSorin Group's approach to sustainability stems from the business in which the Company operates. Operating in the in vitro diagnostics, in fact, demands great attention to be focused on compliance with regulations and on low environmental impact for the Group's manufacturing structure. Enthusiasm for science, a rigorous approach to comply with rules, care for the environment, the need to take care of the entrepreneurial spirit of internal stakeholders, as well as a focus on the communities in which the Group operates have always driven the development of DiaSorin's strategy. In 2022, the DiaSorin Group has initiated procedures for the adoption of the Sustainability Plan 2023-2025 which identifies a series of ESG objectives (Environment, Social, Governance). Through the adoption of this Plan, the DiaSorin Group intends to underline the relevance of these objectives for the Group's strategic choices both in response to the company's needs and as regards the stakeholders.

Through the plan three main objectives have been identified for each of the three ESG areas. Each area has a series of sub-objectives and detailed actions to be implemented in the three-year period.

The materiality analysis showed that the potential impacts that the company may generated through its activities mainly concern the Research and Development process of diagnostic products, given the nature of our business. Within the scope of the Group's activities, the health of people, quality of end product and ethical processes are our top priority. From an environmental point view, the Group is involved in the generation of emissions and non-recyclable waste, some of which are a key part of the production chain of diagnostic products.

A more detailed description of the Group's potential impacts towards the external environment is provided in paragraph 2.2.2. of this Report.

With reference to the environment, DiaSorin's manufacturing activities have a low environmental impact. Over the years, a series of initiatives have been implemented to further reduce consumption and manage water resources and waste in a more environmentally conscious manner. In 2022, the Group implemented several international projects aimed at offsetting the impact of manufacturing processes and activities on the environment. In this regard, through the Sustainability Plan the Group aims to reduce its emissions, improve the energy efficiency of its activities at an international level and, in the field of Health and Safety, further align its management systems with the Goals of the UN 2030 Agenda for Sustainable Development.

With reference to being attentive to employees and the communities in which the Group operates, DiaSorin has undertaken useful initiatives both to ensure constant training of its employees on the most relevant issues for business and on security, and to nurture a passion for science in the young talents of the communities in which the Group operates. Furthermore, the Plan expects for the next three years to increase the Group's commitment in terms of recognition of merit and promotion of talent, to intensify dialogue and employee engagement and align, at Group level, social responsibility actions that have already been positively carried out at local level.

With reference to the Governance, the Company's commitment to transparent management and communication continues to be a pillar of the Group's growth. DiaSorin's core business requires constant compliance with sector-specific rules and regulations at a national and international level. The Sustainability Plan also provides for an ESG Policy at Group level to formalize the actions under way, a structured ESG Governance and internal sustainability training.

2.2.1. Stakeholders of the DiaSorin Group

A description of the internal and external stakeholders whom the DiaSorin Group interacts with is provided below.

DiaSorin engages in direct dialogue with its stakeholders via meetings, forums and business and scientific-related events, via its corporate website, social media channels and other reports.

The relationship with customers is based on customers satisfaction surveys to assess and verify that customers are satisfied with the products developed.

As a company listed on the Italian stock exchange, the dialogue with shareholders is extremely important and the main objective of the DiaSorin Group is to ensure full access to business information and gain a better insight into the DiaSorin's organization.

2.2.2. Relevant topics for the DiaSorin Group

In order to define the scope and structure of the topics presented in its Non-Financial Statement (also "NFS"), DiaSorin updated its materiality analysis compared to the previous year also to incorporate in the analysis the updates provided for by the new GRI 3 Standard: Material Topics 2021.

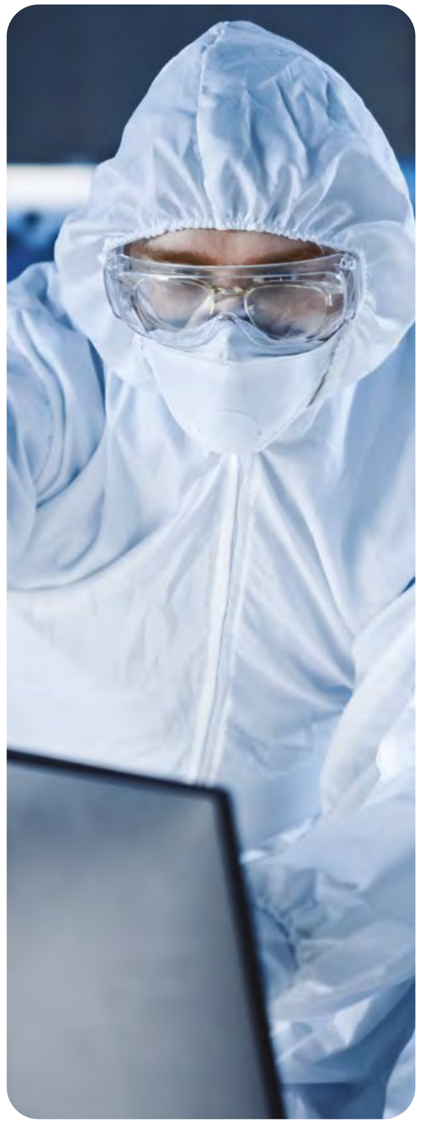
In particular, according to the new Standards, the materiality analysis is the result of a due diligence process for identifying positive or negative, actual or potential impacts generated by an organization.

The analysis was therefore aimed at identifying the main impacts generated by DiaSorin's activities on the economy, environment, people and human rights. This analysis has made it possible to identify the material topics to be duly disclosed in the NFS.

The analysis has been carried out in accordance with Legislative Decree 254/16, taking into account the Group's business, characteristics and evolutions, along with risks and/or opportunities, and the Goals of the UN 2030 Agenda for Sustainable Development.

The update of the materiality analysis was divided into four steps, as envisaged by the new GRI Standard 3:

1. understand the organization's context;
2. identify actual and potential (positive and negative) impacts;
3. assess the significance of the impacts;
4. prioritize the most significant impacts for reporting and determine material topics.



1. Understand the organization's context: in this step, DiaSorin based its analysis on internal information sources, external sources and related regulation.

The company documents include, among others, the Non-Financial Statements prepared by the Group in the past years, the Half-Year and Annual Financial Report, the Organization, Management and Control Model for the purposes of Legislative Decree 231/2001, the press releases and the Code of Ethics. In addition to the desk analysis, the Group's relevant departments and functions provided their support through dedicated interviews.

The external sources include, among others, documents that identify sustainable macro-trends at a global level (including the Global Risk Report 2022), sectoral reference documents (including the document "EU Strategic approach to the environmental impact of drugs"), DiaSorin press reviews, benchmarking analyzes against the main competitors, as well as the GRI standards and the topics referred to in Legislative Decree no. 254/16, setting out the requirements for this Non-Financial Statement.

2. Identify actual and potential (positive and negative) impacts

Following the desk analysis and interviews with the management, the DiaSorin Group identified a list of 29 impacts, which have been divided into current and potential, positive and negative, generated by the company on the economy, environment and people including the impacts on human rights, as indicated by the GRI Standard 3.

3. Assess the significance of the impacts

Assessing the significance of the impacts required internal stakeholder engagement through meetings held with the Heads of Departments at headquarter level, and the participation of local managers from the main subsidiaries (DiaSorin Inc., DiaSorin Molecular LLC, DiaSorin Ltd – China).

Each manager was asked to assign a value between 1 (irrelevant) and 6 (extremely high/unchangeable) to the magnitude of the impact and a value between 1 (poorly likely) and 4 (highly likely) to the likelihood of occurrence.

TOPICS MATERIAL

4. Prioritize the most significant impacts for reporting and determine material topics

At the end of the assessments carried out, positive impacts were prioritized separately from negative impacts and impacts with significance ranking below 5 (on a scale of 2 to 10) were excluded. Positive and negative impacts positive have been associated with specific material topics, also identified on the basis of the topics identified in the past reports.

The material topics of the DiaSorin Group

The outcome of the 2022 materiality analysis consists of the list of impacts, divided into positive and negative, which are provided below in order of priority on the basis of the significance of such impacts. The representation also shows the material topic related to each impact, the complete list of which is provided below the tables.

It should also be noted that the negative impacts related to "Diversity and inclusion" and "Humans Rights", despite their significance was below the threshold, have been reported in the table for completeness, also in the light of the activities that DiaSorin already undertakes for the possible mitigation of these impacts, as described in the paragraphs of this NFS.

Topic	Impact	Actual/ Potential	Significance
	Positive impacts		
Training and development	Professional and personal development of employees and strengthening of their skills, resulting in employee satisfaction on the back of training activities and structured and transparent career pathways, as well as the achievement of individual career objectives.	Actual	• • • • •
	Development of customers' skills in a proper use of products, solutions and services provided, resulting in customer satisfaction and retention, thanks to training, communication and support activities provided during the sales of products and over time (i.e., after-sale).	Actual	• • • • •
	Dissemination of an organizational culture focused on ethical and transparent management of business, thanks to the policies adopted and training activities provided with particular reference to anti-corruption and anti-competitive behavior in the relations with stakeholders (employees, customers, suppliers, etc.). *(Ref Topic "Business ethics, anti-corruption and fight against anti-competitive behavior")*	Actual	• • • • •
Employment and dialogue with social partners	Employee satisfaction and the resulting increased company's attractiveness as a valuable employer thanks to a structured, transparent and motivating internal organization that is attentive to career opportunities and to the dialogue with its employees and their representatives, where present.	Actual	• • • • •
Employee welfare	Increased employee motivation and dissemination of a corporate culture that is attentive to the well-being of employees thanks to the attention paid to issues such as work life balance and the provision of benefits and non-monetary benefits.	Actual	• • • • •

Topic	Impact	Actual Potential	Significance
	Positive impacts		
Diversity and inclusion	Creation of a diverse work environment where employees feel comfortable making decisions and feel free to add value thanks to their own specific characteristics, with consequent increased sense of belonging and perception of fairness.	Potential	••••
Health and safety	Dissemination of a corporate culture that is strongly focused on health and safety at work, thanks to the adoption of adequate preventive actions.	Actual	•••••
Environmental Management	A general reduction in emissions due to a proper commitment in terms of reducing energy consumption.	Potential	••
	Reduction of environmental risks related to the waste management as a result of the policies adopted for waste reduction or waste disposal.	Actual	•••••
	Reduction of environmental risks (e.g., damage to ecosystems, biodiversity, etc.) related to water withdrawals resulting in lower water consumption thanks to an appropriate commitment in this regard.	Potential	••••
Management of relations with local communities	Returning value and strengthening relations with local communities, through supporting activities (aimed at health facilities as well as other needs).	Actual	••••••
Business ethics, anti-corruption and fight against anti-competitive behavior	Dissemination of an organizational culture focused on ethical and transparent management of business, on the back of the policies adopted and training activities delivered, with particular reference to anti-corruption and anti-competitive behavior in the relations with stakeholders (employees, customers, suppliers, etc.). *(ref. "Training and development" topic)*	Actual	•••••
Research, innovation and technological excellence & Quality of products and processes	Improvement of quality of products and processes and expansion of the products range offered in the market thanks to investments in R&D and an adequate management of innovation and quality processes adopted within the company to ensure an effective response to the rapid evolutions of the external needs, in full compliance with the product and process standards established by the competent authorities.	Actual	••••••
Customer satisfaction	High responsiveness to customer needs and ability to intercept any new emerging trends or areas for improvement, thanks to a proper monitoring of the relationship.	Actual	••••••
Human Rights	Protection of human rights, both as part of the activities carried out by the different corporate facilities in the countries where the Group operates, and as part of the relations with suppliers.	Actual	••••

Topic	Impact	Actual/ Potential	Significance
	Negative impacts		
Training and development	Insufficient and inadequate employees' skills and limited career pathways as a result of inadequate or insufficient training activities resulting in employees' dissatisfaction.	Potential	•••
	Inadequate customer support during the delivery of products, solutions or services, resulting in customer dissatisfaction and possible interruption of the commercial relationship, due to inadequate training and communication activities.	Potential	•••
Employment and dialogue with social partners	Employee dissatisfaction and lower company attractiveness due to inadequate employee management (e.g., unclear procedures, unfair conduct among different entities or business areas, etc.) and a lack of attention to the relations with employees and their representatives, if present, even on the occasion of any reorganizations.	Potential	•••
Employee welfare	Decreased motivation of employees and, as a consequence, deterioration in the working environment and employee performance due to a lack of attention from DiaSorin in relation to corporate welfare policies.	Potential	•••
Diversity and inclusion	Prevalence of people belonging to overrepresented groups - gender, ethnic group, religion - in the top management that could create a working environment hindering the development of diversified ideas and increasing the perception of unfair conduct (e.g., gender pay gap), if proper attention is not paid to inclusion and diversity.	Potential	••
Health and safety	Increase in the rate of workplace injuries and accidents due to a poor management of employee health and safety resulting in reputational damage and loss of credibility in the eyes of stakeholders and employees.	Potential	••
Environmental Management	Increase in emissions as a result of a lack or inappropriate energy consumption both for manufacturing facilities and for offices.	Potential	••
	Environmental damage to ecosystems, biodiversity and aquifers, among others, as result of inappropriate waste disposal (e.g.: lack of policies and/or inadequate application of current policies).	Potential	••
	Increase in environmental risks (e.g., damage to ecosystems, biodiversity, etc.) related to water withdrawals resulting in increase in water consumption due to an inadequate commitment in this regard.	Potential	••
	Possible sanctions if the environmental standards provided for by national and supranational authorities are not adequately observed, with consequent economic losses and reputational damage.	Potential	••

Topic	Impact	Actual/ Potential	Significance
	Negative impacts		
Management of relations with local communities	Decrease in corporate attractiveness and in its value for local communities due to poor attention towards the communities where DiaSorin operates.	Potential	•
Business ethics, anti-corruption and fight against anti-competitive behavior	Behaviors that do not comply with an ethical conduct of the business (e.g.: corruption) within the relations between public or private entities and resulting in reputational damage.	Potential	•••
Research, innovation and technological excellence & Quality of products and processes	Reduction in quality of products and processes and in the product range available on the market due to limited R&D investments and an internal process management that is unable to respond to the rapid market evolutions and does not fully comply with product and process standards required by the competent authorities	Potential	•••
Customer satisfaction	Lower responsiveness to customer needs and lower ability to intercept any new emerging trends or areas for improvement, due to inadequate monitoring of the relationship.	Potential	•••
Human Rights	Episodes of human rights violation both as part of the activities carried out by the different corporate facilities in the countries where the Group operates, and as part of the relations with suppliers, resulting in reputational damage.	Potential	•

The analysis carried out confirmed the materiality of topics that are similar to those identified in the previous reports. Unlike 2021, in 2022 the company deemed it appropriate to extend "Anti-corruption and fight against anti-competitive behaviors" to a wider concept of business ethics ("Business ethics, anti-corruption and fight against anti-competitive behavior"). On the basis of the new approach, "Human Rights" has been included in the list of material topics, albeit its significance is lower than other impacts. The material topics identified, which are duly reported in these Non-Financial Statement, are as follows:

Research, innovation and technological excellence

The topic refers to the promotion of Research and Development, new partnerships with research institutes and the adoption of new technological solutions to ensure innovation in processes and development of products.

Employment and dialogue with social partners

The topic refers to a correct employee management through the adoption of adequate management processes of human resources, as well as the attention paid to relations with human resources and employee representatives.

Employee welfare

The topic refers to the promotion of employees' well-being through the development of welfare projects and the implementation of activities to improve work-life balance.

Diversity and inclusion

The topic refers to the promotion of a work environment based on the principles of diversity and inclusion, ensuring equal opportunities for workers regardless of their gender, age, nationality, religion, sexual orientation or any other condition.

Quality of products and processes

The topic refers to the constant supply of high-quality products to support diagnostic activity and protect the health of the consumer, preserving a relationship based on honesty, correctness, efficiency and professionalism.

Business ethics, anti-corruption and fight against anti-competitive behavior

The topic refers to the development of a corporate culture that is attentive to business ethics, with a particular focus on the fight against corruption and anti-competitive behaviors aimed at preventing, limiting or distorting fair market competition.

Management of relations with local communities

The topic refers to the collaboration with organizations, local and non-profit institutions to support projects related to the DiaSorin Group's core business (including, by way of example, awareness-raising initiatives on health issues, support to local health facilities, the financing of training projects in the scientific field) in order to promote the long-term development of communities in which the Group operates.

Environmental Management

The topic refers to the promotion of greater energy efficiency and reduction of greenhouse gases emissions. It also refers to the optimization of water consumption and responsible waste management.

Customer satisfaction

The topic refers to the attention paid to customers both in terms of dialogue and engagement (for example through Customer Satisfaction Surveys) and support during the use and supply of products and services.

Training and development

The topic refers to the implementation of on-going, both formal and informal training programs to provide employees and also partners and customers with high-level knowledge in order to increase skills along the value chain and, internally, foster career development.

Health and safety

The topic refers to the dissemination of corporate culture which is very attentive to the health and safety of its employees, in order to prevent and minimize their work-related risk exposure (accidents and occupational diseases).

Human Rights

The topic refers to the dissemination of a corporate culture which is attentive to the safeguard of human rights along the entire value chain and to the relationship with the stakeholders with whom the Group interacts in the course of its activities in the countries where DiaSorin operates.

2.2.3. The Group's material topics and the SDGs of the 2030 Agenda

The 2030 Agenda, presented by the United Nations and adopted by all Member States, aims at ending poverty and hunger and, at the same time, promoting strategies that improve health and education, by stimulating economic growth and reducing inequalities, recognizing gender equity and, at the same time, combating climate change and safeguarding biodiversity.

Therefore, the Agenda provides the guidelines for sustainable development of the planet, identifying 17 goals (also "Sustainable Development Goals" or "SDGs") broken down into 169 specific objectives or targets with over 240 indicators. Achieving these goals requires full cooperation at a global level among all parts of society, from the public sector to business and civil society as a whole. As a first step towards the progressive integration of SDGs in its management and reporting, the DiaSorin Group analyzed in detail the 17 goals and identify those in compliance with its business activity.

DiaSorin identified the following SDGs within its business model for 2022:

DiaSorin also correlated the material topics emerged from the materiality matrix with the SDGs identified, as illustrated in the table below.

Material topics	Sustainable Development Goals		
Employee training and development	4		
Employment and Dialogue with social partners	8		
Welfare of employees	3	8	
Diversity and Inclusion	8	10	
Health and Safety	3		
Environment	12	13	
Relationship with local communities	4	17	
Anti-corruption and fight against anticompetitive behaviors	16		
Research, Development and technological excellence	3	9	17
Customer satisfaction			n/a
Products and process quality	12		
Human Rights	8	10	

2.3 The Group's Code of Ethics

The **Group's Code of Ethics** (hereinafter referred to as the "**Code of Ethics**") clearly defines the set of values that the DiaSorin Group recognizes, accepts and shares and the set of responsibilities that the Group assumes against all subjects both internally and externally. To this end, all the DiaSorin Group's employees are required to comply with the Code of Ethics to ensure the correct functioning, reliability and reputation of the Group.

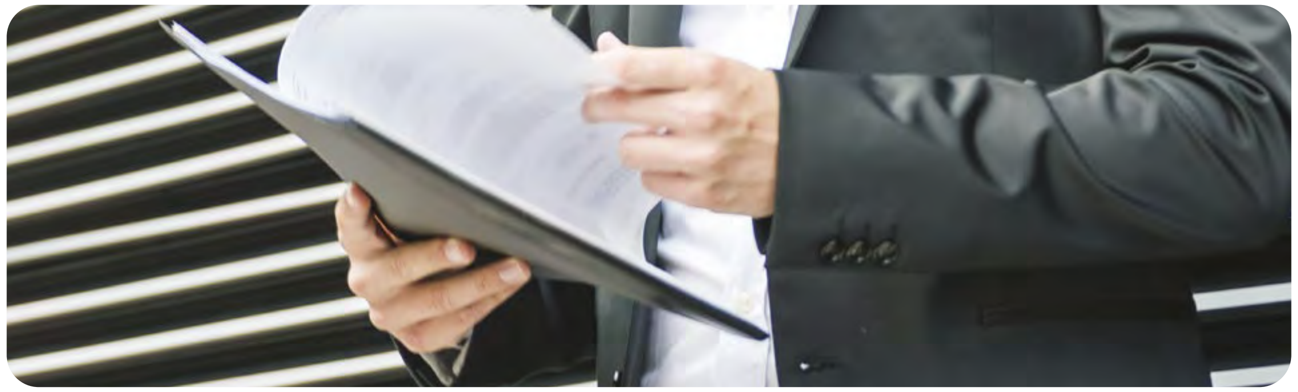
This document formalizes the DiaSorin Group mission: *"to contribute to improving the health of the population through the marketing of diagnostic tests that permit more effective and aware medical decisions whilst curtailing public spending on health according to the policy issued by the Ministry of Health and equivalent bodies".* This mission is achieved through four main components: innovation and technological excellence; active relationship with the customer; active collaboration with suppliers; constant strengthening of the culture of quality.

Recipients of the Code of Ethics include all company stakeholders, without any exception, and all those who, directly or indirectly, permanently or temporarily, establish relations with DiaSorin S.p.A. and Group companies and operate to pursue their objectives.

A copy of the Code of Ethics is issued to each employee at the moment in which the employment relationship is established.

As defined in Chapter IV of the Code of Ethics, any employee or staff member who believes that a rule or a principle of the Code of Ethics has been violated or will be violated can report these violations to the Supervisory Body (in charge of receiving information from all Group companies) by a dedicated e-mail address provided within the document. Violation of the provisions of the Code of Ethics constitutes a breach of discipline and disciplinary measures will be applied, in accordance with the provisions of the applicable Collective Bargaining Agreement or of the individual contract.

The Code of Ethics can be consulted at:
https://diasoringroup.com/it/governance/governance-documents/code-of-ethics-and-model-231 →



As a result of the acquisition of Luminex Corporation, completed in July 2021, DiaSorin has started an integration project that will involve, among other things, an analysis and harmonization of the respective compliance systems, including Codes of Ethics, in compliance with the organizational autonomy of the subsidiary and the specificities deriving from local legislation.

Luminex has already its own Code of Compliance aimed at promoting high ethical standards in its relationships with customers, strategic partners, competitors, employees and public authorities, in accordance with US state and federal legislation, as well as international principles and applicable ISO standards. Luminex has started implementing The Group's Code of Ethics within its business processes.

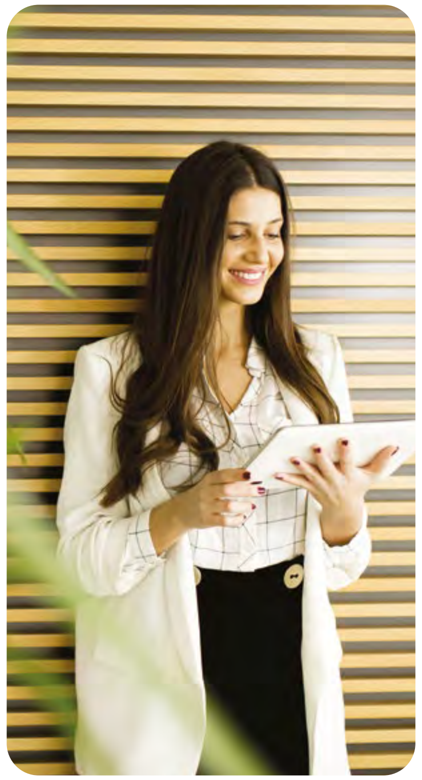
2.4 DiaSorin S.p.A. Organization and Management Model

The Organization and Management Model (hereinafter referred to as the "**Model**") of DiaSorin S.p.A. is described in the Report on Corporate Governance and Ownership Structure included in this Report and to which reference is made for further details.

The Model was developed and updated taking into account the provisions of Legislative Decree No. 231/2001 and subsequent amendments, the guidelines provided by relevant trade associations (particularly Confindustria). This document is part of the control system regulated by Corporate Governance rules and Internal Control and Risk Management System both at Company and Group level.

Following completion of project for the redefinition of the corporate structure implemented through the contribution in kind of the business branch related to the operating activities carried out in Italy and in the United Kingdom in favor of DiaSorin Italia S.p.A., in 2022 the Model has been revised to update the "General Section" and implement a "Special Section" composed of decision-making protocols which have been carried out following the identification of corporate areas (the so-called "mapping of at-risk activities") exposed to the risk of committing the crimes specified by Legislative Decree 231/01.

The Special Section is composed of 21 decision-making protocols aimed at identifying for each sensitive activity in relation to the risk of committing alleged crimes the possible operating implementation and measures aimed at preventing their commission and the applicable rules of conduct.



Also the transferee company DiaSorin Italia S.p.A. adopted its own Organizational Model pursuant to Legislative Decree 231/2001. Its structure and methodology are in line with the Parent Company's Model.

Although the Model was adopted to comply with domestic regulation, all the DiaSorin Group's companies have been adopting similar principles and constraints in order to provide stakeholders with a safer compliance process globally. This has been done by means of the Code of Ethics, as Group procedure, and other internal protocols adopted by the DiaSorin Group.

As from June 30, 2019, the Company adopted an online platform dedicated to the management of reports of offences or violations relating to the Model and other ethical violations (the so-called whistleblowing), developed in compliance with Legislative Decree 231/2001 and made operational from June 30, 2019 both for the employees of the Parent Company DiaSorin S.p.A. and for other Group companies. In 2021, no reports were received through the whistleblowing platform.

Due to the predictable transposition into Italian law of Directive (EU) 2019/1937, the Company will submit the current whistleblowing system to a gap-analysis, aimed at identifying any areas to be adjusted to the new regulation.

2.5 Governance

The Board of Directors of the Company set up the Control, Risk and Sustainability Committee, by a resolution dated April 24, 2019. In addition to perform tasks related to the system of internal control and risks management, the Committee supervises sustainability issues.

In particular, the Control, Risk and Sustainability Committee has the task to monitor sustainability issues, review and assess sustainability matters relating to corporate business activities and to its interactions with the stakeholders.

In performing the abovementioned task, the Committee is responsible for supervising sustainability initiatives of DiaSorin S.p.A. and of the DiaSorin Group's companies, as well as examining and assessing the system of data collection and consolidation for the preparation of the Consolidated Non-Financial Statement (pursuant to Legislative Decree 254/2016) and expressing its opinion to the Board of Directors called to approve this document. In addition, the Committee has the task of expressing, at the request of the Board of Directors, opinions on any sustainability issues.

The Board of Directors of December 16, 2021 resolved to assign the Control, Risk and Sustainability Committee the task of supporting the Board of Directors in the examination and approval of the Company's and the Group's business plan, also on the basis of the analysis of the topics relevant to the long-term value generation. This assignment has been confirmed during the last renewal of the Board of Directors on April 29, 2022.

2.6 Tax management

As regards the management of tax matters, the Group undertakes to comply with domestic regulations in the various countries where the Group is present and operates, and to continue its collaborative and transparent relations with tax authorities.

In order to meet the interests of its Stakeholders the Group, even though it has not yet implemented a tax strategy, pursues an approach that is fully oriented to the utmost responsibility towards the management of tax variable, by monitoring its risk through the Corporate Tax Function and other corporate control function. In each individual Group company, the Finance Manager /CFO is responsible for tax matters and is assisted by external consultants, the local Tax Director, where present, and the Group Tax Director.

The Group introduced a decision-making Protocol in its Organizational Model, pursuant to Legislative Decree 231/2001 (the "Protocol"), which is entirely dedicated to the assessment and mitigation of tax risks, specifically tax offences provided for in Articles 2, 3, 4, 5, 8, 10, 10-quater and 11 of Legislative Decree 74/2000, as referred to in Article 25-quinquiesdecies of the Decree, as amended by the entry into force of the Legislative Decree 156/2022.

Reporting mechanism for tax concerns are the same as those adopted by the Group for non-ethical or unlawful conduct, as described in Section "2.4 DiaSorin S.p.A. Organizational and Management Model" of this Report.

DiaSorin aims at maintaining collaborative and transparent relations with tax authorities in the countries where the Group operates, and it is committed to reply to any request received with the utmost transparency and in a timely manner.

In 2022, the Group's income taxes amounted to € 91,562 thousand, with a 25.7% tax rate. 61.7% of total income taxes was paid in Italy while the remaining part was paid in countries where the Group operates.

Acknowledging the importance of the topic, the Group implemented a structured process to report the quantitative indicators as required by the GRI Standard 207-4.

Please refer to the table at the bottom of the Non-Financial Report for the relevant information referring to the 2021 financial year.

2.7 Taxonomy

Over the years, the DiaSorin Group has shown its stakeholders a constant commitment to sustainable development, in particular through the drafting of sustainability reports (prepared on a voluntary basis starting from 2014) and, later, through the Non-Financial Statement, in accordance with Legislative Decree 254/2016.

As from 2021, some companies – including the DiaSorin Group – fall under the new disclosure obligations defined by Art. 8 of Reg. EU 2020/852, the so-called "EU Taxonomy", or "European Taxonomy".

The European Taxonomy identifies a classification system for economic activities aimed at determining which business activities are environmentally sustainable and, thus, ensuring greater reliability, coherence and comparability for economic activities to be considered as sustainable, in order to support investors and comply with the European Green Deal.

In 2021, the Regulation, which defines six environmental and climate objectives, was followed by the publication of the first delegated acts (2021/2139) relating to the first two objectives (climate change mitigation and climate change adaptation) containing the technical screening criteria that allow the identification of the aligned activities pursuant to the EU Taxonomy and the publication of the Delegated Act under Art.8 (2021/2178) which specifies the content and presentation of information to be disclosed by undertakings.

For the current year of application of the Regulation, non-financial companies, including DiaSorin, are therefore required to provide a disclosure indicating turnover variables (Turnover), capital expenditure (CapEx) and operating expenses (OpEx) associated with taxonomy-aligned business activities, as regards the first two objectives. In the next disclosure, the Group's analysis will be extended to the other objectives on the basis of the guidelines made available by the European Commission.

The DiaSorin Group has been working to carry out an analysis of its activities with the aim of understanding the activities be considered "Taxonomy aligned". The notion of "alignment" goes beyond that of "eligibility", required for the FY 2021 disclosure. Taxonomy alignment requires that an activity meets all the requirements listed specifically for such activity in Taxonomy. Only when an activity meets the technical screening criteria and does no significantly harm to any of the other environmental objectives (according to the DNSH principle – Do Not Significant Harm) and meets the minimum safeguard criteria related to those activities then it can be defined as Taxonomy-aligned.

In 2022, the analysis was carried out through interviews with the corporate departments that are most directly involved in the Group's sustainable activities, and through the analysis of business activities and the classification of economic activities according to NACE codes.

The abovementioned analysis showed that none of the activities carried out by the DiaSorin Group is eligible and consequently EU Taxonomy- aligned.

As far as the required indicators are concerned, as mentioned above, Turnover, capital expenditure (CapEx) and operating expenses (OpEx) are included in the disclosure.

As to Turnover, economic activities generating Group revenues fall within the scope of the medical diagnostics, along with research, manufacturing and sale of products and are part of DiaSorin core business. These activities are to be considered ineligible and therefore not Taxonomy-aligned. Their indicator is reported with a value equal to zero. More details on the breakdown of revenues are provided in the Explanatory Note.

The EU Taxonomy has identified, in Annex I of the Delegated Act relating to art. 8, three different types of capital expenditure (CapEx) and operating expenses (OpEx) that could be used for the calculation of key performance indicators. With reference to "type A", which identifies CapEx/OpEx associated with Taxonomy-aligned activities and to "type B" which refers to CapEx/OpEx associated with expanding green activities, that is activities linked to plans to make an activity taxonomy-aligned within a period of five years, the DiaSorin Group did not identify any activity falling into this scope. In relation to the CapEx/OpEx of "type C" associated with internal sustainable activities and related to the purchase of products from Taxonomy-aligned economic activities and measures that make it possible to reduce the environmental impact or GHS emissions, the Company carried out detailed analysis involving the managers of the different Group's areas and subsidiaries in order to identify potentially aligned items.

In this regard, the analyses carried out showed that the DiaSorin Group made investments, in 2022, for the construction of the first manufacturing and research facility in China, for the renovation of plants and offices (mainly in the USA and Italy) and for electric car charging stations. Therefore, eligible values to the criteria required refer exclusively to expenditure (CapEx). However, it should be noted that, following the alignment analysis to the criteria mentioned above, to date none of the investments carried out can be defined as "aligned". Finally, no eligible OpEx was found.

Reporting of the above is detailed in the Annex to this document.

3. Identification of risks and opportunities

This section describes the main risks and the opportunities deriving from the DiaSorin Group's activities, business relations and products.

Risks identified below, if not properly addressed and managed, may have a negative impact both on the stakeholders (i.e., negative impact on patients due to poor quality of products, etc.), as referred to in paragraph "Stakeholders of the DiaSorin Group", and on the DiaSorin Group (i.e., impact on the company's reputation, economic sanctions due to non-compliance with regulations, threat to business continuity, etc.).

If properly managed, risks may represent an important opportunity both for the stakeholders (i.e., increased well-being at work, increased safety at work etc.) and for the DiaSorin Group (i.e. reduced costs from a more efficient energy consumption, etc.).

3.1 Topics related to ethical business practices, fighting against corruption and anti-competitive behavior

The main risk in relation to ethical business practices, fight against corruption and anti-competitive behavior concerns the potential **occurrence of active corruption events** associated with the DiaSorin Group employees, within the relations with public and private subjects, and more generally, potential occurrence of episodes and behaviors that prevent, limit or distort a fair competition on the market.

The main risks involve DiaSorin Group's relations with the following parties, including but not limited to:

- Public authorities /bodies
  - Participation in tenders and commercial relationships with public health facilities;
  - Access to and reporting of funding/grants/loans, visits and inspections;
  - Obtaining authorization for specific material supplies;
- Professionals and both public and private Organizations in the health sector
  - Definition of arrangements and consultancy agreements;
  - Corporate events or events organized by third parties;
  - Research activities and training contributions to support medical-scientific education;
  - Activities aimed at illustrating the characteristics of samples and products;
- Credit institutions, for example when participating in procedures for obtaining grants/contributions/loans;
- Private certification bodies, during the inspection aimed at obtaining certifications;
- Companies and private parties, in general, during purchase and sale processes.

3.2 Quality of products and processes

The main risk identified by the DiaSorin Group regarding 'Quality of products and processes" is linked to the **non-compliance with laws and regulations** applicable to products sold in different markets and which can result in potential sanctions or legal proceedings, as well as in loss of competitiveness due to non-adjustment or slower adjustment to new provisions.

The Group operates in full compliance with laws and regulations in different fields through dedicated and qualified employees. The Group's Code of Ethics states: *"DiaSorin and Group companies, and for these all staff members, recognize as binding the absolute respect of laws, codes, regulations, national and international guidelines and all general accepted practices based on fairness and honesty in each country where the Group carries out its business activity in observance of these principles"*.

Activities aimed at ensuring compliance with legislation and regulations are undertaken in line with international best practices and are constantly examined through inspections conducted by commercial partners, authorities or certification bodies, as well as in the light of any acquisition.

The main risk identified in the supply chain management is linked to **non-compliance of** purchased **products or services** with the Group's **quality requirements and local regulatory requirements**, resulting in a negative impact on quality and effectiveness of end products.

The "critical" purchases for the core business, products or services with a direct impact on compliance with end product requirements are carried out through the Company's manufacturing facilities. The Group companies purchase their products from consolidated multinational companies located in countries that do not pose a high risk concerning social topics related to employees, protection of human rights and fight against corruption issues.

A further material topic is represented by the **supply risk**, or the temporary unavailability of raw materials required for production, due to the increase in market variability, the onset of expected emergency situations, the introduction of new regulations and the increased stakeholders' awareness about specific topics. The occurrence of such a risk could cause the failure to respond to the customers' needs in due time with consequent repercussions in economic and reputational terms.

3.3 Customer satisfaction

The main risk identified by the Group in relation to "Customer Satisfaction" is a **lack of attention to the consumer's needs**. Dialogue with Customers takes place through various channels, such as customer satisfaction surveys or daily interaction activities. The lack of attention could lead to the risk of not identifying emerging trends in the market or potential aspects for improvement, both as to technological updating and to new organizational structures of customers the Group deals with. A lack of analysis or not sharing customer complaints at Group level could jeopardize the timely implementation of corrective and or preventive actions for their resolution.

3.4 Topics relating to research, innovation and technological excellence

A key factor in DiaSorin success is the company's ongoing commitment to identify and select new products to expand the menu provided to customers. In order to constantly support DiaSorin leadership in identifying and launching successful and cutting-edge products, the Group has further strengthened its **Corporate Innovation Process**.

The Innovation Process, which has been fully implemented in 2019 and is currently under adoption and integration by the newly acquired Luminex Corporation, ensures the structured involvement of any source of ideas concerning kits and instruments, so as to ensure the **maintenance of innovation excellence even in new clinical areas (Innovation domains) and in cases of extraordinary needs and specific opportunities**.

The current Corporate Innovation Process makes it possible to carry out some key analyses before the development phase of the product, thereby **allowing a prior assessment of any risks and opportunities concerning both the investments through threshold criteria and development time**.

3.5 Employee-related topics

3.5.1. Occupational Health and Safety

The DiaSorin Group identified the following main risks in relation to "Occupational Health and Safety":

- **Occupational diseases due to over-exposure to chemicals and/or biohazardous materials;**
- **Injuries involving employees** due to an inappropriate training on risks related to duties, procedures, and use of personal protective equipment.

The DiaSorin Group has always been committed to increase a culture of occupational safety in order to avoid risks to employees' health and safety.

3.5.2. Focus on workers

With reference to the risks identified in relation to an accurate management of workers, the Group identified some specific risk areas:

- **Selection of core competencies:** failure to identify core competencies on the market that are in line with the company values and culture would undermine the generation of long-term value and increase the turnover rate.
- **Turnover of highly skilled and specialized employees:** lack of attention to turnover rate would affect employee retention in terms of know-how and key skills.
- **Employee training and development:** given the highly technical-scientific profile of DiaSorin employees, the lack of interventions aimed at maintaining and updating knowledge would have particularly significant impacts. This aspect is even more evident considering the nature of the Group's business, which is focused on knowledge and characterized by continuous evolution. In light of this, the Group has developed a structured path for employee training and development starting from their first day in the Company.

3.5.3. Well-being of employees and dialogue with social partners

As regards "Well-being of employees" it should be noted that **lack of attention to employees' needs** would negatively impact staff motivation and satisfaction, affecting the workplace and the sense of belonging to the Company/Group.

Maintaining a constructive and continuous **dialogue** is an opportunity to interact with employees and social partners and develop positive relationships, based on mutual respect and trust. The Company has been actively engaged in addressing this topic through programs aimed at involving people and strengthening their sense of belonging to the Group.

3.5.4. Diversity and inclusion

"Diversity and inclusion" do not entail any specific risk to the DiaSorin Group. The Company identifies a correct and careful management of this aspect in all the Group's Legal Entities, through the integration and enhancement of diversity - an opportunity to **create a work environment that fosters creativity and dialogue**. The cultural integration between DiaSorin and Luminex, in addition to the evolutions of the last years, help Group's people diversify and enrich their skills, acting according to Guiding Values. Against this backdrop, diversity and inclusion, which are a key driving force for excellence and innovation, are translated into heterogeneous work groups (by culture, gender, religion, etc., but also by generation and seniority) and in a new and more complete mix of skills. Dialogue and joint work bring innovative solutions and opportunities contributing to the realization of the corporate mission: improving the health and life of people worldwide through high-quality, fast and reliable diagnostic tests.

DIVERSITY AND **INCLUSION**

3.6 Social topics and respect for human rights

3.6.1 Relations with local communities

Relations with local communities do not entail any specific risks for the DiaSorin Group. Engaging in local communities represents an opportunity: the development of communities in which the Group is present along with people training and the development of individual skills in the different countries where the Group operates may contribute to create and maintain an environment favorable to business and innovation. Supporting local communities is, thus, a sustainable investment for DiaSorin's long-term business view.

3.6.2 Respect for human rights

"**Respect for human rights**"-related risks are not deemed to be relevant to the DiaSorin Group, in relation to both company's employees and external staff.

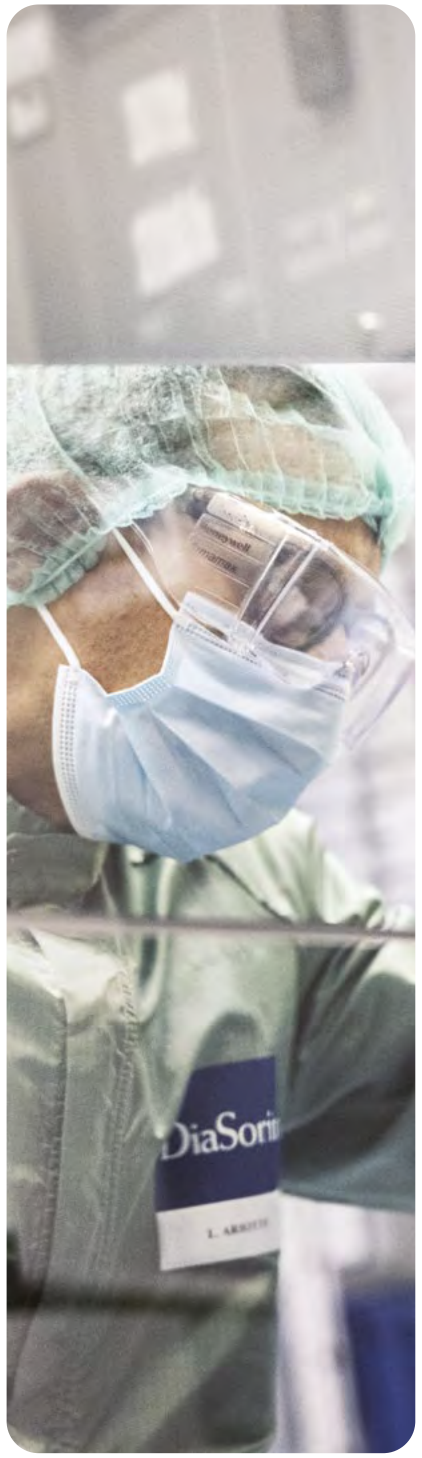
From the company's point of view, the Group business requires high skilled in-house workforce for all activities. This results in a low risk of exploitation and violation of human rights, together with the need to implement all the necessary actions to retain employees in the Company, given their training, experience and know-how.

With reference to the supply chain, the main purchases of the DiaSorin Group are made from consolidated multinational companies that are located in areas that do not present a high risk with respect to this topic.

The Group pays great attention to respect for human rights both in the management of relationships with Group's employees and external staff and in the management of the supply chain, in compliance with principles and values set out in the Group's Code of Ethics. The Group is committed to respecting human rights in compliance with Conventions of the ILO (International Labor Organization) in countries where the Group operates.

The Group's Code of Ethics contains specific principles concerning this matter. As specified in the Group's Code of Ethics, DiaSorin *"operates within the recommended reference framework of the United Nations Universal Declaration of Human Rights, the fundamental Conventions of the ILO (International Labor Organization), and Confindustria Guidelines and also ethical principles, agreements and guidelines approved by Union representatives concerning fair employment practices, freedom of association, rejection of any form of discrimination, of forced labor, child labor […]"*. Principles set out in the Code of Ethics include, among others, "Equality and Equal opportunity" consisting of a set of specific standards of conduct that apply to all Recipients of the Code.

Lastly, in compliance with the provisions of the UK law (section 54 of the UK Modern Slavery Act 2015), in 2020 DiaSorin S.p.A, acting through its UK Branch and DiaSorin Limited, issued the "2019 Modern Slavery Statement", on a voluntary basis, outlining the procedures to operate free from modern slavery in any part of its business and supply chain and to adopt a zero-tolerance approach to these topics.



3.7 Topics relating to environmental management

3.7.1 Waste management

The main risk identified in "Waste management" is linked to **non-compliance** with **waste management** and **disposal** regulations.

The Group's handles waste in accordance with the specific regulation on the issue.

3.7.2. Energy efficiency, emissions and management of water resources

Energy efficiency and the management of water resources do not entail any specific risks to the DiaSorin Group, since the company's core business is not part of an energy intensive sector nor requires relevant water consumption.

However, the Group is committed to protecting the environment and reducing its environmental impact paying particular attention to reducing **energy consumptions, emissions and water withdrawals**: this represents an opportunity in terms of optimization and cost savings for the Group.

4. Ethical business practices, fight against corruption and anti-competitive behavior

4.1 DiaSorin's commitments and reference principles

With regard to the risks related to "Fight against corruption and anti-competitive behavior", the rules and standards of conduct, which the Directors and employees of all Group Companies, as well as the subjects or Companies acting in the name and on behalf of one or more Group Companies must comply with, are formalized within the **Group Code of Ethics** and Model 231 adopted by the Parent Company.

Aside from rules and Standards of Conduct required to Recipients to avoid active bribery, directly or indirectly, the Code of Ethics sets out prohibited behavior to avoid passive bribery. Examples are ban on accepting gifts, gratuities or other benefits that may influence the independence of judgement, obtaining or maintaining commercial business, influencing any action or decision of any governmental officer, obtaining unjust advantage or facilitation.

The DiaSorin Group does not tolerate any kind of bribery to public officials, or to any other party connected with public officials, in any form or manner, in any jurisdiction including those jurisdictions where such activity may be current practice or not legally prosecuted. The aforementioned prohibitions are extended not only to direct incentives but also to indirect incentives made in any form including via agents, consultants or other third parties.

On the basis of the above, Recipients are forbidden to offer commercial giveaway, gifts or other perquisites that may violate laws and regulations or to be in conflict with the Code of Ethics or, if publicly available, damage DiaSorin image. Equally, Recipients shall not exploit their position to demand for, accept, seek or obtain promise of benefits or advantage of any kind.

DiaSorin firmly believes in competition and free market and acknowledges the fundamental importance of a competitive market, where relations with competitors are based on principles of fair competition in full compliance with applicable laws.

As described in the Code of Ethics *"in accordance with fair trade practices, the Group does not knowingly infringe third party intellectual property rights and refrains from deliberately spreading false news and valuations that may discredit rival products and activities".*

In particular, the management model adopted regulates conduct which applies to market abuse offences.

Compliance with above is supervised and monitored by the Supervisory Body of DiaSorin S.p.A. and DiaSorin Italia S.p.A. who receives reports regarding violations of the Code of Ethics and verifies and assesses that the Disciplinary and Sanctioning System is suitable and effective.

As a member of the sector association EDMA (European Diagnostic Manufacturers Association), associated with MedTech European[5] the DiaSorin Group has been adhering for several years to the "MedTech Europe Code of Ethical Business Practice" (hereinafter "**MedTech Code**"). The Code regulates all aspects of interactions between companies and Healthcare professionals/ organizations, in compliance with the highest ethical standards and with an appropriate level of transparency. DiaSorin has therefore integrated the provisions of the MedTech Code into its Group Code of Ethics carrying out specific training activities over the time, also in light of the adoption of the dedicated Group procedure (GOP 23.5011 "MedTech provisions").

MedTech Europe
from diagnosis to cure

[5] MedTech Europe is the European association representing the medical technological industries, from diagnosis to cure.

4.2 The instruments adopted

Below are the main tools adopted by the DiaSorin Group in order to manage and reduce the risks related to "Fight against corruption and anti-competitive behavior".

Audit activities carried out by the Internal Audit Function
Formal acceptance of the Code of Ethics from Group Companies' employees is periodically monitored by the Internal Audit Function of the Group. Such audits are included in the Audit Plan. The Internal Audit Function carries out spot checks, on an annual basis, on the Group Companies to assess that new hires adhere to the Code of Ethics principles. As from 2022, audits have been made easier and even more traceable thanks to the computerization of the procedure to accept the Code of Ethics which employees are required to abide by.

The Code, in fact, has been made available on the Smart Solve system. Employees access the system which formalizes and tracks their acceptance of the Code.

Equally, gratuities, gifts and benefits are monitored, as part of the Audit Plan, through spot checks on the Group's Companies, in relation to expenses and first levels employees' expense reports.

Audits are reported to the Control, Risk and Sustainability Committee and the results submitted to the Group's Board of Statutory Auditors and Board of Directors, in accordance with the current Guidelines of the Internal Control and Risk Management System, which has been recently updated on August 3, 2022.

Training activities
A further tool used by the Group to promote ethical conduct of business and reduce the risk of corruption and anti-competitive behavior is represented by training activities provided to employees, with particular reference to specific sessions relating to the content of the Group's Code of Ethics, which are provided to new employees during the induction phase, along with regular training activities on topics under Legislative Decree 231/2001 and the Model.

4.3 Results

The following table shows the number of employees involved in communication and training about anti-corruption policies and procedures for each reporting year and includes the number of Luminex employees that received similar training or communication:

Employees involved in anti-corruption training and communication	2020	2021	2022
Executives	45	67	44
White collars	649	912	717
Blue collars	123	195	253
Total number of employees	**817**	**1,174**	**1,014**

Disclosure 205-2 Communication and training about anti-corruption policies and procedures of GRI Standard 205: Anti-corruption

In particular, in June 2022 and before the completion of the contribution, DiaSorin S.p.A. provided training to its employees on general principles of the Legislative Decree 231/2001 and the Model.

During the "Mid-Year Checkpoint" held on September 12 and 13, 2022, the Company carried out an awareness-raising activity for employees of Sales and Marketing departments of DiaSorin Italia S.p.A., and for agents and distributors with a focus on anti-corruption and the Model.

A training activity involving employees of DiaSorin S.p.A. and DiaSorin Italia S.p.A. relating to the Special Sections of their respective updated models is scheduled for 2023.

In 2022, no case of corruption has been reported.

5. Quality of products and processes

5.1 DiaSorin's commitments and reference principles

In order to provide a structured management of all aspects related to quality of products, including the supply chain management, DiaSorin's manufacturing facilities adopt a Quality Management System in compliance with the European Directive IVD MD 98/79 EC, and UNI EN ISO 9001:2015 standards (Quality Management System Requirements), and UNI EN ISO 13485:2016 (Medical Devices. Quality Management Systems. Requirements for Regulatory Purposes) - in compliance with the US Code of Federal Regulation ("21CFR Part 820" Food and Drug Administration) - and in accordance with local regulations applicable to markets where the DiaSorin Group's products are registered and distributed. An example is the NMPA Regulation which the new Chinese facility is required to abide by.

In 2022, the DiaSorin Group received the IVD-R Certification for its Quality System through regulatory inspections and is in the process of completing the products certification within the Regulatory framework. Specifically, compliance with European Regulation 2017/746 on in Vitro Diagnostic Medical Devices (IVD-R) is required to place on the market, make available and put into service in vitro diagnostic medical devices on the European market.

The IVD-R Regulation entered into force for some classes of products in May 2022, replacing the previous EU Directive 98/79/EC. The European Commission approved the extension of the transition period in compliance with the Regulation; the deadline will be on May 26, 2027. Based on that, the Group is working to comply with the deadline provided above.

Due to the United Kingdom's exit from the European Union, DiaSorin has been required to adjust certain procedures and processes, in accordance with the deadlines indicates, to the different Regulations adopted in the UK, where the Group actively operates.To date, the situation is constantly monitored in order to better respond to the current developments.

Where possible, Group companies undertake to consult consumer protection associations for the projects that have a major impact on customers. Behavior standards adopted by Group companies in dealing with customers are inspired by safety, assistance, accessibility, respect and politeness aimed at mutual trust, strong cooperation and high technical expertise. The primary objective of the Group is to fully satisfy its customers, creating a relationship based on honesty, fairness, efficiency and professionalism in compliance with the obligations of both parties and with the laws and rules contained in the Code of Ethics.

5.2 Instruments adopted

The following provides the main instruments adopted by the DiaSorin Group to manage and mitigate the risks related to "Quality of products and process".

Organizational structure related to Quality Management

The Corporate QA&RA&CA Function (Quality, Assurance, Regulatory Assurance and Clinical Affairs) reports directly to the Chief Executive Officer of DiaSorin S.p.A., thus ensuring the independence and authority necessary for the Function to ensure the utmost attention to the adoption of regulatory demands and global Quality principles and their timely implementation.
The Corporate organization plays a transversal role both with reference to the manufacturing facilities and to the commercial branches, ensuring the effective application of the Quality System, and efficiency and effectiveness across the entire DiaSorin Group.

The Corporate QA&R &CA Function is responsible for:

- Monitoring the new regulations applicable to the IVD MD sector and communicate them to manufacturing facilities and commercial branches;
- Supporting facilities and subsidiaries in implementing new provisions that have an impact at a Group level, managing or supervising specific inter-site projects;
- Harmonizing Quality Systems rules across all facilities and subsidiaries through Group Operating Procedures (GOPs) and ensuring their correct application, at a local level, by facilities and subsidiaries;
- Monitoring compliance with the Quality System (QS) requirements within the DiaSorin Group by means of Internal Audits, either announced or unannounced;
- Monitoring DiaSorin customers' complaints at Group level;
- Supporting all sites on audit activities carried out by Third-Parties;
- Monitoring that the results of Third-Party or Corporate audits received by a single site are shared with the others in order to allow a cross-assessment to identify QS non-compliance and resolve it promptly, with a harmonized approach;
- Supporting sites on Medical Oversight and implementing product recall procedures;
- Supporting sites in monitoring the performance of DiaSorin' critical suppliers.

Following the acquisition of Luminex Corporation, in mid- 2021, the Company started a first screening phase, followed by the definition of a harmonization and integration Plan to extend the application of the Quality System and related policies and procedures also to the newly acquired sites.
In the second half of 2021 and in 2022, DiaSorin initiated the integration of quality processes within all Luminex sites according to Group standards. In particular, in 2022, Quality and Regulatory processes have been extended to all Luminex sites.

The "Corporate QA&RA&CA" Function monitored the following projects in the last years:

A) Transposition of recent new regulations

- in 2022, DiaSorin completed its inter-site project, started in 2017, concerning the alignment to the new European Regulation 2017/746, which replaces the current European Directive IVD MD 98/79 EC (the complete implementation of the project initially planned for 2024 will be adjusted in light of the extension of the transition period which is currently being published by the EU). The adjustment to the new Regulation concerned Group's sites that have received and fully passed the audit to verify the adequacy of their QMS (Regulatory Management System), obtaining the relevant CE IVD-R certificates. Product certification is still in progress and, according to the risk class of products, we are working to obtain the certification according to the deadlines required and in any case by May 2027.
- over the last few years all DiaSorin manufacturing sites have successfully passed the QMS audits conducted by the Notified Body and the Competent Authorities of the Export Countries where DiaSorin products are registered and distributed; the Company has therefore maintained the Certifications and approvals necessary to distribute in Export Countries, thus keeping the Group's business unaltered.
- with regard to the new Chinese facility which is at an advanced stage of implementation, the Company is currently reviewing the Quality System procedures to allow the distribution, in China, of products made there as soon as the certification has been obtained following the inspection of the site that is envisaged in 2023 by the NMPA.

B) Maintaining certified quality systems of DiaSorin Group's manufacturing sites

With reference to the quality system of DiaSorin's sites, the following is a summary table of the number of inspections received at the Group's manufacturing facilities during the last three years carried out by the Notified Bodies and various Competent Authorities of the Export Countries where DiaSorin products are registered and distributed:

Group's manufacturing facilities	2020	2021	2022	Total site
Italy, Saluggia	1	1	1	3
United Kingdom, Dartford	1	1	2	4
Germany, Dietzenbach	1	1	1	3
USA, Cypress	1	3	2	6
USA, Stillwater	1	2	2	5
Luminex facilities (Austin, Chicago, Madison, Toronto)	-	3	6	9
Total year	**5**	**11**	**14**	**30**

All facilities passed the inspections in the three-year reporting period. No indication of critical issue having an impact on the Group's business was found.

C) Improvement and harmonization projects among DiaSorin facilities:

- in May 2021, the Company completed the implementation of the inter-site project initiated in 2018 and sponsored and managed by the "Corporate QA&R&CA" Function with the aim of implementing, in all the Group's sites and at Corporate level, the same software for the harmonized management of QMS aspects on an electronic platform (Smart Solve), sharing the same rules and modes. Compared to the initial project, the Company started the implementation of two additional modules with a focus on Training planning and registration and on the management of the quality system's Documents. The system implementation has been completed in the new Chinese facility in 2022. In January 2022, the Company started the implementation of the platform for the Luminex facilities which will be completed in 2024, in line with the project timeline;
- in 2020, the Company completed the implementation of all the modules envisaged by the BRAVO platform, which has been developed starting from 2018 by the ex "Corporate Global Procurement" function together with the "Corporate QA&RA&CA" function. This platform is shared among all DiaSorin sites as part of the Supplier Management and ensures compliance with the QMS requirements applying to selection, qualification and monitoring of suppliers. The adoption of the module to manage the Supplier Qualification has been launched in 2020 in some of the Group's manufacturing facilities and completed at the beginning of 2022, involving all the remaining immunodiagnostic facilities, including the Chinese site.

Supply chain management

The supply chain management is crucial to ensure that products and services purchased comply with the Group's quality requirements and local regulatory requirements.

A screening activity has been carried out to understand the current supply chain management of the Luminex facilities acquired in 2021 and assess the opportunity and the best procedures for harmonizing the Luminex supply chain management at a Group level, to be carried out in cooperation of Quality managers.

The following paragraph provides the main evolutions of the Group supply chain management and the key instruments adopted.

Reorganization of the supply chain

In the past years, the organization of the supply chain management of the DiaSorin Group envisaged that "critical" purchases (i.e. products and services with a direct impact on compliance with the requirements of the end product) were mainly managed locally by the Group's manufacturing sites, with the exception of some categories of purchases which, as they are relevant for several manufacturing sites due to the high risk associated with the impact on the finished product or due to the high unit value, were managed before the introduction of DiaSorin S.p.A holding in 2022, at Corporate level, by the former Global Procurement function (today headed by DiaSorin Italia S.p.A) and represented the largest share of the Group's purchases.

In order to increase supervision and efficiency, the DiaSorin Group has launched, starting from 2017, the reorganization of the entire process of the supply chain management with the aim of centralizing and progressively harmonizing the purchasing processes of production Companies and, consequently, acquiring greater central control over Group's suppliers.

The project, which to date does not include the Luminex Companies and whose implementation continued throughout 2022, is structured along three main axes:

- **Organization**
  Redefinition of responsibilities centrally and locally and a central role assigned to the Global Procurement function to handle purchases at Group level; to this end, the corporate Purchasing team has been reorganized and strengthened with new hires in order to implement a central governance activity that works closely with managers at local level, through business reviews and regular meetings. This first stage, completed in 2020, was followed in 2021 by a second stage aimed at identifying staff to reinforce local levels and ensure centralized supervision of some specific purchases with a strong territorial characterization. This stage has been completed in 2022.

- **Process standardization**
  Through the harmonization of the different local purchasing processes that had been previously managed independently by manufacturing branches through various tools and information systems; in this regard, purchasing guidelines had been approved and distributed in 2020, with the dual purpose of defining rules to be applied locally within the Purchasing department and instructing on rules, behaviors and best practices those who carry out purchasing activities, even though they do not belonging to the Purchasing department; in addition Group Operating Procedures have been issued to enforce part of the Guidelines.

- **Management efficiency**
  This topic provided for the identification of purchases that needed to be managed at central level (e.g., suppliers shared by several manufacturing facilities) and those that need to be managed at an intermediate level given the territorial specificity of some supplies. A centralized reorganization has been implemented and the relevant designated employees have been identified on the basis of the above findings.

The project involved the introduction of an IT cloud platform (BRAVO), at Group level, for complete management of relations with suppliers, starting from qualification to the drawing-up of contracts, including negotiation. This long-term project, which initially envisaged 4 modules with the addition of a fifth one, was completed in 2021. After an initial phase during which the platform was implemented at DiaSorin S.p.A. (since 2022 DiaSorin Italia S.p.A.) and DiaSorin Inc. companies in 2020, the adoption of the modules has been extended and completed in all the Group immunodiagnostic sites in 2021, including the Chinese facilities.
Finally, a screening activity will be carried out to assess opportunities and ways to extend the platform and its procedure system also to the molecular manufacturing facilities and to the newly acquired Luminex Corporation.

Group and local Procedure System
The Group Operating Procedure "Corporate Supplier Management" and the DiaSorin Group Operating Procedure "Procurement Portal: Supplier Qualification" set out the principles to be applied at Group level for the supply chain management. Both Procedures apply to all purchases of the DiaSorin Group.

The Procedure provides the guidelines to follow at local level in the various stages of the supplier management process and defines a clear allocation of responsibilities between the Company and the relevant Group's Corporate Functions and Departments.

It should be noted that Luminex facilities are excluded from the application of the procedures mentioned above. In this regard, starting from the procedure currently in force at Luminex Companies, DiaSorin is assessing the possibility of harmonizing and aligning as much as possible the procedures of the Companies acquired in 2021 with the procedures of the DiaSorin Group's companies.

Below are the main requirements formalized within the Group Procedures mentioned above:

- use of a multi-functional approach to select suppliers and formalization of criteria and methods adopted in this stage;
- classification of suppliers on the basis of the risk category associated with the quality of product and safety;
- preparation of a documentation mapping the technical requirements of products being purchased. Such documentation shall be included in the contractual documents, along with clauses which contractually bind suppliers to inform DiaSorin of any change in the technical requirements of the product;
- management of supplier changes that have to be approved at local level and communicated to central Departments;
- implementation of activities to monitor suppliers at local level (e.g., acceptance tests, verification of the certifications attached to the products, audits of suppliers, etc.).

To promote higher harmonization with Group processes, each DiaSorin manufacturing site has been required to set up local procedures covering the management of suppliers and purchases of products and services, in order to ensure quality, safety and effectiveness of the finished product on the basis of the Group Procedures.

In 2020, specific procedures had been introduced concerning the use of the BRAVO platform. These procedures have been implemented and extended, in 2021, to all immunodiagnostic sites, in line with the platform implementation.

5.3 Results

In 2022, the DiaSorin Group continued monitoring its suppliers both through on-site audits and through remote and documentary audits, consistently with the previous years.

As in 2021, also in 2022 audit activities have been conducted on the basis of a careful risk assessment.

Also in 2022, the Company reported a reduction in the number of supplier audits vis-à-vis the pre-pandemic years, due to the restrictions imposed by the emergency and the consequent difficulties to conduct on-site audits, especially during the months of the year marked by pandemic resurgence, and considering that remote audits may not always replace on-site audits, especially in situations where it is essential to be able to directly verify the manufacturing processes of Supplier. For these reasons in 2022 the number of audits conducted on suppliers were slightly lower compared 2021.

Specifically in 2022, 10 audits were conducted on critical suppliers for the DiaSorin Group (15 in 2021), of which 6 Corporate (9 in 2021) and 4 Local (6 in 2021). The audits revealed no indication of significant noncompliance, in line with 2020-2021 period.

In 2022, Luminex facilities conducted a total of 10 supplier audits (17 in 2021) that can be classified as Local according to DiaSorin procedures.

Following the pandemic emergency that marked the 2020-2021 reporting period and, although to a lesser extent impacted also 2022, variability levels remained high, to which the irregular trend in inflation and the cost of raw material contributed in the context of global level supplies. As a result of the fluctuating phases of economic recovery and contraction experienced in the three-year period, along with the main trends (for example related to the general increase in labor costs worldwide) this variability had direct consequences on purchase costs. However, the Group is now structured to cope with this instability, which is promptly managed in order to minimize its impact on the Group's manufacturing structure.

In addition to these aspects, it should be noted that the Procurement Department endeavored to understand the extent of certain critical points in relation to the animal welfare along the value chain. The Management is assessing the best approach to be adopted in order to meet its stakeholders' expectations in a proper manner, since the DiaSorin Group uses serums of animal origin, albeit in low percentages and in full compliance with current regulations. In this regard, where possible, the Company is working to identify alternatives that are no longer animal-based.

6. Customer relations and customer satisfaction

6.1 DiaSorin's commitment and reference principles

DiaSorin S.p.A. and Group companies are committed to providing Customers with quality products and services, in addition to a reliable support aimed at creating a relationship of mutual trust, cooperation and technical and scientific professional expertise, paying particular attention to the ongoing evolutions of healthcare.

The main objective of the Group is fully satisfying its customers, creating a relationship based on honesty, fairness, efficiency and professionalism in accordance with the obligations arising under supply contracts between both parties and operating in total compliance with the laws and rules contained in the Code of Ethics.

In order to provide a structured management of all the aspects related to quality of products and services provided, the DiaSorin Group adopts a Quality Management System in compliance with ISO 9001:2015 standards "Quality Management Systems" and ISO 13485:2016 "Medical Devices - Quality Management Systems" and a structured system to monitor customer satisfaction, as described below.

In its relationship with customers the Group is committed to meeting its stakeholders' training and educational needs -current or potential customers, professionals, scientific community and, more generally, citizens- relating to scientific and medical topics; to this end, DiaSorin promotes and supports activities in the field of Public Health.

6.2 Instruments adopted

The quality control system adopted by the Group companies covers all operating and supporting processes: from design to manufacturing, launch on the market up to after-sales supervision of the products. Such quality control system extends to all company functions involved in the whole production chain life, also after delivery of the product to the customer and when collecting customer feedback. With regard to improvement processes, monitoring the performance of products on the market and services provided by DiaSorin to its customers is extremely important in order to assess and analyze quality levels.

DiaSorin Group's companies have implemented dedicated methods to ensure that customers feedbacks reach the company, as well as methods to process this information in order to assess whether the product or service meet the customer's expectations. On the basis of the information collected and processed, continuous improvement activities are then planned and implemented.

The Group implemented a dedicated internal procedure in accordance with regulatory requirements and relevant amendments: "DiaSorin Group Customer Satisfaction Survey" that aims at defining the manners through which the Group can regularly monitor the Customer Experience. At least every two year a specific survey is implemented and coordinated by the "Quality, Marketing and Service Corporate" Department. This activity gradually consolidated over time and now is carried out on an annual basis through two survey waves (on a half-yearly basis), which involve different customer segments. The increase in the frequency of the survey enables the Group to promptly implement corrective actions if the survey gives evidence of any critical issues. As from 2022, Customer Satisfaction survey has been extended to all Luminex Companies.

The activity has been carried out and integrated over the years with the support of the Teleperformance company.

The project is organized on two levels:

- **Relational**
  Extended telephone interviews, carried out on a half-yearly basis both to laboratory managers and to users operating with DiaSorin instruments;
- **Transactional**
  E-mail surveys to users who interact directly with DiaSorin staff after technical support. In this case, surveys are addressed to Customers after technical support, over the year.

Surveys concern the following:

- Analyzer
- Assay Products
- Order Entry (Supply Chain)
- Sales Representative
- Field Engineer
- Application Specialist
- Technical Support
- Benchmark against competitors

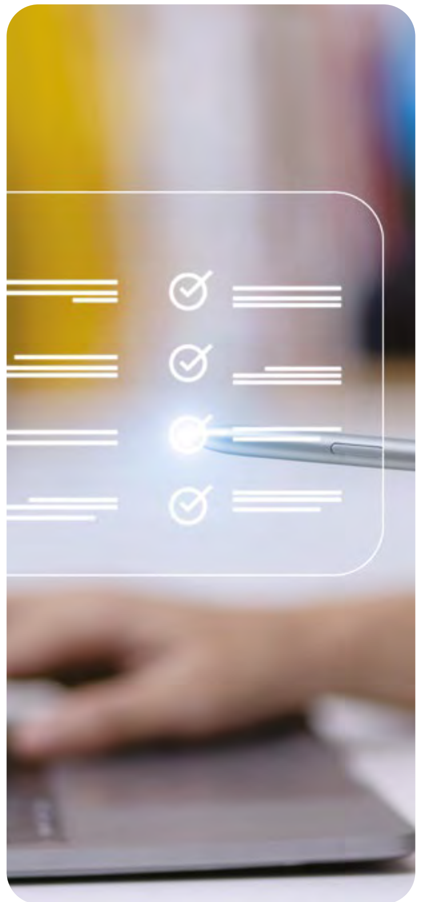
Survey results are tracked in real time on a specific web portal managed by the supplier and are differentiated by country: each Group company has access to data relating to its country. A detailed half-yearly report is submitted to management to assess the results and trends and decide any corrective actions. The portal has been configured so that a negative assessment can immediately report a noncompliance file in the event of a low score.
The involved subsidiary is thus required to implement a “recovery plan” that will be disclosed on the Portal.

In light of the half-yearly findings, actions were implemented globally to increase and make interaction with customers more active through the direct involvement of Managers of the concerned area, in order to better intercept emerging needs also from a training point of view.

The Customer Satisfaction Survey has provided the basis for surveys on products, in compliance with the IVD-R Regulation. More details are provided in the above: " Quality of products and processes ".

In addition to this internal procedure, Group companies - in agreement with the relevant Scientific Associations in the sector - actively participate in the organization of events on topics of current interest. These activities aim also at training laboratory staff from a scientific point of view, helping to enhancing skills and furthering the latest scientific information. Events involving leading healthcare professionals, including institutional members (such as the Higher Institute of Health in Italy) are proactively supported.

In 2022, as the pandemic eased off, DiaSorin attended national and international events in addition to digital meetings.



In 2022, among the main international events DiaSorin attended the Clinical Virology Symphosium (CVS), the European Congress of Clinical Microbiology and Infectious Diseases (ECCMID) and two congresses organized by the American Society for Microbiology (ASM) and the American Association for Clinical Chemistry (AACC) dedicated to Infectious Diseases and, more generally, chemicals laboratory, also through direct meetings with customers.

Italian initiatives included the events organized by Amcli, Sibioc, Sipmel, Siml, Elas and the Risk Management Forum in Arezzo.

In 2022, DiaSorin implemented, at a global level, communication initiatives targeting urgent care laboratories through Clinical Specialist and Medical Liason Specialist that facilitate communication and exchange of information between laboratories and the clinical world.

6.3 Results

In 2022, the Customer Satisfaction survey activity described above involved around 1,200 customers in 20 countries with reference to the Group Companies that carried out the survey in the past. To this, the Luminex Company added approximately 1,200 customers; the selection of Customers involved in the survey had the primary objective of identifying a homogeneous and representative number of Customers (approximately 30%) for each Country where the Group operates directly through its subsidiaries.

The use of the platform developed with Teleperformance highlighted a high degree of customer satisfaction for the services provided by DiaSorin (with the exclusion of Luminex Companies). The overall satisfaction level increased to 8.81 out of 10, from 8.77 in 2021. Luminex Companies reported an overall customer satisfaction equal to 8.46.

DiaSorin’s operating and manufacturing activities require the Customer Satisfaction to be constantly monitored. For this reason, the Group aims at repeating this survey every year, assessing customer satisfaction through a regular and centralized process.

7. Research, innovation and technological excellence

7.1 DiaSorin's commitments and reference principles

Innovation and technological excellence are key drivers in DiaSorin Group's strategy to implement its Mission and Ethical Vision. To this end, the Group is committed to implement a consistent staff policy focused on selecting talented and skilled professionals in the field of Research and Development and that may contribute to developing new technologies, products and processes promoting, at the same time, training and sharing of know-how at both national and international level.

7.2 The instruments adopted

Thanks to the Group Innovation Process led by the "Innovation" Function, it is possible to implement structured and quality strategies and plans.

This process is shared by all the Group's businesses and companies and arises from the need to ensure a structured approach to the evaluation of new business opportunities concerning Immuno-diagnostic Kits, Molecular Diagnosis Kits or analysis platforms - allowing, therefore, the start of Product Development activities for the most promising projects, only in terms of value and innovation.

The corporate strategy provides the scope for the selection of innovative ideas that, through the Innovation Process, are gathered through either external sources, such as scientific community networks, Key Opinion Leaders and Accademia, or "internal" sources, directly by the DiaSorin Group functions (Quality, R&D, Marketing, etc.).

Opportunities are assessed through a "Stage and Gate" process, shown graphically in the picture below.

As from June 2021, the Company introduced Gate 0 which allows to:
a. preliminary verify that the proposed idea is consistent with the macro strategic indications;
b. give a priority level;
c. preliminary assess the target indication/utility;
d. provide a preliminary budget for the "proof of concept" and "wet chemistry" activities.

A Project Management structure coordinated by the Innovation Function and a dedicated governance ensure that each idea is analyzed and assessed in each gate where the hypothesis or development proposal can advance to the next stage, rejected or put on hold for additional analyses required or deemed necessary.

In Gate 3 the project is included in the Group's PDMP (Product Development Master Plan). This document is monitored and regularly updated by the Corporate R&D Department, which provides information on the Group's active projects for each development phase (pre-feasibility, feasibility, validation, industrialization).

To ensure a structured assessment process, emerging innovative ideas are classified into 3 different standard categories that are valid for both kits and tools:

- **"Expand"** opportunities are ideas of new kits or tools for the market and through which DiaSorin can **expand into the IVD market** (in-vitro diagnostics);
- **"Advance"** opportunities are either ideas of kits or tools that are already on the market but not yet in the Group's portfolio or solutions that are already present in the Group's portfolio and can be integrated with new functions, adjusted to have better performances, or delivered through different technologies to **increase DiaSorin's market shares**;
- **"Sustain"** opportunities are ideas aimed at **improving the efficiency of kits, current tools or industrialization process** in order to offer the market products with better margins for the company while maintaining the same quality features.

Under ordinary conditions, in addition to ensuring that only products of proven value are launched on the market - thanks to detailed analyzes carried out to accurately filter the best ideas - this process makes Product Development more efficient and faster, since gaps, necessary information and relevant variables are analyzed starting from the innovation phase.
Work is divided by projects or processes, creating dedicated cross-functional teams (thus, removing the traditional functional structure) and identifying the actions to be carried out to ensure quality to the process. This is crucial to allow a rapid and effective adjustment to market needs.

The current process carried out at the newly acquired Luminex Corporation is in line with DiaSorin Group's procedure; harmonization and integration of these processes are under way.

7.3 Results

In response to the pandemic emergency and thanks to the Group Innovation Process, DiaSorin developed specific projects in response to the needs deriving from the COVID-19 spread (the so-called "COVID projects").

Among these, as part of the development of immunodiagnostic tests, in January 2021 DiaSorin launched the LIAISON® SARS-CoV-2 TrimericS IgG test, a new quantitative serology test, available in markets accepting the CE Mark, for determination of IgG antibodies against SARS-CoV-2. The test determines and quantifies the long-term immune response against the virus.

In March 2021, the LIAISON® SARS-CoV-2 Ag antigen test received Emergency Use Authorization in the United States. The test, which had been launched in 2020 with CE mark, is used for detection of COVID-19 infection in symptomatic patients within 10 days of symptom onset.

In April the new LIAISON® IQ Immunodiagnostic POC (Point-Of-Care) platform was launched in markets accepting CE mark, together with the first LIAISON® Quick Detect COVID TrimericS Ab test, for the detection of IgG antibodies against SARS-CoV-2.

The test offers a solution to detect both the immune response to a natural infection and to COVID-19 vaccines. This test was followed in May 2021 by the launch of the new LIAISON® Quick Detect COVID Ag antigen test on the LIAISON® IQ platform for markets accepting CE mark.

COVID Projects in the field of molecular diagnostics include the launch of two additional tests: SimplexaTM SARS-CoV-2 Variants Direct (RuO) and Simplexa™ COVID-19 & Flu A/B Direct. The SimplexaTM SARS-CoV-2 Variants Direct (RuO), launched in May 2021, enables detection and discrimination of four SARS-CoV-2 mutations associated with circulating virus variants. The assay helps to streamline and speed-up the pre-selection process of positive samples that need further sequencing, maximizing the effectiveness of monitoring programs for the spread of COVID-19 variants. The Simplexa™ COVID-19 & Flu A/B Direct, available from September in countries accepting CE mark and approved for use on the LIAISON® MDX platform, allows for the in vitro qualitative detection and differentiation of SARS-CoV-2 RNA segments and Flu A/B virus from nasopharyngeal swabs (NPS) without the need for off board extraction; the test will be submitted to the FDA for approval.

Although the pandemic emergency significantly impacted also 2021, projects not related to COVID-19 continued to be on track. Among these, in the immunodiagnostics field, the Group received FDA approval in February 2021 for its LIAISON® Lyme IgM and LIAISON Lyme IgG serology tests for Lyme disease.

April 2021 saw the launch of the new LIAISON® LymeDetect assay based on QuantiFERON technology. The test, which has been developed in partnership with QIAGEN and is available in markets accepting CE mark, combines both detection of IgG and IgM antibodies and cellular immunity for the early diagnosis of Lyme Borreliosis.

In June 2021, the LIAISON® Murex AntiHEV IgG & IgM test was launched on LIAISON® platforms in all countries accepting CE mark: it is the first CLIA fully automated high-throughput solution for the diagnosis of Hepatitis E (HEV).

November 2021 saw the launch of the LIAISON® MeMed BV, the first high throughput blood test to differentiate between bacterial and viral infections, in countries accepting CE mark. This host-protein signature-based assay has been developed with MeMed following the license agreement announced in September. The test is available on the LIAISON® XL platforms. The FDA approved the test in July 2022; the test provides a valuable tool in the proper use of antibiotics and in the antimicrobial resistance.

Finally, again at the end of November, DiaSorin received FDA approval to extend the use of the LIAISON® QuantiFERON-TB Gold Plus test to the LIAISON® XS platform, thus widening the accessibility of blood-based Latent Tuberculosis infection testing in the U.S.

Products under development in 2022 include:

- HCV HT: high throughput test based on the LIAISON® platform for detection of antibodies against Hepatitis C proteins;
- TrAb: Test on the LIAISON® platform for the detection of Autoantibodies to the THS reception in serum or plasma;
- Aldosterone (anti-metatype antibodies): test designed to get higher sensitivity of the LIAISON® Aldosterone Assay through anti-metatype antibodies capable of improving the signal by minimizing the distance in relation to mass spectrometry;
- MR-pro ADM: serology test on the LIAISON® platform for determination of severity and prognostic biomarker for severe infections and sepsis.
- Legionella (Urinary Antigen Test): Test on the LIAISON® platform for detection of direct antibodies against Legionaella antigen in urine, specific for L. pneumophila SG01 and not for -01 and other pathogens (e.g., L. micdadei and L. longbeachae).

The strategy to expand the diagnostic testing offer is paired with the strategy to further develop the Group's analyzers platform, with the aim of entering new market segments. In particular, the new LIAISON® XS platform, designed for small laboratories, was launched in Europe in 2019. Its commercialization outside Europe, in particular in the United States and China, began in 2020 and continued throughout 2021. A further evolution of DiaSorin's platform concerns the development of new solutions to strengthen DiaSorin's presence in segments that are already covered by the LIAISON® XL.

In response to the pandemic, Luminex has developed multiple projects on its own platforms. In the first quarter of 2021, Luminex launched a project to add the SARS-CoV-2 target to the ARIES® Flu A/B and RSV panel, in view of the transition of future customer demand from COVID testing only to respiratory panel, including COVID; the development of this project started in April 2021 and ended with its commercialization at the beginning of 2022.

On the NxTAG® platform annual bio-surveillance identified a change in the target, therefore the NxTAG RPP-CoV panel was updated with additional targets. The NxTAG RPP-CoV V2 was developed in the first quarter of 2021 and is scheduled to be launched on the market in 2023.

As for RuO (Research Use Only) products, the Guava® SARS-CoV-2 Multi-Antigen Antibody Kit was developed as a research tool for Guava customers and launched in June 2021. It is a novel bead-based immunoassay for flow cytometry, which detects IgG, IgM and IgA antibodies against three SARS-CoV-2 antigens in serum and plasma samples.

In addition to the "COVID Projects", Luminex continued to develop the LIAISON® PLEX menu; it includes the RP Flex test, which now includes the SARS-CoV-2 target, the GI Flex test, and the blood culture product family, including Gram positive (BCP), Gram negative (BPN), and yeast (BCY) products. In the xMAP® product family, the new INTELLIFLEX® instrument was launched in the second quarter of 2021 through our new partnership channel.

Further details on new products developed in the three-year reporting period are provided in the Reports on Operations of the DiaSorin Group. The pipeline of initiatives to be assessed includes more than 50 ideas in the immunodiagnostic and molecular diagnostic areas, both as regards kits and instruments.

In 2022, 24 new ideas have been approved for the development of products/instruments to be included into the PDMP.

The following provides the number of PDMP projects on product development at December 31 for each reporting year:

Reagents for Immunoassay	2020	2021	2022
Pre-feasibility	2	2	3
Feasibility	10	10	0
Validation	4	7	7
Industrialization	4	0	3
TOTAL	**17**	**19**	**13**

Reagents for Molecular*	2020	2021	2022
Pre-feasibility	2	1	5
Feasibility	-	6	5
Validation	3	6	5
Industrialization	17	18	16
TOTAL	**22**	**31**	**31**

** Including: Assays, ASRs ("Analyte Specific Reagents"), Aries, Verigene and Non-Automated*

Instrument projects (Immuno + Molecular + Licensed Technologies)	2020	2021	2022
Pre-feasibility	1	2	5
Feasibility	12	19	13
Validation	15	24	24
Industrialization	-	-	-
TOTAL	**28**	**45**	**42**

8. Employee management

8.1 DiaSorin's commitments and reference principles

The DiaSorin Group's value increased proportionally to the value of people who worked and still work at DiaSorin. Following the acquisition of Luminex, DiaSorin has become even more international, strengthening its presence both in the U.S. and in Europe. Against this new backdrop, the challenge of the Human Resources is to drive the company culture evolution through the development of a People Strategy that takes into account diversity and is able to handle such diversity in an inclusive manner, fostering people talent.

People growth is part of DiaSorin's history and is driven by three main guiding principles that apply to the whole Group:

LEADERSHIP

management competence, that is a mix of expertise and sensitivity, business acumen, skills and experience, which makes it possible to recognize and assess the contribution of each single individual in relation to a collective result;

ENGAGEMENT

sense of belonging with a strong identification with "the Diagnostic Specialist" mission, as well as the ability to outline a clear long-term Vision with agility and flexibility to achieve common and shared objectives;

TALENT

ability to turn the strategy vision into concrete action, thanks to the distinctive skills of People who work with passion and energy, without making any compromises between speed and quality of execution. The work of each employee is crucial to achieve the end result.

This commitment, which is formalized in the Human Resources Strategy and has a Culture of Merit as key element, aims at nurturing and developing a culture of excellence and adopts the guidelines provided in the "DiaSorin Leadership Model", a solid foundation for our company culture along with the Company's Code of Ethics.

The "DiaSorin Leadership Model" describes the execution capacity, pragmatism, focus on details, skills, sense of belonging, proactivity and energy, integrity that are at the core of the Group Entrepreneurial Spirit.

The evolutions occurred over the last years required to integrate different skills and expand the list of the guiding Values with new elements that are part of a new "Managerial Style" such as:

- **Innovation**, that is the ability to find new solutions and new approaches, without fear of challenging the *status quo;*
- **Ability to inspire colleagues**, activating empowerment processes of a growing number of people.

It should be noted that following the Luminex acquisition and given the increasingly international scope of the DiaSorin Group, an important project of cultural integration started in 2022. The project will continue in 2023 and will entail a thorough study of the current Leadership Model of the DiaSorin Group and its subsequent update. In particular an analysis aimed at setting the universe of Group's value is being implemented. The objective is to identify values that are common to all employees in the different countries so that such values can guide the employees' daily work.

The "DiaSorin Leadership Model" has always had the ambitious objective of:

Stimulating minds of people who work within the Company;

Generating motivation towards the common Good;

Fostering creativity and planning on the basis of a vision of the future intended as power to see and desire the DiaSorin of tomorrow.

In addition to the above, the adoption of a Model shared among the Group's employees makes it possible the real dissemination and sharing of corporate culture and common value.

The Human Resources management refers to the Group's Code of Ethics which sets out a set of rules and standards of conduct to which the Group is required to abide by, concerning:

- **Employee management policies:** *"Any form of discrimination against employees or staff members is prohibited. All decisions regarding personnel management and development are based on considerations of merit and/or correspondence between expected profiles and those of staff members. The same consideration applies to the decision to assign employees to different roles or positions".*
- **Employee empowerment and management:** *"In managing hierarchical relations, company stakeholders undertake to guarantee that authority is exercised fairly and correctly, avoiding any type of abuse. Requesting, as something due to a superior, services, personal favors or any other form of conduct that infringes this Code of Ethics constitutes an abuse of position of authority. Each manager is required to use and fully exploit all the professional competencies of the structure, activating available levers to promote development and professional growth of personnel".*
- **Equal Opportunities:** *"DiaSorin is committed to providing equal opportunities to all its employees, both at the workplace and as regards career advancement. The supervisor shall ensure that, with regard to all aspects of employment such as recruitment, training, remuneration, promotion, transfer and termination, employees are treated according to their ability to meet job requirements, avoiding any form of discrimination, in particular discrimination based on race, sex, age, nationality, religion and personal beliefs".*

In 2022, the DiaSorin Group undertook to define an ESG 2023-2025 plan, approved by the Board of Directors in December 2022. Among the new elements, the Plan (described in Chapter 2 of this Non-Financial Statement) envisages specific areas of intervention which will be implemented in the future in the HR field.

It should be noted that in 2022, the Remuneration Policy of the Group's employees has been updated according to the core philosophy of the Culture of Merit and based on the following foundations:

CULTURE

the sustainable success of the DiaSorin Group goes hand in hand with the aspirations and personal fulfillment of its people. It is aimed at the common good. Company leaders, at every level, have the task of seeking excellence and nurturing relationships within the corporate community, also through personal growth and promotion of the skills within the company, or that are necessary to the company's evolution. In this way, the managerial action concretely expresses the company culture and becomes a Model and a visible, coherent, inspiring example for both internal and external stakeholders.

PEOPLE CARE

people care is reflected in the initiatives aimed at improving employees' well-being and retention. Particular attention is paid to the work-life balance for a positive and rewarding employee experience. These actions are aimed at strengthening the sense of belonging and the commitment to our mission to be "the Diagnostic Specialist".

DIVERSITY & INCLUSION

the company undertakes to recognize and promote each actual and future employee's uniqueness. Company processes, at a global level, are therefore aimed at creating a heterogeneous and inclusive environment. This objective can also be achieved through the use of innovative technologies to improve connections among Group's employees worldwide. The purpose is to stimulate emotional intelligence of each individual and ensure a free space for expression, enhancing individual strengths and fostering sharing, creativity and innovation.

8.2 The instruments adopted

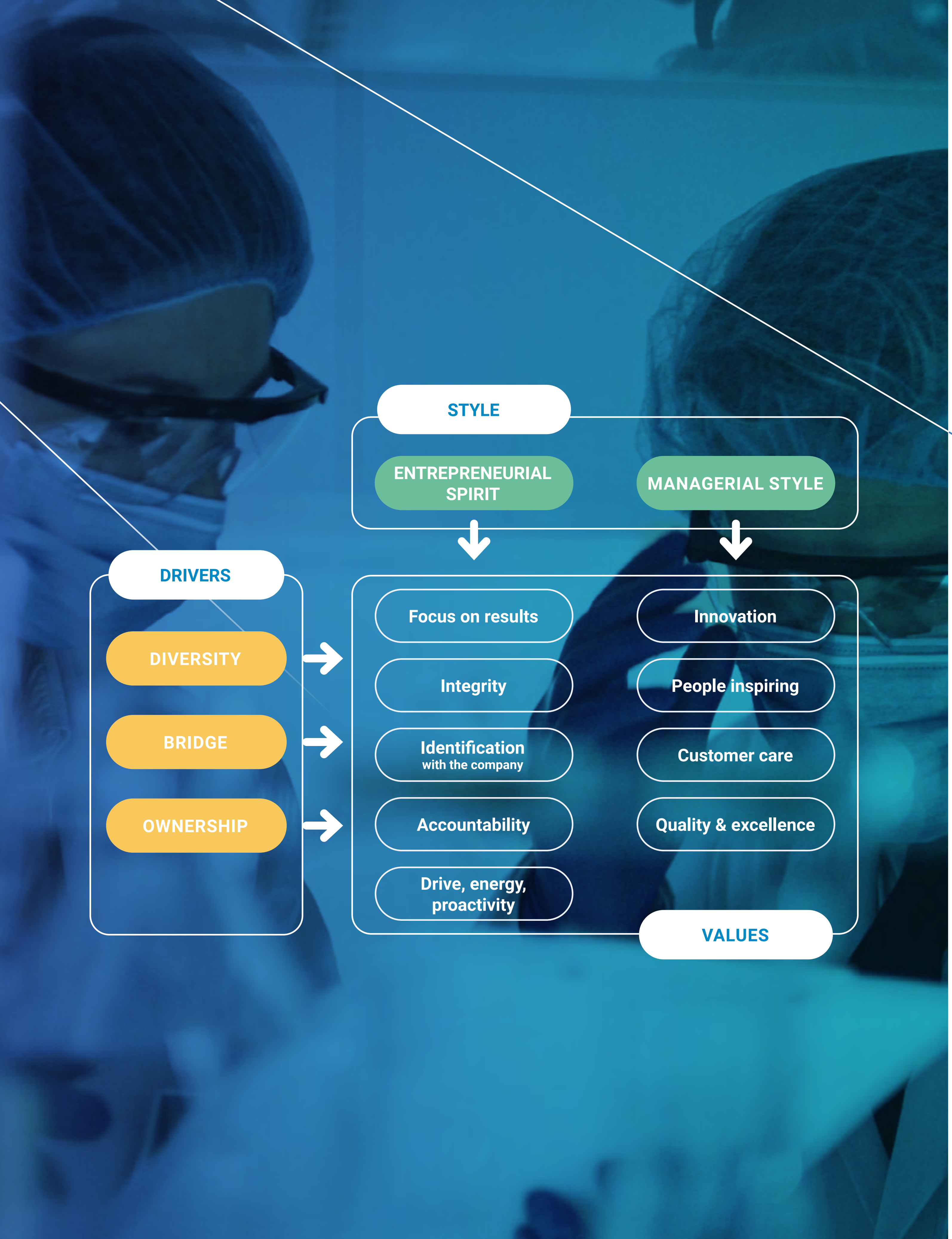
The following provides the DiaSorin Group's main instruments to manage and reduce risks (or where applicable, to address opportunities) as detailed in paragraph "Identification of risks and opportunity" in relation to employee-related topics.

"DiaSorin Leadership Model" and Performance Management

The Leadership Model adopted by the DiaSorin Group is a balanced mix of entrepreneurial spirit and managerial skills that are part of the Company's DNA, which underpins the processes involved in Talent enrichment and development.

Specifically, the Leadership Model's main objectives are the following:

- creating a common language to share DiaSorin managerial style;
- clarifying expectation on objectives and results;
- making the recruitment process easier, by sharing the values and characteristics required to candidates;
- structuring the assessment of soft skills;
- fostering the culture of assessment and merit.



The Model is the result of a process started in 2010, through the direct observation of the Group's people, and continued throughout the years through the identification and definition of its values, the development and launch of a performance management system and managerial education programs. In 2019, the assessment of performance and behaviors consistent with the Leadership Model were extended to all Group employees.

This approach defines individual development plans featuring qualified, fair and inclusive training to provide an opportunity to foster each employee's talent.

DiaSorin adopts a Performance Management Process (P.M.P.) which is carried out annually and is addressed to all Company employees through the PMP Lead (employees with a variable compensation) or PMP You (all other employees). The PMP Lead and the PMP YOU assess the soft skills that are consistent with the company culture and encourage managers and teams to a constant dialogue about their contribution to the company growth and their behaviors to achieve the objectives set. The purpose of this process is to identify opportunities for performance development and enhancement. In 2022, the Performance Cycle involved for the first time all the Group's companies, with formally aligned guidelines, deadlines and procedures for both DiaSorin and Luminex.

To support the Performance process, HR information system are used for the standardization of the assessment process of each employee's performance and behavior.

Training activities

The DiaSorin Group is committed to providing quality, fair and inclusive education that may represent a learning and development opportunity for each employee. Skills development is one of the key pillars of DiaSorin mission.

For this reason, training needs of each employee are analyzed extremely thoroughly on the basis of business priorities, inputs from Heads of Department and taking into account objectives deriving from the regular assessment process.

Every year, technical and cross-functional training activities to support business are planned and developed in response to emerging macro themes/training focus.

Training programs are held by either internal or external qualified staff, through mixed mode learning, either remotely (Google Meet, Teams or Development e-learning) or in person, giving priority to in-house training paths in order to enhance employees' knowledge and skills.

An example of in-house training is training addressed to technical staff in charge of equipment installation and maintenance at the customers' premises in each region where DiaSorin is present. The employees in the Service area, in fact, undergo training that is entirely managed and monitored by colleagues who work in the same area at Corporate level.

Conversely, external training covers various areas.

In 2022, the courses covered performance management, courses aimed at improving leadership skills for the Management, handling human relations and promoting dialogue among colleagues and increasing the employees' sense of belonging, as well as health and safety courses.

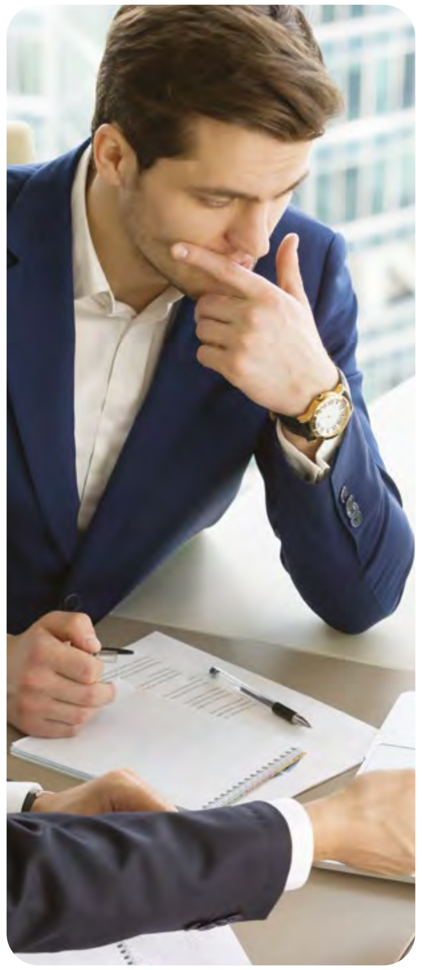
As regards the tools used to ensure employees' access to in-person and remote training, each site continued to use multimedia platforms considered to be most effective on the basis of the Group guidelines on training activities.

In 2022, the following are examples of training courses aimed not only at improving technical skills, but also at reinforcing the employees' soft skills:

- People Empowerment
- Time Management
- Leadership
- Communication
- Change Management

In 2019, the Company implemented a training program named European Platform Training Academy involving Industrial Operations employees of the European subsidiaries with training sessions coordinated by the HR Function and held by external staff. Training programs cover different areas (technical skills, cross-functional, soft skills and people management) and continued in 2022 both remotely and in person.

Given the positive result of these training sessions which not only strengthened the employees' skills, but also contributed to strengthening the sense of belonging towards the Company, in 2021 DiaSorin launched a pilot project on an e-learning platform. On the back of the project's success, the Company intends to extend its scope and introduce an e-learning platform at Group level.



INDUCTION

A further training area to which DiaSorin attaches great importance is the so-called "Induction" process by which new Group's employees have an introduction to the company during their first working days. In this regard, both individual Induction programs for Executives and Managers, and specific courses for new hires were provided in 2022 at local level. The Induction program is structured to provide all the tools necessary to new hires to better understand their role and the Corporate Culture. The DiaSorin Group firmly believes that an effective Induction plan is an essential tool for enhancing and retaining its talents.

The Group's crossover training activities linked to HR processes and related information systems continued throughout 2022.

Training carried out on the system did not focus exclusively on technical issues related to its functioning, but it was also an opportunity to share the corporate culture underpinning the HR processes managed by the system. Examples are the numerous training activities for performance management provided to the DiaSorin Group's Managers who are responsible for properly assessing the performance of their teams, through a constant dialogue with their employees and feedback sharing. In addition to the necessary technical and procedural instructions, training covered soft skills-related aspects that can ensure a perfect motivational alignment between corporate strategy and the activities of each single employee, team and Function by promoting constant and transparent dialogue.

The integration between HR information systems of Luminex and DiaSorin began in 2022 and will continue in the years to come. The integration ensures that all the processes are homogeneous not only in compliance with the guidelines and the deadlines provided, but also through the use of the same system for all the Group. On this occasion, the company will carry on a project to analyze the information system modules and update the processes for their integration. The activity will involve different colleagues from the HR Function all over the world, in order to gather feedback and points of view reflecting global needs.

Organizational evolution and change management

The Company business sector is constantly evolving and requires innovative solutions to be implemented quickly and with the highest quality of execution, thanks to the adoption of increasingly advanced organizational schemes.

To this end, the Group has evolved with an international vision and today operates into all the continents through 45 companies, 4 branches, 10 manufacturing facilities and 9 R&D centers and is characterized as a European-American Group.

In particular, in 2022, the Company undertook to manage several challenges and opportunities at a global level, given its renewed internal and external environment and business strategies. In particular, in relation to the Lumine acquisition, the integration of business, organizational and cultural activities continued in 2022. Luminex is highly complementary to DiaSorin's business and the integration process currently in progress has allowed to combine and enhance skills and expertise, creating substantial synergies for the business, in particular in relation to instruments development and cross-fertilization.

In addition to this, the Group also worked on completing the contribution in kind of the business branch of DiaSorin S.p.A. in DiaSorin Italia S.p.A, a wholly-owned direct subsidiary of the Company. DiaSorin S.p.A. continues to be in charge of the definition and the development of the strategic orientation, and coordination activities for the benefit of the entire Group, while the management of the operating activities currently carried out by the Company in Italy and in the United Kingdom has been delegated to DiaSorin Italia S.p.A. (similarly to the current practice in place with the subsidiaries operating in the other geographical areas).

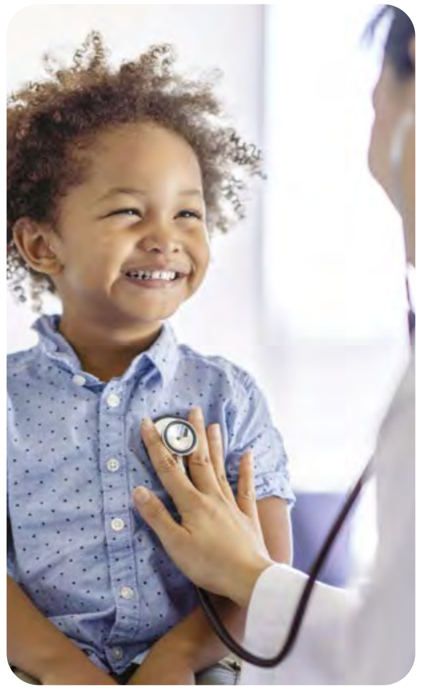
It should also be noted that with reference to the activities required to open the Chinese industrial facility, in 2022 the main activities for the definition of the organizational structure and Talent Acquisition of key roles have been completed. The Company continues to work on training and recruiting to ensure that the operations of the site go on without disruptions.

Welfare and benefit initiatives

The DiaSorin Group provides different types of defined-contribution and defined-benefit plans, in accordance with the local conditions and practices in the countries in which it operates. Defined-benefit pension plans are based on the length of the working lives of employees and the wages earned by employees over a predetermined period of service. Pension plans include the provisions for employee severance indemnities in Italy, the" Employment Rights Acts 1996", the "Employment Relations Act 1999" and the "Children and Families Act 1999" in the U.K., the "Alecta" system in Sweden, the "U-Kasse" pension plan and the "Direct Covenant" system in Germany, medical plans and insurance, life insurance and pension plans in the U.S. according to the" Affordable Care Act" and the "401kPlan".

For defined-contribution plans the Company pays contributions to public or private insurance institutions pursuant to a statutory or contractual obligation or on a voluntary basis.

In order to strengthen employees' engagement and well-being, several Group companies implemented initiatives to integrate the healthcare programs provided by local legislation, such as preventive healthcare programs and family support.



With reference to the initiatives launched in each country, the following should be mentioned:

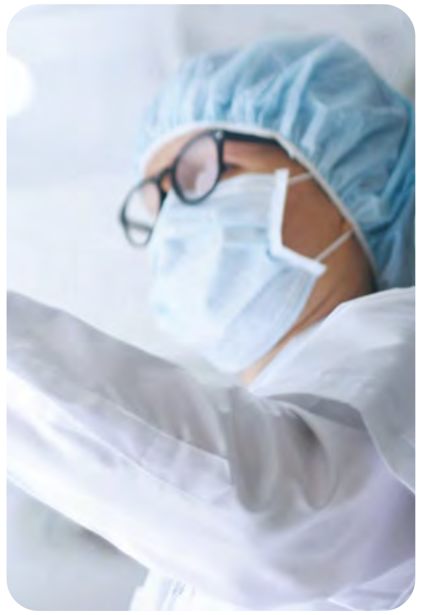
- in the U.S., Luminex is committed to supporting all employees enrolled in structured programs, such as Employee Assistance Program (EAP)", "Family Adoption Support" and "Well on Target", designed to support employees in healthy lifestyle choices.
- in England, the Company offers its employees supplemental medical and dental insurance and vouchers aimed at supporting employees' children, as part of the Benefits plan, and access to purchase portals at reduced prices.
- The Chinese subsidiary expanded the panel of services for medical insurance cover and for employees on business trip. Employees can undergo annual medical checkups and have benefits for sporting activities, free of charge. In 2022, the Company promoted also Team Building activities and Recognition programs.
- In Italy, in 2022, the company negotiated the renewal of its Corporate Welfare Plan, through an active and constructive dialogue with the social partners. In 2023, the monetary amount disbursed by the company ("flexible benefit") to each employee, will progressively increase on an annual basis, reaching 650 euros per year in 2025. Furthermore, it should be noted that the Company further expanded the services provided in the field of health, training, culture and leisure, with the provision of fuel and supermarket vouchers. The Company is committed to constantly updating its Corporate Welfare Plan to promote its employees' wellbeing.

Dialogue with the social partners and focus on employees' needs

In a context where the labor market is increasingly uncertain and the Company is required to employ increasingly specialized skills, again in 2022, several activities aimed at retaining and attracting talents have been completed, fostering dialogue with employees.

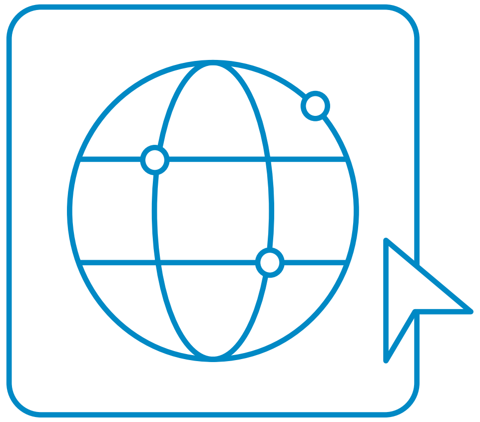
For this reason, dialogue with social partners is a crucial tool. To this end, personnel in charge of managing relationship with Trade Associations, where existing on the basis of local regulations, maintains an ongoing dialogue with Trade Associations, both in standard and in any extraordinary situations, according to a constructive and collaborative approach.

In particular, in 2022, the Company implemented a group policy introducing and formalizing a hybrid work model, as an integral part of the Employee Value Proposition. This has allowed the Company to ensure productivity, flexibility and work-life balance as well as attention to the environment and Sustainability.



In addition to the dialogue with social partners, DiaSorin makes use of direct communication channels to listen to its employee. These channels are structured depending on the country where the Group operates.
For example, at a local level, specific initiatives continued, such as the initiative called "Magic Box", which provides the employees of the Chinese branch with the opportunity to contribute to the achievement of the expected excellence results through proposals aimed at improving both company processes and programs.

The English branch has implemented a forum dedicated to employees and a feedback system. Quarterly meetings involving employees and their branch Manager have been set up to foster dialogue and feedback sharing.
In 2022, the Company continued the actions aimed at further developing the DiaSorin brand externally, such as the update of the website www.diasoringroup.com and the use of social networks such as LinkedIn.



Diversity and inclusion

The DiaSorin Group recognizes the individual value that each employee brings to the Company and encourages initiatives and behaviors capable of creating an environment where everyone is actively included, in order to develop small ideas and achieve great results in terms of innovation. The Company firmly believes that the best solutions come from different perspectives, without fear of asking and answering tough questions and jeopardizing the *status quo*. Understanding and fostering Diversity and inclusion within the Group is a key element for the cultural integration between DiaSorin and Luminex.

In fact, DiaSorin builds its sustainable success on the Culture of Merit, and on values such as excellence, innovation and diversity, as a driving force for growth and as a key element to confirm, always with new goals, its positioning as a top Diagnostic Specialist.

For effectively managing diversity and inclusion, DiaSorin implemented anti-harassment/bullying policies regulating the behaviors that employees must adopt to promote a positive workplace. DiaSorin is also committed to implement specific policies to meet the different needs of the countries where the Group operates. Some Group companies implemented training courses on this topic. In North America, DiaSorin completes the Affirmative Action Plan on an annual basis in order to analyze the internal diversity of its workforce and identify strengths and weaknesses. In addition, the company works closely with recruitment agencies dedicated to promote and enhance Diversity and facilitate access to the labor market for people with disabilities and former military fighters. In the UK, initiatives have been organized to promote Diversity, in addition to specific courses on this topic, such as "Equality and Diversity" which has become an integral part of soft skills training provided to employees. In the German branch, the Induction program includes diversity training for all new employees.

8.3 Results

The tables that follow show the main data on employee management in 2022 and in the periods provided for comparison.

Information on Group's employees

Number of employees by gender								
2020			2021			2022		
Men	Women	Total	Men	Women	Total	Men	Women	Total
1,141	925	2,066	1,920	1,438	3,358	1,930	1,456	3,386

Employees by category	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	85	31	116	159	66	225	160	59	219
White collars	834	746	1,580	1,324	1,183	2,507	1,347	1,235	2,550
Blue collars	222	148	370	437	189	626	423	194	617

Employees by age	2020			2021			2022		
	Executives	White collars	Blue collars	Executives	White collars	Blue collars	Executives	White collars	Blue collars
<= 29 years old	0	140	101	0	266	154	0	257	157
30 - 50 years old	56	1,026	175	117	1,587	313	99	1,607	296
>= 50 years old	60	414	94	108	108	159	120	690	164

Disclosure 405-1 Diversity of governance bodies and employees of GRI Standard 405: Diversity and Equal Opportunities 2016

Employees by contract type	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of employees with permanent contract	1,123	914	2,037	1,864	1,375	3,239	1,900	1,422	3,322
Number of employees with fixed-term contracts	18	11	29	56	63	119	30	34	64

Employees by type of employment	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of full-time employees	1,135	889	2,024	1,914	1,399	3,313	1,920	1,424	3,344
Number of part-time employees	6	36	42	6	39	45	10	32	42

Disclosure 2-7 Employees

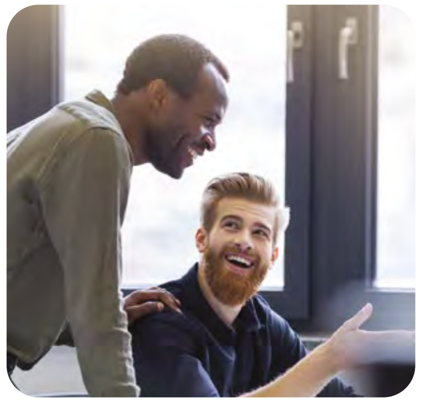
Employees by education	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
University graduates	782	650	1,432	836	698	1,534	1,293	1,056	2,349
Biology	169	213	382	186	252	438	294	360	654
Chemistry	60	48	108	59	47	106	96	79	175
Biochemistry	59	71	130	59	63	122	87	87	174
Economics	66	36	102	56	41	97	58	42	100
Engineering	197	57	254	203	68	271	331	99	430
Other degrees	231	225	456	273	227	500	427	389	816
Technical graduates	126	77	203	132	85	217	239	136	375
General graduates	183	171	354	144	126	270	156	112	268
No degree	50	27	77	51	29	80	78	38	116

Please note that, for FY22, employees by education include also Luminex data. However, as this information was not historically collected in the information system of the newly acquired company, Luminex has decided to collect the data through online questionnaire. Information was collected for about 80% of employees. In FY23 the data will be included in the information systems.

Dialogue with the social partners
33% of the Group's employees are covered by collective bargaining agreements and represent about a third of the Group's companies.

	2020	2021	2022
Employees covered by collective bargaining agreements or similar agreements (%)	49%	33%	33%

Disclosure 102-41 Collective bargaining agreements of GRI Standard 102: General Disclosures 2016



New hires, termination and turnover
The new hire rate for 2022 is 25% (15% in 2021 and 18% in 2020). It should be noted that in 857 new hires, about 10% are related to the integration process which required the employees migration from European Legal Entities of Luminex to those of DiaSorin. These are therefore intra-group movements.

The following provides new employee hires by gender and age:

Number of employees hired in the year	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total	201	161	362	295	208	503	515	342	857
By age:									
<= 29 years old	67	55	122	101	80	181	126	100	226
30 - 50 years old	110	75	185	141	109	250	288	192	480
>= 50 years old	24	31	55	53	19	72	101	50	151

Disclosure 401-1 New employee hires and employee turnover del GRI Standard 401: Employment 2016

In 2022, the average turnover rate was equal to 24% (16% in 2021 and 11% in 2020).

It should be noted that in 2022 DiaSorin was subject - like other international companies- to the Great Resignation phenomenon, with particular reference to the United States.

The following table provides the turnover rate by gender and age:

Turnover rate	By age			By gender		
	<= 29 years old	30-50 years old	>= 50 years old	Men	Women	Total
	34%	24%	21%	26%	22%	24%

It should that of 829 people ceased in the year, about 11% is related to the employees migration from European Legal Entities of Lumines to those of DiaSorin. These are therefore intra-group movements.

The following provides the number of ceased employees by gender and age:

Number of employees ceased in the year (*)	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total			232	315	236	551	504	325	829
By age:									
<= 29 years old				71	51	122	79	62	141
30 - 50 years old				158	130	288	291	189	480
>= 50 years old				86	55	141	134	74	208

Disclosure 401-1 New employee hires and employee turnover of the GRI Standard 401: Employment 2016
(*) The detailed disclosure of the indicator has been integrated starting from 2021 report.

Training activities

Number of training hours by category	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	2,705	1,879	4,584	3,391	2,669	6,060	4,054	2,325	6,379
White collars	48,473	38,677	87,150	68,166	69,825	137,991	88,935	62,770	151,705
Blue collars	27,837	26,638	54,475	27,622	20,175	47,797	29,351	18,544	47,895

Number of training hours by type	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Induction programs	2,313	2,555	4,868	2,873	2,884	5,757	3,565	3,156	6,721
Training on environment, health and safety	12,252	7,205	19,457	19,588	16,570	36,158	3,862	3,044	6,906
Technical-professional training	19,146	11,722	30,868	18,446	15,134	33,580	51,641	19,903	71,544
Foreign language courses	83	96	179	220	181	400	215	276	491
Managerial training	3,460	2,891	6,351	7,658	8,056	15,714	1,569	2,570	4,138
Other	41,761	42,725	84,486	50,394	49,845	100,239	61,489	54,561	116,180

Average training hours	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	32	61	40	21	40	27	25	39	29
White collars	58	52	55	51	59	55	66	52	59
Blue collars	125	180	147	63	107	76	69	96	78

Disclosure 404-1 Average hours of training per year per employee of the GRI Standard 404: Training and Education

The Performance Management System

Employees receiving regular performance and career development reviews (%)	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	96%	97%	97%	101%	102%	101%	101%	107%	103%
White collars	97%	98%	97%	98%	95%	97%	105%	94%	100%
Blue collars	95%	81%	90%	94%	92%	93%	92%	83%	89%

Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews of the GRI Standard 404: Training and Education

The indicator concerns employees with a portion of variable remuneration (i.e., MBO, Incentives) and, where applicable, employees who, also on the basis of the agreements with social partners, were subject to a formal assessment of their performance during the reporting period, regardless of the presence in the Company at December 31, 2022. Company employees with a length of service of less than 3 months do not receive a performance assessment in the current year.

Diversity and Equal Opportunities

Ratio salary man/woman	2020	2021	2022
White collars	93%	88%	89%
Blue collars	85%	89%	91%

Disclosure 405-2 Ratio of basic salary and remuneration of women to men of the GRI Standard 405: Diversity and Equal Opportunities 2016

9. Environment, health and safety

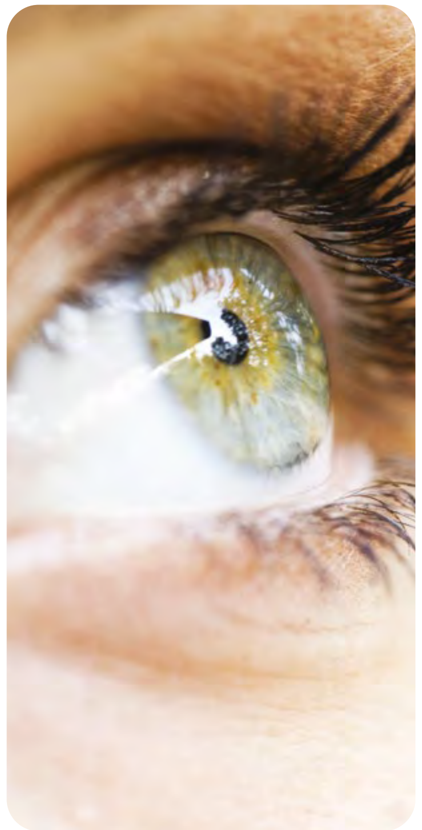
9.1 Handling the COVID-19 pandemic

Also in 2022, as well as in the previous two years, the situation caused by the evolution of the SARS-CoV-2 (COVID-19) pandemic had an impact on the whole Group.

Specifically, DiaSorin has been considered a strategic company due to the business sector in which it operates and has always continued all activities by adopting rules of conduct and prevention, in order to protect all workers and continue to supply Hospitals and Laboratories all over the world with its diagnostic tests, in full compliance with regulations applicable in the different Countries and with the ongoing legislative developments occurred during the year in response to the pandemic situation.

The basic principle of prevention adopted by the DiaSorin Group during the pandemic was based on **prevention, monitoring, information and training strategies**. The Group, working closely with workers' organizations, implemented these levers with firmness, determination, discipline and transparency, asking for all employees' collaboration in adopting safe behaviors both inside and outside the workplace.

In order to reduce contacts between people and consequently the spread of the virus, Smart Working was widely adopted throughout the Group during the pandemic.



From the pandemic onset and on several occasions according to its evolution, all Group employees received regular communications regarding rules of behavior and prevention to be adopted. Particular attention was also paid to the following aspects:

- monitoring each case and providing instructions on how to manage cases with symptoms or risk situations based on close contacts or places visited;
- measures for sanitation and hygiene of environments and of equipment;
- rules on the use of personal protective equipment and disinfectants;
- measuring body temperature at the entry to workplaces;
- rules on social distancing and use of common spaces;
- rules on isolation between buildings, departments and adoption of shift work;
- restrictions on business trips and specific approval process and detailed planning in cases where travel is deemed necessary for the performance of business activities, always in compliance with the evolution of the pandemic situation;
- rules on the use of IT systems to hold meetings remotely (video conferences, hangouts and others);
- restrictions and rules on supplier access to Group sites, through the definition of an approval process in the event that entry to the site is necessary for specific business purposes;
- rules and behaviors on how to carry out activities at customers' premises.
- constant communication addressed to employees of each country, regarding the anti-covid vaccination plans in the various Countries.

In addition, the specific health surveillance protocol for COVID-19 cases has been reviewed and updated several times, in compliance with local regulatory requirements and constant developments. For an effective prevention of contagion and in line with the provisions of the various countries, the Company provided guidance to its employees on monitoring any COVID-19 infections and on returning to work after confirmed COVID-19 infection.

DiaSorin has adopted these obligations in full compliance with the local regulatory provisions in the countries where the use of a special Pass is envisaged (e.g., Green Pass) for access to company premises, providing for specific checks at the entrance and also random checks; such controls are adopted for both internal and external staff.

In addition to inform employees on the COVID-19 prevention measures, the Group delivered intense specific training activities in 2022, in particular to new hires during the induction activities.

All the activities involved workers' representatives, in particular in the Italian offices of Saluggia and Gerenzano the activities with Workers' Safety Representatives have been integrated with periodic updating meetings with the Trade Union Representatives Organizations. Workers are actively engaged in health and safety topic also in the other countries where the Group is present, in compliance with national regulations.

Initiatives have been implemented in the various Group offices to facilitate anti-Covid vaccination for all staff in line with local regulations. In particular, in 2021 a vaccination hub dedicated to anti-Covid vaccinations was set up at Saluggia head office, in collaboration with the other companies in the area where the parent company is based, with the support of the Italian Red Cross and in coordination with the Local Health Authority.
Thanks to this hub about a thousand people received their first and second dose of vaccine.

9.2 DiaSorin's commitments and reference principles

Since 2015, the DiaSorin Group's has developed its **EHS Management System** in line with ISO 14001 and ISO 45001 standards in order to effectively manage Group employees' health and safety matters and environment-related issues. This system is not subject to certification.

Under the EHS Management System, DiaSorin has defined its environmental, health and safety Policy drafting the document "**Environmental, Health & Safety Policy Statement**" (hereinafter the "**EHS Policy**"), approved by the Group's Chief Executive Officer and which applies to all the Group facilities. The policy has been updated in 2022. It should be noted that companies acquired from the Luminex Group in 2021 are carrying out proper analyses to include this Policy within the Group's Procedures. The facility in Saluggia has planned to get the ISO 14001 and ISO 45001 certifications in 2023.

The EHS Policy sets forth DiaSorin's commitment towards health and safety of its employees, customers and stakeholders in general. The policy includes also the Company commitment to minimizing its environmental impact and promoting ongoing improvement with respect to Environmental matters in order to identify formal improvement targets that are in line with the Sustainable Development Goals (SDG) of the United Nations 2030 Agenda and to identify, prevent and mitigate climate change-related risks.

The following provides the manner in which the DiaSorin Group's carries out its commitments:
- focusing on EHS-related topics in business planning and decision-making processes;
- complying with all applicable laws on the matter;
- informing and raising awareness among DiaSorin employees on the best practices to be implemented and on DiaSorin commitment to implement its Policy;
- providing regular employee training on applicable law requirements and on the Group's EHS guidelines and on the application of the best available technologies (BAT);
- ensuring healthy and safe workplaces for employees, visitors, suppliers/contractors;
- managing all aspects of its business for an effective and efficient use of natural resources;
- developing and implementing the "Group EHS Minimum Requirements" (for further details see paragraph below) and measuring relevant performance;
- continuously improving purchasing policy to support suppliers and contractors to achieve the Company EHS Policy objectives;
- promoting and implementing waste reduction and recycling.

9.3 The instruments adopted

The following provides the DiaSorin Group's main instruments for risk management (or where applicable, to address opportunities) as detailed in paragraph "Identification of risks and opportunity" in relation to EHS topics or, where applicable, to address opportunities.

As the Group has always attached great importance to the EHS topics, in the period 2012-2017 DiaSorin joined the Investor Carbon Disclosure Project (CDP), on a voluntary basis, disclosing company information through CDP questionnaire. In the 2017 financial statements, the same information is disclosed through the Non-Financial Statement.

Definition and implementation of the "Group Environment Health & Safety (EHS) Minimum Requirements"

To ensure a constant level of attention and a proper management of the EHS-related risks, DiaSorin implemented the Group Procedure "**Group Environment Health & Safety (EHS) Minimum Requirements**" described in the EHS Policy as a tool to implement the DiaSorin Group commitment towards EHS topics.

The Procedure has been prepared taking into account the EHS regulatory requirements and the industry best practices implemented within the DiaSorin Group. The document sets forth the minimum requirements each Group company has to comply with in relation to environment, health and safety (referred to as "**EHS Minimum Requirements**") to minimize negative impacts on health and safety of employees, visitors, suppliers or contractors as well as on business activities. The Procedure specifies that where regulatory requirements are more stringent than those of the EHS Minimum Requirements, the Company shall apply regulatory requirements currently in force; conversely EHS Minimum requirements shall prevail.

The Procedure applies to all DiaSorin commercial and manufacturing facilities. Each DiaSorin Group company assesses EHS Minimum Requirements to apply to its own facility: the applicability analysis is revised on a regular basis to determine if requirements deemed not to be applicable may now be relevant for the Company (due to organizational and process changes etc.). EHS staff of each Company, on the basis of the applicability analysis, has the task to provide adequate documents (i.e., guidelines, policies, procedures, etc.) on the basis of the applicability analysis, with the aim of implementing the regulation of applicable EHS Minimum Requirements.

Contents of the Procedure define the objectives to be achieved and the guidelines to be implemented in relation to the following aspects:

- *general aspects concerning the EHS Management System* (commitment to implementing the System and Minimum Requirements, definition of the EHS structure and responsibilities, compliance with local regulations, measurement and monitoring of the Key Performance Indicators, training and awareness, internal communication);
- *specific aspects applicable to Health, Safety and the Environment* (e.g., operational controls, preventive maintenance, emergency management, accident analysis and management, management of suppliers and contractors, audit activities, management of chemical or hazardous substances);
- *specific aspects concerning Health and Safety-related risks* (e.g., confined areas, electrical risk, noise, fire, etc.);
- *specific aspects concerning the Environment* (e.g., emissions, water withdrawal and discharge, waste disposal).

Audit activities

The Corporate EHS Function carries out audits on a regular basis to ensure that the EHS Minimum Requirements are properly assessed and, where appropriate, implemented in all Group companies.

The objective of audits is verifying that all Group Companies comply with applicable regulations and the EHS Minimum Requirements and identifying areas where an improvement is achievable, through the analysis of documents drafted locally and spot checks on facilities being audited.

Audit findings are reported through relevant Audit Reports. The local EHS staff is in charge of developing specific plans and identifying corrective actions to fill any gap that will be subsequently monitored by the Corporate EHS Function during its following audits.

Following the pandemic emergency, in 2020-2022 the audits carried out by the Group EHS Function could not be conducted as usual, due to the restrictions imposed on travel across the different areas where the Group's activities are located. Nonetheless, the self-audit activities carried out independently by each site continued and no significant critical issue emerged. In future years, specific activities audits carried out by the Group EHS Function are expected to be reintroduced.

Training activities

Local EHS staff is responsible for employee training on EHS-related topics and has the task to ensure compliance with local applicable regulations (e.g., mandatory training concerning health and safety at the workplace).

According to EHS Minimum Requirements, at least the following applies:

- training upon recruitment;
- specific training on job-related responsibilities and dangers (e.g., use of chemicals, confined areas, etc.);
- regular training updates;
- training whenever changes occur in the process or machinery or equipment used by employees;
- training whenever changes occur in duties or role.

It should be noted that, for each course provided, learning tests are carried out to assess knowledge and skills at the end of the course.

The training activities described above must be adequately tracked. The management procedures and relevant documents are subject to spot checks during the audit activity described above.

In 2022, training activities in all the Group companies was a mix of online learning/training and self-learning.

Involvement of the EHS Function in the development/update of processes
According to the EHS Minimum Requirements, the local EHS Function supervises the manufacturing facilities over the introduction of new processes or changes in the existing ones (e.g., introduction of new instruments/ machineries, use of new chemicals).

The EHS local staff is in charge of carrying out an analysis of the EHS-related risks associated with processes that are being defined and updated and establishing the measures required for the management of identified risks (e.g., replacement of hazardous substances).

In assessing and mapping the risks the EHS Function works with the occupational doctor and other specific healthcare professionals, as required by each country, and other specific Functions to provide an in-depth understanding of all the implications of the processes analyzed. Among these functions there is the Production Function. This process is valid for the whole DiaSorin Group.

The involvement of the EHS Function in the development and updating process is subject to audit as described above.

In order to continuously update and develop the processes, the employees are asked to report any dangerous situations they become aware of during their work. In addition to monitoring the hazardous occurrences reported by employees and the relevant functions, the DiaSorin Group conducts specific investigations in the event of accidents or 'near miss' episodes, in order to understand the causes behind such episodes and implement the appropriate corrective actions. Accidents and near miss episodes are shared at Group level in order to prevent the occurrence of similar cases in other Group's sites and share the so-called 'best practices'.

Environmental protection and the development of dedicated projects
The Group implemented several actions to reduce waste, by promoting separate waste collection and, where possible, reuse and recycle. Special attention is paid to energy and water consumption and use of high-efficient technology.

Several improvement projects were implemented over the years in the different facilities to make employees aware of the importance of Environmental Sustainability.

The 'Plastic Free' project was launched in 2020 with the aim of eliminating single-use plastic.
The project envisaged several initiatives, including water dispensers, while equipping all employees with water-bottles for personal use; replacing the cups of the automatic drink dispensers with compostable cups; the use, in the meeting rooms, of glass water bottles that can be reused and catering material (glasses, plates and more) and the use of compostable tableware.

In 2020, the Group promoted separate waste collection in the office areas. In order to raise awareness on paper waste the Group adopted a System to use printers through badges and individual code.

Again, in the field of waste management, the Company introduced reusable containers for waste disposal in some manufacturing facilities and rules for the appropriate segregation of waste streams to ensure effective separate collection.

The project to introduce hybrid cars continued when the Company renewed part of its company fleet, in order to reduce the environmental impact of company transport. The initiative also saw the installation of charging stations for electric cars, which took place in 2020 at the Italian offices and was extended to other Group's sites.
In addition, a carpooling initiative was planned for the Italian offices, even though it was interrupted due to the restrictions imposed by the emergency. This initiative will be relaunched in 2023 in compliance with current regulations.

Lastly, the Group's facilities adopted low-consumption lighting, light sensor switch, and energy-efficient equipment, in particular ventilation, heating and air conditioning systems, in order to reduce energy consumption. The whole Group implemented several initiatives to improve energy efficiency by turning off lights, HVAC, electrical equipment if not needed.

9.4 Results

Figures of EHS performance provided below include all the DiaSorin Group's Companies: both manufacturing and commercial facilities.

Subsidiaries' energy consumptions for electricity, heating and water were reported except in cases where data was not available. In these cases - since these are consumption quantities that do not impact the overall value - an estimated consumption value was reported, when possible. For example, these are small-sized rented premises, where these costs are included in the regular fee paid.

Energy consumption

Consumption [GJ]	2020			2021			2022		
	Renewable source	Non-renewable source	Total	Renewable source	Non-renewable source	Total	Renewable source	Non-renewable source	Total
Consumption resulting from combustion of Natural Gas and other fuels	-	52,836	52,836	-	59.591	59,591	-	67,009	67,009
Electricity consumption	13,802	63,797	77,599	9,483	96,761	106,244	20,910	124,960	145,870
TOTAL	13,802	116,633	130,435	9,483	156,353	165,835	20,910	19,969	212,879
%	10.6 %	89.4%		5.7%	94.3%		9.8%	90.2%	

Disclosure 302-1 Energy consumption within the organization of the GRI Standard 302: Energy 2016.
With reference to the data in the table above, as from 2020 the Company used conversion factors published by DEFRA - UK Government GHG Conversion Factors for Company Reporting.

The data relating to the share of renewable electricity derives from the information available on the energy mix declared by the providers.

The analysis of the last three-year data shows an increase in energy consumption as a result of the consolidation of the consumption data of the Luminex facilities for the whole year.

Water withdrawals

Source	Withdrawals [m³]		
	2020	2021	2022
Water supplies	45,658	47,848	68,722
Ground water	43,836	83,036	79,315
TOTAL	89,494	130,884	148,037
in water stress areas*	10,033	7,663	8,373

Disclosure 303-3 Water withdrawal del GRI Standard 303: Water and effluents 2018

(*) The request for disclosure relating to withdrawals from water-stressed areas was introduced for the first time in the 2020 reporting following the update of the reference GRI Standard. Using the World Resources Institute's Aqueduct Water Risk Atlas tool, the location of the production sites of the DiaSorin Group was analyzed to verify their location in areas subject to water stress, or with "Water Stress" values equal to "High" or higher. From the analysis it emerged that the only area located in a "Water Stress" area with a "High" value is represented by the DiaSorin USA, Cypress plant, for which the details of the withdrawals have been shown in the table. All other sites are located in areas with lower "Water stress" values.

As described above, the DiaSorin Group does not define specific risks relating to the management of water resources since, based on the business in which it operates, its activities do not involve a significant water consumption. In fact, the water withdrawn is only minimally consumed within the production process for the production of the reagents.
All wastewater discharges take place in full compliance with local laws and regulations, ensuring the quality of the discharged water in accordance with the requirements of the receiving bodies of water.
In 2021, with regard to water supply consumption and following the consolidation of Luminex facilities consumption, the consumption figure did not increase significantly. The increase in underground water consumption was due to the installation of consumption measurement systems that allowed a more accurate data collection.
In 2022 increased consumption was mainly due to the full consolidation of consumption of Luminex facilities for the whole year.

Emissions

The following provides data of the DiaSorin Group emissions classified into:

- scope 1 emissions are direct emissions from the combustion of fuel to generate thermal energy for heating system or for production process, for vehicles and refrigerant gas emissions[6];
- scope 2 emissions connected to electricity consumption from non-renewable sources and purchasing of thermal energy, as well as heating system consumption at facilities that operate in rented premises.

With reference to the data in the tables below, starting from 2020, data on consumption of fuels such as methane gas, diesel, petrol and LPG was calculated by applying the emission conversion factors published by DEFRA- UK Government GHG Conversion Factors for Company Reporting 2020. For 2022 the Company used the emission conversion factors published in 2021. For the conversion of electricity, the reference "International Comparisons 2019" published by Terna was used as the latest update available. It is also specified that, with reference to the electricity of the commercial subsidiaries the Global Factor was used instead of the national reference factor.

Emissions [tCO_2eq]	2020	2021	2022
	2,761	3,204	4,627

Disclosure 305-1 Direct (Scope 1) GHG emissions of the GRI Standard 305: Emissions 2016

Emissions [tCO_2eq]	2020	2021	2022
	8,406	10,938	15,264

Disclosure 305-2 Energy indirect (Scope 2) GHG emissions del GRI Standard 305: Emissions 2016

[6] In its production process, the Group does not use ozone-depleting substances in its manufacturing processes: these substances are contained in air conditioning/cooling systems and any release into the atmosphere is linked to possible failures

Waste
The DiaSorin Group pays great attention to the management of waste produced at the company's premises and therefore has adopted an approach aimed at finding solutions to reduce waste. When this is not possible, careful waste segregation and disposal are implemented, preferring recycling and reusing activities.

In general, given the nature of the Group's activities and the types of waste produced (described in detail below), as provided in paragraph 3 relating to risk management, DiaSorin identifies the risk of non-compliance with current laws and if waste is not properly managed it could have negative environmental impact.

To mitigate these risks, the Group adopts the following systems:

- DiaSorin tracks the amount of waste generated by its activities and classifies and manages it in line with applicable regulations in each country where it operates, providing for the adoption of specific management procedures for each site. Such procedures, where necessary, provide for the chemical analysis of waste for a correct classification.

- Waste generated by the Company is collected and classified according to the regulations in force in the different countries and managed by third party waste management facilities. Since the DiaSorin Group is responsible for proper waste disposal, the Company carries out regular audits on the off-site disposal facilities, to verify the adequacy of the procedures applied. During the pandemic emergency, these activities were carried out with less intensity to comply with the restrictions imposed by the pandemic.

The following tables refer to hazardous and non-hazardous waste generated by the manufacturing and commercial facilities of the DiaSorin Group, excluding WEEE (Waste electrical and electronic equipment) that are reported in detail in a specific table.

Waste by type	Waste produced (excluding WEEE) [t]		
	2020	2021	2022
Hazardous waste	199	479	577
Non-hazardous waste	1,235	2,596	3,328
TOTAL	1,434	3,076	3,905

Disclosure 306-3 Waste generated del GRI Standard 306: Waste 2020

Waste by destination	Waste produced by industrial sites (excluding WEEE)		
	2020	2021	2022
Re-use/recycling/recovery	48.1%	33.4%	32.4%
Disposal	51.9%	66.6%	67.6%

The item "Disposal" includes the following categories by destination: incineration, landfill and other types of disposal. With refence to quantity, waste by type and destination, a significant impact is recorded in 2021, mainly due to the consolidation of the waste quantity generated by Luminex's premises.

The following table details waste produced by manufacturing facilities, broken down by type of disposal according to hazardous or non-hazardous waste.

Waste by type	Waste produced by industrial sites (excluding WEEE) [t] (*)		
	2020	2021	2022
HAZARDOUS WASTE		478.51	577.35
Re-use/recycling/recovery			
of which intended for re-use		0.51	1.25
of which intended for recycling		0.61	0.80
of which intended for other recovery operations		0.00	0.00
Disposal			
of which intended for incineration (with energy recovery)		17.54	77.89
of which intended for incineration (without energy recovery)		90.14	49.00
of which intended for landfill		6.46	16.54
of which intended for other disposal operations		363.26	431.87
NON-HAZARDOUS WASTE		2.587,95	3.324,25
Re-use/recycling/recovery			
of which intended for re-use		4.63	15.71
of which intended for recycling		718.86	1.009,76
of which intended for other recovery operations		0.00	0.00
Disposal			
of which intended for incineration (with energy recovery)		271.88	255.62
of which intended for incineration (without energy recovery)		45.46	255.89
of which intended for landfill		1,349.54	1,539.18
of which intended for other disposal operations		197.59	248.10
TOTAL		3.066,46	3.901,60

Disclosure 306-4 Waste diverted from disposal & Disclosure 306-5 Waste directed to disposal del GRI Standard 306: Waste 2020

(*) The Disclosure on the details of the types of disposal by waste (hazardous/non-hazardous) has been introduced for the first time in the 2021 reporting, following the update of the reference GRI Standard.

With reference to the WEEE, the following table provides data on quantities produced and relevant treatment. As provided in the following tables, 100% of WEEE is recovered at authorized facilities.

The data relating to the quantities of waste produced and their destination changes over the years. This is mainly due to the impact of building renovations relating to Group's premises.

Waste by destination	Waste produced (WEEE) [t]		
	2020	2021	2022
Recovery	33	49	29
Disposal	-	-	-

Environmental compliance
In the three-year reporting period, no significant violation to environmental laws and regulations occurred.

Occupational Health and Safety
In accordance with GRI Standard on Occupational Health and Safety the following should be noted:

- indicators are calculated dividing both the number of injuries and the number of lost workdays by total hours worked and multiplying that number per 1'000'000;
- injuries included in the data refer to all injuries occurred in the Group companies, excluding commuting accidents;
- in the three-year reporting period, no occupational illnesses nor fatalities occurred in the DiaSorin Group's companies.

In 2022, 13 work-related injuries resulted in no absence while 15 work-related injuries resulted in workdays lost. Even with the consolidation of information about Luminex facilities for the whole year, the number of work-related injuries without workdays lost decreased. There has been an increase in the number of work-related injuries with workdays lost and total workdays lost that is affected by cases that occurred in specific situations such as during hotel accommodation or during a business trip. However, as mentioned above, the company monitors all hazardous events reported by employees even those that have not caused injuries and conducts investigations into the root causes of accidents or "near miss" episodes, in order to implement the appropriate corrective actions to prevent the occurrences of similar cases in the future.

	2020	2021	2022
Number of work-related injuries without workdays lost	6	19	13
Number of work-related injuries with workdays lost	8	7	15
with serious consequences	0	0	0
Number of hours worked	3'487'136	4'504'166	5'652'993
Rates of work-related injuries without workdays lost	1.72	4.22	2.30
Rates of work-related injuries with workdays lost	2.29	1.55	2.65
rates of injuries with serious consequences	0	0	0
Percentage of work-related injuries with workdays lost on total employees*	0.39%	0.20%	0.44%
Rate of workdays lost due to work-related injuries**	41.58	26.42	98.71

Disclosure 403-9 Work-related injuries del GRI Standard 403: Occupational Health & Safety 2018

*(*) Figures were adjusted to comply with the GRI 403-9. The indicator represents the ratio of work-related injuries with workdays lost to total Group employees *100. The total number of employees used in the computation is provided in paragraph 8 of the Consolidated Non-Financial Statement.*

(**) Figures were adjusted to comply with the GRI 403-9.

10. Relations with local communities

10.1 DiaSorin's commitments and reference principles

As provided in the Code of Ethics of the Group *"DiaSorin is also committed to contributing effectively to promoting the quality of life and social-economic development of the communities where the Group operates and to the development of human capital and local skills while, at the same time, carrying out its business, on internal and external markets, according to methods compatible with sound business practice".*

DiaSorin's commitment to the promotion and socio-economic development of the communities in which it operates is set forth by the Code of Ethics which defines the principles to which the Group companies are required to abide by concerning money or in-kind contributions to support educational, scientific, artistic, cultural, social and humanitarian projects. In particular the Code defines requests for contribution to which the Company may agree and donations that are expressly prohibited (donations to individuals or to profit-making organizations), and the manner by which ensuring full transparency of the donation (the recipient's identity and use of the donation must be clear).

In July 2020 DiaSorin set up Fondazione DiaSorin, a non-profit organization promoting scientific culture among young people and supporting excellence in schools. With a range of action extended to the entire Italian national territory, Fondazione DiaSorin has its own Bylaws that outlines the commitment to initiatives with civic, solidarity and social utility purposes *"in the field of scientific education and professional training through cultural activities of social interest for educational purpose".*

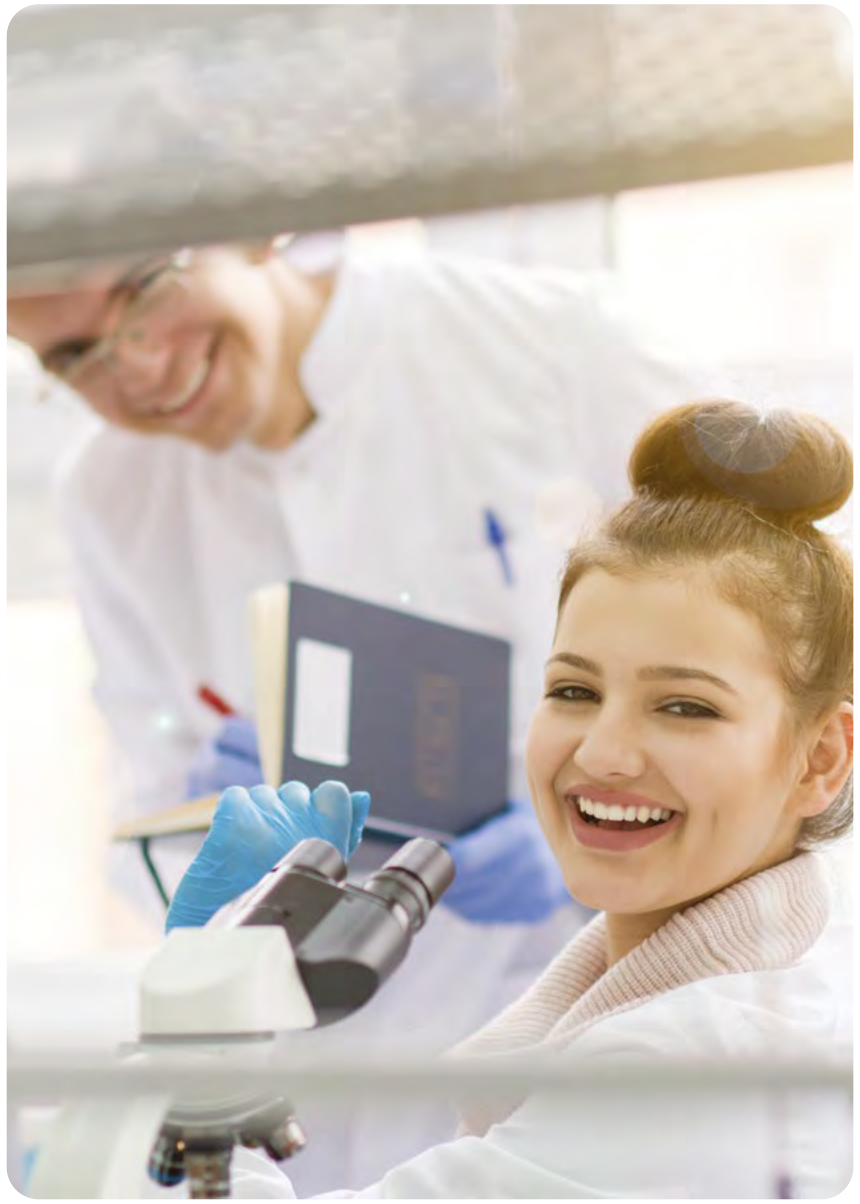
It should be noted that the Foundation does not fall within the scope of consolidation of the DiaSorin Group and, therefore, of this NFS. For more information, see the dedicated focus on the following pages.

10.2 The instruments adopted

Following the reference principles set up by the Code of Ethics, DiaSorin actively supports the community in which it operates through a series of Corporate projects. These projects are part of the sustainability project developed at a corporate level. A commitment set out in our Code of Ethics, which defines the fundamental principles to be followed in the management of cash or in-kind contribution for educational, scientific, artistic and cultural purposes, as well as social and humanitarian purposes. Following the principles of the Code of Ethics DiaSorin supports the local communities through projects that aim at inciting passion for science, supporting people's talent and achieving a positive impact on the environment.

DiaSorin applies this classification also to initiatives that are developed locally by its international branches, in order to promote a homogeneous management and classification of initiatives, at a Group level.

Corporate projects need to be assessed and approved by the Group CEO prior to their implementation.



10.3 Results

In line with these reference targets, DiaSorin supports the development, growth and well-being of the local communities in which it operates.

In particular, the U.S. subsidiaries of the DiaSorin Group, DiaSorin Inc., DiaSorin Molecular, LLC. and Luminex took part in several initiatives, including fundraising and funding while promoting science education projects at local high schools.

10.3.1 Nurturing a passion for science

Our commitment to nurturing a passion for science and science education resulted in the organization of several scientific events and symposia aimed at improving the medical research.

These projects were so successful that they became annual editions every student looks forward to in the field of scientific education. For this reason, we decided to further nurturing interest in science by creating a Foundation dedicated to these projects.

Fondazione DiaSorin

Fondazione DiaSorin operates throughout the country and is aimed at investing in the combination of "Science and the Young", bringing students closer to science (especially life sciences) and stimulating their interest in scientific disciplines and careers.

Fondazione DiaSorin is a tangible manifestation of DiaSorin's commitment to young generations and to the world of education. It intends to promote scientific culture, developing and supporting projects that actively engage students and teachers in the world of science.

Among the initiatives promoted by Fondazione DiaSorin in 2022 are Mad for Science and Mad for Science for Teachers.

FONDAZIONE DiaSorin

The Mad for Science project

Mad for Science, developed and promoted by DiaSorin and then transferred to its Foundation, is a national competition for high schools that focuses on the role of school laboratory as a concrete and effective tool to motivate students to study, understand and apply scientific concepts through first-hand experience and incite student's interest in science. The objective of the competition is to design five laboratory experiences in relation to the theme proposed to engage students in STEM disciplines, strengthening their critical thinking skills, autonomy and ability to work in a team.

The competition is open to Scientific High Schools (both ordinary and Applied Sciences curricula), to Classical High Schools featuring biology and biomedical curricula and to technical schools. Also in 2022, students' commitment and design hours were recognized in the PCTO- Pathway for Transversal Skills and Orientation (former school-work program) thanks to ad hoc agreements between the Foundation and schools.

For the first time, in the 2022 edition, the Ministry of Education has recognized the Mad For Science project as an initiative to promote excellence in High Schools.

While in the last three years students had been invited to reflect on the sustainable development goals of the UN 2030 Agenda now, starting from the sixth edition and for the next three years, Fondazione DiaSorin has chosen to focus on a very relevant topic: the impact of the biotechnological research on the development of projects to safeguard the health of people and the environment we live in. This theme is a response to the COVID-19 pandemic, which showed the importance of the scientific research and teamwork in the development of concrete and effective solutions aimed at safeguarding public health. In the 2022 edition, Fondazione DiaSorin invited schools to reflect on and propose laboratory projects on the theme "Biotechnologies at the service of health".

Each High School participated in the competition with a team of 5 students and a science teacher and developed a project in collaboration with at least a local scientific body. Among the hundreds of applications received, 8 finalist teams have been shortlisted for the Mad for Science Challenge.

The final was held on May 26, 2022 live streaming on the Fondazione DiaSorin Facebook channel. The Jury made up of authoritative members from the world of the Academia, scientific research and communication awarded prizes for a total of € 175,000 to the finalists for the implementation of a biolaboratory and for the purchase of reagents and consumables over the next years. In 2022, the "E. Segrè" High School in Mugnano di Napoli won first place; the "Marconi-Lussu" High School in San Gavino Monreale won second place and the "A. Volta" High School in Pescara won third place.

Finally, to reward the enormous effort of the finalist schools, the Finalist Award has been awarded to the other 5 Schools that made it to the final: the "M. Curie" High School in Meda (MB), the "E. Majorana" High School in Rho (MI), the "Cecchi" Technical School in Pesaro, the "A. Sobrero" High School in Casale Monferrato (AL) and the "Galileo-Ferraris" Technical School in Molfetta (BA).

The Mad for Science for Teachers projects

We are aware that to actively teach and spark students' interest in science, teachers increasingly need to update their own knowledge and teaching methods. For this reason Fondazione DiaSorin planned and launched on February 16, 2022 its new project: **Mad for Science for Teachers**.

The project is addressed to science teachers of the Mad for Science winning schools and envisages different initiatives that follow three main guidelines which are crucial to help teachers engage their students in science.

To establish key areas, Fondazione DiaSorin relied on a technical-scientific Committee made up of a team of experts: science teachers, university professors and experts in teacher training.

Key areas are the following:

1. continuous update on the frontiers of science, through meetings with scientists;
2. acquisition of new teaching methods to make science teaching more engaging and exciting, through specific workshops;
3. laboratory experiments, through theoretical-practical courses.

Regarding area 1, which includes in-depth meetings on science-related issues held by Italian scientists, the Foundation delivered the following 2 webinars in 2022:

- "Microbiota: the superorganism inside us" held by Professor Maria Rescigno, Deputy Rector and Delegate with responsibility for research at Humanitas University. The webinar was attended by 88 teachers from the Mad for Science network all over Italy.
- "Cancer: gene disorders" held by professor Mariangela Russo of the University of Turin. The webinar was attended by 85 teachers.

Regarding area 2, to learn engaging and inclusive teaching methods, the following workshop was delivered to 20 teachers: "Problem-oriented learning: the case of M., a 42-year-old man with colon cancer ", held by Mr. Ruggero Pardi, professor of General Pathology at San Raffaele University School of Medicine. The workshop concerned the impact of genomics on the study and detection of cancer diseases with the problem-based learning methodology.

Regarding area 3, Fondazione DiaSorin has carried out 2 theoretical-practical courses attended by 23 teachers.
The aim of the courses was to deliver a "hands-on" experience and increase teacher's laboratory skills, in cooperation with the *Centro Università degli Studi di Milano - Scuola per la diffusione delle Bioscienze.*

CSR

Finally, in 2022, Fondazione DiaSorin attended the **CSR and social innovation show**, participating in two events:

- "**I know, I grow, I understand: virtuous connections generating social impact**" in which the two projects of the Fondazione DiaSorin were introduced: Mad for Science and Mad for Science for Teachers;
- "**Education and training: transformative scenarios**" at Bocconi University in Milan. The meeting discussed education for sustainability as a complex path involving different actors including companies, institutions, tertiary sector bodies and educational agencies, underlying that experimental teaching in the classroom increases students' knowledge and awareness on sustainability issues and on training and professional opportunities in the STEM field.

"MN Science Quiz Bowl & Science & Engineering Fair"

Among initiatives and activities sponsored by the Stillwater subsidiaries in Minnesota, those dedicated to the promotion of scientific culture at high schools are particularly relevant. MN Science Quiz Bowl & Science & Engineering Fair is an educational project to support Education of Excellence in collaboration with Minnesota Academy of Science (MAS).
Every year MAS organizes 2 regional science competitions in Minnesota; specifically, the first competition is for middle school students and the second is for High Schoolers.

During the qualifications, teams of students are required to solve technical problems and answer fast-paced questions about science and math, like in tv shows. Winning teams will represent Minnesota in the "National Science Bowl" competition, promoted by the U.S. Energy Department in Washington, D.C.

Sponsorships of projects supporting teaching of "STEM" disciplines include the project managed by the Partnership Plan association, an active organization in the promotion of learning tools through first-hand experiences for young students. In particular, in 2022, the project sponsored by DiaSorin focused for the second consecutive year on the participation in the NASA competition named "Human Exploration Rover", which allows students to have a direct experience in the world of applied sciences.

10.3.2. Supporting talent of people

Recognizing and fostering the human talent, promoting talent in all its forms, having a positive impact on people's lives, engaging in local communities: our Diversity and Inclusion projects stem from thesevalue. Initiatives of great social value involving small patients and great talents.

"FISIP": Supporting disability in sport, Sponsorship as per four-year contract (2019-2022)
The purpose of the project is promoting local excellence and celebrating talent. Between 2016 and 2022, DiaSorin asked the Italian Federation of Paralympic Winter Sports (FISIP) to select talented and excellent athletes to represent Italy at the 12th Winter Paralympics in PyeongChang -South Korea. Athletes shortlisted by FISIP carried out their athletic and sports training course with the support of a contribution received from DiaSorin.

Italian athletes achieved important results at the 2018 Paralympics, held between 9 and 18 March in the same venue that hosted the 12th Winter Olympic Games. The national team won giant slalom and slalom (2 gold), snowboard cross and super G (2 silver) and downhill (1 bronze). It was a great success if compared with the previous editions of 2014 Sochi Winter Games, where Italian athletes won no medals.

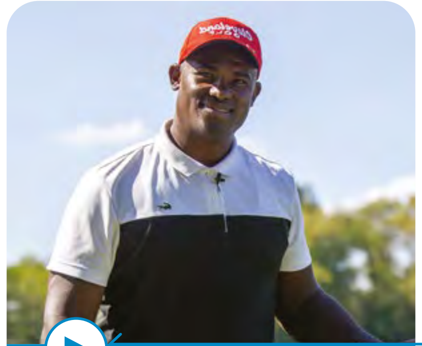
For this reason, DiaSorin decided to support again this project in the 2019-2022 four-year period, along with the talented athletes that the Italian Federation of Paralympic Winter Sports selected and trained to represent Italy in the 2022 Paralympic Games in Beijing. Positive results didn't come late. The Italian athletes have further increased the number of medals won compared to the previous edition bringing home seven medals: 2 gold, 3 silver and 2 bronze.

Given these important results and the social value of this partnership, DiaSorin and FISIP renewed their agreement. From January 2023 and for the whole 2026, DiaSorin will support the TALENT FISIP Project by contributing, with its own sponsorship, to the physical and technical preparation of some particularly promising athletes in alpine skiing, Nordic skiing and snowboarding. This is strategic commitment for a crucial four-year period, which will end with the highly anticipated Milan – Cortina 2026 Paralympics.

“EDGA Paralympic Golf”: Supporting disability in sport

Launched in 1996, the Giovanni Nasi Trophy has always been an example of inclusion in the Italian golf scene having reserved, since its first edition, a ranking and a prize for the first disabled golfer. 2022 was a turning point: the tournament changed its nature and became an international competition of the EDGA (European Disabled Golfers Association) circuit, valid for the world ranking approved by the Italian Golf Federation and sponsored by the Italian Paralympic Committee.

DiaSorin has enthusiastically joined the project without any limitation to its sponsorship, combining professionalism and enthusiasm and adhering to the value of inclusivity conveyed by sport. In this new edition, the Giovanni Nasi trophy involved more than 70 athletes, coming from Italy, France, Switzerland, Czech Republic, Israel, Belgium, Chile, United Kingdom, Ireland, Netherlands, Turkey, Germany, Slovakia. It is one of the most numerous tournaments of the EDGA circuit.



Scan the QR Code to see the video

“Italian Sitting Volley Championship – DiaSorin Cup”

The DiaSorin Cup is the largest Italian sitting volleyball event (Paralympic discipline derived from volleyball), which brings the values of inclusion and social integration to the field. It is a very popular event we have been proudly sponsoring since 2016. Celebrating the strength of inclusion and the universality of sport, the DiaSorin Cup Sitting Volley confirms the Group's commitment to promoting local Excellence and celebrating talent in all its forms, especially when expressed through difficulties and disability.

Since 2021, during its seventh edition, the DiaSorin Sitting Volley Cup turned into the first "All Star Game" of Italian sitting volleyball, the first Italian sitting event completely reserved to Paralympic players.

Scan the QR Code to see the video

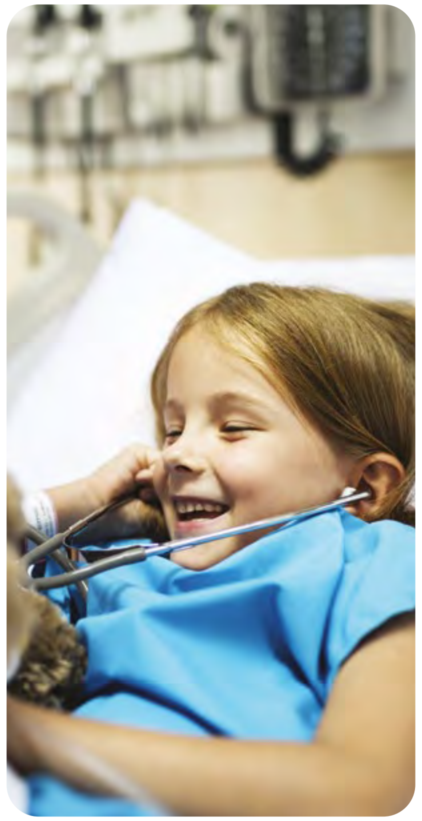
10.3.3. Positive impact on the environment and people

Also in 2022, the DiaSorin Group's companies implemented several CRS initiatives in local communities, focusing on actions and funding that had a positive impact on health and well-being of local communities in which the Group operates.

"Pinocchio Project"

Every year the "Project for Hospitals & Childhood – Pinocchio Project" is committed to promoting an initiative on the Italian territory with the aim of improving the quality of life of children within hospital settings, in the areas of education, medical care and diagnostic tests through the support of some sponsor companies, among which DiaSorin is a "major donor". The Pinocchio Project for Hospitals & Children started in 2014 and has seen the continuous contribution of DiaSorin since its inception. Active in three Piedmont hospitals, it supports over 3,000 children admitted each year in their education, search for normality, in their desire for as-nice-as-possible hospital experience. In particular, in 2015 DiaSorin provided tablet and technological devices to the 60 hospital teachers operating in Piedmont and their students: a concrete way to make teaching more streamlined and engaging, building an effective bridge between the healthcare and the school systems.

But the scope of Project Pinocchio isn't limited to education. In 2016, the project partners funded an aesthetic restyling of the CT Scan room in Turin's Regina Margherita Hospital. The room was transformed into a cozy and colorful forest, thanks in part to sophisticated stickers applied to the diagnostics equipment. Children can now approach this delicate examination in an ambience that speaks the same language as their imagination and where they can feel a bit less frightened. This had some surprising results: for example, fewer kids now require sedation before the radiological procedure.



Progetto per gli Ospedali & l'Infanzia
Progetto Pinocchio

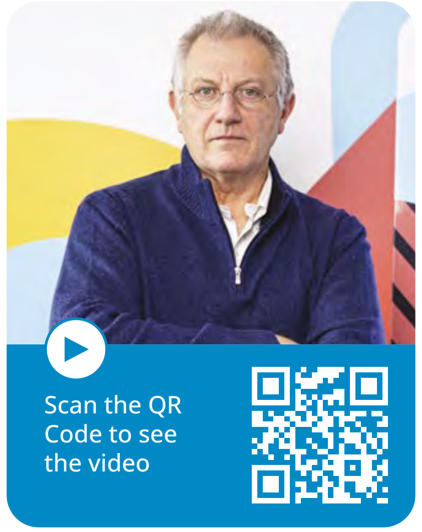
In 2019, the restyling initiative attracted a new high-profile partner, The Walt Disney Company, with which DiaSorin was able to replicate the project at Genoa's Gaslini Hospital, bringing the fantastic world of Pixar "Toy Story" characters into the CT scan room.

2020 saw DiaSorin engaged in a third Project Pinocchio initiative to humanize the Italian children's hospitals. The Regina Margherita Children's Hospital in Turin's "City of Health" was given a portable X-ray machine, nicknamed "Dr. Giraffe" and personalized to look like a friendly female giraffe for a more child-friendly radiological diagnostic experience.

In 2021, Pinocchio Project continued with the donation of a portable autorefractor personalized to look like a mouse and nicknamed "Doctor Topo LINO" to the Genoa's Gaslini Hospital. This instrument is essential for the calculation of the intraocular lens to be implanted at the time of cataract surgeries and for the evaluation of refractive errors of young patients. The kid-friendly instrument helps create a more familiar diagnostic environment and is part of the hospitals' humanization path to make young patient care more and more serene.

In 2022, DiaSorin supported the development of a project addressed to little patients featuring cutting-edge technology and that will be implemented in 2023. Thanks to our contribution, the Regina Margherita Children's Hospital in Turin will be equipped with an innovative rehabilitation tool. The medical device is the most advanced, complete, and clinically proven virtual reality system for rehabilitation and tele-rehabilitation in the world. Conceived as a central HUB" to which it is possible to connect a series of specialized peripheral devices, this device is equipped with a vast library of exercises and is able to deliver up to 20 different rehabilitation modules with a single unit. This device is innovative also if used remotely and will make it possible to monitor the exercises and progresses of the little patients leaving them quiet in their family daily life. VRRS Evo can be used for the rehabilitation of a wide spectrum of pathologies thanks to the numerous modules available: Motor skills, Cognitive, Speech Therapy, Phonation, Dynamic and Static Postural, Facial, Hand & Wrist, Cardiorespiratory, Orthopaedic, EMG, tDCS, Isoinertial, Immersive VR, Augmented Reality and others.

Thanks to the commitment of DiaSorin the new device will be placed in a completely renovated rehabilitation space and refurbished with playful and fun settings, to accommodate the patients in a child-friendly environment.



"DiaSorin for Ukraine"

At the beginning of 2022, due to the escalating violence and humanitarian emergency in Ukraine, DiaSorin employees joined forces to launch an urgent fundraising to meet the needs of the civilian population in Ukraine. DiaSorin supported this initiative through a donation of equal amount to the employees' fundraising, for a total of CHF 25,836.

This initiative was carried out in cooperation with the International Federation of Red Cross and Red Crescent Societies (IFRC), to which the entire amount of the fundraising has been donated, in order to support displaced people, and the organization of convoys loaded with essential goods, including medicines, food, clothing, blankets and camping beds and first aid kits.

DiaSorin UK has also arranged for additional shipments of food and medicine to Ukraine.

Development and passion for science	
SHS	DiaSorin Inc. sponsored two scholarships for undergraduate candidates in the field of the "STEM" disciplines. The two scholarship winners were shortlisted by the human resources department of DiaSorin.
The Partnership Plan – NASA Rover Challenge	Sponsorship of the project supporting teaching of "STEM" subjects. The project is managed by the "The Partnership Plan" association, an active organization in the promotion of learning tools through first-hand experiences for young people in the community. In particular, in 2022, the sponsored project focused on NASA competition entitled "Human Exploration Rover", which allows students to have a direct experience in the world of applied sciences.
STEM Link	Participation of colleagues in events aimed at giving visibility to the world of work and to the applications of "STEM" disciplines for students in lower secondary schools.
Positive impact on the Environment and People	
Foundraising Event – "Cystic Fibrosis Canada"	The employees of Luminex's Toronto headquarters participated in the annual march and fundraising organized by the Cystic Fibrosis Canada association, to fund research and raise awareness on a disease that affects more than 4,000 children in Canada.
"Foundraising Event for Breast Cancer"	In 2022, Luminex employees took part, together with their families, in a charity event to support breast cancer research. Employees donated part of their unused wellness bonuses to this initiative.
Boo Bash 2022: "Home for Life: Animal Sanctuary" & "NAMI (National Alliance for Mental Illness)"	Fundraising to support two local associations. The first one, "Home for Life Animal Sanctuary", is a sanctuary hosting more than 200 animals and providing care to animals. The second association supported by Boo Bash 2022 donations was "NAMI" (National Alliance on Mental Illness), an organization that offers support, education and awareness services with the aim of creating an environment in which people with mental illnesses and their families can build a better life.
Stuff the Bus: Community Thread & United Way	In 2022, many employees of DiaSorin Inc. took part in a fundraising to support scientific education in Stillwater schools. Due to the pandemic, also in 2022, the team used an online platform through which DiaSorin employees could donate and offer their support to Community Thread to help them prepare and organize donations – according to the different age of children- so that they were picked up ready at a special "Drive-in".
Meals from the Heart	For the fourth year in a row DiaSorin has been offering support to this association in Stillwater, Minnesota. The association provides decent meals in the city's most deprived neighborhoods, while creating opportunities for those who want to serve at the association. In 2022, the initiative involved DiaSorin, Inc.'s employees who prepared and packaged the meals.
Family Means	In 2022, DiaSorin, Inc. contributed to the activities of the "Family Means" association with a donation. It is a non-profit association founded in 1963 in Stillwater that offers several services, focused on supporting families in need.
Mardi Gras Youth Advantage	In 2022, DiaSorin, Inc. funded the initiative promoted by the "Mardi Gras Youth Advantage", which aims at supporting children to learn music, applied arts and information technology
Washington County United Way	In 2022, DiaSorin, Inc. organized an event for teaching and tutoring "STEM" disciplines for young talents in Minnesota.
Surfrider Foundation	In June 2022, during the International Surfing Weekend and Father's Day, over thirty DiaSorin Molecular's employees, together with their friends and families, took part in the first initiative aimed at the environmental conservation and re-qualification of beaches, in partnership with "Surfrider Foundation". Employees helped clean up over 100kg of plastics and waste at Huntington Beach.
Orange County Food Bank	During Thanksgiving, DiaSorin Molecular's employees donated $500 in long-lasting groceries to the local food bank to support people in need and homeless.
Casa Youth Shelter	During the Christmas holidays, DiaSorin Molecular's employees had been invited to bring gifts under the Angel Tree at "Casa Youth Shelter", which takes in children, teenagers and families that need a place to stay. Practical gifts for daily use for a value of 2,000$ were collected during this initiative.

MacMillan Cancer Support Coffee Morning	At DiaSorin UK facility, a charity coffee morning was organized to sale pastry to employees. The proceeds have been entirely donated to the "MacMillan Cancer Support" , one of the largest non-profit charities in Britain, specialized in supporting oncology patients.
Second Chance Animal Shelter visit	In June 2022, during the "National Volunteer Week" in England, some employees of DiaSorin UK took part in a volunteer day at "Second Chance Animal Rescue", a non-profit organization based in Kent, England that funds a sanctuary to give shelter to abandoned animals. Prior to the visit, employees also donated three boxes of food and warm blankets to protect the animals from the cold.
Christmas Hamper	DiaSorin UK donated Christmas baskets to local associations promoting Alzheimer's research.
Children in Need Bake Off	DiaSorin UK took part in a charity event for "BBC Children in Need". For the event, employees of DiaSorin UK cooked and bought cakes, the proceeds of which were used to help children in need.
Chamber of Commerce Fire & Ice Winter Social	In 2022, DiaSorin, Inc. funded the "Fire & Ice" event sponsored by the local Chamber of Commerce. The event was aimed at attracting tourism to the city of Stillwater, through a hot air balloon event to see the historic center of the city from above.
SAMCO	In 2022, DiaSorin Italia funded initiative to support costs for developmental psychology and thus help children or adolescents who have a critically ill parent with cancer. DiaSorin contributed to the expenses for nurses, psychologists or family assistants to support recipient families. Employees of DiaSorin S.p.A. and DiaSorin Italia contributed to these initiatives with a total donation of €19,000.
Aboriginal and Torres Strait Islander Corporate Engagement Program	Australia, DiaSorin established a Partnership with the Macquarie University. This partnership aims at strengthen bonds between "Aboriginal and Torres Strait Islander" students, university and the labor industry, in order to foster training and research opportunities on the Australian Aboriginal culture.

11. Correlation table between Legislative Decree 254/16 and material topics

Topic as per Leg. Decree 254/2016	Material Topic	Risks identified		Policies adopted	Reporting scope
ENVIRONMENTAL TOPICS	Environmental Management	See chapter 3 “Identification of risks and opportunities”, paragraph 3.7 “Topics relating to environmental management”		See chapter 9 “Environment, Health and Safety”	Data collection and reporting include all Group’s companies, including commercial subsidiaries. Subsidiaries data for consumption and waste are included in the scope of consolidation, except where data are not available because they are included in service expenses and therefore it was not possible to find the exact data or make an estimate, as for small sized rented premises where such expenses are included in periodic costs and cannot be unbundled.
SOCIAL TOPICS	Management of relations with local communities	See chapter 3 “Identification of risks and opportunities”, paragraph 3.6.1 "Relations with local communities"		See chapter 10 "Relations with local communities"	The scope of data collection on social initiatives was extended to all Group companies, in addition to initiatives developed at a Corporate level. With reference to the initiative developed at local level by the Group's Companies, the Group reported the most relevant initiatives and initiatives that are most in line with the CSR criteria defined at central level to support local initiatives. With reference to this single topic, initiatives developed by Fondazione DiaSorin, which is not included in the scope of the Financial Statements, have been reported at qualitative level in the NFS.
	Research, innovation and technological excellence	See chapter 3 “Identification of risks and opportunities”, paragraph 3.4 "Topics relating to research, innovation and technological excellence”		See chapter 7 "Research, innovation and technological excellence"	The scope of data includes all the current Group’s projects in the reference period.
	Customer satisfaction	See chapter 3 “Identification of risks and opportunities”, paragraph 3.3 "Customer satisfaction”		See chapter 6 "Customer relations and customer satisfaction"	The scope includes all Group’s companies.
	Quality of products and processes	See chapter 3 “Identification of risks and opportunities”, paragraph 3.2 "Quality of products and processes”		See chapter 5 "Quality of products and processes"	The scope of data includes manufacturing facilities, where products/services having a direct impact on end product compliance are purchased.
EMPLOYEE-RELATED TOPICS	Training and development	See chapter 3 “Identification of risks and opportunities”, paragraph 3.5 "Employee-related topics”		See chapter 8 " Employee management"	Data collection and reporting is extended to all Group companies. With reference to the workforce data by degree, it should be noted that the data reported in this NFS cover, to date, about 80% of the employees of the Companies newly acquired by the Luminex Group.
	Employees welfare				
	Diversity and inclusion				
	Employment and dialogue with social partners				
	Health and safety			See chapter 9 “Environment, Health and Safety”	The scope includes all Group’s Companies.
RESPECT FOR HUMAN RIGHTS	Human Rights	See chapter 3 “Identification of risks and opportunities”, paragraph 3.6.2 "Respect for human rights"		See paragraph 3.6.2 "Respect for human rights" and paragraph 2.3 " The Group's Code of Ethics"	The scope includes all Group’s Companies.
FIGHT AGAINST CORRUPTION	Business ethics, anti-corruption and fight against anti-competitive behavior	See chapter 3 “Identification of risks and opportunities”, paragraph 3.1 "Topics related to ethical business practices, fighting against corruption and anti-competitive behavior"		See paragraph 4 “Ethical business practices, fight against corruption and anti-competitive behavior”	The scope includes all Group’s Companies.

12. The GRI content index

Statement of use	The DiaSorin Group reported the information provided in this GRI content index between January 1, 2022 and December 31, 2022 with reference to the GRI Standards.
Use of GRI 1	GRI 1 - Foundation - 2021 version

GRI Standard	Disclosure	Paragraph		Notes
		Section	Page	
General disclosure				
GRI 2: General Disclosure - 2021 version	Disclosure 2-1 Organizational details	Report on the Corporate Governance and ownership structure	106	This Disclosure is reported in the paragraph of the document indicated in column "Section" of which the DNF is an integral part.
	Disclosure 2-2 Entities included in the organization's sustainability	1.3 Reference scope and reporting period	241	-
	Disclosure 2-3 Reporting period, frequency and contact point	1.3 Reference scope and reporting period	241	Points a., b. and c. reported
	Disclosure 2-4 Restatement of information	1.2. Reporting standard	240	-
	Disclosure 2-5 External Assurance	15. Independent auditor's report on the consolidated non-financial statements	344	Point b. reported
	Disclosure 2-6 Activities, value chain and other business relationships	2.1 The DiaSorin Group's business	242	
	Disclosure 2-7 Employees	8. Employee management	294-295	Figures relating to Company's employees refer to the staff in force on 12/31 of the reference year. The DiaSorin Group does not have non-guaranteed hours employees.
	Disclosure 2-30 collective bargaining agreement	8. Employee management	296	Figures were calculated as the ratio of employees covered by collective bargaining agreement to total Group employees. It should be noted that the topic is not applicable to all countries where the Group operates.
GRI 207: Taxes - 2019 version	Disclosure 207-1 Tax Approach	2.6 Tax management	257	Disclosure 207-1: Aspects reported as referred to points a. i., ii., iii.
	Disclosure 207-2 Tax governance, control and risk management	2.6 Tax management	257	Disclosure 207-2: Aspects reported as referred to points a. i., ii., iii
	Disclosure 207-3 Stakeholder engagement and management of concerns related to tax	2.6 Tax management	257	Disclosure 207-3: Aspects reported as referred to points a. i.
	Disclosure 207-4 Country-by-country reporting	GRI 207 - FY 2021 GRI Disclosure Table	334-337	Disclosure 207-4: Aspects reported as referred to points a. i., ii., iii, iv, v, vi, vii, viii, ix, x

GRI Standard	Disclosure	Paragraph		Notes
		Section	Page	
Material topics				
GRI 3: Material Topics – 2021 version	Disclosure 3-1 Process to determine material topics	2.2.2. Relevant topics for the DiaSorin Group	248	-
	Disclosure 3-2 List of material topics	2.2.2. Relevant topics for the DiaSorin Group	248	-
Material Topic: Research, innovation and technological excellence				
GRI 3: Material Topics – 2021 version	Disclosure3-3 Management of material topics	3. Identification of risks and opportunities; 7. Research, innovation and technological excellence	260; 278	-
Material topic: Quality of products and processes				
GRI 3: Material Topics – 2021 version	Disclosure3-3 Management of material topics	3. Identification of risks and opportunities; 5. Quality of products and processes	260; 268	-
Material topic: Customer satisfaction				
GRI 3: Material Topics – 2021 version	Disclosure3-3 Management of material topics	3. Identification of risks and opportunities; 6. Customer relations and customer satisfaction	260; 275	-
Material topic: Employment and dialogue with social partners				
GRI 3: Material Topics – 2021 version	Disclosure3-3 Management of material topics	3. Identification of risks and opportunities; 8. Employee management	260; 285	-
GRI 401: Employment - 2016 version	Disclosure 401-1 New employee hires and employee turnover	8. Employee management	296-297	New hires and turnover rate are determined as the ratio of employees who joined and left the company in 2022 to the workforce at 12/31 of the year under consideration. New hires rate is presented at Group level (cumulative). The indicator is not presented with a breakdown by geographical area.
Material Topic: Business ethics, anti-corruption and fight against anti-competitive behavior				
GRI 3: Material Topics – 2021 version	Disclosure 3-3 Management of material topics	3. Identification of risks and opportunities; 4. Ethical business practices, fight against corruption and anti-competitive behavior	260; 265	-
GRI 205: Anti-Corruption – 2016 version	Disclosure 205-2 Communication and training about anti-corruption policies and procedures	4. Ethical business practices, fight against corruption and anti-competitive behavior	267	The indicator is presented in absolute value without breakdown by geographical area.

GRI Standard	Disclosure	Paragraph		Notes
		Section	Page	
Material topic: Training and development				
GRI 3: Material Topics – 2021 version	Disclosure3-3 Management of material topics	3. Identification of risks and opportunities; 8. Employee management	260; 285	-
GRI 404: Training and education - 2016 version	Disclosure 404-1 Average hours of training per year per employee	8. Employee management	297	Average training hours are determined as the ratio between training hours provided and number of employees at 12/31 of the reporting year. Part of 2022 figures is estimated as a complete information is not available. As no material changes occurred in 2022, estimate was carried our starting from training hours provided in 2021 and remeasured on the number of employees in force at December 31, 2022.
	Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews	8. Employee management	298	The indicator refers to employees that have a part of variable compensation (i.e., MBO, Incentives), managed through the PMP LEAD program and, more generally, to all employees subject to a formal periodic review of the performance. The abovementioned process includes employees hired in the last months of the year even though they have yet to be assessed.
Material Topic: Employees' welfare				
GRI 3: Material topic 2021	Disclosure3-3 Management of material topics	3. Identification of risks and opportunities; 8. Employee management	260; 285	-
Material topic: Management of relations with local communities				
GRI 3: Material topic 2021	Disclosure3-3 Management of material topics	3. Identification of risks and opportunities; 10. Relations with local communities	260; 312	-

GRI Standard	Disclosure	Paragraph		Notes
		Section	Page	
Material topic: Health and safety				
GRI 3: Material topic 2021	Disclosure3-3 Management of material topics	3. Identification of risks and opportunities; 9. Environment, health and safety	260; 299	-
GRI 403: Occupational Health and safety - 2018 version	Disclosure 403-1 Occupational health and safety management system	9. Environment, health and safety	299 and sub.	-
	Disclosure 403-2 Hazard identification, risk assessment and incident investigation	9. Environment, health and safety	299 and sub.	-
	Disclosure 403-3 Occupational health services	9. Environment, health and safety	299 and sub.	-
	Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety	9. Environment, health and safety	299 and sub.	-
	Disclosure 403-5 Worker training on occupational health and safety	9. Environment, health and safety	299 and sub.	-
	Disclosure 403-6 Promotion of worker health	9. Environment, health and safety	299 and sub.	-
	Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	9. Environment, health and safety	299 and sub.	-
	Disclosure 403-9 Work-related injuries	9. Environment, health and safety	310-311	Injury rate and lost day rate indicators are calculated dividing both the number of injuries and the number of lost workdays (calendar days) by total hours worked and multiplying that number per 1'000'000. Point b. not reported
Material Topic: Diversity and inclusion				
GRI 3: Material Topics – 2021 version	Disclosure3-3 Management of material topics	3. Identification of risks and opportunities; 8. Employee management	260; 285	-

GRI Standard	Disclosure	Paragraph		Notes
		Section	Page	
GRI 405: Diversity and equal opportunity - 2016 version	Disclosure 405-1 Diversity of governance bodies and employees	8. Employee management	285	Point b. reported Data reported in absolute value
	Disclosure 405-2 Ratio of basic salary and remuneration of women to men	8. Employee management	285	The ratio of women/men salary was computed adding the monthly wages of the Group's Companies' employees (except for small-sized commercial branches, as staff is composed only of men) converted into euros according to the average exchange rate in local currency in 2022. The report provides only the ratio of women/men basic salary. Data apply only to White Collars and Blue Collars.
Material topic: Environmental management				
GRI 3: Material Topics – 2021 version	Disclosure 3-3 Management of material topics	3. Identification of risks and opportunities; 9. Environment, health and safety	260; 299	-
GRI 302: Energy - 2016 version	Energy consumption within the organization	9. Environment, health and safety	306	For conversion of energy consumption in GJ the company used DEFRA, UK Government GHG Conversion Factors for Company Reporting. Electricity consumption was broken down into renewable and non-renewable sources, on the basis of the composition of the energetic mix used for the electricity produced from suppliers (where expressly indicated in the electricity bill).
GRI 302: Water and effluents - 2018 version	Disclosure 303-1 Interactions with water as a shared resource	9. Environment, health and safety	306	-
	Disclosure 303-2 Management of water discharge-related impacts	9. Environment, health and safety	306	-
	Disclosure 303-3 Water withdrawal	9. Environment, health and safety	306	-

GRI Standard	Disclosure	Paragraph		Notes
		Section	Page	
GRI-305: Emission - 2016 version	Disclosure 305-1 Direct (Scope 1) GHG emissions	9. Environment, health and safety	307	For conversion of consumption in GJ the company used DEFRA, UK Government GHG Conversion Factors for Company Reporting and Terna - international comparisons. Computation of Scope 1 emissions includes direct emissions from the combustion of fuel to generate thermal energy for heating system or for production processes, for vehicles and refrigerant gas emissions.
	Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	9. Environment, health and safety	307	Computation of Scope 2 emissions includes emissions connected to electricity consumption from renewable and non-renewable sources and purchase of thermal energy, as well as heating system at the Italian headquarter where such expenditure is included among common costs. These emissions are calculated according to the location-based mode. Given the energy composition of the organization, the market-based mode is not, to date, applicable.
GRI 306: waste - 2020 version	Disclosure 306-1 Waste generation and significant waste-related impacts	9. Environment, health and safety	308	-
	Disclosure 306-2 Management of significant waste-related impacts	9. Environment, health and safety	308	-
	Disclosure 306-3 Waste generated	9. Environment, health and safety	308	-
	Disclosure 306-4 Waste diverted from disposal	9. Environment, health and safety	309	The indicator is reported for waste of those manufacturing facilities that generate most of the waste.
	Disclosure 306-5 Waste directed to disposal	9. Environment, health and safety	309	The indicator is reported for waste of those manufacturing facilities that generate most of the waste.
Material topic: Human Rights				
GRI 3: Material Topics – 2021 version	Disclosure 3-3 Management of material topics	2.3 The Group's Code of Ethics; 3. Identification of risks and opportunities	255; 260	-

13. GRI 207 disclosure table - FY 2021

	Revenues from customers	Infra-group Revenues	Profit/loss before tax		Taxes paid ("Cash Basis")	Accrued taxes	Number of employees	Tangible assets
Italy	248,853	406,947	173,365		61,260	42,676	735	166,927
Austria	19,954	2	2,128		452	540	17	2,102
Australia	20,618	48	1,768		902	642	23	6,907
Belgium	19,974	888	2,658		978	638	23	2,071
Brazil	16,360	6	525		568	(560)	37	3,519
China	49,664	4,350	(1,063)		527	(218)	156	26,319
Rep. Czech	12,562	2	1,508		107	221	14	1,608
Germany	62,725	22,521	4,402		949	1,296	187	18,152
Spain	48,482	555	4,719		2,299	1,409	39	6,525
France	40,152	915	3,751		1,072	1,076	54	5,656
UK	16,696	20,104	1,824		56	343	123	27,518
Mexico	7,664	737	119		207	290	23	3,183
Holland	10,644	4,955	1,439		258	330	60	2,912
Portugal	4,439	50	208		34	48	2	810
Sweden	14,369	(7)	388			177	16	832
Switzerland	18,571	16	1,928		270	253	13	1,165
Poland	15,120	14	1,330		34	293	17	2,918
India	5,974	81	820				36	2,364
USA	580,792	205,011	193,257		47,693	39,237	1,721	315,915
Israel	19,840	219	2,217		1,135	541	16	2,766
South Africa	5		(6)			161		0
Canada	25,187	6,158	11,846		407	2,311	112	15,416
Ireland	6	(1)	(19)			35		0
Singapore	5	813	36			0	5	
Slovakia	2,497		(52)		(41)	13	3	383
Dubai								
Hong Kong	90	1,125	89		7	(14)	12	464
Japan	199	1,377	134		56	54	12	864
TOTAL	**1,261,442**	**676,886**	**409,319**		**119,230**	**91,792**	**3,456**	**617,296**

Tax Jurisdiction	Constituent bodies resident in the fiscal jurisdiction	Fiscal jurisdiction of the organization or constituent body if different from fiscal jurisdiction residence		Research & Development	Holding or managing intellectual property	Production	Sale, marketing or distribution	Administrative, management and support services	Holding shares or other equity instruments	Dormant
Italy	DIN Limited	Ireland			X					
Italy	DIASORIN SPA			X	X	X	X	X	X	
Austria	DiaSorin Austria GmbH						X			
Australia	DiaSorin Australia Pty Ltd						X			
Australia	Labpac Pty Ltd.									X
Belgium	DiaSorin SA/NV						X			
Brazil	DIASORIN LTDA						X			
China	DiaSorin Ltd						X			
China	Luminex Trading (Shanghai) Co. Ltd							X		
Rep. Czech	DiaSorin Czech s.r.o.						X			
Germany	DiaSorin Deutschland GmbH					X	X			
Germany	Luminex Munich GmbH							X		
Spain	DiaSorin Iberia S.A.						X			
France	DiaSorin SA						X			
France	Luminex Paris SAS							X		
UK	DiaSorin Limited						X			
UK	DiaSorin S.p.A. UK Branch					X				
UK	Luminex London Ltd							X		
Mexico	DiaSorin Mexico SA CV						X			
The Netherlands	DiaSorin SA/NV Dutch Branch						X			
The Netherlands	Luminex B.V.							X		
The Netherlands	Luminex 3 B.V.								X	
The Netherlands	Luminex 2 B.V.								X	
Portugal	DiaSorin Iberia, S.A. Portugal Branch						X			
Sweden	DiaSorin AB						X			
Switzerland	DiaSorin Switzerland AG						X			
Poland	DiaSorin Polska sp. z o.o.						X			
India	DiaSorin Healthcare India Pvt Ltd						X			
USA	DiaSorin Inc.			X	X	X	X		X	
USA	DiaSorin Molecular,LLC			X		X	X			
USA	Luminex Corporation			X	X	X	X		X	
USA	Nanosphere LLC									X
USA	Chandlertec LLC									X
USA	Amnis LLC									X
USA	Luminex International Inc								X	
USA	Iris Biotech LLC									X
Israel	DiaSorin Ltd						X			
South Africa	DiaSorin South Africa PTY Ltd									X
Canada	DiaSorin Canada, Inc.							X		
Canada	Luminex Molecular Diagnostics Inc.			X	X	X				
Ireland	DiaSorin Ireland Ltd									X
Ireland	DiaSorin IN. UK Limited									X
Singapore	DiaSorin Apac Pte							X		
Slovakia	DiaSorin Czech, s.r.o., organizačná zložka						X			
Dubai	DiaSorin Middle East FZ-LLC							X		
Hong Kong	Luminex Hong Kong Co. Ltd							X		
Japan	Luminex Japan Corporation Ltd							X		

14. ANNEX (TO TAXONOMY)

In this annex we provide the templates containing the disclosure requirements accompanying the Key Performance Indicators ("KPI") of non-financial businesses, pursuant to art. 1.2 of Annex I to the art. 8 Delegated Act, for 2022 year.

Table 1 - Turnover

Share of turnover from products or services associated with taxonomy aligned activities

Economic activities	Code/s	Absolute turnover	Share of turnover	Criteria to contribute substantially			Criteria for "do no significant harm"							Share of turnover aligned with taxonomy year 2022	Share of turnover aligned with taxonomy, year 2021	Category (enabling activity)	Category (transitional activity)
				Climate change mitigation	Adaptation to climate change		Climate change mitigation	Adaptation on to climate change	Water and marine resources	Circular Economy	Pollution	Biodiversity an ecosystems	Minimum Safeguards				
		EUR/000	%	%	%		S/N	S/N	S/N	S/N	S/N	S/N	S/N	Percentage	Percentage	A	T
A. Activities eligible for taxonomy																	
A.1 Environmentally sustainable activities (taxonomy aligned)																	
n.a.		0	0%	n.a	n.a		n.a	n.a	n.a	n.a	n.a	n.a	n.a	0%	n.a	n.a	n.a
Turnover of environmentally sustainable activities (taxonomy aligned) (A.1)		0	0%	0%	0%		n.a	n.a	n.a	n.a	n.a	n.a	n.a	0%	n.a	n.a	n.a
A.2 Activities eligible for taxonomy but not environmentally sustainable (non-taxonomy aligned activities)																	
n.a.		0	0%											0%			
Turnover from activities eligible for taxonomy but environmentally sustainable (non-taxonomy aligned activities) (A.2)		0	0%											0%			
Total (A.1 + A.2)		**0**	**0%**											**0%**			

B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY			
Turnover from activities not eligible for taxonomy (B)		**1,361,138**	**100%**
Total (A+B)		**1,361,138**	**100%**

Table 2 - CapEx

Share of CapEx from products or services associated with taxonomy aligned activities.

Economic activities	Code/s	Absolute CapEx	Share of CapEx	Criteria to contribute substantially			Criteria for "do no significant harm"										
				Climate change mitigation	Adaptation to climate change		Climate change mitigation	Adapta-tion to climate change	Water and ma-rine re-sources	Circlura Economy	Pollution	Biodiver-sity and ecosys-tems	Minimum Safe-guards	Share of CapEx aligned with tax-onomy, year 2022	Share of Cap Ex aligned with tax-onomy, year 2021	Category (enbling activity)	Category (transi-tional Activity)
		EUR/000	*%*	*%*	*%*		*S/N*	*S/N*	*S/N*	*S/N*	*S/N*	*S/N*	*S/N*	*Percentage*	*Percentage*	*A*	*T*
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																	
A.1 Environmentally sustainable activities (taxonomy aligned)																	
n.a.		0	0%	n.a	n.a		n.a	n.a	n.a	n.a	n.a	n.a	n.a	0%	n.a	n.a	n.a
CapEx of environmentally sustainable activities (taxonomy aligned)		0	0%	0%	0%		n.a	n.a	n.a	n.a	n.a	n.a	n.a	0%	n.a	n.a	n.a
A.2 Activities eligible for taxonomy but not environmentally sustainable (non-taxonomy aligned activities)																	
Construction of new buildings	7.1	9,772	8%											8%			
Renovation of existing buildings	7.2	6,568	5%											5%			
Installation, maintenance and repair of eletric vehicle charging stations in buildings (and in parking spaces pertaining to buildings)	7.4	48	0,04%											0.04%			
CapEx of activities eligible for taxonomy but not environmentally sustainabe (non-taxonomy aligned activities)		64	14%											14%			
Total (A.1 + A.2)		**64**	**14%**											**14%**			

B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY			
CapEx of activities not eligible for taxonomy (B)		**103,739**	**86%**
Total (A+B)		**120,127**	**100%**

Table 3 - OpEx

Share of OpEx from products or services associated with taxonomy aligned activities.

Economic activities	Code/s	Absolute CapEx	Share of CapEx	Criteria to contribute substantially			Criteria for "do no significant harm"							Share of CapEx aligned with taxonomy, year 2022	Share of Cap Ex aligned with taxonomy, year 2021	Category (enbling activity)	Category (transitional Activity)
				Climate change mitigation	Adaptation to climate change		Climate change mitigation	Adaptation to climate change	Water and marine resources	Circlura Economy	Pollution	Biodiversity and ecosystems	Minimum Safeguards				
		EUR/000	%	%	%		S/N	S/N	S/N	S/N	S/N	S/N	S/N	Percentage	Percentage	A	T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																	
A.1 Environmentally sustainable activities (taxonomy aligned)																	
n.a.		0	0%	n.a	n.a		n.a	n.a	n.a	n.a	n.a	n.a	n.a	0%	n.a	n.a	n.a
CapEx of environmentally sustainable activities (taxonomy aligned)		0	0%	0%	0%		n.a	n.a	n.a	n.a	n.a	n.a	n.a	0%	n.a	n.a	n.a
A.2 Activities eligible for taxonomy but not environmentally sustainable (non-taxonomy aligned activities)																	
n.a		0	0%											0%			
OpEx of activities eligible for taxonomy but not environmentally sustainable (non-taxonomy aligned activities) (A.2)		0	0											0%			
Total (A.1 + A.2)		**0**	**0%**											**0%**			

B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY			
OpEx of activities not eligible for taxonomy (B)*		**103,935**	**100%**
Total (A+B)		**103,935**	**100%**

* As mentioned in the Regulation, calculation of OpEx in Taxonomy takes into account non-capitalized direct costs listed below:
- R&D costs;
- Costs for building renovation;
- Leasing costs;
- Maintenance and repair costs;
- All other direct costs connected to day-to-day use of assets (e.g. energy costs or cleaning costs).

15. Independent Auditors' Report on the Consolidated Non-Financial Statement

DIASORIN SPA

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3, PARAGRAPH 10, OF LEGISLATIVE DECREE NO. 254/2016 AND ARTICLE 5 OF CONSOB REGULATION NO. 20267 OF JANUARY 2018

YEAR ENDED 31 DECEMBER 2022

Independent auditor's report on the consolidated non-financial statement

pursuant to article 3, paragraph 10, of Legislative Decree no. 254/2016 and article 5 of CONSOB regulation no. 20267 of January 2018

To the Board of Directors of DiaSorin SpA

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the "Decree") and article 5 of CONSOB Regulation No. 20267/2018, we have undertaken a limited assurance engagement on the consolidated non-financial statement of DiaSorin SpA and its subsidiaries (the "Group" or "Diasorin Group") for the year ended 31 December 2022 prepared in accordance with article 4 of the Decree, presented in the specific section of the report on operations and approved by the Board of Directors on 27 March 2023 (the "NFS").

Our review does not extend to the information set out in paragraph "Taxonomy" of the NFS, required by article 8 of European Regulation 2020/852.

Responsibilities of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and with the "Global Reporting Initiative Sustainability Reporting Standards" updated in 2021 by the GRI - Global Reporting Initiative (the "GRI Standards"), with reference to a selection of GRI Standards identified by them as the reporting standards.

The Directors are also responsible, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the Directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the Group and to the extent necessary to ensure an understanding of the Group's activities, its performance, its results and related impacts.

Finally, the Directors are responsible for defining the business and organisational model of the Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Group and for the identification and management of risks generated and/or faced by the Group.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

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Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. Our audit firm adopts International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

Auditor's responsibilities

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the NFS with the Decree and with the GRI Standards. We conducted our work in accordance with International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the NFS is free of material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgement and consisted in interviews, primarily of company personnel responsible for the preparation of the information presented in the NFS, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

1. analysis of the relevant matters reported in the NFS relating to the activities and characteristics of the Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and with the reporting standard adopted;
2. analysis and assessment of the criteria used to identify the consolidation area, in order to assess their compliance with the Decree;
3. understanding of the following matters:
   a. business and organisational model of the Group with reference to the management of the matters specified by article 3 of the Decree;
   b. policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
   c. key risks generated and/or faced by the Group with reference to the matters specified in article 3 of the Decree.

   With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under point 4 a) below;
4. understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.

In detail, we held meetings and interviews with the management of DiaSorin SpA and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

Moreover, for material information, considering the activities and characteristics of the Group:

- at a group level,
  a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify its consistency with available evidence;
  b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information.
- for the following companies, DiaSorin Italia SpA, DiaSorin Ltda (Brazil) and Luminex Corporation Inc. (USA), which were selected on the basis of their activities, their contribution to the performance indicators at a consolidated level and their location, we carried out interviews with local management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of DiaSorin Group for the year ended 31 December 2022 is not prepared, in all material respects, in accordance with articles 3 and 4 of the Decree and the GRI Standards, with reference to a selection of GRI Standards identified by them as the reporting standards.

Our conclusions on the NFS of DiaSorin Group do not extend to the information set out in paragraph "Taxonomy" of the NFS, required by article 8 of European Regulation 2020/852.

Milano, 6 April 2023

PricewaterhouseCoopers SpA

Signed by	*Signed by*
Stefano Pavesi (Partner)	Paolo Bersani (Authorised signatory)

This report has been translated from the Italian original solely for the convenience of international readers. We have not performed any controls on the NFS 2022 translation

Consolidated financial statements of the DiaSorin Group

at December 31, 2022

1. Consolidated Income Statement pursuant to CONSOB Resolution no. 15519 of July 27, 2006

(€ thousands)	Notes	2022	*amount with related parties*	2021	*amount with related parties*
Net revenues	(1)	1,361,138		1,237,654	
Cost of sales	(2)	(460,525)		(412,883)	
Gross profit		**900,613**		**824,771**	
Sales and marketing expenses	(3)	(292,050)		(211,342)	
Research and development costs	(4)	(96,904)		(70,091)	
General and administrative expenses	(5)	(122,697)	(8,010)	(93,270)	(8,269)
Other operating income (expenses)	(6)	(37,702)		(30,569)	
Non-recurring amount		(24,062)		(21,902)	
EBIT		**351,260**		**419,499**	
Net financial income	(7)	9,645		2,817	
Net financial expense	(8)	(34,965)		(22,981)	
Result before taxes		**325,940**		**399,335**	
Income taxes	(9)	(85,830)		(88,603)	
Net result		**240,110**	**-**	**310,732**	**-**
Including:					
- Parent Company shareholders' interests in net result		240,907		310,968	
- Minority shareholders' interests in net result		(797)		(236)	
Basic earnings per share	**(10)**	**4.16**		**5.44**	
Diluted earnings per share	**(10)**	**4.15**		**5.40**	

2. Consolidated comprehensive income statement

(€ thousands)	12/31/2022	12/31/2021
Net result (A)	**240,110**	**310,732**
Other comprehensive gains/(losses) that will not be reclassified subsequently to gain/(loss) of the period:		
Gains/(losses) on remeasurement of defined benefit plans, net of tax effects	6,835	1,553
Total other comprehensive gains/(losses) that will not be reclassified subsequently to gain/(loss) of the period, net of tax effects	**6,835**	**1,553**
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	74,792	73,195
of which relating to net assets held for sale	*2,826*	-
Gains/(losses) on cash flow hedges, net of tax effects	37,346	6,224
Total other comprehensive gains/(losses) that will be reclassified subsequently to gain/(loss) of the period, net of tax effects	**112,138**	**79,419**
TOTAL OTHER COMPREHENSIVE GAINS/(LOSSES), NET OF TAX EFFECT (B1)+(B2)=(B)	**118,973**	**80,972**
TOTAL COMPREHENSIVE GAINS/(LOSSES) (A)+(B)	**359,083**	**391,704**
Including:		
- amount attributable to Parent Company shareholders	359,880	391,940
- amount attributable to minority interests	(797)	(236)

3. Consolidated statement of financial position, pursuant to CONSOB Resolution no. 15519 of July 27, 2006

(€ thousands)	notes	12/31/2022	amount with related parties	12/31/2021	amount with related parties
ASSETS					
Non-current assets					
Property, plant and equipment	(11)	268,448		276,197	
Goodwill	(12)	826,352		789,631	
Other intangibles	(12)	1,168,711		1,153,738	
Equity investments	(13)	26		26	
Deferred-tax assets	(14)	34,459		38,230	
Other non-current assets	(15)	3,722		4,323	
Other non-current financial assets	(22)	32,156		10,716	
Total non-current assets		*2,333,874*		*2,272,861*	
Current assets					
Inventories	(16)	306,503		298,049	
Trade receivables	(17)	220,035		217,588	
Other current assets	(18)	89,184		39,634	
Other current financial assets	(22)	171,442		-	
Cash and cash equivalents	(19)	241,776		403,020	
Total current assets		*1,028,940*		*958,291*	
Assets held for sale	(20)	45,267		-	
TOTAL ASSETS		**3,408,082**		**3,231,152**	

Consolidated statement of financial position (continued)

(€ thousands)	notes	12/31/2022	amount with related parties	12/31/2021	amount with related parties
LIABILITIES AND SHAREHOLDERS' EQUITY					
Shareholders' equity					
Share capital	(21)	55,948		55,948	
Treasury shares	(21)	(281,277)		(120,022)	
Additional paid-in capital	(21)	18,155		18,155	
Statutory reserve	(21)	11,190		11,190	
Other reserves and retained earnings	(21)	1,474,066		1,090,138	
Net profit for the year		240,907		310,968	
Total shareholders' equity of the Group		*1,518,989*		*1,366,377*	
Other reserves and retained earnings attributable to minority interests		1,558		1,798	
Net profit for the period attributable to minority interests		(797)		(236)	
Shareholders' equity attributable to minority interests		*761*		*1,562*	
Total shareholders' equity		**1,519,750**		**1,367,939**	
Non-current liabilities					
Non-current financial liabilities	(22)	1,231,965		1,294,747	
Provisions for employee benefits	(23)	32,481	4,333	40,917	3,096
Deferred-tax liabilities	(14)	229,310		185,337	
Provisions for risks and charges	(24)	30,272		25,392	
Other non-current liabilities	(25)	17,287		18,591	
Total non-current liabilities		*1,541,315*		*1,564,984*	
Current liabilities					
Trade payables	(26)	104,204		84,773	
Other payables	(27)	103,304	74	102,319	74
Current tax liabilities	(28)	13,786		6,255	
Current financial liabilities	(22)	120,020		104,882	
Total current liabilities		*341,314*		*298,229*	
Liabilities for assets held for sale	(20)	5,702		-	
Total liabilities		**1,888,332**		**1,863,213**	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,408,082**		**3,231,152**	

4. Consolidated statement of cash flows pursuant to CONSOB Resolution no. 15519 of July 27, 2006

	notes	12/31/2022	*amount with related parties*	12/31/2021	*amount with related parties*
Cash flow for the year					
Net profit for the year		240,110		310,732	
Adjustments for:					
- Income taxes	(9)	85,830		88,603	
- Depreciation and amortization	(11) (12)	153,267		95,993	
- Financial expense (income)	(7) (8)	25,320		20,164	
- Additions to/ (Utilizations of) provisions for risks	(24)	4,863		3,418	
- (Gains)/Losses on sales of non-current assets		-		(384)	
- Additions to/ (Reversals of) provisions for employee severance indemnities and other benefits	(23)	2,403		2,278	
- Stock options reserve	(21)	9,539		6,432	
- Currency translation reserve on operating activities	(21)	5,682		1,952	
- Change in other non-current assets/liabilities	(15) (25)	44	4,333	8,774	3,096
Cash flow from operating activities before changes in working capital		**527,058**		**537,962**	
(Increase)/Decrease in trade receivables	(17)	3,984		(7,180)	
(Increase)/Decrease in inventories	(16)	(26,225)		(905)	
Increase/(Decrease) in trade payables	(26)	19,431		6,789	
(Increase)/Decrease in other current items		(24,603)		(7,434)	
Cash from operating activities		**499,646**		**529,231**	**-**
Income taxes paid		(91,562)		(118,096)	
(Paid)/ collected interests		(18,742)		(10,471)	
Net cash from operating activities		**389,341**		**400,664**	**-**
Investments in intangible assets	(12)	(60,491)		(48,896)	
Investments in tangible assets	(11)	(53,195)		(68,477)	
Divestments in intangible and tangible assets	(11) (12)	21,304		6,937	
(Opening)/ Repayment of term deposits	(22)	(139,570)		-	
Cash used in regular investing activities		**(231,952)**		**(110,436)**	

	notes	12/31/2022	*amount with related parties*	12/31/2021	*amount with related parties*
Cash flow used in business combination transactions		-		(1,500,757)	
Cash used in investing activities		**(231,952)**		**(1,611,193)**	
(Repayment of)/ Proceeds from loans and other financial liabilities	(22)	(116,142)		1,319,774	
(Purchase)/Sale of treasury shares	(21)	(159,849)		(8,578)	
Dividends paid	(21)	(57,052)		(54,709)	
Cash used in financing activities		**(333,043)**		**1,256,486**	
Foreign exchange translation differences		14,410		17,182	
Net change in cash		**(161,244)**		**63,139**	
Cash and cash equivalents - Opening balance		**403,020**		**339,881**	
Cash and cash equivalents - Closing balance		**241,776**		**403,020**	

5. Statement of changes in consolidated shareholders' equity

(€ thousands)	Share capital	Treasury shares	Additional paid-in capital	Statutory reserve	Currency translation reserve	Stock option reserve	Reserve for treasury shares	Other reserves and retained earnings	Net profit (loss) for the year	Group interest in shareholders' equity	Minority interest in shareholders' equity	Total interest in shareholders' equity
Shareholder's 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)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(54,709)	-	(54,709)	-	(54,709)
Stock options and other changes	-	-	-	-	-	5,749	-	683	-	6,432	-	6,432
Sale /(purchase) of treasury shares	-	(10,476)	-	-	-	-	10,476	(8,578)	-	(8,578)	-	(8,578)
Put/Call option rights in subsidiaries	-	-	-	-	-	-	-	16,815	-	16,815	157	16,972
Ex IAS 32 convertible debt reclassification	-	-	-	-	-	-	-	59,800	-	59,800	-	59,800
Profit for the period	-	-	-	-	-	-	-	-	*310,968*	*310,968*	(236)	*310,732*
Translation adjustments	-	-	-	-	73,195	-	-	-	-	73,195	-	73,195
Gains/(losses) from remeasurement of defined benefits plans, net of tax effect	-	-	-	-	-	-	-	1,553	-	1,553	-	1,553
Cash flow hedge reserve	-	-	-	-	-	-	-	6,224	-	6,224	-	6,224
Other changes in the comprehensive income statement	-	-	-	-	*73,195*	-	-	*7,777*	-	*80,972*	-	*80,972*
Comprehensive profit for the period	-	-	-	-	73,195	-	-	7,777	310,968	391,940	(236)	391,704
Shareholders' equity at 12/31/2021	**55,948**	**(120,022)**	**18,155**	**11,190**	**46,208**	**17,312**	**120,022**	**906,598**	**310,968**	**1,366,377**	**1,562**	**1,367,939**
Appropriation of previous year's profit	-	-	-	-	-	-	-	310,968	(310,968)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(57,316)	-	(57,316)	-	(57,316)
Stock options and other changes	-	-	-	-	-	8,133	-	1,406	-	9,539	-	9,539
Sale /(purchase) of treasury shares	-	(161,255)	-	-	-	-	161,255	(159,849)	-	(159,849)	-	(159,849)
Put/Call option rights in subsidiaries	-	-	-	-	-	-	-	354	-	354	-	354
Other changes	-	-	-	-	-	-	-	4	-	4	(4)	-
Profit for the period	-	-	-	-	-	-	-	-	*240,907*	*240,907*	*(797)*	*240,110*
Translation adjustments	-	-	-	-	74,792	-	-	-	-	74,792	-	74,792
Gains/(losses) from remeasurement of defined benefits plans, net of tax effect	-	-	-	-	-	-	-	6,835		6,835	-	6,835
Cash flow hedge reserve	-	-	-	-	-	-	-	37,346	-	37,346	-	37,346
Other changes in the comprehensive income statement	-	-	-	-	*74,792*	-	-	*44,181*	-	*118,973*	-	*118,973*
Comprehensive profit for the period	-	-	-	-	74,792	-	-	44,181	240,907	359,880	(797)	359,083
Shareholders' equity at 12/31/2022	**55,948**	**(281,277)**	**18,155**	**11,190**	**121,000**	**25,444**	**281,277**	**1,046,346**	**240,907**	**1,518,989**	**761**	**1,519,750**

6. Notes to the consolidated financial statements at December 31, 2022

General information and scope of consolidation

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

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

The Board of Directors authorized the publication of these Consolidated Financial Statements on March 27, 2023.

Principles for the preparation of the consolidated financial statements
The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRSs"), the "International Accounting Standards" (IAS), the interpretations of the "International Reporting Interpretations Committee" (IFRIC), previously known as the "Standing Interpretations Committee" (SIC) which, at the closing date of the consolidated financial statements, have been endorsed by the European Union according to the procedure laid down in Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002.

The consolidated financial statements have been prepared on the basis of the company as a going concern, as the Directors have verified that there are no financial, managerial or other indicators that may show critical issues concerning the Group capacity to fulfil its commitments in the foreseeable future and, more specifically, in the next 12 months. A description of how the Group manages financial risks is provided in the notes to the Management of financial risks.

These consolidated financial statements are denominated in Euros, which is the currency of the main economic environment in which the Group operates. All amounts are stated in thousands of euros, unless otherwise stated.

Financial statements presentation format
The following provides the presentation formats and classification criteria adopted by the Group in respect of the accounting options set forth in IAS 1 Presentation of financial statements:
- The Consolidated Statement of Financial Position has been prepared by classifying assets and liabilities according to the "current/non-current" criteria;
- The Comprehensive Income Statement has been prepared by classifying expenses by function in addition to profit (loss) of the period, other changes in equity other than transactions carried out with Company's shareholders. This classification of the income statement, or by destination, is representative of the format used for internal reporting and management purposes and is in line with international practice in diagnostic sector;
- the Consolidated Statement of Cash flows is presented by stating cash flows provided by operating activities according to the "indirect method";
- pursuant to Consob Resolution no. 15519 of 28 July 2006, within the income statement income and expenses, where present, from non-recurring transactions are identified separately; similarly, the financial statements show separately any balances related to receivable/payable positions and transactions with related parties, which are further described in the section of these Notes to the financial statements entitled "Transactions with related parties".

The Consolidated Financial Statements have been prepared based on the conventional historical cost criterion, except for the measurement of financial assets and liabilities in those cases in which the use of the fair value criterion is mandatory.

Scope of consolidation
The consolidated financial statements include the financial statements of DiaSorin S.p.A., the Group's Parent Company, and its subsidiaries at December 31, 2022. The financial statements of the consolidated companies are those prepared by their Boards of Directors for approval by the shareholders.

Subsidiaries are companies over which DiaSorin S.p.A, directly or indirectly, has the right to exercise control, as defined in IFRS 10 "Consolidated Financial Statements." In order to assess the existence of control, the following three requirements are to be satisfied:
- power over the company;
- exposure to the risks and rights deriving from the variable returns entailed by its involvement;
- ability to influence the company so as to influence the investor's (positive or negative) results.

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

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

Compared to December 31, 2021, no changes occurred in the scope of consolidation.

Investments in subsidiaries
A list of direct and indirect investments in subsidiaries at December 31, 2022 and December 31, 2021 is provided below:

Company	Country	At December 31, 2022		At December 31, 2021	
		% held by the Group	% minority interest	% held by the Group	% minority interest
Direct investments					
DiaSorin Italia S.p.a.	Italy	100%	-	-	-
DiaSorin S.A/N.V.	Belgium	100%	-	100%	-
DiaSorin Ltda	Brazil	100%	-	100%	-
DiaSorin S.A.	France	100%	-	100%	-
DiaSorin Iberia S.A.	Spain	100%	-	100%	-
DiaSorin Ltd	UK	100%	-	100%	-
DiaSorin Inc.	USA	100%	-	100%	-
DiaSorin Mexico S.A de C.V.	Mexico	100%	-	100%	-
DiaSorin Deutschland GmbH	Germany	100%	-	100%	-
DiaSorin AB	Sweden	100%	-	100%	-
DiaSorin Ltd	Israel	100%	-	100%	-
DiaSorin Austria GmbH	Austria	100%	-	100%	-
DiaSorin Czech s.r.o.	Czech Republic	100%	-	100%	-
DiaSorin South Africa (PTY) Ltd	South Africa	100%	-	100%	-
DiaSorin Australia (Pty) Ltd	Australia	100%	-	100%	-
DiaSorin Ltd	China	76%	24%	76%	24%
DiaSorin Switzerland AG	Switzerland	100%	-	100%	-
DiaSorin Poland sp. z o.o.	Poland	100%	-	100%	-
DiaSorin Ireland Limited	Ireland	100%	-	100%	-
DiaSorin I.N.UK Limited	Ireland	-	-	100%	-
DiaSorin I.N. Limited	Ireland	100%	-	100%	-
DiaSorin APAC Pte Ltd	Singapore	100%	-	100%	-
DiaSorin Middle East FZ-LLC	UAE	100%	-	100%	-

Company	Country	At December 31, 2022		At December 31, 2021	
		% held by the Group	% minority interest	% held by the Group	% minority interest
Indirect investment					
DiaSorin Canada Inc	Canada	100%	-	100%	-
DiaSorin Healthcare India Private Limited	India	100%	-	100%	-
DiaSorin Molecular LLC	USA	100%	-	100%	-
Luminex Corporation	USA	100%	-	100%	-
Luminex International, Inc.	USA	100%	-	100%	-
Nanosphere LLC	USA	100%	-	100%	-
ChandlerTec LLC	USA	100%	-	100%	-
Iris Biotech LLC	USA	100%	-	100%	-
Amins LLC	USA	100%	-	100%	-
Labpac Pty Ltd	Australia	100%	-	100%	-
Luminex Molecular Diagnostics Inc.	Canada	100%	-	100%	-
Luminex B.V.	Netherlands	100%	-	100%	-
Luminex 2 B.V.	Netherlands	100%	-	100%	-
Luminex 3 B.V.	Netherlands	100%	-	100%	-
Luminex Japan Corp. Lts.	Japan	100%	-	100%	-
Luminex Trading (Shanghai) Co. Ltd.	China	100%	-	100%	-
Luminex Hong Kong Ltd.	Hong Kong	100%	-	100%	-
Luminex London Ltd.	UK	100%	-	100%	-
Luminex Munich GmbH	Germany	-	-	100%	-
Luminex Paris SaS	France	-	-	100%	-

A complete list of the investee companies containing information about head office location and the percentage interest held by the Group is provided in Annex I.

The main changes occurred in investments in subsidiaries are provided below:

- in May, the liquidation of the Irish subsidiary DiaSorin I.N.UK was completed;
- in August, the mergers of two companies directly controlled by Luminex Corporation were completed. In particular, Luminex Munich GmbH was merged into DiaSorin Deutscheland GmbH, and Luminex Paris SaS was merged into DiaSorin S.A.;
- in January, DiaSorin Italia Srl was set up and subsequently converted into DiaSorin Italia S.p.A in July, through the contribution in kind of the business unit related to the Parent Company's operating activities.

All the above changes have been classified as under common control transactions, generating no accounting impacts on these consolidated financial statements.

Investments in joint ventures

At December 31, 2022, the Group did not hold investments classified as joint ventures pursuant to IFRS 11.

Business combinations

In 2022, the company completed the final allocation of assets and liabilities acquired through the business combination of Luminex Corporation, which was completed in 2021.

The following table provides assets and liabilities acquired at fair value arising from the final allocation of the consideration paid for the acquisition:

(€ thousands)	*Carrying amounts at the acquisition date*	*Fair value*
ASSETS		
Property, plant and equipment	102,417	102,417
Intangible assets	6,603	906,629
Other non-current assets	1,244	1,244
Deferred-tax assets	53,810	-
Other non-current financial assets	373	373
TOTAL NON-CURRENT ASSETS	**164,447**	**1,010,662**
Inventories	114,941	105,910
Trade receivables	44,730	44,730
Other current financial assets	17,779	17,779
Other current assets	8,424	8,424
Cash and cash equivalents	249,148	249,148
TOTAL CURRENT ASSETS	**435,022**	**425,990**
TOTAL ASSETS	**599,468**	**1,436,653**
LIABILITIES		
Non-current financial liabilities	256,683	256,683
Deferred-tax liabilities	-	159,877
Other non-current liabilities	1,884	9,880
TOTAL NON-CURRENT LIABILITIES	**258,566**	**426,440**
Trade payables	10,244	10,232
Other payables	152,386	152,386
Current financial liabilities	5,013	5,013
TOTAL CURRENT LIABILITIES	**167,643**	**167,631**
TOTAL LIABILITIES	**426,209**	**594,071**
TOTAL ACQUIRED NET ASSETS	**173,259**	**842,582**
Goodwill		599,408
Total fair value consideration		**1,441,990**

Principles of consolidation, valuation criteria and accounting standards

Principles of consolidation
The financial statements of subsidiaries and branches are consolidated by the line-by-line consolidation method.

Under this method, assets, liabilities, expenses and revenues are consolidated using their full amount, irrespective of the percentage interest held, and the minority interest in shareholders' equity and net profit is shown in separate line items of the consolidated financial statements.

When preparing the consolidated financial statements, intra-Group balances and transactions, including unrealized intra-Group gains and losses, are eliminated.

All assets and liabilities of foreign companies included in the scope of consolidation that are denominated in foreign currencies are translated into euros at the exchange rates in force on the date of the financial statements. Revenues and expenses are translated into euros at the average exchange rate for the year. Currency translation differences generated by the use of this method are posted to a shareholders' equity in the "translation reserve" item until the corresponding equity investment is sold.

Transactions in foreign currencies are recognized at the exchange rate in force on the transaction date. Cash assets and liabilities denominated in foreign currencies that are outstanding on the date of the financial statements are converted at the exchange rate in force on that date.

Business combinations
Business combinations by virtue of which control is acquired over an entity are recognized, as required by the provisions of IFRS 3 Business Combinations, in accordance with the acquisition method. The acquisition cost is represented by the fair value on the acquisition date of the assets being sold, the assumed liabilities and any issued equity instruments. The identifiable acquired assets, assumed liabilities and contingent liabilities are recognized at their fair value on the date of acquisition, except for deferred tax assets and liabilities, assets and liabilities for employee benefits and assets held for sale, which are recognized in accordance with the respective reference accounting standards. The difference between the acquisition cost and the fair value of the acquired assets and liabilities, if positive, is recognized among intangible assets as goodwill or, if negative, after checking again the correct measurement of the fair values of the acquired assets and liabilities and the acquisition costs, is recognized directly in profit or loss, as a gain. Incidental transaction costs are recognized in profit or loss when incurred.

Under the definition of IFRS 3, acquisition of business occurs when such business includes an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of "output" is narrowed to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

Where total control is not acquired, the share of shareholders' equity attributable to minority interests is determined based on the share of the current values attributed to assets and liabilities at the date of acquisition of control, net of any goodwill (the so-called partial goodwill method). Alternatively, the full amount of the goodwill generated by the acquisition is recognized, therefore also taking into account the portion attributable to minority interests (the so-called full goodwill method). In this case, minority interests are expressed at their total fair value, including the attributable share of goodwill. The choice of how to determine goodwill (partial goodwill method or full goodwill method) is made based on each individual business combination transaction.

The cost of acquisition includes contingent consideration, recognized at its acquisition-date fair value. Subsequent changes in fair value are recognized in income statement or other comprehensive income statement if the contingent consideration is a financial asset or liability. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for directly in equity.

If, in a business combination, control is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and recognizes the resulting gain or loss in the income statement.

Acquisitions of non-controlling interests in entities which are already controlled by the acquirer or disposals of non-controlling interests that do not involve a loss of control are treated as equity transactions; therefore, any difference between the cost of acquisition/disposal and the related share of net assets acquired/sold is accounted for as an adjustment to the Group's equity.

Call/put options exchanged between the Parent Company and minority shareholders are recognized considering if risks and benefits are transferred with the contract. Specifically, the Group recognizes a financial liability on the date the contract is executed against the Group's equity when the minority shareholders retain the transaction's risks and benefits, or against the minority shareholder's equity when the transaction's risks and benefits are transferred to the majority shareholder. Any subsequent changes in the value of the liability are recognized in equity.

Valuation criteria and accounting standards

Property, plant and equipment
The item includes:
- a) Land;
- b) Industrial buildings;
- c) General purpose and specialized facilities;
- d) Machinery;
- e) Manufacturing and distribution equipment;
- f) Right-of-use assets (in accordance with IFRS 16 accounting standard);
- g) other assets.

Items of property, plant and equipment are valued at cost and recognized at their acquisition or production cost, plus directly attributable incidental expenses. Their cost is reduced by depreciation (with the exception of land, which is not depreciated) and write-downs for impairment.

Depreciation is computed on a straight-line basis at rates that reflect an asset's decrease in value and wear and tear. Depreciation is computed from the moment an asset is available for use.

Significant components of property, plant and equipment that have different useful lives are recognized separately and each one is depreciated in accordance with its own useful life.

The useful lives and residual values of these assets are reviewed each year upon the closing of the annual financial statements.

In accordance with the IFRS 16 accounting standards, the Group as lessee recognizes the so-called right-of-use asset at the initial leasing date (i.e., the date on which the underlying asset is available for use). Right-of use-asset is measured at cost, net of any accumulated depreciation and impairments and adjusted for any remeasurement of the lease liability. The cost of the right-of-use asset includes the amount of the lease liabilities recognized, the initial direct costs incurred and the payment of leases at the commencement date or before, net of any incentives received. The right-of-use asset is depreciated on a straight-line basis from the lease commencement date to the end of the useful life of the right-of use asset or, if earlier, to the lease's term.

If the lease transfers ownership of the asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise the option to purchase the asset, the Group shall depreciate the right-of-use asset from the lease commencement date to the end of the useful life of the underlying asset.

The depreciation rates used are as follows:

Asset type	Depreciation rates
Industrial buildings	5.5%
General purpose and specialized facilities	10-12.5%
Machinery	12%
Manufacturing and distribution equipment	40%
Equipment held by customers	14-25%
Reconditioned equipment held by customers	20-33%
Right-of-use assets	5.5-33%

Costs incurred for regular maintenance and repairs are charged directly to income statement the year they are incurred. Costs incurred to recondition equipment are capitalized only to the extent that the reconditioned equipment meets the requirements to be recognized separately as an asset or an asset component in accordance with the "component approach". Reconditioning costs and any non-depreciated residual values are depreciated over the asset's residual life, which is estimated at three years.

Leasehold improvements that meet the requirements of IAS 16 "Property, Plant and Equipment" are classified as property, plant and equipment and depreciated over the asset's residual life or the remaining length of the lease, whichever is shorter.

If, irrespective of the amount of depreciation already taken, the recoverable value of an asset, computed in accordance with the method provided in IAS 36, is lower than its carrying value, the latter is written down to the assets' recoverable value and the resulting impairment loss is recognized. If in subsequent years the reasons for the original write-down cease to apply, the asset is restored to its original value (net of any depreciation that would have been taken had the asset not been written down) or its recoverable value, whichever is lower.

Gains and losses on the disposal or retirement of assets, which are computed as the difference between the sales proceeds and the asset's net carrying value, are recognized in the income statement for the year.

In accordance with IFRS 16 accounting standard, if changes to lease contracts result in a change in the accounting for the existing lease, the Group recognizes a remeasurement of the carrying amount of the right-of-use asset and a change, at the same time, in the lease liability; any gains or losses resulting from the remeasurement are recognized in the income statement of the period.

Intangible assets

Intangible assets are recognized as assets in the statement of financial position only if they are identifiable, controllable, and it is likely that they will generate future economic benefits and their cost can be measured reliably.

Intangible assets with a finite useful life are valued at their acquisition or production cost or at their appraised value, net of accumulated amortization and impairment losses. Amortization is computed on the basis of an asset's estimated useful life and begins when an asset is available for use. Useful lives are reviewed annually and the impact of any changes is reflected prospectively.

Intangible assets with an indefinite useful life are not amortized. They are tested for impairment annually or more frequently, if necessary, even when there are no indications that the value of the assets has been impaired. These tests are carried out for each cash generating unit to which intangible assets have been allocated.

Intangible assets with an indefinite useful life

Goodwill

Goodwill arising from business combinations represents the positive difference between the acquisition cost and the fair value of the Group's interest of assets, liabilities and contingent liabilities identifiable at the acquisition date. Goodwill is recognized as an intangible asset with an indefinite useful life and is not amortized. However, its carrying amount is tested once a year (or more often if necessary) for impairment, and to test the indefinite life assumption. Impairment losses are immediately recognized in profit or loss and may not be reversed subsequently. After initial recognition, goodwill is valued at cost, net of any accumulated impairment losses. When a subsidiary is sold, the net carrying amount of the goodwill allocated to that subsidiary is included in the computation of the gain or loss generated by the sale.

For impairment test purposes, goodwill is allocated to the cash generating units (CGUs).

Intangible assets with a defined useful life

Development costs

Costs incurred internally to develop new products or systems constitute an intangible asset and may be recognized as such only if all the following requirements can be satisfied:

- It is a technically feasible to complete an asset so that it will be available for use or sale and the Group intends to do so;
- the Group is able to sell, exchange or distribute the future economic benefits attributable to an asset without having to relinquish future economic benefits generated by other assets used by the same cash generating unit;
- there is evidence that the costs incurred will generate probable future economic benefits. Such evidence can consist of the existence of a market for the output of the asset or of the usefulness of the asset, if used internally;
- adequate technical and financial resources to complete the development nad sale of the asset or use internally its resulting products;
- the costs attributable to the asset during its development can be reliably valued.

Capitalized development costs include only the expenditures that can be attributed directly to the development process.

In the first year, amortization is computed based on the length of time during which the asset is effectively in use. The useful life of these costs is estimated on the maximum length of time during which management believes that the asset will generate economic benefits.

Research and development costs that do not satisfy the requirements listed above are charged to income immediately and may not be capitalized in subsequent years.

Other intangible assets

Other intangible assets are recognized in the statement of financial position only it is probable that their use will generate future economic benefits and if their cost can be measured reliably. If these conditions are met, these intangible assets are recognized at their purchase cost, which is their purchase price plus incidental expenses.

The gross carrying amount of intangible assets with a finite useful life is amortized on a straight-line basis based on the assets' estimated useful lives. Amortization begins when an asset is put into use. In the first year, amortization is computed based on the length of time during which the asset is effectively in use. The Group uses the following amortization rates:

Asset type	Amortization rates
Concessions, licenses and similar rights	6.67% -10% or length of contract
Customer relationship	5% - 6.67% -10%
Trademarks	5% - 20%
Industrial patent and intellectual property rights	6.67% - 10% or legal duration

The duration of the amortization period, which is based on internal analyses and valuations, development plans and the return flows from their use, is deemed to be consistent with expectations concerning the duration and development of the Group's activities and products and with the likelihood that the positions achieved in the diagnostics market will be retained.

Impairment of assets
The Group tests the net carrying value of its property, plant and equipment and its intangible assets once a year to determine whether the value of these assets has been impaired. If evidence of impairment is detected, the recoverable value of the affected assets is determined. Intangible assets with an indefinite useful life, intangibles that are not yet ready for use and goodwill generated through a business combination are tested for impairment every year, even when there is no indication that the value of the assets has been impaired or, more often, if there is an indication that their value may have been impaired.

An asset's recoverable amount is the higher of its fair value, less cost to sell, and its value in use, computed as the present value of the future cash flows expected to be derived from an asset or cash-generating unit. Expected future cash flows reflect assumptions that are consistent with the criteria applied to determine the discount rate. Cash flow projections are based on the most recent Company's plans and on reasonable and documented assumptions about the Group's future results and macroeconomic conditions.

The discount rate used must reflect the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

When the recoverable amount of an individual asset cannot be estimated, the Group estimates the recoverable amount of the CGU to which the asset belongs. Particularly, the CGUs identified by the DiaSorin Group coincide with the legal entities of the Group or with their homogeneous combination.

Whenever the recoverable amount of an asset or a CGU is lower than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the reduction is recognized as an impairment loss in the income statement Subsequently, if an impairment loss for an asset other than goodwill ceases to exist or is reduced, the carrying amount of the asset (or CGU) is increased to the new estimated recoverable amount (but not more than the asset's net carrying amount had no impairment loss been recognized). This reversal is recognized immediately in earnings. Impairment losses recognized on goodwill or intangibles with indefinite useful life are in no way recoverable.

Inventories
Inventories, which consist mainly of raw materials, work-in-progress and finished products, are recognized as the lower of the purchase or production cost and net realizable value, determined in accordance with market conditions. Purchase costs include the price paid to suppliers plus the incidental expenses incurred to bring the purchased goods to the warehouse door, net of discounts and allowances. Production costs include the costs directly attributable to individual goods or classes of goods, plus a reasonable allocation of the overall outlays incurred for the activities carried out to produce the goods in question (general manufacturing costs). As regards the distribution of general manufacturing costs, the allocation of product cost is based on the normal capacity of the production facilities.

Cost is determined by the FIFO method.

The carrying amount of the inventory, determined in the manner described above, is reduced by a provision that reflects the impact of obsolete and slow-moving inventory.

Receivables and payables
Trade and other receivables are valued at amortized cost, using the effective interest rate, less impairment losses, except receivables within a business model whose objective is achieved by either collection of contractual cash flows or sale (hold to collect and sell). These receivables are measured at fair value with changes recognized directly in the comprehensive income statement.

Impairment losses on receivables are recognized through the simplified approach required by IFRS 9 to measure loss allowance through lifetime expected credit loss. Specifically, the Group calculates expected credit loss using a provision matrix, which is estimated on the basis of historical credit loss experience for past due receivables and adjusted to reflect current conditions and estimates on relevant future economic conditions.

Trade payables and other payables are initially recognized at fair value, net of directly allocated accessory costs and are subsequently measured at amortized cost, applying the effective interest rate criteria.

Receivables and payables denominated in foreign currencies are translated at the exchange rates in force on the date of the financial statements and any resulting gains or losses are recognized in earnings.

Factoring of receivables
The DiaSorin Group engages in the factoring of its receivables.

When all risks and benefits relating to ownership and contractual rights are transferred to cash flows deriving thereof, receivables assigned through such transactions are removed from the statement of financial position. In such event, cumulative changes in fair value - previously recognized in the comprehensive income statement - are transferred to the income statement.

Conversely, if requirements for derecognition of assets are not met, receivables are recognized as such in the Group financial statements; a corresponding financial liability is recognized in the consolidated statement of financial position as "Financial payables".

Cash and cash equivalents
They consist of cash and cash equivalents, short-term bank deposits, shares in liquidity funds and other money market securities readily converted into cash.

Assets and liabilities held for sale
Assets and liabilities held for sale, as defined by the IFRS 5 accounting standard, are classified as such when their carrying amounts will be recovered mainly from the sale rather than continuous use. These conditions will be considered to have been fulfilled when the sale or discontinuity of the group of assets being disposed of is considered to be highly probable and the assets and liabilities are immediately available for sale in the conditions they are in.

When the Group is committed to a disposal plan involving loss of control of an investee company, all the assets and liabilities of this investee company are classified as held for sale when the conditions described above are fulfilled even when, after disposal, the Group continues to hold a minority interest in the investee company.

Assets held for sale are measured at the lower of the carrying amount and the fair value, net costs for sale.

Shareholders' equity
Equity instruments issued by the Group's Parent Company are recognized for the amount of consideration received. Dividends distributed by the Group's Parent Company are recognized as a liability when the distribution resolution is approved. The purchase cost of treasury shares and the proceeds from their sale are recognized directly in equity, with no impact on the income statement.

Treasury shares
When the Group's Parent Company and its subsidiaries purchase Company shares, the consideration paid is deducted from the shareholders' equity attributable to the Company's shareholders, until the shares are retired or sold. No gain or loss is recognized in the income statement when treasury shares are bought, sold, issued or retired. When these shares are subsequently reissued, the consideration received is added to the shareholders' equity attributable to the Company's shareholders.

Employee benefits

Pension plans
The Group uses different types of defined-contribution and defined-benefit plans, in accordance with the local conditions and practices in the countries in which it operates.

Each year, the Group recognizes in earnings the portion of the premiums paid in connection with defined-contribution plans that accrue that year.

Defined-benefit pension plans, which include the severance benefits payable to employees pursuant to Article 2120 of the Italian Civil Code, are based on the length of the working lives of employees and the wages earned by employees over a predetermined period of service. The liability that represents the benefits owed to employees under defined-benefit plans is recognized at its actuarial value.

The recognition of defined-benefit plans requires the use of actuarial techniques to estimate the amount of the benefits accrued by employees in exchange for the work performed during the current year and in previous years. The resulting benefit must then be discounted to determine the present value of the Group's obligation. The determination of the present value of the Group's obligation is made by an independent actuary, using the projected unit credit method. This method treats each period of service provided by an employee to a company as an individual accrual unit. The actuarial liability must be quantified exclusively on the basis of the seniority achieved as of the date of valuation. Consequently, the total liability is prorated based on a ratio between the years of service accrued as of the valuation reference date and the total seniority that an employee is expected to have achieved when the benefit is paid. Moreover, this method requires taking into account future wage increases due for any reason (inflation, career moves, labor contract renewals, etc.) until the end of the employment relationship.

The cost of defined-benefit plans accrued during the year, which is reflected in the income statement as part of labor costs and financial expense, is equal to the sum of the average present value of the accrued benefits of current employees for service provided during the year and their annual vested interest in the present value of the Group's obligations at the beginning of the year, computed by discounting future outlays by the same rate as that used to estimate the Group's liability at the end of the previous year. The annual discount rate used for these computations was the same as the year-end market rate for zero-coupon bonds with a maturity equal to the average residual duration of the liability. Actuarial gains and losses reflecting changes in the actuarial assumptions or experience adjustments are credited or charged to equity in the statement of comprehensive income for the period in which they arise. If the amount is recorded on the balance sheet as an asset, it is limited to the present value of economic benefits available in the form of refunds or reductions in future contributions to the plan.

On January 1, 2007, the Italian Budget Law and the related implementation decrees introduced significant changes in the rules that govern the Provision for employee severance indemnities ("PESI") of companies whose registered office is located in Italy. These changes include the right of employees to decide the destination of future accrued PESI amounts. Specifically, employees can direct new PESI flows to selected pension investments or keep them with the employer company, which will then deposit its PESI contribution in a treasury account at the Italian social security administration (abbreviated as INPS in Italian). In light of these changes, the PESI is now viewed as a defined-benefit plan only insofar as the amounts vested before January 1, 2007 are concerned and as a defined-contribution plan after January 1, 2007.

Equity-based compensation plans

Group companies grant to Group Executives additional benefits through equity-based plans (stock options and stock grants). In accordance with IFRS 2 "Share-based Payment," stock options awarded to employees are measured at their fair value on the grant date, in accordance with models that take into account factors and data (option exercise price, duration of the option, current price of the underlying shares, expected share price volatility, expected dividends and interest rate for zero-risk investments over the life of the option) applicable on the grant date.

If the option becomes exercisable after a certain period and/or certain performance requirements are met (vesting period), the total value of the option is prorated over the vesting period and recognized in earnings, with the offsetting entry posted to a specific shareholders' equity account called "Other reserves".

Because stock options are equity instruments, as defined by IFRS 2, the fair value of each option determined on the grant date is not adjusted at the end of each year unless changes occur in the stock options terms and conditions to increase their fair value in favor of beneficiaries. The estimate of the number of options that will reach maturity (and hence the number of employees who will be entitled to exercise their options) is adjusted. The result of any change in estimate is posted as an increase to or a reduction of the abovementioned shareholders' equity account, with the offsetting entry reflected in the income statement. At the end of the exercise period, the exercised options are reflected in the Company's share capital by adding an amount obtained by multiplying the number of shares issued by the par value of each share. The portion of "Other reserves" that is attributable to plan costs previously recognized in earnings and the amount obtained by multiplying the number of shares issued by the difference between the exercise price and the par value per share is posted to a shareholders' equity reserve.

Provisions for risks and charges

Provisions for risks and charges include amounts set aside to fund current obligations (statutory or implied) that arise from a past event, the performance of which will probably require the use of resources and the amount of which can be reasonably estimated. When the use of financial resources is expected to extend for a period of more than one year, the corresponding obligation should be recognized at its present value by discounting expected future cash flows at a rate that takes into account the cost of money and the risks inherent in the liability.

The provisions are updated on each financial statement date to reflect best current estimates. The impact of any changes in estimates is reflected in the income statement for the period during which the change occurred.

Risks that are merely reasonably possible of producing a liability are disclosed in the Notes to the financial statements, but no amount is recorded in the financial statements.

Income taxes

Income taxes include both current and deferred taxes.

Current taxes are computed on the basis of the estimated taxable income for the year in accordance with the tax laws in force in the countries in which the Group operates.

Taxable income is different from reported income because it does not include positive and negative components that will be taxable or deductible in subsequent years and those items that will never be taxable or deductible. The liability for current taxes is computed using the tax rates in force on the date of the financial statements or the tax rates that will be in force when the asset is realized or the liability settled, if they are known.

Deferred-tax assets and liabilities are the taxes that the Group expects to pay or recover on temporary differences between the values attributed to assets and liabilities for reporting purposes and the corresponding tax-related values used to compute taxable income, computed in accordance with the balance sheet liability method. As a rule, deferred-tax liabilities are recognized for all taxable temporary differences, while deferred-tax assets are recognized only insofar as the Group deems it probable that, in the future, it will generate sufficient taxable income to use the deductible temporary differences. The tax benefit produced by carrying forward tax losses is recognized if and to the extent that it is probable that, in the future, the Group will have sufficient taxable income to offset these losses. Deferred-tax liabilities or assets are also determined for consolidation adjustments.

The carrying value of deferred-tax assets is updated on each financial statement date and reduced when the existence of future taxable income sufficient to recover all or part of these assets is no longer probable.

Deferred taxes are computed at the tax rate in force on the closing date of the financial statements or at the tax rate that will be in force when the asset is realized or the liability settled. Deferred taxes are charged directly to income, except for those attributable to items recognized directly in equity, in which case the corresponding deferred taxes are also recognized in equity. Deferred-tax assets and liabilities can be offset when the taxpayer has a legally exercisable right to offset current tax assets and liabilities and when they refer to the same taxpayer, when they are due to the same tax administration and the Group plans to settle current tax assets and liabilities on a net basis. The net balance is recognized as a "deferred-tax asset" if positive or a "deferred-tax liability" if negative.

Financial liabilities

Financial liabilities consist of loans payable, including advances for the factoring of receivables, other financial liabilities, convertible and non-convertible bond, including derivatives.

Initially, financial liabilities other than derivatives are recognized at their fair value less transaction costs. Subsequently, they are valued at their amortized costs, which is their initial amount, less any principal repayments, adjusted upward or downward to reflect the amortization (by the effective interest rate method) of any differences between the initial value and the value at maturity.

With regard to lease liabilities, consistently with the IFRS 16 standard the Group, as lessee, recognizes separately from financial liabilities the lease liabilities measuring them at the present value of the payments due for leasing not yet settled at the lease commencement date. The payments due include the fixed payments (including the fixed payments in substance), net of any lease incentives to be received, the variable lease payments which depend on an index or a rate and the amounts expected to be paid as guarantee on the residual value. The lease payments include also the exercise price of a purchase option where it is reasonably certain that this option shall be exercised by the Group.

Convertible bonds are classified, at issuance, as "hybrid" or "compound" debt instruments. When the bond issue is considered a compound instrument since its placement, it is split into a debt and, residually, an equity component, as provided for in IAS 32 – Financial instruments: Presentation.

In the case of a "compound" instrument, the debt portion represents the fair value of a traditional bond that does not entail conversion right or option while the equity portion, which is determined on a residual basis in relation to the total amount of the loan, represents the value of the bond conversion option into Company's ordinary shares.

Transactions costs are proportionally allocated to the debt and equity portions.

Financial Derivatives
Consistent with the provisions of IFRS 9, derivatives qualify for hedge accounting only when (i) there is formal designation and documentation of the hedging relationship, including the Group's objective and strategy in risk management at the inception of the hedge and (ii) the hedge is expected to be effective.

When financial instruments qualify for hedge accounting, the following accounting treatments are applied:
- Fair value hedge: if a derivative is designated as hedging the exposure to changes in fair value of a recognized asset or liability attributable to a specific risk that could have an impact on the income statement, the gains or losses derived from subsequent fair value measurements of the hedge are recognized in earnings. Gains or losses on the hedged item that are attributable to the hedged risk change the carrying amount of the hedged items and are also recognized in earnings;
- Cash flow hedge: If a derivative is designated as a hedging of the exposure to variability in the future cash flows attributed to a recognized asset or liability or to a highly probable future transaction that could have an impact on the income statement, the effective portion of the gain or loss stemming from changes in the fair value of the hedge is recognized in equity. The effective portion of any gain or loss is reclassified from shareholders' equity to the income statement in the same period in which the hedged transaction is recognized. Any gains or losses associated with a hedge that has become ineffective are immediately recognized in earnings. If a hedge or a hedging transaction is closed out but the hedged transaction has not yet been executed, all accumulated gains and losses (which until then were recognized in equity) are recognized in the income statement when the corresponding transaction is executed. If the occurrence of the hedged transaction is no longer viewed as probable, unrealized gains and losses suspended in equity are immediately transferred to the income statement.

The hedge effectiveness is determined at the inception of the hedge relationship, through periodic assessments of the prospective hedge effectiveness to ensure the existence of an economic relationship between the hedged item and the hedging instrument.

When hedge accounting cannot be applied, all gains and losses generated by subsequent fair value measurements of derivatives are immediately recognized in earnings.

The fair value of financial instruments that are listed on an active market is based on market prices at the balance sheet date. The fair value of financial instruments that are not are listed on an active market is determined using valuation techniques based on a series of methods and assumptions, and market information at the balance sheet date.

The following provides a classification of financial instruments recorded at fair value in a three-level hierarchy:
- Level 1: Fair value is determined on the basis of (unadjusted) quoted prices in active markets for identical assets or liabilities;
- Level 2: Fair value is determined using valuation techniques based on observable inputs on active market;
- Level 3: Fair value is determined using valuation techniques based on market unobservable inputs.

Revenue recognition
Revenues are recognized when control over assets sold to end customers or distributors has been transferred and related contractual obligations have been met. Revenues are measured as the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services (net of discounts, allowances and return).

Revenues
Sales to end customers (made by the Group through its subsidiaries) are based on a business model which provides for reagents supply and the provision of a diagnostic instrument along with its technical support (identified as a single performance obligation). Sales revenues are recognized when control over diagnostic kits is transferred to the end customer ("at point in time").

Sales to distributors (the so-called export market where DiaSorin is not present through a direct distribution channel), which provide for separate sale of kits/reagents and/or instruments are identified as separate performance obligation since kits, reagents and instruments will be combined and configured by the distributor and sold to the end customer. The relevant revenues are recognized when control over instruments and/or reagents is transferred to their distributor.

Through the acquisition of the Luminex Group the company implemented a new business line, defined as "licensed technology", the revenues of which derive from instrument sales, technical support and related royalties. Revenues from instrument sales are recognized when customer obtains control of the product, and this generally occurs when the product is shipped. Customers have no contractual right to return instruments, except for normal product warranty clauses.

Service revenues
Service revenues are generated by separate contracts for technical support.

These revenues are recognized in the income statement based on the percentage of completion of each transaction and only when the outcome of the transaction can be estimated reliably.

Royalties
The Company collects royalties from third parties for the use of proprietary technology and of patents required to manufacture specific products. Revenues from royalties, which are generally based on the sales revenues generated by patent users, are recognized when underlying sales transactions are concluded.

Interest income
Interest income is recognized in the income statement at the effective yield rate. It is earned mainly on interests on arrears.

Dividends
Dividends distributed by the Parent Company are recognized when the right of the Company's shareholders to receive payment is established, which generally occurs when the Shareholders' Meeting approves the dividend distribution resolution. Dividend distribution is recognized as a liability in the financial statements for the period during which the dividend distribution is approved by the Shareholders' Meeting.

Government grants
Government grants are recognized when there is a reasonable certainty that they will be collected. This occurs when the distributing public entity approves a formal resolution to that effect.

Grants received in connection with the purchase of property, plant and equipment or the capitalization of development costs are booked as a reduction of capitalized costs and recognized in the income statement in equal instalments computed on the basis of the useful lives of the assets for which the grant was received.

Grants received as an interest subsidy upon the occurrence of specific events are recognized in the income statement at the present value of the benefit, when there is a formal commitment to grant the benefit by the distributing public entity. The corresponding liabilities are recognized at their fair value on the date the grant was received. Interest on this liability is recognized in the income statement in accordance with the amortized cost method.

Cost of sales
Cost of sales represents the cost incurred to produce or purchase the goods and merchandise sold by the Company. It includes all of the costs incurred to purchase and process materials and the overhead directly attributable to production.

Overhead includes depreciation of the property, plant and equipment and the amortization of the intangible assets used for production purposes, as well as inventory write-downs. Cost of sales also includes freight paid to deliver products to customers.

Research and development costs
This item includes research and development costs that cannot be capitalized and the amortization of capitalized development costs.

Interest expense
Interest expense is recognized in accordance with the accrual principles, based on the financed amount and the applicable effective interest rate.

Earnings per share
Basic earnings per share are computed by dividing the portion of the net profit or loss attributable to holders of common shares of the Group's Parent Company (the numerator) by the weighted average number of common shares outstanding during the year (the denominator).

Diluted earnings per share are computed by adjusting the portion of the net profit or loss attributable to holders of common shares of the Group's Parent Company (the numerator) and the weighted average number of common shares outstanding during the year (the denominator) to take into account all potential shares with a dilutive effect. A potential share is a financial instrument or other contract that can convey to its holder the right to receive common shares.

Significant non-recurring events and transactions – Atypical and/or unusual transactions
Consistent with CONSOB Communication No. DEM/6064293 of July 28, 2006, the notes to the financial statements provide information about the impact of significant non-recurring events and transactions and/or atypical and/or unusual transactions on the Group's balance sheet, financial position and economic result.

The abovementioned CONSOB Communication defines as atypical and/or unusual transactions those transactions that, because of their significance/materiality, type of counterparty, purpose, method used to determine the transfer price and timing (close to the end of the year), could give rise to doubts with regard to: the accuracy/completeness of the disclosure provided in the financial statements, conflict of interests, safety of the corporate assets and protection of minority shareholders.

Related parties
Consistent with CONSOB Communication No. DEM/6064293 of July 28, 2006, the notes to the financial statements provide information about the impact of related-party transactions on the Group's balance sheet, financial position and economic result.

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 has been approved.

New documents issued by IASB and endorsed by the EU to be compulsorily adopted starting from the financial statements of the financial years starting from January 1, 2022.

Document title	Date of issue	Date of entry into force	Date of endorsement	EU Regulation and date of publication
Improvements to IFRS (2018–2020 cycle) [Amendments to IFRS 1, IFRS 9, IFRS 16[1] and IAS 41]	May 2020	1 January 2022	28 June 2021	(EU) 2021/1080 2 July 2021
Property, plant and equipment – Proceeds before intended use (Amendments to IAS 16)	May 2020	1 January 2022	28 June 2021	(EU) 2021/1080 2 July 2021
Onerous contracts – Costs of fulfilling a contract (Amendments to IAS 37)	May 2020	1 January 2022	28 June 2021	(EU) 2021/1080 2 July 2021
Reference to the conceptual framework (Amendments to IFRS 3)	May 2020	1 January 2022	28 June 2021	(EU) 2021/1080 2 July 2021

[1] Amendments to IFRS 16 have not been endorsed by the European Union as amendments refer to an illustrative example which is not included in the Standard.

IAS/IFRS and related IFRIC interpretations applicable to financial statements for financial years beginning after 1 January 2022.

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

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

IAS/IFRS and related IFRIC interpretations applicable to financial statements for financial years beginning after 1 January 2023. Documents NOT yet endorsed by the EU at 31 December 2022.
It should be noted that these documents will be applicable only after their endorsement by the EU.

Title of the document	Date of issue by the IASB	Date of entry into force of the IASB document	Date of expected endorsement by EU
Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)	September2014	Deferred until the completion of the IASB project on the equity method	Endorsement suspended, pending the conclusion of the IASB project on the equity method
Classification of liabilities as current or non-current (Amendments to IAS 1) and Non-current liabilities with covenants (Amendments to IAS 1)	January 2020 July 2020 October 2022	1 January 2024	TBD
Lease liability in a sale and leaseback (Amendments to IFRS 16)	September 2022	1 January 2024	TBD

The Group will adopt these new standards, amendments and interpretations on the basis of the expected date of application and when endorsed by the European Union. An assessment is currently being carried out to analyze the potential effects of introducing these amendments on the consolidated financial statements.

New accounting standards endorsed and adopted by the Group

This note presents the impact of the adoption of amendments to the accounting standards - applied from 1 January 2022 - on the consolidated financial statements to the extent that they differ from those applied in the previous periods.

Improvements to IFRS (2018–2020 cycle) [Amendments to IFRS 1, IFRS 9, IFRS 16 and to IAS 41]

- IFRS 9 Financial Instruments - clarifies the fees that should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 Leasing - amends illustrative example 13 to remove the illustration of the reimbursement of leasehold improvements by the lessor and potential for confusion regarding lease incentives.
- IFRS 1 First-time Adoption of International Financial Reporting Standards - allows companies that have valued their assets and liabilities at carrying amount in the parent company's financial statements to also measure any translation differences using the amounts recognized by the parent company. This amendment also applies to associated companies and joint ventures that have benefited from the same IFRS 1 exemption.
- IAS 41 Agriculture - removes the requirement of IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This amendment is intended to be aligned with the standard's requirement to discount cash flows, net of tax.

Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)

The amendment to IAS 16 Property, Plant and Equipment (PP&E) is intended to prohibit an entity from deducting from the cost of tangible assets any proceeds from selling items produced while the company is preparing the asset for its intended use. Such sales revenues and related costs will be recognized in the income statement.

Onerous contracts – Cost of fulfilling a contract (Amendments to IAS 37)

The amendment clarifies that in estimating whether a contract is onerous, all costs directly attributable to the contract must be considered. Accordingly, the assessment of whether a contract is onerous includes not only incremental costs (such as, for example, the cost of direct material used in processing), but also all costs that the enterprise cannot avoid because it has entered into the contract (such as, for example, the portion of the cost of staff and depreciation of machinery used to perform the contract).

Reference to the conceptual framework (Amendments to IFRS 3)

The amendments updated the reference in IFRS 3 to the Conceptual Framework in the revised version, without any changes to the provisions of IFRS 3.

All the amendments described above entered into force on 1 January 2022 and did not have a material effect on the Group's financial statements as of 31 December 2022.

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

With reference to standards and interpretations which had already been issued at the end of the reporting period but were not yet in force, the Group is assessing any possible impacts resulting from the introduction of such amendments which are not expected to have a significant impact on the financial statements. The Group intends to adopt these standards and interpretations, if applicable, once they are effective.

Amendments and new standards issued and/or not yet endorsed are effective for financial years beginning on or after 1 January 2022. Early application is permitted, provided that the entity reports it.

IFRS 17 - Insurance Contracts (including amendments published in June 2020)

Given the activities and the sector in which this standard and related amendments operates, it is not applicable to the Group.

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

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

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

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

The IASB amended IAS 1 to require entities to disclose their material accounting policy information, instead of significant accounting policies. Amendments clarify the meaning of material accounting policy information and explain how an accounting policy can be considered as material. Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed.

Definition of Accounting Estimates (Amendments to IAS 8)

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

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

Amendments to IAS 12 require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. Previously, IAS 12 did not clarify how to account for these tax effects and thus different approaches were accepted. Certain entities might have already accounted for these operations consistently with these amendments. These entities will not be affected by the amendments.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

Amendments clarify the accounting treatment for sale or contribution of assets between an Investor and its Associate or Joint Venture. The accounting treatment depends on whether the non-monetary asset sold or conferred constitutes a business (as defined by IFRS 3 - Business Combinations). Where the non-monetary assets constitute a business, the investor will recognize the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognized by the investor only to the extent of the other investor´s interests in the associate or joint venture.

Analysis of financial risks

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

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

(€ thousands)	Notes	12/31/2022				12/31/2021			
		Carrying Value	Assets at amortized cost	Assets at fair value	Assets at fair value with changes in the Comprehensive Income	Carrying Value	Assets at amortized cost	Assets at fair value	Assets at fair value with changes in the Comprehensive Income
Trade receivables	(17)	220,035	220,035	-	-	217,588	217,588	-	-
Financial derivatives	(22)	29,033	-	391	28,642	6,245	-	(1,037)	7,282
Cash and cash equivalents	(19)	241,776	241,776	-	-	403,020	403,020	-	-
Current financial assets	(22)	142,409	142,409	-	-	-	-	-	-
Total current financial assets		***633,253***	***604,220***	***391***	***28,642***	***626,853***	***620,608***	***(1,037)***	***7,282***
Financial derivatives	(22)	32,156	-	-	32,156	-	-	-	-
Total non-current financial assets		***32,156***	***-***	***-***	***32,156***	***-***	***-***	***-***	***-***
Total financial assets		**665,409**	**604,220**	**391**	**60,798**	**626,853**	**620,608**	**(1,037)**	**7,282**

(€ thousands)	Notes	12/31/2022			12/31/2021		
		Carrying Value	Liabilities at amortized cost	Liabilities at fair value	Carrying Value	Liabilities at amortized cost	Liabilities at fair value
Liabilities for Put/Call option rights classified in other non-current liabilities	(25)	5,753	-	5,753	6,107	-	6,107
Financial lease liabilities (IFRS 16) classified in other non-current liabilities	(22)	61,004	61,004	-	66,479	66,479	-
Non-current financial liabilities	(22)	1,170,961	1,170,961	-	1,228,268	1,228,268	-
Total non-current financial liabilities		***1,237,718***	***1,231,965***	***5,753***	***1,300,854***	***1,294,747***	***6,107***
Trade payables	(26)	104,204	104,204	-	84,773	84,773	-
Financial lease liabilities (IFRS 16) classified in current financial liabilities	(22)	8,498	8,498	-	9,644	9,644	-
Current financial liabilities	(22)	111,522	111,522	-	90,767	90,767	-
Total current financial liabilities		***224,224***	***224,224***	***-***	***185,184***	***185,184***	***-***
Total financial liabilities		**1,461,942**	**1,456,189**	**5,753**	**1,486,038**	**1,479,931**	**6,107**

With regard to the above, 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 December 31, 2022. These instruments are classified at level 2 and entered into other current financial assets amounting to € 61,189 thousand (including financial assets relating to IRS contracts for € 60,798 thousand and for € 391 thousand relating to the fair value of derivatives hedging exchange-rate exposure).

As to current financial assets, DiaSorin Inc. used part of its liquidity denominated in U.S. dollar in short-term liquidity management tools (time deposits).

With regard to liabilities for put/call options, the amount refers to the rights envisaged by the Joint Venture contract in China, which have been entered according to IAS 32 and IFRS 9 accounting standards. Specifically, the JV contract that contains an obligation for the Group to purchase its own equity instruments for cash or other financial assets gives rise to a financial liability for the present value of the redemption amount. Such amount is not included in the net financial debt.

Non-current financial liabilities and assets are settled or valued at market rates, so their fair value is substantially in line with the current book value.

Duration of financial liabilities is provided in Note 22.

Risks related to fluctuations in foreign exchange and interest rates

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

As to interest rates, the Group used Interest Rate Swaps as hedges against the debt in US dollar (on which interest accrues at a floating rate) of the subsidiary DiaSorin Inc., with the recognition of a net positive fair value of € 60,798 thousand at December 31, 2022.

Interests do not accrue on the convertible bond issued in Euros by the Group's Parent Company, therefore there are no risks deriving from an interest rate increase.

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. Assuming a 5% change in the exchange rates of all the currencies used by the Group, the impact on the income statement would be of about € 11 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 € 71 million on the currency translation reserve.

In order to mitigate the foreign exchange risk related to the currency fluctuations, the Group's Parent Company executed currency forward sales requiring the recognition of a positive fair value of € 391 thousand at December 31, 2022 (negative fair value of € 1,037 thousand at December 31, 2021).

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 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 December 31, 2022, past-due trade receivables were equal to about 4.0% of revenues. These receivables were held mainly by the Italian, U.S., Brazilian and Spanish subsidiaries. These past-due receivables were covered by an allowance for doubtful accounts amounting to € 13,504 thousand. In addition, in order to bridge the gap between contractual payment terms and actual collection times, the Group resorts to factoring receivables without recourse.

A breakdown of trade receivables and provision for doubtful accounts at December 31, 2022 is as follows:

Type	Expiring	0 - 90	91 - 180	181 - 360	Past due for over 360	Total due	Total receivables
Trade receivables	179,139	33,603	8,006	524	12,266	54,400	233,539
Expected loss rate	*0%*	*3%*	*4%*	*52%*	*96%*	*25%*	*n.a*
Provision for doubtful account	-	(1,161)	(311)	(270)	(11,762)	(13,504)	(13,504)
Net value	**179,139**	**32,443**	**7,696**	**253**	**504**	**40,896**	**220,035**

Liquidity risk

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

In order to meet any financial needs and a credit market characterized by low liquidity, the Parent Company has deemed it necessary - in the first half of 2022- to adopt a EUR 150 million 3 year committed revolving credit facility, made available by a pool of banks and to be used upon set conditions. At December 31, 2022, the Company used EUR 40,000 thousand of this credit facility secured by DiaSorin Inc..

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

At December 31,2022, cash and cash equivalent were € 241,776 thousand and investments in money market instruments with maturity within 12 months were € 142,409 thousand.

Payables to banks and to other lenders consisted of:

- DiaSorin Inc.'s bank loan amounting to € 794,276 thousand;
- Convertible bond amounting to € 448,565 thousand;
- Use of a revolving credit facility granted to DiaSorin S.p.A. amounting to € 39,642 thousand.

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

	(€ thousands)	12/31/2022	12/31/2021	Change
A	Cash on hand	241,776	403,020	(161,244)
B	Cash equivalent	-	-	-
C	Other current financial assets	142,409	-	142,409
D	**Current financial assets (A + B + C)**	**384,185**	**403,020**	**(18,835)**
E	Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	48,140	9,644	38,496
F	Current portion of non-current financial debt	43,238	90,767	(47,529)
G	**Current financial debt (E+F)**	**91,378**	**100,411**	**(9,034)**
H	**Net current financial debt (G - D)**	**(292,807)**	**(302,609)**	**9,801**
I	Non-current financial debt (excluding the current portion and debt instruments)	750,854	848,982	(98,129)
J	Debt instruments	448,565	439,520	9,045
K	Trade payables and other non-current debts	-	-	-
L	**Non-current financial debt (I + J + K)**	**1,199,419**	**1,288,502**	**(89,083)**
M	**Net financial debt (H + L)**	**906,611**	**985,894**	**(79,282)**

Items that involve the use of significant assumptions and estimates

The preparation of financial statements in accordance with the IFRSs requires the use of estimates for some material amounts. In addition, the Group's management is required to make judgments and assumptions as to how the Group's accounting policies should be applied in certain areas.

The process of drafting financial statements involves the use of estimates and assumptions about future events.

These estimates represent the best assessment possible on the date of the financial statements. However, because of their very nature, they could produce material changes in balance sheet amounts in future years.

Estimates are updated on an on-going basis by the Group's management and are based on past experience, all other known factors and the occurrence of future events that are reasonably expected to take place. Special care is used in this area in view of the high level of uncertainty that characterizes the macroeconomic context.

The main items affected by estimates are reviewed below:

Allowance for doubtful accounts

The Allowance for doubtful accounts reflects management's estimates about losses that could be incurred in the portfolio of accounts receivable from end customers and from the indirect distribution network (independent distributors). The allowance for doubtful accounts' estimate is based on the expected credit loss 'ECL' model calculated as the difference between the contractual cash flows due and the cash flows the Group expects to receive, determined on the basis of past experience for similar receivables, the current and historical past due percentages, losses and collections, and the careful monitoring of credit quality, considering current conditions and assumptions concerning future economic conditions.

Provision for inventory write-downs

The Provision for inventory write-downs reflects management's estimates of the Group's loss expectations, determined on the basis of past experience and historical and projected trends in the market for in vitro diagnostics.

Finite useful life of tangible and intangible assets
The cost of tangible and intangible assets is amortized and depreciated according to the straight-line basis over the estimated useful life of the asset. The useful life is determined by the directors when such assets are purchased and is based on historical experience of similar assets, market conditions and expectations regarding future events that may have an impact, including new technologies. Therefore, the actual useful life may differ from the estimated useful life.

Development costs that meet the requirements for capitalization are recognized as intangible assets.

Impairment of non-current assets
Non-current assets include property, plant and equipment, intangible assets (including goodwill), equity investments and other financial assets. Management reviews the carrying amounts of non-current assets held and in use and available-for-sale assets on a regular basis and whenever events or circumstances make such review necessary. The recoverable value of property, plant and equipment and intangible assets (including goodwill and know how) is verified using criteria that are consistent with the requirements of IAS 36, which are explained in the section of these Notes entitled "Impairment of assets."

Pension plans and other post-employment benefits
The companies of the Group are parties to pension and health benefit plans in different countries. The Group's largest pension plans are in Sweden, Germany and Italy. Management uses different statistical assumptions and evaluation factors to project future events and compute the costs, liabilities and assets related to these plans. Assumptions are made with regard to the discount rate, the expected yield of plan assets, the rates of future increases in employee compensation and trends in health care costs. The actuaries who provide the Group with consulting support also use subjective parameters, such as employee mortality and termination rates.

Stock option plans
The measurement of stock option plans at fair value requires the formulation of specific assumptions, the most significant of which include the following:
- the value of the underlying shares on the valuation date;
- the expected volatility of the price/value of the underlying shares;
- the dividend yield of the underlying shares.

Contingent liabilities
The Group is a party to legal and tax disputes that are under the jurisdiction of various countries. Given the uncertainty inherent in such situations, it is difficult to predict with certainty any expense that may result from these disputes. In the normal course of business, management relies on the support of its legal counsel and of experts on legal and taxation issues. The Group recognizes a liability in connection with these disputes when it believes that the occurrence of a cash outlay is probable and the amount of the resulting loss can be reasonably estimated. When a cash outlay becomes probable, but the amount cannot be determined, this fact is disclosed in the notes to the financial statements.

Derivatives
Option contracts concerning minority interests in subsidiaries executed with minority shareholders are recognized, on the date of execution, as financial liabilities with the offsetting entry posted to other equity reserve, by estimating the present "redemption amount" value. The value of these liabilities is periodically adjusted.

The fair value of financial instruments is based on market quotations or, where unavailable, applying suitable evaluation techniques that use updated financial variables used by market investors and, where possible, taking into account the prices of recent similar transactions on financial instruments. Derivatives are classified as hedging instruments when the link between the derivative and the hedged item is formally documented and, subject to periodic checks, the effectiveness of the hedge is high. Compliance with the requirements defined in IFRS9 to qualify for hedge accounting is verified periodically. Changes in the fair value of derivatives that do not qualify for hedge accounting are recognized in profit and loss.

Convertible bond
As regards items that involve the use of significant assumptions and estimates, prepared for the consolidated annual financial statements at December 31, 2020, it should be noted the convertible bond valuation. Since its placement, the Bond Issue convertible into ordinary shares amounting to € 500 million due 2028 (Senior unsecured equity-linked bond) issued by DiaSorin S.p.A. on April 28, 2021 has been considered a compound instrument as it is split into a debt and, residually, an equity component, as provided for in IAS 32 – Financial instruments: Presentation. The equity instrument represents the value of the bond conversion option into DiaSorin S.p.A. shares.

Business combinations
Business combinations are recognized by allocating the difference between the acquisition cost and the net book value to the assets and liabilities of the acquired company. For most assets and liabilities, the allocation of the difference is carried out by recognizing the assets and liabilities at their fair value. The unallocated portion, if positive, is recognized as goodwill; if negative, it is allocated to the income statement. In the allocation process, the DiaSorin Group uses the available information while for the most significant business combinations the company uses external evaluations.

Climate change
Given the business model in which DiaSorin operates, the Group is not significantly exposed to environmental risks, especially in relation to Climate Change. A detailed analysis of EHS-related risks is provided in the consolidated Non-Financial Statement prepared in compliance with the requirements of Legislative Decree 254/2016.

Segment information at December 31, 2022 and at December 31, 2021

In accordance with IFRS 8, the Group 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 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, Central and South America, Asia Pacific and China.

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

The schedules that follow show the Group's operating and financial data broken down by geographic region identifying, as required by IFRS 8 paragraph 5:
- Activities generating revenues and expenses (including revenues and expenses relating to transactions with other components of the same entity);
- Operating results that are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- Discrete financial information about assets, liabilities, revenues and expenses.

No unallocated common costs are shown in the abovementioned schedules as each Country and hence each segment is equipped with comprehensive independent organizations (sales, technical support and accounting) fully capable of exercising its function. Moreover, 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 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 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 Group level.

(€ thousands)	ITALY		EUROPE		NORTH AMERICA		REST OF THE WORLD		ELIMINATIONS		CONSOLIDATED	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
INCOME STATEMENT												
Revenues from customers	197,514	228,758	269,330	285,165	782,739	604,372	111,555	119,359	-	-	1,361,138	1,237,654
Inter-segment revenues	313,381	354,334	18,486	17,770	155,576	161,058	0	176	(487,443)	(533,338)	-	-
Total revenues	**510,895**	**583,092**	**287,816**	**302,935**	**938,315**	**765,430**	**111,555**	**119,535**	**(487,443)**	**(533,338)**	**1,361,138**	**1,237,654**
Segment results	**118,778**	**167,379**	**28,070**	**36,561**	**210,942**	**217,697**	**2,791**	**4,970**	**(9,322)**	**(7,108)**	**351,259**	**419,499**
Unallocated common costs											-	-
Operating margin											**351,259**	**419,499**
Other net income/(expense)											-	-
Financial income/(expense)											(25,320)	(20,164)
Result before taxes											**325,939**	**399,335**
Income taxes											(85,830)	(88,603)
Net result											**240,109**	**310,732**
OTHER INFORMATION												
Investments in intangibles	11,475	13,062	11,615	86	36,264	35,054	1,138	715	-	-	60,492	48,917
Depreciation of prop. plant and equip.	15,420	22,867	10,624	12,951	23,273	33,823	10,387	8,880	(2,049)	(2,650)	57,655	75,870
Total investments	**26,895**	**35,929**	**22,239**	**13,037**	**59,537**	**68,877**	**11,525**	**9,595**	**(2,049)**	**(2,650)**	**118,147**	**124,788**
Amortization in intangibles	(10,197)	(9,722)	(6,439)	(5,934)	(64,122)	(36,885)	(904)	(860)	4,520	4,520	77,142	(48,881)
Depreciation of prop. plant and equip.	(15,795)	(13,973)	(11,295)	(10,121)	(31,037)	(21,112)	(4,598)	(4,167)	2,321	2,242	(60,404)	(47,131)
Total amortization and depreciation	**(25,992)**	**(23,695)**	**(17,734)**	**(16,055)**	**(95,159)**	**(57,997)**	**(5,502)**	**(5,027)**	**6,841**	**6,762**	**(137,546)**	**(96,012)**

(€ thousands)	ITALY		EUROPE		NORTH AMERICA		REST OF THE WORLD		ELIMINATIONS		CONSOLIDATED	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
STATEMENT OF FINANCIAL POSITION												
Segment assets	542,547	477,416	188,980	172,686	2,376,759	2,292,835	84,206	74,370	(309,535)	(238,148)	2,882,956	2,779,159
Assets held for sale					45,267						45,267	-
Unallocated assets											479,858	451,992
Total assets	**542,547**	**477,416**	**188,980**	**172,686**	**2,422,026**	**2,292,835**	**84,206**	**74,370**	**(309,535)**	**(238,148)**	**3,408,082**	**3,231,152**
Segment liabilities	179,476	136,249	91,772	113,286	181,247	141,218	48,296	36,607	(213,242)	(155,368)	287,549	271,992
Liabilities connected to assets held for sale					5,702						5,702	-
Unallocated liabilities											1,595,081	1,591,220
Shareholders' equity											1,519,750	1,367,939
Total liabilities	**179,476**	**136,249**	**91,772**	**113,286**	**186,949**	**141,218**	**48,296**	**36,607**	**(213,242)**	**(155,368)**	**3,408,082**	**3,231,152**

Description and main changes

Consolidated income statement
Comments on the income statement items include Luminex which, since 2022, has been consolidated in the DiaSorin Group for the entire year and not only for the first six months of 2022.

In the income statement, costs are classified by function.

Insofar as a classification of expenses by nature is concerned, depreciation and amortization expense totaled € 137,546 thousand (€ 96,012 thousand in 2021), broken down as follows:

(€ thousands)	2022	2021
Depreciation of property, plant and equipment	60,404	47,131
Amortization of intangibles	77,142	48,881
Total	**137,546**	**96,012**

Depreciation of property, plant and equipment includes € 23,673 thousand attributable to equipment held by customers, which in the income statement by destination is part of the cost of sales. An additional € 16,100 thousand representing depreciation of plant and machinery and manufacturing and distribution equipment is included among production expenses (€ 13,973 thousand in 2021).

The amortization of intangible assets is recognized mainly as part of research and development costs (€ 21,960 thousand), sale and marketing expenses (€ 51,158 thousand) and general and administrative expenses (€ 2,318 thousand).

Labor costs amounted to € 384,324 thousand (€ 267,639 thousand in 2021).

A breakdown is as follows:

(€ thousands)	2022	2021
Wages and salaries	313,522	219,329
Social security contributions	26,581	25,118
Severance indemnities and other benefits paid	3,027	3,290
Cost of stock option plan	9,539	6,432
Other labor costs	31,655	13,470
Total	**384,324**	**267,639**

The table below shows the average number of Group employees in each category:

	2022	2021
Factory staff	619	575
Office staff	2,530	2,060
Managers	223	166
Total	**3,372**	**2,801**

1. Net revenues
In 2022, net revenues, which are generated mainly through the sale of diagnostic kits, totaled € 1,361,138 thousand (€ 1,237,654 thousand in 2021), up 10.0% compared to 2021 (+2.4% at CER).

A breakdown of revenues by customer location in outlet markets is provided below:

(€ thousands)	2022	2021	% Change at current exchange rates	% Change at constant exchange rates
Europe direct	363,248	328,519	10.6%	9.8%
North America direct	548,952	342,025	60.5%	43.0%
Rest of the World	205,429	189,309	8.5%	1.4%
Revenues, net of COVID	**1,117,629**	**859,853**	**30.0%**	**21.1%**
COVID	243,509	377,801	-35.5%	-40.1%
Total Revenues	**1,361,138**	**1,237,654**	**10.0%**	**2.4%**

2. Cost of sales
In 2022, the cost of sales amounted to € 460,525 thousand, as against € 412,883 thousand in 2021. This item includes, in addition to costs for diagnostic kits production, royalties paid for the use of patents applied to manufacture products amounting to € 37,572 thousand (€ 29,203 thousand in 2021), costs incurred to distribute products to end customers totaling € 20,853 thousand (€ 17,069 thousand in 2021) and depreciation of equipment held by customers equal to € 23,673 thousand (€ 19,493 thousand in 2021).

3. Sales and marketing expenses
Sales and marketing expenses amounted to € 292,050 thousand, as against € 211,342 thousand in 2021. 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.

Amortizations of intangibles deriving from the Luminex acquisition were € 41,950 thousand.

4. Research and development costs
Research and development costs, which totaled € 96,904 thousand (€ 70,091 thousand in 2021), include the research and development outlays that were not capitalized, equal to € 46,595 thousand (€ 34,972 thousand in 2021), costs incurred to register the products offered for sale and meet quality requirements totaling € 32,107 thousand (€ 22,513 thousand in 2021) and the amortization of capitalized development costs equal to € 18,202 thousand (€ 12,606 thousand in 2021). In 2022, the Group capitalized development costs amounting to € 41,863 thousand, as against € 46,133 thousand in 2021.

Amortizations of intangibles deriving from the Luminex acquisition were € 8,437 thousand.

5. General and administrative expenses
General and administrative expenses, which include expenses incurred for corporate management activities, Group administration, finance and control, information technology, corporate organization and insurance, totaled € 122,697 thousand in 2022 (€ 93,270 thousand in 2021). The item includes € 8,010 thousand in costs attributable to Directors and strategic executive compensation (€ 8,269 thousand in 2021).

6. Other operating income (expense)

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

(€ thousands)	12/31/2022	12/31/2021
Tax liabilities	(1,366)	(1,406)
Accruals to the doubtful debts and provisions for risks and charges	(5,380)	(4,129)
Out-of-period items and other operating income (expense)	(6,894)	(3,132)
Non-recurring expense Write-down of Flow Cytometry intangible assets	(9,039)	-
Non-recurring expense- other	(15,023)	(21,902)
Other operating income (expense)	**(37,702)**	**(30,569)**

The item accruals to the doubtful debts and provisions for risks and charges includes increased accruals to the doubtful debts, amounting to € 1,301 thousand, as required by IFRS 9.

Out-of-period items and other operating income (expense) include 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).

The write-down of intangible assets includes the negative difference between the carrying value of assets and liabilities held for sale and the consideration, net of transaction costs, of the Flow Cytometry intangibles sold to Cytek Bioscences on 28 February 2023, as described in Note 20.

In 2022, non-recurring expense of € 15,023 thousand mainly refer to the costs incurred during the year for the integration of the Luminex Group.

7. Financial income

In 2022, financial income amounted to € 9,645 thousand (€ 2,817 thousand in 2021), mainly resulting from interest income accrued on time deposits to manage the company's liquidity denominated in U.S. dollars (€ 3,349 thousand) and from the positive change of the ineffective Mark-to-Market component of the IRS derivative to hedge the Term Loan taken out for financing the Luminex acquisition (€4,037 thousand).

8. Financial expenses

Financial expenses are detailed in the table below:

(€ thousands)	12/31/2022	12/31/2021
Factoring transactions fees	(355)	(474)
Interest expenses and other financial expenses	(34,072)	(21,872)
including: IFRS 16 financial interests	*(2,874)*	*(2,238)*
Interest on pension funds	(539)	(634)
Total financial expenses	**(34,965)**	**(22,981)**

In 2022, net financial expenses amounted to € 34,965 thousand, as against € 22,981 thousand in 2021.

Interest expenses and other financial expenses include:

- € 9,381 thousand in financial expenses at amortized cost relating to the convertible bond issued by the Group's Parent Company;
- € 16,908 thousand relating to the bank loan to support the acquisition of the Luminex Group;
- € 2,874 thousand in interest expenses on leases (€ 2,238 thousand in 2021).

9. Income taxes

The income tax expense recognized in the income statement amounted to € 85,830 thousand (€ 88,603 thousand in 2021), broken down as follows:

(€ thousands)	2022	2021
Current income taxes:		
- Regional taxes (IRAP)	5,343	7,592
- Other income taxes	60,548	85,155
Other taxes (non-deductible tax withholdings/taxes paid abroad)	(3,050)	(2,547)
Deferred taxes	22,988	(1,598)
IRAP amount	*(267)*	*14*
Total income taxes for the year	**85,830**	**88,603**

A reconciliation of the theoretical tax rate to the effective tax rate, without taking into account the IRAP liability and withholding taxes on dividends, is provided below:

(€ thousands)	2022	2021
Profit before taxes	325,940	399,335
Ordinary tax rate	24.0%	24.0%
Theoretical income taxes	78,226	95,840
Tax effect of permanent differences and deferred tax adjustments	6,955	(10,652)
Effect of foreign tax rates that are different from statutory Italian tax rates	(1,377)	(1,645)
Total income taxes	**83,703**	**83,543**
Effective tax rate	**25.7%**	**20.9%**

In 2022, the effective tax rate was 25.7%. The increase compared to 2021 (20.9%) refers to adjustments to the estimated amount of the Luminex Group's deferred taxes.

10. Earnings per share

Basic earnings per share amounted to € 4.16 in 2022 (€ 5.44 in 2021). Diluted earnings per share totaled € 4.15 (€ 5.40 in 2021). 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, equal to 57,750,850 in 2022 and 57,117,998 in 2021.

The dilutive effect of stock option plans granted by DiaSorin S.p.A is determined by excluding tranches assigned to a price higher than the average price of the ordinary shares in 2022.

Consolidated statement of financial position

11. Property, plant and equipment

The tables below show the changes that occurred in the original cost of property, plant and equipment in 2022 and 2021:

(€ thousands)	At December 31, 2021	Additions	Translation differences	Net Divestments	Reclassifications and other changes	At December 31, 2022
Land	4,982	-	179	-	-	5,161
Buildings	35,555	3,423	1,032	-	2,622	42,632
Plant and machinery	48,978	4,557	553	(273)	1,096	54,910
Manufacturing and distribution equipment	252,087	21,478	9,662	(20,343)	703	263,587
Other assets	64,656	6,352	4,506	(5,326)	2,088	72,275
Advances and tangible in progress	27,607	17,165	271	(24)	(10,636)	34,382
IFRS16 right of use	90,448	4,681	2,412	(8,778)	(6,442)	82,320
Total property, plant and equipment	**524,313**	**57,655**	**18,614**	**(34,746)**	**(10,569)**	**555,268**

(€ thousands)	At December 31, 2020	Additions	Business combinations	Translation differences	Net Divest-ments	Reclassifica-tions and other changes	At December 31, 2021
Land	2,342	-	2,510	130	-	-	4,982
Buildings	27,636	570	6,369	977	-	3	35,555
Plant and machinery	40,945	5,543	-	635	(1,079)	2,934	48,978
Manufacturing and distribution equipment	187,755	35,516	27,614	10,875	(13,643)	3,970	252,087
Other assets	29,897	4,974	24,250	4,443	(924)	2,016	64,656
Advances and tangible in progress	15,656	21,731	-	1,062	-	(10,842)	27,607
IFRS 16 rights of use	43,654	7,536	41,674	4,472	(6,888)	-	90,448
Total	**347,884**	**75,871**	**102,417**	**22,596**	**(22,534)**	**(1,919)**	**524,313**

The following changes occurred in the corresponding accumulated depreciation accounts in 2022 and 2021:

(€ thousands)	At December 31, 2021	Depreciation	Translation differences	Net Divestments	Reclassifications and other changes	At December 31, 2022
Buildings	18,938	1,205	613	-	-	20,756
Plant and machinery	28,938	3,826	205	(272)	87	32,784
Manufacturing and distribution equipment	158,157	35,582	6,321	(16,952)	(2,201)	180,908
Other assets	24,219	7,587	2,793	(1,603)	(89)	32,906
IFRS 16 rights of use	17,864	12,204	157	(6,613)	(4,145)	19,468
Total property, plant and equipment	**248,116**	**60,404**	**10,089**	**(25,440)**	**(6,348)**	**286,821**

(€ thousands)	At December 31, 2020	Depreciation	Translation differences	Net Divestments	Reclassifications and other changes	At December 31, 2021
Buildings	17,336	1,000	602	-	-	18,938
Plant and machinery	26,425	3,257	247	(991)	-	28,938
Manufacturing and distribution equipment	135,298	29,816	7,377	(12,767)	(1,567)	158,157
Other assets	18,032	4,104	2,580	(478)	(19)	24,219
IFRS 16 rights of use	10,294	8,955	620	(1,625)	(380)	17,864
Total property, plant and equipment	**207,387**	**47,131**	**11,427**	**(15,861)**	**(1,967)**	**248,116**

A breakdown of the net carrying value of property, plant and equipment at December 31, 2022 and 2021 is provided below:

(€ thousands)	At December 31, 2021	Additions	Depreciation	Translation differences	Net Divestments	Reclassifica-tions and other changes	At December 31, 2022
Land	4,981	-	-	179	-	-	5,161
Buildings	16,615	3,423	(1,205)	419	-	2,622	21,876
Plant and machinery	20,041	4,557	(3,826)	348	(1)	1,009	22,126
Manufacturing and distribution equipment	93,931	21,478	(35,582)	3,341	(3,391)	2,904	82,680
Other assets	40,438	6,352	(7,587)	1,713	(3,723)	2,177	39,369
Advances and tangible in progress	27,607	17,165	-	271	(24)	(10,636)	34,382
IFRS16 right of use	72,585	4,681	(12,204)	2,255	(2,165)	(2,298)	62,853
Total property, plant and equipment	**276,197**	**57,655**	**(60,404)**	**8,526**	**(9,305)**	**(4,221)**	**268,448**

(€ thousands)	At December 31, 2020	Additions	Depreciation	Business combinations	Translation differences	Net Divestments	Reclassifica-tions and other changes	At December 31, 2021
Land	2,342	-	-	2,510	130	-	-	4,981
Buildings	10,299	570	(1,000)	6,369	375	-	3	16,615
Plant and machinery	14,519	5,543	(3,257)	-	388	(88)	2,934	20,041
Manufacturing and distribution equipment	52,457	35,516	(29,816)	27,614	3,498	(876)	5,537	93,931
Other assets	11,865	4,974	(4,104)	24,250	1,863	(446)	2,036	40,438
Advances and tangible in progress	15,656	21,731	-	-	1,062	-	(10,842)	27,607
IFRS 16 rights of use	33,360	7,536	(8,955)	41,674	3,852	(5,263)	380	72,585
Total	**140,497**	**75,871**	**(47,131)**	**102,417**	**11,169**	**(6,673)**	**48**	**276,197**

Additions to manufacturing and distribution equipment include equipment provided to customers under gratuitous loan contracts, amounting to € 16,996 thousand in 2022 (€ 28,549 thousand in 2021).

Depreciation for the period totaled € 25,629 thousand (€ 21,342 thousand in 2021).

Assets under construction and advances amounted to € 34,382 thousand in 2022 (€ 27,607 thousand in 2021) and include advances on plant and machinery, equipment and leasehold improvements.

Tangible assets include "Right-of-use Assets" for a total amount of € 62,853 thousand at December 31, 2022 (€ 72,585 at December 31, 2021). The item includes right-of-use assets relating to rented property and industrial buildings, amounting to € 58,162 (€ 65,583 thousand at December 31, 2021) along with right-of-use assets relating to company vehicles rentals amounting to € 6,971 (€ 7,002 at December 31, 2021).

The item " reclassifications and other changes" includes the net carrying value of tangible assets reclassified among assets held for sale, for an amount of € 2,278 thousand (see Note 20).

12. Goodwill and other intangible assets

Goodwill totaled € 826,352 thousand at December 31, 2022 (€ 789,631 thousand at December 31, 2021), an increase of € 36,721 thousand due to the foreign exchange effect related to DiaSorin North America CGU.

The tables below describe the main changes that occurred in goodwill.

As explained in the "Accounting Standards" section of this Report, goodwill is tested for impairment and, if necessary, it is written down when impairment losses occur. The Group assesses the recoverability of goodwill and other intangibles with an indefinite life at least once a year by testing for impairment each cash generating unit (CGU). Through the impairment test of CGUs the Group assess the recoverability of other intangibles with a definite life also in the absence of specific impairment indicators.

The CGUs identified by the Group coincide with the single Group companies or, where relevant, homogeneous aggregations of companies. Goodwill has been allocated to the CGU'S that at the time of their purchase benefit from the synergies generated by the respective business combinations generating goodwill. A breakdown of how goodwill was recognized and/or allocated to the different CGUs for impairment test purposes is as follows:

- € 770,144 thousand to DiaSorin North America CGU;
- € 46,447 thousand to DiaSorin Italy CGU;
- € 6,840 thousand to DiaSorin Germany CGU;
- € 2,156 thousand to DiaSorin Brazil CGU;
- € 765 thousand to DiaSorin Benelux CGU.

The table below provides a breakdown of changes in goodwill, by individual CGU, that occurred in 2022:

(€ thousands)	At December 31, 2021	Translation differences	Impairment losses	At December 31, 2022
DiaSorin Belgium	765	-	-	765
DiaSorin Brazil	1,927	229	-	2,156
DiaSorin Germany	6,840	-	-	6,840
DiaSorin Italy	46,447	-	-	46,447
DiaSorin North America	733,652	44,875	(8,383)	770,144
Total goodwill	**789,631**	**45,105**	**(8,383)**	**826,352**

Impairment losses of € 8,383 thousand refer to the portion of goodwill related to the "Flow Cytometry" assets and liabilities, which have been classified among items held for sale, as described in Note 20.

With reference to assets with indefinite useful life:

- the know how acquired with the Murex transaction in 2010, amounting to €5,044 thousand, was tested for impairment as part of the DiaSorin Italy CGU;
- The license for the use of the TTP technology acquired from TTP Plc in 2021, amounting to € 6,100 thousand, was tested for impairment as part of the DiaSorin North America CGU.

The impairment test was completed on the basis of the most recent projections of economic results and cash flows for future years (2023-2025). These projections have been developed on the basis of the new business plan approved by the Board of Directors and presented in December 2021. The plan takes into account 2023 forecast data and the new plan, which was approved by the company's Board Directors, concerning the Chinese subsidiary.

The recoverability of the recognized amounts was tested by comparing the net carrying amount of the individual CGUs with their value in use (recoverable amount). The recoverable amount is equal to the present value of the future cash flows that the continuing use of the assets belonging to each CGU is expected to generate both for the period of explicit flows, and at the end of the time horizon of the forecast (in accordance with the perpetuity method).

The main assumptions used to compute the recoverable amount were those concerning the discount rate, the most recent budget data and long-range projections and the expected growth rate at the end of the time horizon of the forecast.

In computing the present value of future cash flow, the Group used a discount rate that reflects the weighted average cost of capital (WACC) and the cost of debt. The discount rate used was determined on a post-tax basis and coherently with the cash flows. The Group computed a specific WACC for each CGU to take into account the specific risk entailed by the Group's business in each country (this variable is reflected in the use of risk-free for each country).

The discount rates used for each CGU are listed in the table below:

Company	WACC
DiaSorin Italy	9.77%
DiaSorin France	7.88%
DiaSorin Iberia	8.56%
DiaSorin Benelux	7.88%
DiaSorin Sweden	7.07%
DiaSorin UK	7.69%
DiaSorin Germany	6.95%
DiaSorin Austria	7.7%
DiaSorin Czech Republic & Slovakia	7.78%
DiaSorin North America	7.02%
DiaSorin Brazil	10.98%
DiaSorin Mexico	9.43%
DiaSorin Israel	8.30%
DiaSorin China	7.50%
DiaSorin Australia	6.95%
DiaSorin India	9.34%
DiaSorin Switzerland	7.11%
DiaSorin Poland	8.46%

The time horizon used for cash flows projections is 3 years for all the CGUs, with the exception of DiaSorin Brazil CGU for which the time horizon is 5 years, due to the macroeconomic crisis that is affecting the Country, in order to assess the recoverability of certain long-term financial statement items.

Then, a terminal value (perpetual return) was applied, using a growth rate (the "g" rate) that management believes could represent the projected growth rate in the sectors in which the CGUs operate.

Company	g rate
DiaSorin Italy	2.06%
DiaSorin France	2.00%
DiaSorin Iberia	1.95%
DiaSorin Benelux	1.96%
DiaSorin Sweden	2.02%
DiaSorin UK	1.96%
DiaSorin Germany	2.27%
DiaSorin Austria	2.13%
DiaSorin Czech Republic & Slovakia	2.11%
DiaSorin North America	2.15%
DiaSorin Brazil	3.12%
DiaSorin Mexico	3.20%
DiaSorin Israel	1.33%
DiaSorin China	2.32%
DiaSorin Australia	2.31%
DiaSorin India	4.44%
DiaSorin Switzerland	0.82%
DiaSorin Poland	2.23%

In addition, the Group performed a sensitivity analysis assuming a worsening of variables (WACC and g rate) in the impairment test. Specifically, the discount rate applicable to each single CGU was increased up to 0.5 percentage points and terminal growth rate decreased by 0.25 percentage points. The sensitivity analysis on each CGU showed no indications of impairment.

Other intangibles totaled € 1,168,711 thousand at December 31, 2022 (€ 1,153,738 thousand at December 31, 2021).

The tables that follow show the changes that occurred in the original cost of goodwill and other intangibles in 2022 and 2021:

(€ thousands)	At December 31, 2021	Additions	Translation differences	Disposals and other changes	At December 31, 2022
Goodwill	789,630	-	45,104	(8,383)	826,351
Development costs	340,746	41,863	16,920	(8,655)	390,874
Concessions, licenses and trademarks	211,389	14,898	10,460	(19,478)	217,269
Customer relationship	*780,492*	-	*45,538*	*(9,751)*	*816,279*
Industrial patents and intellectual property rights	30,117	83	62	357	30,620
Advances and other intangibles	16,582	3,648	1,799	(832)	21,197
Total intangible assets	**2,168,957**	**60,492**	**119,884**	**(46,742)**	**2,302,591**

(€ thousands)	At December 31, 2020	Additions	Business combinations	Translation differences	Disposals and other changes	At December 31, 2021
Goodwill	154,773	-	600,412	34,445	-	789,630
Development costs	126,249	46,133	160,772	14,344	(6,751)	340,746
Concessions, licenses and trademarks	131,959	1,958	69,699	6,685	1,088	211,389
Customer relationship	77,622	-	669,554	33,316	-	780,492
Industrial patents and intellectual property rights	29,783	154	-	180	-	30,117
Advances and other intangibles	7,045	672	6,604	860	1,402	16,582
Total intangible assets	**527,431**	**48,917**	**1,507,041**	**89,830**	**(4,262)**	**2,168,957**

The following changes occurred in the corresponding accumulated amortization accounts in 2022 and 2021:

(€ thousands)	At December 31, 2021	Amortization	Translation differences	Disposals and other changes	At December 31, 2022
Development costs	55,251	18,202	1,711	(106)	75,059
Concessions, licenses and trademarks	79,291	14,771	3,205	(2,176)	95,091
Customer relationship	59,985	43,263	1,664	(1,444)	103,468
Industrial patents and intellectual property rights	28,347	771	48	-	29,166
Advances and other intangibles	2,713	136	2,456	(564)	4,741
Total intangible assets	**225,588**	**77,143**	**9,085**	**(4,289)**	**307,526**

(€ thousands)	At December 31, 2020	Amortization	Translation differences	Disposals and other changes	At December 31, 2021
Development costs	41,428	12,606	1,986	(769)	55,251
Concessions, licenses and trademarks	66,141	9,718	3,632	(200)	79,291
Customer relationship	33,048	25,523	1,414	-	59,985
Industrial patents and intellectual property rights	27,272	897	178	-	28,347
Advances and other intangibles	2,806	138	36	(267)	2,713
Total intangible assets	**170,695**	**48,881**	**7,247**	**(1,236)**	**225,588**

A breakdown of the net carrying value of goodwill and other intangibles at December 31, 2022 and 2021, is provided below:

(€ thousands)	At December 31, 2021	Additions	Amortization	Translation differences	Disposals and other changes	At December 31, 2022
Goodwill	789,630	-	-	45,104	(8,383)	826,352
Development costs	285,496	41,863	(18,202)	15,209	(8,549)	315,815
Concessions, licenses and trademarks	132,098	14,898	(14,771)	7,255	(17,302)	122,177
Customer relationship	720,507	-	(43,263)	43,874	(8,307)	712,811
Industrial patents and intellectual property rights	1,770	83	(771)	15	357	1,454
Advances and other intangibles	13,869	3,648	(136)	(657)	(268)	16,455
Total intangible assets	**1,943,370**	**60,492**	**(77,143)**	**110,799**	**(42,453)**	**1,995,063**

(€ thousands)	At December 31, 2020	Additions	Amortization	Business combinations	Translation differences	Disposals and other changes	At December 31, 2021
Goodwill	154,773	-	-	600,412	34,445	-	789,630
Development costs	84,822	46,133	(12,606)	160,772	12,358	(5,982)	285,496
Concessions, licenses and trademarks	65,818	1,958	(9,718)	69,699	3,053	1,288	132,098
Customer relationship	44,574	-	(25,523)	669,554	31,902	-	720,507
Industrial patents and intellectual property rights	2,512	154	(897)	-	2	-	1,770
Advances and other intangibles	4,238	672	(138)	6,604	824	1,668	13,869
Total intangible assets	**356,737**	**48,917**	**(48,881)**	**1,507,041**	**82,584**	**(3,026)**	**1,943,370**

Capitalized development costs, which totaled € 41,863 thousand (€ 46,133 thousand in 2021) refer to the development of LIAISON PLEX and LIAISON NES.

A test of the recoverability of the net carrying amount of capitalized development costs and other intangible assets was performed by determining the recoverable value of the CGUs to which they were attributed and testing them for impairment, as described above.

The item " disposals and other changes " includes a decrease of € 22,072 thousand concerning the net carrying value of the Flow Cytometry intangible assets reclassified among assets held for sale, and € 8,924 thousand for the Fair Value remeasurement (see Note 20).

13. Equity investments

Non-consolidated equity investments totaled € 26 thousand at December 31, 2022 and refer to shares in non-controlled companies. No changes occurred compared to 2021.

14. Deferred-tax assets and deferred-tax liabilities

Deferred-tax assets amounted to € 34,459 thousand at December 31, 2022 (€ 38,230 thousand at December 31, 2021). They relate to consolidated companies that have deferred-tax assets in excess of deferred-tax liabilities. Deferred-tax liabilities, which totaled € 229,310 thousand (€ 185,337 thousand at December 31, 2021) are included within liabilities in the balance sheet and relate to consolidated companies that have deferred-tax liabilities in excess of deferred-tax assets. The balance includes the recognition of deferred-tax liabilities for temporary differences attributable to the Luminex Group's assets and liabilities, for an amount of € 197,192 thousand (€ 214,486 thousand at December 31, 2021).

The balance reflects the net deferred-tax assets computed from the elimination of unrealized gains on intra-Group transactions and on temporary differences between the assets and liabilities amounts used to prepare the consolidated financial statements and the corresponding amounts used by the consolidated companies for tax purposes.

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 carryforwards, most of which, under current laws, can be brought forward indefinitely.

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

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

(€ thousands)	12/31/2022	12/31/2021
Deferred-tax assets	34,459	38,230
Deferred-tax liabilities	(229,310)	(185,337)
Total net deferred-tax assets (liabilities)	**(194,850)**	**(147,107)**

The table below shows a breakdown of the tax effect of the temporary difference that generated the net deferred-tax assets:

(€ thousands)	12/31/2022	12/31/2021
Positive changes:		
Non-current assets, amortization and write-downs	6,656	11,084
Provisions for risks and charges	5,811	4,094
Provision for employees' benefits	7,082	10,859
Intra-Group profits and other changes	11,513	27,079
Losses carried forward	12,577	28,097
Total	**43,639**	**81,213**
Negative changes		
Non-current assets that are not fiscally recognized	(238,489)	(228,319)
Total	**(238,489)**	**(228,319)**
Net deferred tax assets (liabilities)	**(194,850)**	**(147,107)**

The tables that follow show tax losses on which deferred tax assets/no deferred tax assets were recognized.

(€ thousands)	12/31/2022	12/31/2021
Previous tax losses for which deferred tax assets were recognized	128,813	268,899
Deferred tax assets recognized on tax losses	**12,577**	**28,097**
Previous tax losses for which deferred tax assets were not recognized	136,712	119,742
Unrecognized deferred tax assets	**9,719**	**12,679**

Unrecognized deferred tax assets were € 9,719 thousand at December 31, 2022 (€ 12,679 thousand at December 31, 2021) and mainly refer to previous tax losses of Luminex Corp due to the U.S. State Tax, which hinders full recoverability given the composition of expected taxable income in the different states, the different applicable tax rates and restrictions imposed by local rules.

15. Other non-current assets

Other non-current assets amounted to € 3,722 thousand (€ 4,323 thousand at December 31, 2021). They consist mainly of receivables from the Parent Company and the Italian, Belgian, Brazilian, Chinese and U.S. subsidiaries due beyond 12 months.

16. Inventories

A breakdown of inventories, which totaled € 306,503 thousand, is provided below:

(€ thousands)	12/31/2022				12/31/2021		
	Gross amount	**Obsolescence provision**	**Assets held for sale**	**Net amount**	**Gross amount**	**Obsolescence provision**	**Net amount**
Raw materials and supplies	169,676	(19,673)	(13,381)	136,622	172,435	(23,003)	149,432
Work in progress	84,555	(6,292)	(3,422)	74,841	82,004	(6,398)	75,606
Finished goods	108,716	(9,561)	(4,114)	95,041	93,815	(20,804)	73,011
Total	**362,946**	**(35,525)**	**(20,918)**	**306,503**	**348,254**	**(50,205)**	**298,049**

The table below shows the changes that occurred in the provision for inventory obsolescence:

(€ thousands)	12/31/2022	12/31/2021
Opening balance	**50,205**	**10,409**
Business combinations	-	24,153
Additions for the year	7,337	23,182
Utilizations/Reversals for the year	(23,157)	(9,784)
Translation differences and other changes	1,140	2,245
Closing balance	**35,525**	**50,205**

17. Trade receivables

Trade receivables totaled € 220,035 thousand at December 31, 2022 (€ 217,588 thousand at December 31, 2021).

The table that follows shows the changes that occurred in the allowance for doubtful accounts, which amounted to € 13,504 thousand as against December 31, 2021:

(€ thousands)	12/31/2022	12/31/2021
Opening balance	**11,969**	**8,737**
Business combinations	-	2,229
Additions for the period	1,301	1,172
Utilizations/Reversals for the period	(246)	(344)
Translation differences	480	175
Closing balance	**13,504**	**11,969**

Receivables from public sector and universities amounted to € 59,230 thousand (€ 62,185 thousand at December 31, 2021).

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 2022, receivables assigned by the Group's Parent Company amounted to € 28,113 thousand while receivables assigned by the Italian subsidiary amounted to € 26,120 thousand.

18. Other current assets

Other current assets amounted to € 89,184 thousand (€ 39,634 thousand at December 31, 2021) and include tax credit, of which € 21,318 thousand in "Patent Box" credits held by the Group's Parent Company and its Italian subsidiary in 2020-2022 and € 10,958 thousand in IRES advance payments.

19. Cash and cash equivalent

Cash and cash equivalents amounted to € 241,776 thousand at December 31, 2022 (€ 403,020 thousand at December 31, 2021). They consist of ordinary bank accounts and similar money market instruments. More detailed information is provided in the Statement of Cash Flows.

20. Assets/liabilities held for sale

In December 2022, Directors resolved to sell a group of assets and liabilities related to the "Flow Cytometry & Imaging" technology. Following this resolution, items related to these assets and liabilities have been classified as current assets and liabilities held for sale, as required by IFRS 5.

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

The following table details the effect deriving from the sale:

(€ thousands)	12/31/2022
Consideration for the sale	42,378
Transaction costs	(2,813)
A) Consideration, net of transaction costs	39,565
B) Net carrying amount of the assets sold	48,489
(A-B) Impact deriving from remeasurement of the assets sold	(8,924)

Negative differences between the carrying amount of assets and liabilities held for sale and the consideration, net of transaction costs, were allocated to Goodwill for € 8,383 thousand and to intangible assets in progress for € 539 thousand.

Items included in assets/liabilities held for sale at December 31, 2022 are as follows:

(€ thousands)	12/31/2022	12/31/2021
Intangible assets	22,072	-
Property, plant and equipment	2,278	-
Inventories	20,918	-
Total assets held for sale	**45,267**	**-**
Other payables	3,979	-
Current financial liabilities for leases (IFRS 16)	883	-
Other non-current liabilities	841	
Total liabilities held for sale	**5,703**	**-**
Net Total	**39,565**	**-**

21. Shareholders' equity

Share capital
At December 31, 2022, the fully paid-in share capital consisted of 55.948.257 common shares, par value of € 1 each. No changes occurred compared with December 31, 2021.

Treasury shares
At December 31, 2022, the amount of treasury shares was 2,435,372, equal to 4.35% of the share capital, totaling € 281,277 thousand (€ 120,022 thousand at December 31, 2021).

The increase of € 161,255 compared to December 31, 2021, reflects the net effect deriving from the purchase of treasury shares (equal to € 164,958 thousand) and from the exercise of 57,500 total options relating to 2016 Stock Option Plan (15,000 options) and 2017 Stock Option Plan (42,500 options), for a total value of € 3,703 thousand.

Additional paid-in capital
This reserve amounted to € 18,155 thousand at December 31, 2022, and no changes occurred compared with December 31, 2021.

Statutory reserve
This reserve amounted to € 11,190 thousand and no changes occurred compared with December 31, 2021.

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

(€ thousands)	12/31/2022	12/31/2021	Change
Currency translation reserve	121,000	46,208	74,792
Reserve for treasury shares	281,277	120,022	161,255
Stock option reserve	25,444	17,312	8,133
Gains/(losses) on remeasurement of defined benefit plans	(3,513)	(10,348)	6,835
Retained earnings	1,108,062	854,410	253,652
IFRS transition reserve	(2,973)	(2,973)	-
Other reserves	(55,230)	65,507	(120,737)
Total Other reserves and retained earnings	**1,474,067**	**1,090,138**	**383,929**

Currency translation reserve
The currency translation reserve was positive by € 121,000 thousand (€ 46,208 thousand at December 31, 2021) and reflects the foreign exchange differences resulting from the translation at year-end exchange rates of the shareholders' equities of consolidated companies with financial statements denominated in foreign currencies. The positive change of € 74,792 thousand was due to the fluctuation of the exchange rate of the US dollar vis-à-vis the Euro. It should be noted that part of the change (€ 2,826 thousand) refers to net assets classified as held for sale.

Reserve for treasury shares
At December 31, 2022, the reserve for treasury shares amounted to € 281,277 thousand (€ 120,022 thousand at December 31, 2021). This reserve was established pursuant to law (Article 2357 *ter* of the Italian Civil Code). In 2022, the change in the reserve was due to the purchase of treasury shares for € 164,958 thousand, net of the exercise of 57,500 total options to service the 2016 Stock Option Plan (15,000 options) and the 2017 Stock Option Plan (42,500 options), for a total amount of € 3,703 thousand.

Stock option reserve
The balance in the stock option reserve, which amounted to € 25,444 thousand (€ 17,312 thousand at December 31, 2021) refers to the stock option plans in effect at December 31, 2022 (see Note 29).

The increase (€ 8,133 thousand) was due to the recognition of the overall cost posted and recognized in the income statement as labor costs included in general and administrative expenses, whilst the decrease was due to the options exercised.

On April 29, 2022, the Ordinary Shareholders' Meeting resolved to approve a new incentive and loyalty Plan called "Equity Awards Plan" for the managers of DiaSorin S.p.A. and the other DiaSorin Group's companies. The Plan shall be implemented through the free assignment of rights which, if accrued upon the fulfilment of the conditions, grant the right to receive – without consideration- ordinary treasury shares in the Company's portfolio, at a ratio of 1 share for each right accrued. In May 2022, the list of beneficiaries was approved and 53,478 rights were granted to receive treasury shares. At December 31, 2022, the equity reserve amounted to € 1,382 thousand.

Gains/Losses on remeasurement of defined-benefit plans
At December 31, 2022, this item, negative by € 3,513 thousand (negative by € 10,348 thousand at December 31, 2021) includes net profits of the period related to the actuarial assessment of the Group's defined-benefit plans amounting to € 6,835 thousand.

Retained earnings
Retained earnings amounted to € 1,108,062 thousand (€ 854,410 thousand at December 31, 2021). The change of € 253,652 thousand, compared with December 31, 2021, is the net result of:
- appropriation of the consolidated net profit earned by the Group in 2021 (€ 310,968 thousand);
- distribution of ordinary dividends equal to € 57,316 thousand approved on April 29, 2022 by the Ordinary Shareholders' Meeting (equal to € 1.05 per share);

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 standards 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 its establishment.

Other reserves
The item, negative by € 55,230 thousand, posted a change of € 120,737 thousand compared to December 31, 2021, due to the purchase of treasury shares, amounting to € 164,958 thousand, partly excluding the equity component related to the cash flow hedge reserve, equal to € 37,346 thousand.

Reconciliation of the net result and shareholders' equity of the Group's Parent Company to the corresponding consolidated data
The table below shows a reconciliation of the net profit and shareholders' equity of the Group's Parent Company at December 31, 2022:

(€ thousands)	Net profit at 12/31/2022	Shareholders' equity at 12/31/2022
Amount in the financial statements of the Parent Company DiaSorin S.p.A.	**37,786**	**497,619**
Difference between the carrying amount of equity investments and the value of the underlying shareholders' equity	-	1,053,670
Profits/(Losses) of consolidated companies	217,752	-
Elimination of unrealized intra-Group profits, net of the applicable tax effect	(8,055)	(31,539)
Elimination of intra-Group dividends	(7,373)	-
Amount in the consolidated financial statements	**240,110**	**1,519,750**

22. Financial assets and liabilities

Payables for financial liabilities amounted to € 1,351,985 thousand at December 31, 2022, as against financial assets amounting to € 203,599, broken down as follows (amounts in thousands):

Type of financial liability	Current portion	Non-current portion	*Due beyond 1 year and within 5 years*	*Due beyond 5 years*	Total
Term Loan granted to DiaSorin Inc.	71,880	722,396	722,396	-	794,276
Convertible Bonds issued by DiaSorin S.p.A.	-	448,565	-	448,565	448,565
IFRS 16 lease payables	8,498	61,004	30,268	30,736	69,503
Revolving Credit Facility granted to DiaSorin S.p.A.	39,642	-	-	-	39,642
Total financial liabilities	**120,020**	**1,231,965**	**752,664**	**479,301**	**1,351,985**
Hedging derivatives	28,642	32,156	32,156	-	60,799
DiaSorin Inc. cash investments	142,409	-	-	-	142,409
Other financial derivatives	391	-	-	-	391
Total financial assets	**171,442**	**32,156**	**32,156**	**-**	**203,599**
Total financial assets/liabilities	**(51,422)**	**1,199,809**	**720,508**	**479,301**	**1,148,387**

The table below lists the changes that occurred in the financing facilities that were outstanding at December 31, 2022 compared with 2021 (amounts in thousands of euros):

Type of financial liability	At December 31, 2021	Increases	Repayments	Interests accrued and amortized cost	Translation differences and other movements	At December 31, 2022
Term Loan granted to DiaSorin Inc.	879,516	-	(156,306)	14,838	56,228	794,276
Convertible Bonds issued by DiaSorin S.p.A.	439,520	-	-	9,045	-	448,565
Hedging derivatives	3,434	-	-	-	(3,434)	-
IFRS 16 lease payables	76,122	5,458	(13,675)	-	1,597	69,503
Revolving Credit Facility granted to DiaSorin S.p.A.	-	39,549	-	93	-	39,642
Other current financial liabilities	1,037	-	-	-	(1,037)	-
Total financial liabilities	**1,399,629**	**45,007**	**(169,981)**	**23,976**	**53,354**	**1,351,985**
Hedging derivatives	10,716	50,316	-	-	(234)	60,798
DiaSorin Inc. DiaSorin Inc. cash investments	-	139,570	-	-	2,839	142,409
Other current financial liabilities	-	391	-	-	-	391
Total financial assets	**10,716**	**190,278**	**-**	**-**	**2,605**	**203,598**
Total net financial liabilities	**1,388,913**	**(145,271)**	**(169,981)**	**23,976**	**50,749**	**1,148,387**

Financial liabilities, compared to the balance at December 31, 2021, include the repayment of a principal of USD 150,000,000 related to the "Term Loan", plus € 16,056 thousand in interest payment.

Interest accrues on the amount financed at an annual rate equal to the USD Libor plus a variable spread according to the value of the ratio between consolidated net financial debt and consolidated EBITDA, as contractually defined. The Financing Agreement contains commitments that are customary for agreements of a similar type and size, such a guarantee and disclosure obligations, negative pledge and events of default clauses, and compliance with certain financial ratio that at December 31, 2022, complied with the requirement set.

This liability is measured at amortized cost and at December 31, 2022 amounted to € 794,276 thousand.

On May 16, 2022, DiaSorin S.p.A. signed a "Revolving credit facility" due 2025 for an amount of € 150,000 thousand. At December 31, 2022, the Company used € 40,000 thousand of this credit line secured by the U.S. subsidiary DiaSorin Inc..

The Company used part of the liquidity denominated in U.S. dollars and held by DiaSorin Inc. for short-term liquidity management tools (time deposits). At December 31, 2022, the value of these tools was € 142,409 thousand.

The item "hedging derivatives" includes the Fair Value of the IRS (Interest Rate Swap) hedging fluctuations of interest rates on Term Loan, amounting to € 60,798 thousand and increasing by € 53,515 compared to December 31, 2021.

At December 31, 2022, IFRS 16 lease payables were € 69,503 thousand; additional details on the amount of related right-of-use assets are provided in Note 11.

As required by IAS 7, the following table provides a breakdown of financial liabilities: the flows shown are future cash flows determined on the basis of residual contractual maturities for both principal and interest.

Lender	At December 31, 2022	1 year	2 - 5 years	> 5 years	Total
Term Loan granted to DiaSorin Inc.	794,276	71,880	725,045		796,925
Convertible Bonds issued by DiaSorin S.p.A.	448,565			500,000	500,000
Revolving Credit Facility granted to DiaSorin S.p.A.	39,642	40,238			40,238
IFRS 16 lease payables	68,662	10,768	34,432	35,084	80,284
Total financial liabilities	**1,351,144**	**122,886**	**759,477**	**535,084**	**1,417,447**

23. Provision for employee severance indemnities and other employee benefits

The balance in this account reflects all of the Company's pension plan obligations, other post-employment benefits and benefits payable to employees when certain requirements are met. The Company provides post-employment benefits to its employees through defined-contribution and/or defined-benefit plans.

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

Defined-contribution plans

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

In 2022, this cost amounted to € 12,878 thousand.

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 year in which they arise.

Other employee benefits
The Company 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.

Starting from 2019, a 2019-2022 four-year plan ("LTI Plan") was implemented in favor of seven key executives of the DiaSorin Group, including the Strategic Executives. The LTI Plan was adopted with the aim of their retention, as well as rewarding the achievement of important medium/long- term business targets in accordance with the DiaSorin Group growth strategy. The LTI Plan envisages a stock option plan (the 2018 Plan, as described in Note 29) and a target cash bonus (totaling € 7 million gross) tied to the achievement of a specific objective. Upon achieving the target objective, the cash bonus shall be paid to each beneficiary by the end of April 2023, following the approval of the 2022 consolidated financial statements. The LTI Plan cash bonus falls into "Other long-term benefits" of IAS 19 and is assessed by using actuarial methods.

Please note that any resulting actuarial gains or losses recorded on the basis of these employees' benefits are recognized in the income statement. Gains recognized in 2022 were € 236 thousand (losses of € 113 thousand in 2021).

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

(€ thousands)	12/31/2022	12/31/2021	Change
Employee benefits			
provided in:			
- Italy	7,092	6,852	240
- Germany	21,752	29,781	(8,029)
- Sweden	1,650	2,516	(866)
- Other countries	1,987	1,768	219
Total employee benefits	**32,481**	**40,917**	**(8,436)**
broken down as follows:			
- Defined-benefit plans			
Employee's severance indemnities	*2,466*	*2,847*	*(381)*
Other defined-benefit plans	*24,230*	*33,087*	*(8,857)*
	26,696	35,934	(9,238)
- Other long-term benefits	5,785	4,983	802
Total employee benefits	**32,481**	**40,917**	**(8,436)**

The table below shows the main changes that occurred in the Group's employee benefit plans compared with December 31, 2021:

(€ thousands)	Defined-benefit plans	Other benefits	Total employee benefits
Balance at 12/31/2021	**35,934**	**4,983**	**40,917**
Interest cost	462	(20)	442
Actuarial losses/(gains) recognized in income statement	-	(236)	(236)
Actuarial losses/(gains) from financial assumptions	(9,063)	-	(9,063)
Actuarial losses/(gains) from demographic changes	(46)	-	(46)
Actuarial losses/(gains) from experience	(410)	-	(410)
Current service cost	1,221	1,182	2,403
Benefits paid	(1,234)	(132)	(1,366)
Translation differences and other changes	(168)	8	(160)
Balance at 12/31/2022	**26,696**	**5,785**	**32,481**

The main changes with regard to the provision for employee benefits include actuarial profits recognized in the comprehensive income statement (€ 9,519 thousand, gross of the tax effect) and contributions paid (€ 1,366 thousand). The net amount recognized in the 2022 income statement for employee benefits was an expense of € 2,609 thousand (€ 3,278 thousand in 2021).

Actuarial losses/(gains) arising from other employee benefits and current service cost are recognized in the income statement as part of labor costs, allocated to the area to which they correspond. Interest expense is recognized in the income statement as part of "Financial income/(expense)" (see Note 7).

Actuarial losses/(gains) on defined-benefit plans are credited or charged to equity in the statement of comprehensive income in the period in which they arise.

The table below lists the main assumptions used for actuarial computation purposes in the defined benefit plans:

	Pension plans	
	12/31/2022	12/31/2021
Discount rate	3.68%	1.07%
Projected wage increases	2.90%	2.83%
Inflation rate	2.51%	1.93%
Average employee turnover rate	6.75%	3.25%

A sensitivity analysis of changes in the main assumptions used for actuarial computation purposes is set out below:

(€ thousands)	Provision of employee severance indemnities	Other defined-benefit plans
Discount rate		
0.8% Increase	(74)	(2,886)
0.8% Decrease	78	3,645
Projected wage increases		
0.8% Increase	-	-
0.8% Decrease	-	-
Inflation rate		
0.8% Increase	48	2,352
0.8% Decrease	(47)	(2,012)
Average employee turnover rate		
10% Increase	4	-
10% Decrease	(4)	-

(*) The sensitivity analysis concerning provision of employee severance indemnities takes into account changes in the discount rate, projected wage increase and inflation rate up or down by 0.5%.

24. Provisions for risks and charges

The item amounted to € 30,272 thousand at December 31, 2022 (€ 25,392 thousand at December 31, 2021) and refer to provisions set aside for pending disputes and provisions for employee severance indemnities.

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

(€ thousands)	12/31/2022	12/31/2021
Opening balance	**25,392**	**12,214**
Additions for the period	4,863	3,418
Utilizations/Reversals for the period	(105)	(757)
Translation differences and other changes	122	10,517
Closing balance	**30,272**	**25,392**

25. Other non-current liabilities

Other non-current liabilities totaled € 17,287 thousand at December 31, 2022, in line with 2021 (€ 18,591 thousand at December 31, 2021). The item includes the recognition of liabilities, equal to € 5,735 thousand, related to the appreciation of a long-term debt arising from put/call option rights under the Joint Venture agreement signed with other partners of the Chinese investee company, recognized according to IAS 32 and IFRS 9 accounting standards.

Specifically, the Joint Venture agreement contains an obligation for the Group to purchase its own equity instruments for cash or other financial asset and gives rise to a financial liability for the present value of the redemption amount.

Liability is initially recognized at the present value of the exercise price estimated at € 6,107 thousand. Subsequently, changes in this amount are recognized with an equal amount being recognized in the Group's net Shareholder's equity. Reference is made to the note "21. Shareholders' equity".

26. Trade payables

At December 31, 2022, trade payables, which totaled € 104,204 thousand (€ 84,773 thousand at December 31, 2021) represent amounts owed to external suppliers for the purchase of goods and services. The increase of € 19,431 thousand refers to DiaSorin Italia S.p.A. for € 9,159 thousand and to DiaSorin Inc. for € 8,572 thousand. There are no amounts due beyond the year.

27. Other current liabilities

Other current liabilities of € 103,304 thousand at December 31, 2022 (€ 102,319 thousand at December 31, 2021) consist mainly of amounts owed to employees for additional monthly payments to be paid, equal to € 47,512 thousand (€ 46,146 thousand at December 31, 2021), accruals and deferred charges (contract obligations) amounting to € 15,673 thousand (€ 14,370 thousand at December 31, 2021), and contributions payable to social security and health benefit institutions for a total of € 4,493 thousand (€ 4,814 thousand at December 31, 2021).

28. Income taxes payable

The balance of € 13,786 thousand at December 31, 2022 (€ 6,255 thousand at December 31, 2021) 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.

The analysis of income taxes is provided in Note 9.

29. Commitment and contingent liabilities

Guarantees provided

At December 31, 2022, the guarantees that the Group provided to third parties totaled € 20,156 thousand and include bank sureties in connection with the submission of bids in response to public calls for tenders (€ 18,506 thousand), defined-contribution pension plans of certain subsidiaries (€ 1,650 thousand).

Significant commitments and contractual obligations

Significant contractual obligations include the agreements executed by the Parent company DiaSorin, with Stratec in connection with the development and production of LIAISON XL and the new LIAISON XS analyzers. The supply contract calls for Stratec to manufacture and supply the analyzers exclusively to DiaSorin. The Group has agreed to purchase a minimum number of instruments. 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 the amounts set aside for pending legal disputes in the corresponding provision for risks are adequate.

30. Stock option plans and Equity Awards

2016 Plan

On April 28, 2016, the Ordinary Shareholders' Meeting approved the new 2016 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries.

The Board of Directors approved an initial tranche of beneficiaries with a grant of 130,000 options by a resolution dated May 16, 2016, a second tranche with a grant of 20,000 options by a resolution dated August 4, 2016, a third tranche with a grant of 40,000 options by a resolution dated December 19, 2016, a fourth tranche with a grant of 40,000 options by a resolution dated August 3, 2017, a fifth tranche with a grant of 25,000 options by a resolution dated March 7, 2018, a sixth tranche with a grant of 20,000 options by a resolution dated November 7, 2018 and a seventh tranche with a grant of 25,000 by a resolution dated March 14, 2019.

Please note that, due some "bad leaver" and "good leaver" events, 104,849 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.

These free option grants convey to the beneficiaries the right to acquire up to 250,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2016 Plan.

On May 12, 2016, the company announced the start of the treasury shares buy-back plan to service the Stock Option Plan, under the terms and conditions authorized by the Shareholders' Meeting of April 28, 2016.

The program was completed on June 9, 2016, resulting in the purchase of 250,000 common shares (equal to 0.44% of the share capital). The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the DiaSorin common shares for the stock market trading session preceding each purchase.

At December 31, 2022, stock options amounted to 16,699, following 15,000 being exercised on May 2, 2022, at an average exercise price of € 86.0448.

During the abovementioned period, the average price of the DiaSorin shares was € 123.45.

As detailed:

Piano 2016	Grant date	Number of options	Exercise year
I Tranche	May 16, 2016	46,218	2019
II Tranche	August 4, 2016	20,000	2019
III Tranche	December 19, 2016	23,000	2019
III Tranche	December 19, 2016	2,000	2020
IV Tranche	August 3, 2017	40,000	2020
V Tranche	March 7, 2018	14,234	2021
V Tranche	March 7, 2018	4,699	
VI Tranche	November 7, 2018	13,000	2021
VI Tranche	November 7, 2018	2,000	
VII Tranche	March 14, 2019	15,000	2022
VII Tranche	March 14, 2019	10,000	
Total		**195,151**	

2017 Plan

On April 27, 2017, the Ordinary Shareholders' Meeting approved the new 2017 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries.

The Board of Directors approved a first tranche of beneficiaries with a grant of 170,000 options by a resolution dated November 9, 2017, a second tranche with a grant of 10,000 options by a resolution dated March 7, 2018, a third tranche with a grant of 40,000 options by a resolution dated May 8, 2018, a fourth tranche with a grant of 15,000 options by a resolution dated November 7, 2018, a fifth tranche with a grant of 10,000 options by a resolution dated March 14, 2019, a sixth tranche with a grant of 10,000 options by a resolution dated June 10, 2019, a seventh tranche with a grant of 65,000 options by a resolution dated July 31, 2019, an eighth tranche with a grant of 45,000 options by a resolution dated November 6, 2019, a ninth tranche with a grant of 30,000 options by a resolution dated 19 December, 2019, a tenth tranche with a grant of 5,000 options by a resolution dated March 11, 2020, an eleventh tranche with a grant of 20,000 options by a resolution dated May 13, 2020 and a twelfth tranche with a grant of 56,122 options by a resolution dated July 30, 2020.

Please note that, due some "bad leaver" and "good leaver" events, 78,120 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.

These free option grants convey to the beneficiaries the right to acquire up to 450,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2017 Plan.

The Shareholders' Meeting of April 27, 2017 resolved to authorize, pursuant to and for the purposes of Article 2357 of the Italian Civil Code, the purchase, in one or more installments and for a period of 18 months from the date of the resolution, the purchase of up to 450,000 common shares to service the new 2017 Stock Option Plan. The program was implemented in April 2018 with the purchase of 100,000 common shares (equal to 0.18% of the share capital) and continued throughout 2020 along with the 2019 Stock Option Plan, ended on October 23, 2020.

The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the DiaSorin common shares for the stock market trading session preceding each purchase.

At December 31, 2022, stock options amounted to 161,624, following 10,000 stock options being exercised on March 8, 2022, at an average exercise price of € 70.0517, and 10,000 stock options being exercised between July 12, 2022 and July 25, 2022, at an average exercise price of € 86.0448, and 5,000 stock options being exercised on November 9, 2022, at an average exercise price of € 95.3515, and 12,500 stock options being exercised between August 5, 2022 and December 14, 2022, at an average exercise price of € 102.6159 and 5,000 stock options being exercised on November 18, 2022, at an average exercise price of € 99.5983.

During the abovementioned period, the average price of the DiaSorin shares was € 128.33.

As detailed:

2017 Plan	Grant date	Number of options	Exercise year
I Tranche	November 9, 2017	82,000	2020
I Tranche	November 9, 2017	61,878	2021
II Tranche	March 7, 2018	10,000	2022
III Tranche	May 8, 2018	40,000	2021
IV Tranche	November 7, 2018	10,000	2021
IV Tranche	November 7, 2018	5,000	
V Tranche	March 14, 2019	10,000	2022
VI Tranche	June 10, 2019	5,000	2022
VI Tranche	June 10, 2019	5,000	
VII Tranche	July 31, 2019	12,500	2022
VII Tranche	July 31, 2019	52,500	
VIII Tranche	November 6, 2019	5,000	2022
VIII Tranche	November 6, 2019	25,000	
IX Tranche	December 19, 2019	19,632	
X Tranche	March 11, 2020	5,000	
XI Tranche	May 13, 2020	20,000	
XII Tranche	July 30, 2020	29,492	
Total		**398,002**	

2018 Plan
On April 23, 2018, the Ordinary Shareholders' Meeting approved the new 2018 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries.

The Board of Directors approved an initial tranche of beneficiaries with a grant of 675,000 options by a resolution dated May 8, 2018

Please note that, due some "bad leaver" and "good leaver" events, 12,219 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.

These free option grants convey to the beneficiaries the right to acquire up to 675,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2018 Plan.

On May 3, 2018, the company announced the start of the treasury shares buy-back plan to service the 2018 Stock Option Plan, under the terms and conditions authorized by the Shareholders' Meeting of April 23, 2018. The program was completed on July 4, 2018, resulting in the purchase of 675,000 common shares (equal to 1.21% of the share capital). The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the DiaSorin common shares for the stock market trading session preceding each purchase.

At December 31, 2022, stock options amounted to 662,781, all related to the grant date of May 8, 2018.

2019 Plan
On April 24, 2019, the Ordinary Shareholders' Meeting approved the new 2019 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries.

The Board of Directors approved a first tranche of beneficiaries with a grant of 8,878 options by a resolution dated July 30, 2020, a second tranche with a grant of 91,122 options by a resolution dated November 11, 2020, and a third tranche with a grant of 5,000 options by a resolution dated November 11, 2021.

Please note that, due some "bad leaver" and "good leaver" events, 5,000 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.

These free option grants convey to the beneficiaries the right to acquire up to 100,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2019 Plan.

On June 17, 2020, the company announced the start of the treasury shares buy-back plan to service the 2019 Stock Option Plan, under the conditions and terms authorized by the Shareholders' Meeting of April 24, 2019. The program was completed on October 23, 2020, resulting in the purchase of 192,511 common shares (equal to 0.3441% of the share capital), partly to serve the 2017 Stock Option Plan. The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the DiaSorin common shares for the stock market trading session preceding each purchase.

At December 31, 2022, stock options amounted to 100,000.

As detailed:

2019 Plan	Grant date	Number of options
I Tranche	July 30, 2020	8,878
II Tranche	November 11, 2020	86,122
III Tranche	November 11, 2021	5,000
Total		**100,000**

2020 Plan
On June 10, 2020, the Ordinary Shareholders' Meeting approved the new 2020 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries.

The Board of Directors approved an initial tranche of beneficiaries with a grant of 18,878 options by a resolution dated November 11, 2020, a second tranche of beneficiaries with a grant of 15,000 options by a resolution dated December 21, 2020, a third tranche of beneficiaries with a grant of 60,000 options by a resolution dated March 11, 2021, a fourth tranche of beneficiaries with a grant of 5,000 options by a resolution dated May 14, 2021, a fifth tranche with a grant of 40,000 options by a resolution dated July 30, 2021, a sixth tranche with a grant of 11,122 options by a resolution dated November 11, 2021 and a seventh tranche with a grant of 3,654 options by a resolution dated December 1, 2022.

Please note that, due some "bad leaver" and "good leaver" events, 3,654 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.

These free option grants convey to the beneficiaries the right to acquire up to 150,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2020 Plan.

On April 6, 2021, the company announced the start of the treasury shares buy-back plan to service the Stock Option Plan of the company, under the conditions and terms authorized by the Shareholders' Meeting of April 10, 2020. The program was completed on November 2, 2020, resulting in the purchase of 100,000 common shares (equal to 0.1718% of the share capital). The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the DiaSorin common shares for the stock market trading session preceding each purchase.

At December 31, 2022, stock options amounted to 150,000.

As detailed:

2020 Plan	Grant date	Number of options
I Tranche	November 11, 2020	18,878
II Tranche	December 21, 2020	15,000
III Tranche	March 11, 2021	56,346
IV Tranche	May 14, 2021	5,000
V Tranche	July 30, 2021	40,000
VI Tranche	November 11, 2021	11,122
VII Tranche	December 1, 2022	3,654
Total		**150,000**

2021 Plan

On April 22, 2021, the Ordinary Shareholders' Meeting approved the new 2021 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries.

The Board of Directors approved a first tranche of beneficiaries with a grant of 48,878 options by a resolution dated November 11, 2021, a second tranche of beneficiaries with a grant of 50,000 options by a resolution dated May 6, 2022, and a third tranche of beneficiaries with a grant of 36,346 options by a resolution dated December 1, 2022.

Please note that, due some "bad leaver" and "good leaver" events, 3,787 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.

These free option grants convey to the beneficiaries the right to acquire up to 300,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2021 Plan.

The Shareholders' Meeting of April 22, 2021, resolved to authorize, pursuant to and for the purposes of Article 2357 of the Italian Civil Code, the purchase, in one or more installments and for a period of 18 months from the date of the resolution, the purchase of up to 300,000 common shares (equal to 0.536% of the share capital), to service the new 2021 Stock Option Plan.

At December 31, 2022, stock options amounted to 131,437, as detailed:

2021 Plan	Grant date	Number of options
I Tranche	November 11, 2021	45,091
II Tranche	May 6, 2022	50,000
III Tranche	December 1, 2022	36,346
Total		**131,437**

Equity Awards Plan 2022

On April 29, 2022, the Ordinary Shareholders' Meeting approved a new incentive and loyalty Plan called "Equity Awards Plan" for the managers of DiaSorin S.p.A. and the other DiaSorin Group's companies. The Plan shall be implemented through the free assignment of rights which, if accrued upon the fulfilment of the conditions, grant the right to receive – without consideration- ordinary treasury shares in the Company's portfolio, at a ratio of 1 share for each right accrued. In May 2022, the list of beneficiaries was approved and 53,478 rights were granted to receive treasury shares.

Valuation of stock options

The stock options granted to Directors and employees are measured at their fair value on the grant date in accordance with the method provided in IFRS 2 and the total cost of the plan thus determined is allocated over the vesting period.

The fair value computation method uses a binomial model and is based on the following assumptions:

A – Exercise price

The exercise price was determined in accordance with Article 6.2 of the Plan's Regulation.

B – Stock price

The value assigned to the underlying instrument for stock option valuation purposes is the daily closing price for DiaSorin shares on the grant date.

C – Expected volatility

The expected volatility of the underlying instrument measures the expected fluctuations in price/value over a given period of time. The measure of volatility used in the option pricing model used is the annualized standard deviation of the continuously compounded rates of return on an equity security over a period of time.

D – Employee exit rate

This rate, which reflects the probability that Directors or employees who are the recipients of stock option grants will leave the Company before the vesting date, was deemed to be 0%.

E – Risk-free interest rate

IFRS 2 requires the use of a risk-free interest rate that will be valid over the expected life of the options, with the term expected life meaning the length of time between the grant date and the expected option exercise date.

F – Dividend yield

The value of stock options is also affected by assumptions about the dividend yield, which is the annual dividend paid per share stated as a percentage of the share price.

The table below lists the input data used for stock option valuation purposes and the number of options exercisable at December 31, 2022:

2016 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.000000000	€ 52.54	€ 52.25	€ 1.00	30.00%	0.00%	0.46%	1.70%	05/16/2016	05/16/2019
II Tranche	3.002739726	€ 56.31	€ 57.80	€ 1.00	30.00%	0.00%	0.14%	1.70%	08/04/2016	08/05/2019
III Tranche	3.002739726	€ 51.84	€ 53.65	€ 1.00	30.00%	0.00%	0.38%	1.70%	12/19/2016	12/20/2019
IV Tranche	3.005479452	€ 69.63	€ 73.05	€ 1.00	23.00%	0.00%	0.14%	1.50%	08/03/2017	08/04/2020
V Tranche	3.005479452	€ 70.05	€ 70.60	€ 1.00	23.00%	0.00%	0.33%	1.50%	03/07/2018	03/08/2021
VI Tranche	3.005479452	€ 82.42	€ 81.60	€ 1.00	25.00%	0.00%	0.44%	1.50%	11/07/2018	11/08/2021
VII Tranche	3.005479452	€ 86.04	€ 85.80	€ 1.00	25.00%	0.00%	0.25%	1.50%	3/14/2019	3/15/2022

2017 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.005479452	€ 78.47	€ 72.05	€ 1.00	23.00%	0.00%	-0.07%	1.50%	11/09/2017	11/10/2020
II Tranche	3.005479452	€ 70.05	€ 70.60	€ 1.00	23.00%	0.00%	0.14%	1.50%	03/07/2018	03/08/2021
III Tranche	3.008219178	€ 76.24	€ 78.30	€ 1.00	23.00%	0.00%	0.18%	1.50%	05/08/2018	05/10/2021
IV Tranche	3.005479452	€ 82.42	€ 81.60	€ 1.00	25.00%	0.00%	0.24%	1.50%	11/07/2018	11/8/2021
V Tranche	3.005479452	€ 86.04	€ 85.80	€ 1.00	25.00%	0.00%	0.12%	1.50%	03/14/2019	3/15/2022
VI Tranche	3.010958904	€ 95.35	€ 102.00	€ 1.00	25.00%	0.00%	-0.02%	1.50%	06/10/2019	6/13/2022
VII Tranche	3.005479452	€ 102.62	€ 105.00	€ 1.00	25.00%	0.00%	-0.24%	1.50%	07/31/2019	8/01/2022
VIII Tranche	3.005479452	€ 99.60	€ 104.30	€ 1.00	25.00%	0.00%	-0.08%	1.50%	11/06/2019	11/7/2022
IX Tranche	3.005479452	€ 119.28	€ 117.60	€ 1.00	25.00%	0.00%	-0.06%	1.50%	12/19/2019	12/20/2022
X Tranche	3.005479452	€ 110.44	€ 113.00	€ 1.00	25.00%	0.00%	-0.01%	1.50%	03/11/2020	3/13/2023
XI Tranche	3.005479452	€ 156.44	€ 172.50	€ 1.00	28.00%	0.00%	0.32%	1.50%	05/13/2020	5/15/2023
XII Tranche	3.002739726	€ 173.28	€ 167.50	€ 1.00	30.00%	0.00%	-0.17%	1.00%	07/30/2020	7/31/2023

2018 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	4.657534247	€ 76.24	€ 78.30	€ 1.00	23.00%	0.00%	0.49%	1.50%	05/08/2018	01/02/2023

2019 Plan	Vesting period (in anni)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.002739726	€ 173.28	€ 167.50	€ 1.00	30.00%	0.00%	-0.17%	1.00%	7/30/2020	7/31/2023
II Tranche	3.005479452	€ 189.05	€ 172.40	€ 1.00	30.00%	0.00%	-0.29%	1.00%	11/11/2020	11/13/2023
III Tranche	3.005479452	€ 186.15	€ 185.00	€ 1.00	34.00%	0.00%	-0.18%	1.00%	11/11/2021	11/12/2024

2020 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.005479452	€ 189.05	€ 172.40	€ 1.00	30.00%	0.00%	-0.29%	1.00%	11/11/2020	11/13/2023
II Tranche	3.002739726	€ 169.95	€ 171.70	€ 1.00	30.00%	0.00%	-0.30%	1.00%	12/21/2020	12/22/2023
III Tranche	3.005479452	€ 168.46	€ 144.30	€ 1.00	30.00%	0.00%	-0.23%	1.00%	3/11/2021	3/12/2024
IV Tranche	3.005479452	€ 145.50	€ 138.00	€ 1.00	34.00%	0.00%	-0.19%	1.00%	5/14/2021	5/15/2024
V Tranche	3.005479452	€ 164.23	€ 171.15	€ 1.00	34.00%	0.00%	-0.35%	1.00%	7/30/2021	7/31/2024
VI Tranche	3.005479452	€ 186.15	€ 185.00	€ 1.00	34.00%	0.00%	-0.18%	1.00%	11/11/2021	11/12/2024
VII Tranche	3.005479452	€ 131.73	€ 131.75	€ 1.00	25.00%	0.00%	2.86%	1.00%	12/01/2022	12/02/2025

2021 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.005479452	€ 186.15	€ 185.00	€ 1.00	34.00%	0.00%	-0.18%	1.00%	11/11/2021	11/12/2024
II Tranche	3.005479452	€ 129.70	€ 119.59	€ 1.00	36.00%	0.00%	1.65%	1.00%	05/06/2022	05/07/2025
III Tranche	3.005479452	€ 131.73	€ 131.75	€ 1.00	25.00%	0.00%	2.86%	1.00%	12/01/2022	12/02/2025

"Equity Awards" PLAN	Vesting Date	Stock price at the valuation date	Tasso Risk Free	Volatility	Dividend Yield
I Tranche	05/19/2023	118.10	0.3602%	25%	1%
II Tranche	05/20/2024	118.10	1.0735%	25%	1%
III Tranche	05/20/2025	118.10	1.3851%	25%	1%
IV Tranche	05/20/2026	118.10	1.5244%	25%	1%

Based on the assumptions described above, the fair value of the 2016 Plan is equal to € 2,504 thousand, with a vesting period that goes from May 16, 2016 to March 15, 2022. The fair value per option is as follows (amounts in €):

2016 Plan	Number of options on the vesting date	Fair Value per option
V Tranche	4,699	13.30140
VI Tranche	7,000	16.34540
VII Tranche	10,000	17.16720

Based on the assumptions described above, the fair value of the 2017 Plan is equal to € 6,947 thousand, with a vesting period that goes from November 9, 2017 to July 31, 2023. The fair value per option is as follows (amounts in €):

2017 Plan	Number of options on the vesting date	Fair Value per option
IV Tranche	5,000	13.66450
VI Tranche	5,000	20.69650
VII Tranche	52,500	20.32530
VIII Tranche	25,000	20.97320
IX Tranche	19,632	22.79680
X Tranche	5,000	22.78360
XI Tranche	20,000	44.09502
XII Tranche	29,492	37.36410

Based on the assumptions described above, the fair value of the 2018 Plan is equal to €9,922 thousand, with a vesting period that goes from May 8, 2018 to January 2, 2023. The fair value per option is as follows (amounts in €):

2018 Plan	Number of options on the vesting date	Fair Value per option
I Tranche	662,781	14.97060

Based on the assumptions described above, the fair value of the 2019 Plan is equal to € 3,515 thousand, with a vesting period that goes from July 30, 2020 to November 12, 2024. The fair value per option is as follows (amounts in €):

2019 Plan	Number of options on the vesting date	Fair Value per option
I Tranche	8,878	37.36410
II Tranche	86,122	34.17690
III Tranche	5,000	47.91980

Based on the assumptions described above, the fair value of the 2020 Plan is equal to € 5,432 thousand, with a vesting period that goes from November 11, 2020 to December 2, 2025. The fair value per option is as follows (amounts in €):

2020 Plan	Number of options on the vesting date	Fair Value per option
I Tranche	18,878	34.17690
II Tranche	15,000	40.42982
III Tranche	56,346	26.48940
IV Tranche	5,000	34.15873
V Tranche	40,000	46.76244
VI Tranche	11,122	47.91980
VII Tranche	3,654	31.16386

Based on the assumptions described above, the fair value of the 2021 Plan is equal to € 4,913 thousand, with a vesting period that goes from November 11, 2021 to December 2, 2025. The fair value per option is as follows (amounts in €):

2021 Plan	Number of options on the vesting date	Fair Value per option
I Tranche	45,091	47.91980
II Tranche	50,000	32.38470
III Tranche	36,346	31.16386

Based on the assumptions described above, the fair value of the "Equity Awards" Plan is equal to € 3,499 thousand, with a vesting period that goes from May 20, 2022 to May 20, 2026. The fair value per option is as follows (amounts in €):

"Equity Awards" PLAN	Number of options	Fair Value per option
I Tranche	10,237	117.02
II Tranche	8,190	115.99
III Tranche	6,552	114.99
IV Tranche	5,242	113.99

The overall cost attributable to 2022, which amounted to € 9,539 thousand, was recognized in the income statement as part of labor costs and general and administrative expenses, with the offsetting entries posted to shareholder's equity.

31. Related-party transactions

In the normal course of business, DiaSorin S.p.A. engaged 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.

In 2022, as part of the integration process of Luminex into DiaSorin, intra-group customer relationship sales were executed between Luminex Corporation and certain European subsidiaries, in order to serve customers in countries where the Group has subsidiaries in a more efficient manner. These transactions had no impact on these consolidated financial statements.

The reorganization of the Group's corporate structure included the following under common control transactions:

- Sale of the equity investment held by Luminex 3 B.V. in Luminex Paris Sas to DiaSorin S.A.;
- Sale of the equity investment held by Luminex 3 B.V. in Luminex Munich GmbH to DiaSorin Deutschland GmbH;
- Sale of the business branch between Luminex London Ltd and DiaSorin Ltd.

The transactions above did not impact the balances of these consolidated financial statements.

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 Group's Directors, Statutory Auditors and Strategic Executives is provided below (further information is provided in the Remuneration Report):

(€ thousands)	2022	2021
Directors and strategic executives	6,976	7,274
Other directors	1,034	995
Statutory Auditors	130	100
Total	**8,140**	**8,369**

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.

32. Significant events occurring after December 31, 2022 and business outlook

On February 28, 2023, DiaSorin announced that Luminex Corporation, a wholly owned subsidiary of DiaSorin, has completed the sale of its assets related to the Flow Cytometry & Imaging (FCI) business unit to a Cytek Bioscences for approximately USD 46.5 million.

With regard Business outlook, please refer to the Report on Operations.

33. Significant non-recurring events and transactions

No significant non-recurring transactions occurred, pursuant to the ESMA Communication no 32-63-1186 of 29 October 2021.

34. Entries resulting from atypical and/or unusual transactions

As required by Consob Communication No. DEM/6064296 of July 28, 2006, the Company declares that, in 2022, the Group did not execute atypical and/or unusual transactions, as defined in the abovementioned Communication, according to which atypical and/or unusual transactions are transactions that, because of their significance/material amount, type of counterpart, subject of the transaction, method of determining the transfer price and timing of the event (proximity to the end of a reporting period), could create doubts with regard to: the fairness/completeness of the financial statement disclosures, the existence of a conflict of interest, the safety of the corporate assets and the protection of minority shareholders.

35. Translation of financial statements of foreign companies

The table below lists the main exchange rates used to translate into euros the 2022 financial statements of foreign companies:

Currency	Average exchange rates			Exchange rates at		
	2022	2021	Change	12/31/2022	12/31/2021	Change
U.S. dollar	1.0530	1.1827	-11%	1.0666	1.1326	-6%
Brazilian real	5.4399	6.3779	-15%	5.6386	6.3101	-11%
British pound	0.8528	0.8596	-1%	0.8869	0.8403	6%
Swedish kronor	10.6296	10.1465	5%	11.1218	10.2503	9%
Swiss franc	1.0047	1.0811	-7%	0.9847	1.0331	-5%
Czech koruna	24.5659	25.6405	-4%	24.1160	24.8580	-3%
Canadian dollar	1.3695	1.4826	-8%	1.4440	1.4393	0%
Mexican peso	21.1869	23.9852	-12%	20.8560	23.1438	-10%
Israeli shekel	3.5345	3.8208	-7%	3.7554	3.5159	7%
Chinese yuan	7.0788	7.6282	-7%	7.3582	7.1947	2%
Australian dollar	1.5167	1.5749	-4%	1.5693	1.5615	0%
South African rand	17.2086	17.4766	-2%	18.0986	18.0625	0%
Norwegian krone	10.1026	10.1633	-1%	10.5138	9.9888	5%
Polish Zloty	4.6861	4.5652	3%	4.6808	4.5969	2%
Indian Rupee	82.6864	87.4392	-5%	88.1710	84.2292	5%
Singapore Dollar	1.4512	1.5891	-9%	1.4300	1.5279	-6%
UAE Dirham	3.8673	4.3436	-11%	3.9171	4.1595	-6%

36. Other information

Law no. 124 of 4 August 2017 (the Annual Market and Competition Law) defined that, as from 2019, companies receiving grants, financial support, remunerated duties and any kind of economic benefits from Public Administrations and similar bodies are required to publish such amounts in the Note to the financial statements and consolidated financial statements.

In 2022, the Company did not receive financial support or economic benefits from Public Administration in accordance with the aforementioned Law.

7. Annex I: List of equity investments with the supplemental disclosures required by CONSOB Communication no. DEM/6064293

	Head office location	Currency	Share Capital (*)	Net profit/ (loss) for the year (*)	Shareholders' equity in the latest approved financial statements (*)	Par value per share	% interest held directly	Shares or partnership interest held
Equity investments consolidated line by line								
DiaSorin Italia S.p.A.	Saluggia (Italy)	EUR	1,000,000	53,009	406,226,315	1	100%	1,000,000
DiaSorin S.A/N.V.	Bruxelles (Belgium)	EUR	1,674,000	2,357,699	8,497,402	6,696	100%	249
DiaSorin Ltda	San Paolo (Brazil)	BRL	65,547,409	7,475,200	31,788,619	1	100%	65,547,408
DiaSorin S.A.	Antony (France)	EUR	960,000	1,387,210	9,810,316	15,3	100%	62,493
DiaSorin Iberia S.A.	Madrid (Spain)	EUR	1,453,687	2,411,956	11,117,139	6,01	100%	241,877
DiaSorin Ltd	Dartford (UK)	GBP	500	1,360,807	598,575	1	100%	500
DiaSorin Inc.	Stillwater (USA)	USD	1	78,001,400	1,352,295,400	0,01	100%	100
DiaSorin Canada Inc	Mississauga (Canada)	CAD	200,000	517,600	2,747,200	N/A	0%	100 Class A common shares
DiaSorin Molecular LLC	Cypress (USA)	USD	100,000	71,223,300	270,159,400	100,000	0%	1
DiaSorin Mexico S.A de C.V.	Mexico City (Mexico)	MXP	63,768,473	13,374,600	48,242,393	1	100%	49,999
DiaSorin Deutschland GmbH	Dietzenbach (Germany)	EUR	275,000	1,863,174	7,608,669	275,000	100%	1
DiaSorin AB	Solna (Sweden)	SEK	5,000,000	4,905,658	28,585,906	100	100%	50,000
DiaSorin Ltd	Rosh HaAyin (Israel)	ILS	100	3,103,000	21,371,000	1	100%	100
DiaSorin Austria GmbH	Vienna (Austria)	EUR	35,000	1,584,814	3,792,110	35,000	100%	1
DiaSorin Czech s.r.o.	Praga (Czech Republic)	CZK	200,000	4,586,000	88,430,000	200,000	100%	1
DiaSorin Ireland Limited	Dublino (Ireland)	EUR	163,202	-	6,348,122	1,2	100%	136,002
DiaSorin I.N. Limited	Dublino (Ireland)	EUR	1	4,452,341	6,348,121	0,01	100%	100
DiaSorin South Africa (PTY) Ltd	Sandton (South Africa)	ZAR	101	19,466	4,290,580	1	100%	101
DiaSorin Australia (Pty) Ltd	Sydney (Australia)	AUD	3,300,000	1,394,115	13,902,908	33,000	100%	100

	Head office location	Cur-rency	Share Capital (*)	Net profit/ (loss) for the year (*)	Shareholders' equity in the latest approved financial statements (*)	Par value per share	% interest held directly	Shares or partnership interest held
DiaSorin Ltd	Shanghai (China)	RMB	22,000,000	(29,518,982)	11,625,081	1	76%	16,720,000
DiaSorin Switzerland AG	Rotkreuz (Switzerland)	CHF	100,000	1,820,522	2,535,579	100	100%	1,000
DiaSorin Poland sp. z o.o.	Varsavia (Poland)	PLN	550,000	4,590,240	14,037,573	50	100%	11,000
DiaSorin Healthcare India Private Limited	Mumbai (India)	INR	4,700,000	47,675,454	200,577,440	10	0%	1
DiaSiorin APAC Pte. Ltd.	Singapore (Singapore)	EUR	1	75,778	273,776	N/A	100%	1
DiaSorin Middle East FZ-LLC	Dubai (UAE)	AED	50,000	124,484	38,762	1,000	100%	50
Luminex Corporation Inc.	Austin (USA)	USD	25,000	4,785,600	1,863,682,700	0.001	0%	25,000,000
Luminex International Inc.	Austin (USA)	USD	1,000	-	968,373	0.001	0%	1,000,000
Luminex 2 BV	s'Hertogenbosch (Netherlands)	EUR	90,000	(28,148)	4,321,138	1	0%	90,000
Luminex 3 BV	s'Hertogenbosch (Netherlands)	EUR	90,000	3,668,002	7,823,836	1	0%	90,000
Luminex BV	s'Hertogenbosch (Netherlands)	EUR	90,000	1,390,075	5,282,331	1	0%	90,000
Labpac Pty Ltd	Sydney (Australia)	AUD	100	-	-	1	0%	100
Luminex Japan Ltd	Tokyo (Japan)	JPY	1	24,916,626	301,051,172	1	0%	1
Luminex Trading (Shanghai) Co. Ltd.	Shanghai (China)	RMB	455,219	3,715,727	26,584,583	N/A	0%	-
Luminex Hong Kong Co, Ltd.	Hong Kong (Hong Kong)	HKD	100	1,813,301	9,913,755	10	0%	10
Luminex London Ltd	London (UK)	GBP	1	108,605	605,679	1	0%	1
Luminex Molecular Diagnostics, Inc.	Toronto (Canada)	CAD	10,000,000	21,858,912	81,763,982	N/A	0%	-
Nanosphere LLC	Wilmington (USA)	USD	1,000	-	37,262,491	0.001	0%	1,000,000
ChandlerTec LLC	Wilmington (USA)	USD	1,000	-	-	0.001	0%	1,000,000
Iris Biotech LLC	Wilmington (USA)	USD	1,000	-	-	0.001	0%	1,000,000
Amnis LLC	Wilmington (USA)	USD	1,000	-	-	0.001	0%	1,000,000
Equity investment valued at cost								
DiaSorin Deutschland Unterstuetzungskasse GmbH	Dietzenbach (Germany)	EUR	25,565	79,648	25,565	1	-	1

(*) Amounts stated in the local currency

8. Annex II: Disclosure required pursuant to art. 149-duodecies of the CONSOB Issuers' regulation

(€ thousands)	Party providing the service	Recipients	Fee attributable to 2022
Independent Auditing	PricewaterhouseCoopers S.p.A.	Parent Company Diasorin S.p.A.	577
	PricewaterhouseCoopers S.p.A.	Subsidiaries	100
	PwC Network	Subsidiaries	875
	Other	Subsidiaries	26
Other services	PricewaterhouseCoopers S.p.A.	Parent Company Diasorin S.p.A.	21
	PwC Network	Subsidiaries	23
Total			**1,622**

9. Certification of the statutory financial statements (pursuant to art. 81-ter of Consob Regulation no. 11971 of May 14, 1999, as amended)

i) We, the undersigned, Carlo Rosa, in my capacity as Chief Executive Officer, and Piergiorgio Pedron, in my capacity as Corporate Accounting Documents Officer, of the issuer 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 to prepare the 2022 statutory financial statements are:

a) adequate in light of the Company's characteristics; and

b) applied effectively.

2. Moreover, we attest that:

2.1 the statutory financial statements at December 31, 2022:

a) have been prepared in accordance with the applicable international accounting standards recognized by the European Union, pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council dated July 19, 2002;

b) are consistent with the data in the supporting documents and accounting records;

c) are suitable for the purpose of providing a truthful and fair representation of the balance sheet, operating performance and financial position of the issuer;

2.2 the Report on Operations provides a reliable analysis of the Group's performance and result from operations and of the status of the issuer, together with a description of the main risks and uncertainties to which they are exposed.

Saluggia, March, 27, 2023

Signed:

Carlo Rosa	Piergiorgio Pedron
Chief Executive Officer	Corporate Accounting Documents Officer

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10. Report of the Independent Auditors

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of DiaSorin SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the DiaSorin Group (the Group), which comprise the consolidated statement of financial position as of 31 December 2022, the consolidated income statement, the consolidated comprehensive income statement, statement of changes in consolidated shareholders' equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2022, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of DiaSorin SpA (the Company) pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

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Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Valutation of goodwill and other intangible assets	
Note 12 to the consolidated financial statements as of 31 December 2022 "goodwill and other intangible assets" The carrying amount of goodwill reported in the consolidated financial statement is Euro 826,352 thousand and represents the 35% on total non-current assets. The carrying amount of other intangible assets reported in financial statements, which mainly relate to development costs, concessions, licenses and trademarks, customer relationship and industrial patents and intellectual property rights, is Euro 1,168,711 thousand and represents the 50% of total non-current assets. International financial reporting standards as adopted by European Union ("IFRS"), and in particular IAS 36 – Impairment of assets, state that an impairment test exercise shall be performed on a yearly basis for Goodwill and, in case of impairment indicators for intangible assets with a definite life, through the estimation of recoverable amounts. Recoverable amount, determined as the value in use, is equal to the present value of the future cash flows belonging to each Cash Generating Unit. Cash Generating Units identified by Group correspond to stand-alone subsidiaries or aggregations of them. Goodwill and other intangible assets are considered a key audit matter given their magnitude in the financial statements as well as the underlying estimation elements included in the assumptions developed by Directors on future forecasts, on the cash flows growth rate, included g-rate and on discount rates.	We performed an understanding of the process of preparing the cash flow projections and of the process of preparing and approving the annual impairment test. We analysed the estimated cash flow projections for the period 2023-2025, approved by the Board of Directors and used for the impairment tests of goodwill and other intangible assets, also through meetings with Directors who described the process to prepare the above projections. We compared the 2022 actual results with the expected figures included in the previous year impairment test and analysed main variances to assess the reliability of forecasts prepared by Directors. We verified the reasonableness of the process for identifying the Cash Generating Units, as well as the allocation to them of goodwill and other intangible assets. We analysed and understood the main assumptions underlying forecasted revenue and costs for Cash Generating Units as well as verified their reasonableness based on actual results, future strategic developments and expected market evolutions. We verified, through the involvement of valuation experts belonging to PwC network, the impairment test methodology, the mathematical accuracy of the model used and the reasonableness of assumptions included, also in connection with the determination of the terminal value, including the g-rate, and the discount rate.

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
	We verified the sensitivity analysis in relation to the recoverability of the carrying amount of goodwill and other intangible assets considering possible changes in key assumptions such as the g-rate and discount rate. We verified the accuracy of assets and liabilities related to the Cash Generating Units, including the goodwill and other intangible assets allocated, which are compared to recoverable amount. We finally assessed the appropriateness and completeness of the financial statement's disclosure in particular with reference to the assumptions and the sensitivity analysis reported.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate DiaSorin SpA or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No. 537/2014

On 28 April 2016, the shareholders of DiaSorin SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2016 to 31 December 2024.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of DiaSorin SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the consolidated financial statements as of 31 December 2022, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the consolidated financial statements as of 31 December 2022 have been prepared in XHTML format and have been marked up, in all significant respects, in compliance with the provisions of the Commission Delegated Regulation.
Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10 and Article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of DiaSorin SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of the DiaSorin Group as of 31 December 2022, including their consistency with the relevant consolidated financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the consolidated financial statements of the DiaSorin Group as of 31 December 2022 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the consolidated financial statements of DiaSorin Group as of 31 December 2022 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Statement in accordance with article 4 of Consob's Regulation implementing Legislative Decree No. 254 of 30 December 2016

The directors of DiaSorin SpA are responsible for the preparation of the non-financial statement pursuant to Legislative Decree No. 254 of 30 December 2016.
We have verified that the directors approved the non-financial statement.

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016, the non-financial statement is the subject of a separate statement of compliance issued by ourselves.

Milan, 6 April 2023

PricewaterhouseCoopers SpA

Signed by

Stefano Pavesi
(Partner)

As disclosed by the Directors Note 36 "Other information", the accompanying consolidated financial statements of DiaSorin S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Statutory Financial Statements of DiaSorin S.p.A.

at December 31, 2022

1. Income statement pursuant to CONSOB Resolution no. 15519 of July 27, 2006

(€ thousands)	Notes	2022	*Amount with related parties*	2021	*Amount with related parties*
Net revenues	(1)	260,362	154,828	583,093	354,335
Cost of sales	(2)	(137,992)	(62,422)	(304,025)	(115,638)
Gross profit		**122,370**		**279,068**	
Sales and marketing expenses	(3)	(25,175)	(773)	(37,359)	(1,394)
Research and development costs	(4)	(15,107)	1,123	(24,066)	1,847
General and administrative expenses	(5)	(38,216)	(7,590)	(42,146)	(8,543)
Other operating income (expenses)	(6)	5,757	12,551	(8,118)	5,703
Non-recurring amount		(5,274)		(9,867)	
EBIT		**49,629**		**167,379**	
Financial income	(7)	10,092	1,303	24,530	12,942
Financial expense	(8)	(12,663)		(11,512)	
Result before taxes		**47,058**		**180,397**	
Income taxes	(9)	(9,272)		(41,549)	
Net result	**(10)**	**37,786**		**138,848**	

2. Statement of financial position pursuant to CONSOB Resolution no. 15519 of July 27, 2006

(€ thousands)	Notes	12/31/2022	Amount with related parties	12/31/2021	Amount with related parties
ASSETS					
Non-current assets					
Property, plant and equipment	(11)	2,058		72,231	
Goodwill	(12)	-		39,757	
Intangible assets	(12)	8,518		81,600	
Equity investments	(13)	1,006,932		658,288	
Deferred-tax assets	(14)	548		4,867	
Other non-current assets	(18)	529		3,327	2,633
Other non-current financial assets	(17)	30,976	30,976	42,206	42,206
Total non-current assets		*1,049,561*		*902,276*	
Current assets					
Inventories	(15)	-		120,130	
Trade receivables	(16)	40,149	40,063	156,210	108,089
Financial receivables	(17)	13,811	13,811	6,600	6,600
Other current assets	(18)	41,154		9,755	
Other current financial assets	(21)	108		-	
Cash and cash equivalents	(19)	16,805		146,446	
Total current assets		*112,027*		*439,141*	
TOTAL ASSETS		**1,161,588**		**1,341,417**	

Statement of financial position (continued)

(€ thousands)	Notes	12/31/2022	Amount with related parties	12/31/2021	Amount with related parties
LIABILITIES AND SHAREHOLDERS' EQUITY					
Shareholders' equity					
Share capital	(20)	55,948		55,948	
Additional paid-in capital	(20)	18,155		18,155	
Statutory reserve	(20)	11,190		11,190	
Other reserves and retained earnings	(20)	655,816		563,874	
Treasury shares	(20)	(281,277)		(120,022)	
Net profit for the year		37,787		138,848	
Total shareholders' equity		**497,619**		**667,993**	
Non-current liabilities					
Non-current financial liabilities	(21)	449,299	570	450,525	
Provisions for employee benefits	(22)	3,348	2,608	6,852	2,212
Provisions for risks and charges	(23)	400		14,381	
Other non-current liabilities	(24)	1,190		9,065	
Total non-current liabilities		*454,237*		*480,823*	
Current liabilities					
Trade payables	(25)	16,619	8,366	79,711	32,545
Current financial liabilities	(21)	183,548	143,666	88,769	87,538
Other current financial liabilities	(21)	-	-	1,037	-
Other current liabilities	(26)	9,565		23,084	74
Total current liabilities		*209,732*		*192,601*	
TOTAL LIABILITIES		**663,969**		**673,424**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,161,588**		**1,341,417**	

3. Statement of cash flows pursuant to CONSOB Resolution no. 15519 of July 27, 2006

(€ thousands)	2022	Amount with related parties	2021	Amount with related parties
Cash flow from operating activities				
Net profit for the year	37,786		138,848	
Adjustments for:				
- Income taxes	9,271		41,549	
- Depreciation and amortization	13,871		23,696	
- Financial expense (income)	2,571		(13,018)	
- Additions to/Utilizations of provisions for risks	400		3,212	
- (Gains)/Losses on sales of non-current assets	0		(509)	
- Additions to/(Reversals of) provisions for employee severance indemnities and other benefits	2,046		680	
- Changes in shareholders' equity reserves:				
- Stock options reserve	4,951		4,186	
- Translation reserve on operating activities	(51)		(58)	
- Change in other non-current assets/liabilities	(473)		(3,962)	895
Cash flow from operating activities before changes in working capital	**70,373**		**194,624**	
(Increase)/Decrease in current receivables	32,565	68,026	(21,173)	(21,152)
(Increase)/Decrease in inventories	(8,772)		(7,565)	
Increase/(Decrease) in trade payables	(20,367)	(24,179)	14,326	8,484
(Increase)/Decrease in other current items	(10,356)		(182)	
Cash from operating activities	**63,443**		**180,030**	
Income taxes paid	(54,834)		(59,269)	
Paid/ collected interests	(651)		7,199	
Net cash from operating activities	**7,957**		**127,960**	
Investments in intangibles	(7,339)		(13,321)	
Investments in property, plant and equipment	(8,192)		(19,497)	
Equity investments	-		(542,466)	
Dividends received	7,373	7,373	11,934	11,934
Divestments of tangible assets	(280)		1,292	
Cash used in investing activities	**(8,438)**		**(562,058)**	

Statement of cash flows (continued)

(€ thousands)	2022	Amount with related parties	2021	Amount with related parties
(Repayment of)/ Proceeds from loans and other financial liabilities	39,020		493,311	
(Increase)/Decrease) in financial items due to Group companies	59,256	59,256	16,216	16,216
Share capital increase/additional paid-in capital	-		-	
(Purchase)/Sale of treasury shares, stock options exercise	(159,849)		(8,578)	
Dividend distribution	(57,052)		(54,709)	
Cash from financing activities	**(118,625)**		**446,240**	
Liquidity transferred to DiaSorin S.p.A.	**(10,535)**		**-**	
Net change in cash and cash equivalents	**(129,641)**		**12,142**	
Cash and cash equivalents- opening balance	**146,446**		**134,304**	
Cash and cash equivalents -closing balance	**16,805**		**146,446**	

4. Statement of changes in shareholders' equity

(€ thousands)	Share capital	Treasury shares		Additional paid-in capital	Statutory reserve	Stock option reserve	Reserve for treasury shares	Currency translation reserve	Other reserves and retained earnings	Net profit for the year	Group interest in Shareholder's equity
Shareholders' equity at 31/12/2020	**55,948**	**(109,546)**		**18,155**	**11,190**	**9,644**	**109,546**	**(858)**	**267,396**	**164,216**	**525,691**
Appropriation of previous year's profit	-	-		-	-	-	-	-	164,216	(164,216)	**0**
Dividend distribution	-	-		-	-	-	-	-	(54,709)	-	**(54,709)**
Stock options and other changes	-	-		-	-	4,635	-	-	1,731	-	**6,366**
Ex IAS 32 Convertible debt Reserve	-	-		-	-	-	-	-	59,800	-	**59,800**
Sale/(Purchase) of treasury shares	-	(10,476)		-	-	-	10,476	-	(8,578)	-	**(8,578)**
Profit for the year	-	-		-	-	-	-	-	-	138,848	**138,848**
Translation adjustment	-	-		-	-	-	-	638	0	-	**638**
Gains/(losses) on remeasurement of defined benefit plans, net of tax effects	-	-		-	-	-	-	-	(63)	-	**(63)**
Other changes in the comprehensive income statement	-	-		-	-	-	-	638	(63)	-	**575**
Comprehensive profit	-	-		-	-	-	-	638	(63)	138,848	**139,423**
Shareholders' equity at 31/12/2021	**55,948**	**(120,022)**		**18,155**	**11,190**	**14,279**	**120,022**	**(220)**	**429,793**	**138,848**	**667,993**
Appropriation of previous year's profit	-	-		-	-	-	-	-	138,848	(138,848)	**-**
Dividend distribution	-	-		-	-	-	-	-	(57,316)	-	**(57,316)**
Stock options and other changes	-	-		-	-	8,126	-	-	958	-	**9,084**
Sale/(Purchase) of treasury shares	-	(161,255)		-	-	-	161,255	-	(159,849)	-	**(159,849)**
Profit for the year	-	-		-	-	-	-	-	-	37,786	**37,786**
Translation adjustment	-	-		-	-	-		(314)	-	-	**(314)**
Gains/(losses) on remeasurement of defined benefit plans, net of tax effects	-	-		-	-	-	-		235	-	**235**
Other changes in the comprehensive income statement	-	-		-	-	-	-	(314)	235	-	**(79)**
Comprehensive profit	-	-		-	-	-	-	(314)	235	37,786	**37,707**
Shareholders' equity at 31/12/2022	**55,948**	**(281,277)**		**18,155**	**11,190**	**22,405**	**281,277**	**(534)**	**352,669**	**37,786**	**497,619**

5. Income Statement

(in €)	Notes	2022	2021
Net Revenues	(1)	260,361,588	583,093,327
Cost of sales	(2)	(137,991,836)	(304,025,094)
Gross profit		**122,369,752**	**279,068,233**
Sales and marketing expenses	(3)	(25,174,689)	(37,358,863)
Research and development costs	(4)	(15,107,200)	(24,065,766)
General and administrative expenses	(5)	(38,216,013)	(42,145,766)
Other operating income (expense)	(6)	5,757,094	(8,118,500)
Non-recurring amount	(6)	*(5,273,663)*	*(9,867,385)*
Operating result *(EBIT)*		**49,628,944**	**167,379,338**
Financial income	(7)	10,091,540	24,530,329
Financial expenses	(8)	(12,662,832)	(11,512,059)
Result before taxes		**47,057,652**	**180,397,608**
Income taxes	(9)	(9,271,262)	(41,548,837)
Net Result	**(10)**	**37,786,390**	**138,848,771**

6. Comprehensive income statement

(€ thousands)	2022	2021
Net profit for the year (A)	**37,786**	**138,848**
Other comprehensive gains/(losses) that will not be reclassified in gain/loss of the period:		
Gains/(losses) on remeasurement of defined-benefit plans, net of tax effect	235	(63)
Total comprehensive gains/losses that will not be reclassified in gain/loss of the period (B1)	**235**	**(63)**
Other comprehensive gains/(losses) that will be reclassified in gain/loss of the period:		
Gains/(losses) from translation of financial statements of foreign branches	(314)	638
Total comprehensive gains/(losses) that will be reclassified in gain/loss of the period (B2)	**(314)**	**638**
TOTAL COMPREHENSIVE GAINS/(LOSSES), NET OF TAX EFFECT (B1)+(B2) =(B)	**(79)**	**575**
TOTAL COMPREHENSIVE GAINS/(LOSSES) (A)+(B)	**37,707**	**139,423**

7. Statement of financial position

(in €)	Notes	12/31/2022	12/31/2021
ASSETS			
Non-current assets			
Property, plant and equipment	(11)	2,057,758	72,231,077
Goodwill	(12)	-	39,756,621
Intangible assets	(12)	8,517,868	81,600,252
Equity investments	(13)	1,006,931,994	658,287,837
Deferred-tax assets	(14)	548,021	4,867,094
Other non-current assets	(18)	528,920	3,326,593
Other non-current financial assets	(17)	30,975,989	42,205,655
Total non-current assets		**1,049,560,550**	**902,275,129**
Current assets			
Inventories	(15)	-	120,130,202
Trade receivables	(16)	86,258	48,120,921
Trade receivables from Group companies	(16)	40,062,981	108,088,695
Financial receivables owed by Group companies	(17)	13,811,091	6,599,839
Other current assets	(18)	41,154,283	9,756,433
Other current financial assets	(21)	107,894	-
Cash and cash equivalents	(19)	16,804,643	146,446,195
Total current assets		**112,027,150**	**439,142,285**
TOTAL ASSETS		**1,161,587,700**	**1,341,417,414**

(in €)	Notes	12/31/2022	12/31/2021
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	(20)	55,948,257	55,948,257
Additional paid-in capital	(20)	18,155,103	18,155,103
Statutory reserve	(20)	11,189,651	11,189,651
Other reserves and retained earnings	(20)	655,816,369	563,873,634
Treasury shares	(20)	(281,276,951)	(120,021,947)
Net profit for the year		37,786,390	138,848,771
Total shareholders' equity		**497,618,819**	**667,993,469**
Non-current liabilities			
Non-current financial liabilities	(21)	448,728,775	450,525,369
Other non-current financial liabilities to Group companies	(21)	569,789	-
Provisions for employee benefits	(22)	3,347,601	6,851,845
Provisions for risks and charges	(23)	399,994	14,380,679
Other non-current liabilities	(24)	1,190,034	9,065,362
Total non-current liabilities		**454,236,193**	**480,823,255**
Current liabilities			
Trade payables	(25)	8,252,705	47,166,468
Trade payables to Group companies	(25)	8,366,283	32,545,075
Current financial liabilities	(21)	39,880,714	1,231,271
Financial liabilities owed to Group companies	(21)	143,666,310	87,537,729
Other current financial liabilities owed to Group companies	(21)	-	1,037,384
Other current liabilities	(26)	9,566,676	23,082,763
Income tax payables	(27)	-	-
Total current liabilities		**209,732,688**	**192,600,690**
TOTAL LIABILITIES		**663,968,881**	**673,423,945**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,161,587,700**	**1,341,417,414**

8. Statement of cash flows

(€ thousands)	notes	2022	2021
Cash flow from operating activities			
Net profit for the year		37,786	138,848
Adjustments for:			
- Income taxes	(9)	9,271	41,549
- Depreciation and amortization	(11) (12)	13,871	23,696
- Financial expense (income)	(7) (8)	2,571	(13,018)
- Additions to/(Utilizations of) provisions for risks	(23)	400	3,212
- (Gains)/Losses on sales of non-current assets		0	(509)
- Additions to/(Reversals of) provisions for employee severance indemnities and other employee benefits	(22)	2,046	680
- Changes in shareholders' equity reserves:			
- Stock options reserve	(20)	4,951	4,186
- Cumulative translation adjustment from operating activities	(20)	(51)	(58)
- Change in other non-current assets/liabilities	(18) (24)	(473)	(3,962)
Cash flow from operating activities before changes in working capital		**70,373**	**194,624**
(Increase)/Decrease in current receivables	(16)	32,565	(21,173)
(Increase)/Decrease in inventories	(15)	(8,772)	(7,565)
Increase/(Decrease) in trade payables	(25)	(20,367)	14,326
(Increase)/Decrease in other current items		(10,356)	(182)
Cash from operating activities		**63,443**	**180,030**
Income taxes paid		(54,834)	(59,269)
Paid/ collected interests		(651)	7,199
Net cash from operating activities		**7,957**	**127,960**
Investments in intangibles	(12)	(7,339)	(13,321)
Investments in property, plant and equipment	(11)	(8,192)	(19,497)
Equity investments	(13)	-	(542,466)
Dividends received	(7)	7,373	11,934
Divestments of tangible assets	(11) (12)	(280)	1,292
Cash used in investing activities		**(8,438)**	**(562,058)**

Statement of cash flows (continued)

(€ thousands)	notes	2022	2021
(Repayment of)/ Proceeds from loans and other financial liabilities	(21)	39,020	493,311
Increase/(Decrease) in financial items due to Group companies	(21)	59,256	16,216
(Purchase)/Sale of treasury shares, stock options exercise	(20)	(159,849)	(8,578)
Dividend distribution	(20)	(57,052)	(54,709)
Cash used in financing activities		**(118,625)**	**446,240**
Liquidity transferred to DiaSorin Italia S.p.A.		**(10,535)**	**-**
Net change in cash and cash equivalents		**(129,641)**	**12,142**
Cash and cash equivalents- Opening balance		**146,446**	**134,304**
Cash and cash equivalents -Closing balance		**16,805**	**146,446**

9. Notes to the financial statements of DiaSorin S.p.A. at December 31, 2022

General information

Background information
DiaSorin S.p.A. (the "Company") is the parent company of the DiaSorin Group, which is specialized in the development, production and distribution of immunodiagnostics and molecular diagnostics tests.

The Company has its headquarters in Via Crescentino (no building No.), Saluggia (VC).

The Company, owning controlling interest in other companies, which it carried at cost in its financial statements, has prepared the Group's Consolidated Financial Statements which provide exhaustive additional information about the balance sheet, financial position and income statement of the Company and the Group.

The income statement and the statement of financial position are presented in Euros, while the statement of cash flows, the statements of changes in shareholders' equity and the breakdown of total profit (loss) are presented in thousands of euros. The amounts that appear in the notes to the financial statements are also in thousands of euros.

On March 27, 2023 the Board of Directors authorized the publication of these financial statements.

Contribution in kind of the business branch

On July 1, 2022 (hereinafter the "Effective Date") the project for the redefinition of the corporate structure of DiaSorin S.p.A., which was already approved by the Board of Directors of the Parent Company on December 16, 2021 and on May 6, 2022, was executed. The main objective of the project is to rationalize and separate, also from a corporate point of view, the activities currently carried out in DiaSorin S.p.A. by separating operating activities from holding and services activities (hereinafter "the Transaction").

The reorganization project was implemented through the contribution in kind of the business branch related to the operating activities (i.e., industrial activities, R&D, commercial and marketing activities and those other ancillary activities in support thereof) carried out in Italy and in the United Kingdom (hereinafter "the Branch") in favour of DiaSorin Italia S.p.A. ("DiaSorin Italia"), a wholly- owned direct subsidiary of the Parent Company.

The operation, structured as follows, has made it possible to achieve the following objectives:
- to align the corporate structure with the Group's organizational development and multinational profile. In this context, DiaSorin S.p.A., a listed parent company, is in charge of the definition and the development of the strategic orientation, treasury and coordination activities for the benefit of the entire Group, while the management of the operating activities currently carried out by the Company in Italy and in the United Kingdom are now delegated to DiaSorin Italia;
- to adopt a governance that is more in line with the complexity and size of the Group.
- to ensure a better management of the individual geographical and business areas.

The Branch has been contributed by the Parent Company to DiaSorin Italia with effect on July 1, 2022, as provided in contribution deed stipulated on June 7, 2022 with full release of a capital increase, as per resolution of the Shareholders' Meeting of DiaSorin Italia on the same date.

On June 7, 2022, the Shareholders' Meeting of DiaSorin Italia resolved, among other things:
a) a share capital increase against payment, pursuant to Article 2481-bis of the Civil Code, for a nominal value of Euro 990,000 and share premium of Euro 352,500,219 and, as such, for an aggregate price equal to Euro 353,490,219, reserved for subscription to DiaSorin S.p.A., as sole shareholder, or for a different amount as resulting from the appraisal report;
b) the transformation of DiaSorin Italia in a joint stock company, pursuant to Articles 2498 et seq. of the Civil Code, and the consequent adoption of a new corporate bylaws with effect from the Effective Date.

a) Description of the assets subject to the Contribution
The scope of Branch is the production of immunodiagnostic kits at Saluggia and Dartford (United Kingdom) premises and their sale in Italy to public and private hospitals and diagnostic laboratories, as well as to Group companies worldwide and to distributors located in countries where the Group does not have a direct presence. The Branch includes also the distribution and sale in Italy and Europe, either directly or through the companies belonging to the DiaSorin Group, of kits produced by the other manufacturing companies of the Group. In 2021, revenues from the Branch were € 583 million, of which € 157 million generated in Italy, € 72 million from foreign third-party customers and € 354 million from subsidiaries belonging to the Group.

In addition to the manufacturing and commercial activities, the following activities have been subject to the Contribution: research and development activities on products and machinery dedicated to immunodiagnostic and molecular diagnostic technologies, the licensing of technological know-how and the development, production and sale of raw materials to the other manufacturing companies of the Group.

DiaSorin Italia has been entrusted with some services to support the Branch activities such as procurement (purchase of raw materials, services and capital goods), logistics and shipping, commercial support and customer care, technical assistance, security at the manufacturing facilities and annexed offices, quality of the products and services offered, administration, finance and control, legal affairs, information systems and human resources management.

In 2021, revenues from the Branch were € 583 million, of which € 157 million generated in Italy, € 72 million from foreign third-party customers and € 354 million from subsidiaries belonging to the Group. At December 31, 2021, in Italy the business activities subject to the contribution had over 600 employees based at Saluggia, Gerenzano and Bresso premises, while the Dartford premise had over 80 employees.

b) Criteria for the determination of the value of the Business Branch and Appraisal Report
The transaction has been completed by way of a contribution by DiaSorin S.p.A. of the Branch, upon release of the Share Capital Increase, according to the methods, terms and conditions described below.

For the purposes of assessing the Branch for the release of the Capital Increase it was necessary to prepare and approve a reference balance sheet as of December 31, 2021 relating to the Branch, which was approved by the Board of Directors of DiaSorin S.p.A. on May 6, 2022.

In addition, pursuant to Article 2465, paragraph 1, of the Civil Code, the Company appointed an expert for the purpose of preparing the appraisal report ("the Appraisal Report"). The Appraisal Report – for which an affidavit was sworn on June 1, 2022 before the Notary Renata Mariella in Milan -contains a brief description of the composition of the Branch, as well as the most relevant items of assets and liabilities of the balance sheet at December 31, 2021 of the Branch.

In light of the results of the assessment that were carried out, the Appraisal Report includes the certification, as provided by article 2465, paragraph 1, of the Civil Code, according to which "the value of the business branch which is subject to contribution is at least equal to the value attributed to it for the purpose of determining the share capital and the share premium"

c) Accounting effects of the Operation
From an accounting point of view, the operation falls within "under common control" transactions, and therefore is excluded from the scope of application of IFRS3 – Business Aggregations; for the purpose of determining an appropriate accounting according to IFRS, reference has therefore been made to the Assirevi Preliminary Guidelines – OPI No.1 (Revised), which provides that such transactions are carried out in accordance with continuity of values.

Specifically, as the value of the net assets contributed on July 1, 2022 was € 328,844 thousand as against the capital increase of € 353,490 thousand that was determined on the basis of balance sheet of the Branch at December 31, 2021, the Parent Company recorded a liability of € 24,646 thousand to DiaSorin Italia S.p.A. for the adjustment.

The following provides the book values of the contribution:

€ thousands	Book values of the contribution
Property, plant and equipment	69,097
Goodwill	39,756
Intangible assets	74,562
Other non-current assets	7,197
Total non-current assets	**190,612**
Inventories	128,902
Trade receivables	45,078
Trade receivable from Group companies	66,201
Other current assets	3,379
Cash and cash equivalents	10,535
Total current assets	**254,095**
TOTAL ASSETS	**444,707**

€ thousands	Financial statements of the contribution
Non-current financial liabilities	10,108
Provisions for employee benefits	3,722
Provisions for risks and charges	14,239
Other non-current liabilities	7,141
Total non-current liabilities	**35,210**
Trade payables	37,576
Trade payables to Group companies	29,794
Current financial liabilities	899
Financial liabilities owed to Group companies	2,502
Other payables	9,882
Total current liabilities	**80,653**
TOTAL LIABILITES AND SHAREHOLDERS' EQUITY	**115,863**
Net value of the transferred assets	**328,844**
Increase in the interest held in DiaSorin Italia S.p.A.	**353,490**
Liability for the adjustment	**(24,646)**

Principles for the preparation of the statutory financial statements

The 2022 statutory financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRSs"), i.e. the "International Financial Reporting Standards", "International Accounting Standards" (IAS), the interpretations of the "International Reporting Interpretations Committee" (IFRIC), previously known as the "Standing Interpretations Committee" (SIC) which, at the closing date of the statutory financial statements, have been endorsed by the European Union according to the procedure laid down in Regulation (EC) no. 1606/2002 of the European Parliament and of the European Council of 19 July 2002, and the regulations enacted to implement Article 9 of Legislative Decree No. 38/2005.

The financial statements and the accompanying notes include the additional information that accounting schedules and other financial statement disclosures are required to provide pursuant to CONSOB Resolution No. 15519 of July 27, 2006 and the CONSOB Communication of July 28, 2006.

The financial statements were prepared in accordance with the historical cost and going concern principles, as the Directors have verified that there are no financial, managerial or other indicators that may show critical issues concerning the Group capacity to fulfil its commitments in the foreseeable future and, more specifically, in the next 12 months. A description of how the Group manages financial risks is provided in the notes to the Management of financial risks.

The preparation of financial statements in accordance with the IFRSs requires the use of estimates for some material amounts. In addition, the Company's management is required to make judgments and assumptions as to how the Company's accounting policies should be applied in certain areas. The areas of the financial statements that require the greatest attention or are especially complex and, consequently, involve the most significant estimated amounts are discussed in a separate Note later in this Report.

The financial statements of the U.K. Branch were consolidated by the line-by-line consolidation method.

Under this method, assets, liabilities, expenses and revenues are consolidated using their full amount, irrespective of the percentage interest held, and the minority interest in shareholders' equity and net profit is shown in separate line items of the consolidated financial statements.

Financial statement presentation format

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

- The Consolidated Statement of Financial Position has been prepared by classifying assets and liabilities according to the "current/non-current" criteria;
- The Comprehensive Income Statement has been prepared by classifying expenses by function in addition to profit (loss) of the period, other changes in equity other than transactions carried out with Company's shareholders. This classification of the income statement, or by destination, is representative of the format used for internal reporting and management purposes and is in line with international practice in diagnostic sector.
- The Consolidated Statement of Cash flows is presented by stating cash flows provided by operating activities according to the "indirect method".
- In addition, in accordance with Consob Resolution no. 15519 of 28 July 2006, within the income statement income and expenses from non-recurring transactions are identified separately; similarly, the financial statements show separately any balances related to receivable/payable positions and transactions with related parties, which are further described in the section of these Notes to the financial statements entitled "Transactions with related parties".

The Financial Statements were prepared based on the conventional historical cost criterion, except for the measurement of financial assets and liabilities in those cases in which the use of the fair value criterion is mandatory.

Valuation criteria and accounting standards

Property, plant and equipment

a) Land;
b) Industrial buildings;
c) General purpose and specialized facilities;
d) Machinery;
e) Manufacturing and distribution equipment;
f) Right-of-use assets (in accordance with IFRS 16 reporting standard)
g) other assets.

Property, plant and equipment are recognized at their acquisition or production cost, plus directly attributable incidental expenses. Items of property, plant and equipment are valued at cost. Their cost is reduced by depreciation (with the exception of land, which is not depreciated) and write-downs for impairment.

Depreciation is computed on a straight-line basis at rates that reflect an asset's decrease in value and wear and tear. Depreciation is computed from the moment an asset is available for use.

Significant components of property, plant and equipment that have different useful lives are recognized separately and each one is depreciated in accordance with its own useful life.

The useful lives and residual values of these assets are reviewed each year upon the closing of the annual financial statements.

In accordance with the IFRS 16 accounting standards, the Company as lessee recognizes the so-called right -of - use asset under lease at the initial leasing date (i.e., the date on which the underlying asset is available for use). Right-of use-asset is measured at cost, net of any accumulated depreciation and impairments and adjusted for any remeasurement of the lease liability. The cost of the right-of-use asset includes the amount of the lease liabilities recognized, the initial direct costs incurred and the payment of leases at the commencement date or before, net of any incentives received. The right-of-use asset is depreciated on a straight-line basis from the lease commencement date to the end of the useful life of the right-of use asset, if earlier, to the lease's term.

If the lease transfers ownership of the asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise the option to purchase the asset, the Group shall depreciate the right-of-use asset from the lease commencement date to the end of the useful life of the underlying asset.

The depreciation rates used are as follows:

Industrial buildings	5.5%
General purpose and specialized facilities	10-12%
Machinery	12%
Manufacturing and distribution equipment	40%
Equipment held by customers	14-25%
Reconditioned equipment held by customers	20-33%
Right-of-use assets	5.5%-33%

Costs incurred for regular maintenance and repairs are charged directly to income the year they are incurred. Costs incurred to recondition equipment are capitalized only to the extent that the reconditioned equipment meets the requirements to be recognized separately as an asset or an asset component in accordance with the component approach. Reconditioning costs and any non-depreciated residual values are depreciated over the asset's residual life, which is estimated at three years

Leasehold improvements that meet the requirements of IAS 16 "Property, Plant and Equipment" are classified as property, plant and equipment and depreciated over the asset's residual life or the remaining length of the lease, whichever is shorter.

If, irrespective of the amount of depreciation already taken, the recoverable value of an asset, computed in accordance with the method provided in IAS 36, is lower than its carrying value, the latter is written down to the assets' recoverable value and the resulting impairment loss is recognized. If in subsequent years the reasons for the original write-down cease to apply, the asset is restored to its original value (net of any depreciation that would have been taken had the asset not been written down) or its recoverable value, whichever is lower.

Gains and losses on the disposal or retirement of assets, which are computed as the difference between the sales proceeds and the asset's net carrying value, are recognized in the income statement for the year.

In accordance with IFRS 16 accounting standard, if changes to lease contracts result in a change in the accounting for the existing lease, the Group recognizes a remeasurement of the carrying amount of the right-of-use asset and a change, at the same time, in the lease liability; any gains or losses resulting from the remeasurement are recognized in the income statement of the period.

Intangible assets

Intangible assets are recognized in the statement of financial position only if they are identifiable, controllable, there is an expectation that they will produce future economic benefits and their cost can be measured reliably.

Intangible assets with a finite useful life are valued at their acquisition or production cost or at their appraised value, net of accumulated amortization and impairment losses. Amortization is computed on the basis of an asset's estimated useful life and begins when an asset is available for use. Useful lives are reviewed annually and the impact of any changes is reflected prospectively.

Intangible assets with an indefinite useful life are not amortized. They are tested for impairment annually or more frequently, if necessary, even when there are no indications that the value of the assets has been impaired. These tests are carried out for each cash generating unit to which intangible assets have been allocated.

Intangible assets with an indefinite useful life

Other intangibles

Other intangibles are recognized in the statement of financial position only it is probable that their use will generate future economic benefits and if their cost can be measured reliably. If these conditions are met, these intangible assets are recognized at cost, which is their purchase price plus incidental expenses.

The gross carrying amount of intangible assets with a finite useful life is amortized on a straight-line basis based on the assets' estimated useful lives. Amortization begins when an asset is put into use. In the first year, amortization is computed based on the length of time during which the asset is effectively in use.

The Company uses the following amortization rates:

Asset type	Amortization rate
Concessions, licenses and similar rights	6.67-10% or length of contract
Trademarks	5% - 20%
Customer relationship	6.67-10%
Industrial patent and intellectual property rights	Legal duration

The duration of the amortization period, which is based on internal analyses and valuations, development plans and the return flows from their use, is deemed to be consistent with expectations concerning the duration and development of the Company's activities and products and with the likelihood that the positions achieved in the diagnostics market will be retained.

Impairment of assets

The Group tests its property, plant and equipment and its intangible assets once a year to determine whether the value of these assets has been impaired. If evidence of impairment is detected, the recoverable value of the affected assets is determined.

An asset's recoverable amount is the higher of its fair value, less cost to sell, and its value in use, computed as the present value of the future cash flows expected to be derived from an asset or cash-generating unit. Expected future cash flows reflect assumptions that are consistent with the criteria applied to determine the discount rate. Cash flow projections are based on Company plans and on reasonable and documented assumptions about the Group's future results and macroeconomic conditions.

The discount rate used must reflect the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

When the recoverable amount of an individual asset cannot be estimated, the Company estimates the recoverable amount of the CGU to which the asset belongs.

Whenever the recoverable amount of an asset or a CGU is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the reduction is recognized as an impairment loss in the income statement. Subsequently, if a previously recognized impairment loss for an asset other than goodwill ceases to exist or is reduced, the carrying amount of the asset (or CGU) is increased to the new estimated recoverable amount (but not more than the asset's net carrying amount had no impairment loss been recognized). This reversal is recognized immediately in earnings. Impairment losses recognized on goodwill or intangibles with indefinite useful life are in no way recoverable.

Equity investments in subsidiaries

As required by IFRS 5, equity investments in subsidiaries, joint ventures and affiliated companies that are not classified as held-for-sale assets (or included in discontinuing operations classified as held-for-sale assets) are recognized in accordance with the historical cost method. Specifically, the Company recognizes income on equity investments only when and to the extent that the Company receives the dividends from the investee company.

Whenever financial statements are prepared, the Company determines whether there are indications that the value of these investments may have been impaired. If such indications exist, an impairment test is carried out to determine if the carrying amount of the investments corresponds to their fair value.

Any impairment loss is recognized only to the extent that the recoverable value is lower than the carrying amount of the asset. If, subsequent to the recognition of the impairment loss, there are indications that the loss no longer exists or has decreased, the value of the investment is reinstated to reflect the loss reduction.

Once the carrying amount of an equity investment has been written off, any additional losses suffered by the investee company are recognized as a liability if the Parent Company has a legal or implied obligation to cover such additional losses of the investee company.

The book value of equity investments is increased to take into account stock options awarded to subsidiaries employees and, in accordance with IFRS 2, it is treated as a capital contribution to the subsidiaries in question.

Receivables and payables

Trade and other receivables are valued at amortized cost using the effective interest rate, less impairment losses, except receivables within a business model whose objective is achieved by either collection of contractual cash flows or sale (hold to collect and sell). These receivables are measured at fair value with changes recognized directly in the comprehensive income statement.

Impairment losses on receivables are recognized through the simplified approach required by IFRS 9 to measure loss allowance through lifetime expected credit loss. Specifically, the Company calculates expected credit loss using a provision matrix, which is estimated on the basis of historical credit loss experience for past due receivables and is adjusted to reflect current conditions and estimates on relevant future economic conditions.

Trade payables and other payables are initially recognized at fair value, net of directly allocated accessory costs and are subsequently measured at amortized cost, applying the effective interest rate criteria.

Receivables and payables denominated in foreign currencies are translated at the exchange rates in force on the date of the financial statements and any resulting gains or losses are recognized in earnings.

Factoring of receivables

The DiaSorin Group engages in the factoring of its receivables.

When all risks and benefits relating to ownership and contractual rights are transferred to cash flows deriving thereof, receivables assigned through such transactions are removed from the statement of financial position. In such event, cumulative changes in fair value - previously recognized in the comprehensive income statement - are transferred to the income statement.

Conversely, if requirements for derecognition of assets are not met, receivables are recognized as such in the Company's financial statements; a corresponding financial liability is recognized in the consolidated statement of financial position as "financial payables".

Cash and cash equivalents

They consist of cash and cash equivalents, short-term bank deposits, shares in liquidity funds and other money market securities readily converted into cash.

Shareholders' equity

Equity instruments issued by the Group's Parent Company are recognized for the amount of consideration received. Dividends distributed are recognized as a liability when the distribution resolution is approved. The purchase cost of treasury shares and the proceeds from their sale are recognized directly in equity, with no impact on the income statement.

Treasury shares

When the Company and its subsidiaries purchase Company shares, the consideration paid is deducted from the shareholders' equity attributable to the Company's shareholders, until the shares are retired or sold. No gain or loss is recognized in the income statement when treasury shares are bought, sold, issued or retired. When these shares are subsequently reissued, the consideration received, net of taxes, is added to the shareholders' equity attributable to the Company's shareholders.

Employee benefits

Pension plans

Defined-benefit pension plans, which include the severance benefits payable to employees pursuant to Article 2120 of the Italian Civil Code, are based on the length of the working lives of employees and the wages earned by employees over a predetermined period of service. The liability that represents the benefits owed to employees under defined-benefit plans is recognized at its actuarial value.

The recognition of defined-benefit plans requires the use of actuarial techniques to estimate the amount of the benefits accrued by employees in exchange for the work performed during the current year and in previous years. The resulting benefit must then be discounted to determine the present value of the Group's obligation. The determination of the present value of the Group's obligation is made by an independent actuary, using the projected unit credit method. This method treats each period of service provided by an employee to a company as an individual accrual unit. The actuarial liability must be quantified exclusively on the basis of the seniority achieved as of the date of valuation. Consequently, the total liability is prorated based on a ratio between the years of service accrued as of the valuation reference date and the total seniority that an employee is expected to have achieved when the benefit is paid. Moreover, this method requires taking into account future wage increases due for any reason (inflation, career moves, labor contract renewals, etc.) until the end of the employment relationship.

The cost of defined-benefit plans accrued during the year, which is reflected in the income statement as part of labor costs and financial expense, is equal to the sum of the average present value of the accrued benefits of current employees for service provided during the year and their annual vested interest in the present value of the Group's obligations at the beginning of the year, computed by discounting future outlays by the same rate as that used to estimate the Group's liability at the end of the previous year. The annual discount rate used for these computations was the same as the year-end market rate for zero-coupon bonds with a maturity equal to the average residual duration of the liability. Actuarial gains and losses reflecting changes in the actuarial assumptions or experience adjustments are credited or charged to equity in the statement of comprehensive income for the period in which they arise. If the amount is recorded on the balance sheet as an asset, it is limited to the present value of economic benefits available in the form of refunds or reductions in future contributions to the plan.

On January 1, 2007, the Italian Budget Law and the related implementation decrees introduced significant changes in the rules that govern the Provision for employee severance indemnities ("PESI") of companies whose registered office is located in Italy. These changes include the right of employees to decide the destination of future accrued PESI amounts. Specifically, employees can direct new PESI flows to selected pension investments or keep them with the employer company, which will then deposit its PESI contribution in a treasury account at the Italian social security administration (abbreviated as INPS in Italian). In light of these changes, the PESI is now viewed as a defined-benefit plan only insofar as the amounts vested before January 1, 2007 are concerned and as a defined-contribution plan after January 1, 2007. Accounting effects resulting from the law application are described in the notes of the Report.

Equity-based compensation plans
Group companies grant to Group executives and middle managers additional benefits through equity-based plans (stock options). In accordance with IFRS 2 "Share-based Payment," stock options awarded to employees are measured at their fair value on the grant date, in accordance with models that take into account factors and data (option exercise price, duration of the option, current price of the underlying shares, expected share price volatility, expected dividends and interest rate for zero-risk investments over the life of the option) applicable on the grant date.

If the option becomes exercisable after a certain period and/or certain performance requirements are met (vesting period), the total value of the option is prorated over the vesting period and recognized in earnings, with the offsetting entry posted to a specific shareholders' equity account called Other Reserves.

Because stock options are equity instruments, as defined by IFRS 2, the fair value of each option determined on the grant date is not adjusted at the end of each year unless changes occur in the stock options terms and conditions to increase their fair value in favor of beneficiaries. The estimate of the number of options that will reach maturity (and hence the number of employees who will be entitled to exercise their options) is adjusted. The result of any change in estimate is posted as an increase to or a reduction of the abovementioned shareholders' equity account, with the offsetting entry reflected in the income statement. At the end of the exercise period, the exercised options are reflected in the Company's share capital by adding an amount obtained by multiplying the number of shares issued by the par value of each share. The portion of "Other reserves" that is attributable to plan costs previously recognized in earnings and the amount obtained by multiplying the number of shares issued by the difference between the exercise price and the par value per share is posted to a shareholders' equity reserve.

Provisions for risks and charges
Provisions for risks and charges include amounts set aside to fund current obligations (statutory or implied) that arise from a past event, the performance of which will probably require the use of resources and the amount of which can be reasonably estimated. When the use of financial resources is expected to extend for a period of more than one year, the corresponding obligation should be recognized at its present value by discounting expected future cash flows at a rate that takes into account the cost of money and the risks inherent in the liability.

The provisions are updated on each financial statement date to reflect best current estimates. The impact of any changes in estimates is reflected in the income statement for the period during which the change occurred.

Risks that are merely reasonably possible of producing a liability are disclosed in the Notes to the financial statements, but no amount is recorded in the financial statements.

Income taxes
Income taxes include both current and deferred taxes.

Current taxes are computed on the basis of the estimated taxable income for the year in accordance with the tax laws in force in the countries in which the Group operates.

Taxable income is different from reported income because it does not include positive and negative components that will be taxable or deductible in subsequent years and those items that will never be taxable or deductible. The liability for current taxes is computed using the tax rates in force on the date of the financial statements or the tax rates that will be in force when the asset is realized or the liability settled.

Deferred-tax assets and liabilities are the taxes that the Group expects to pay or recover on temporary differences between the values attributed to assets and liabilities for reporting purposes and the corresponding tax-related values used to compute taxable income, computed in accordance with the balance sheet liability method. As a rule, deferred-tax liabilities are recognized for all taxable temporary differences, while deferred-tax assets are recognized only insofar as the Group deems it probable that, in the future, it will generate sufficient taxable income to use the deductible temporary differences. The tax benefit produced by carrying forward tax losses is recognized if and to the extent that it is probable that, in the future, the Group will have sufficient taxable income to offset these losses.

The carrying value of deferred-tax assets is updated on each financial statement date and reduced when the existence of future taxable income sufficient to recover all or part of these assets is no longer probable.

Deferred taxes are computed at the tax rate in force on the closing date of the financial statements or at the tax rate that will be in force when the asset is realized or the liability settled. Deferred taxes are charged directly to income, except for those attributable to items recognized directly in equity, in which case the corresponding deferred taxes are also recognized in equity.

Financial liabilities
Financial liabilities consist of loans payable, including advances for the factoring of receivables, and other financial liabilities, convertible and regular bonds, including derivatives.

Initially, financial liabilities other than derivatives are recognized at their fair value less transaction costs. Subsequently, they are valued at their amortized costs, which is their initial amount, less any principal repayments, adjusted upward or downward to reflect the amortization (by the effective interest rate method) of any differences between the initial value and the value at maturity.

As regards lease liabilities, consistently with the IFRS 16 standard, as lessee, recognizes separately from financial liabilities the lease liabilities measuring them at the present value of the payments due for leasing not yet settled at the lease commencement date. The payments due include the fixed payments (including the fixed payments in substance), net of any lease incentives to be received, the variable lease payments which depend on an index or a rate and the amounts expected to be paid as guarantee on the residual value. The lease payments include also the exercise price of a purchase option where it is reasonably certain that this option shall be exercised by the Company.

Convertible bonds are classified, at issuance, as "hybrid" or "compound" debt instruments. When the bond issue is considered a compound instrument since its placement, it is split into a debt and, residually, an equity component, as provided for in IAS 32 – Financial instruments: Presentation.

In the case of a "compound" instrument, the debt portion represents the fair value of a traditional bond that does not entail conversion right or option while the equity portion, which is determined on a residual basis in relation to the total amount of the loan, represents the value of the bond conversion option into Company shares.

Transactions costs are proportionally allocated to the debt and equity portions.

Financial Derivatives
Consistent with the provisions of IFRS 9, derivatives qualify for hedge accounting only when (i) there is formal designation and documentation of the hedging relationship, including company's objective and strategy in risk management at the inception of the hedge and (ii) the hedge is expected to be effective.

When financial instruments qualify for hedge accounting, the following accounting treatments are applied:

- Fair value hedges: if a derivative is designated as hedging the exposure to changes in fair value of a recognized asset or liability attributable to a specific risk that could have an impact on the income statement, the gains or losses derived from subsequent fair value measurements of the hedge are recognized in earnings. Gains or losses on the hedged item that are attributable to the hedged risk change the carrying amount of the hedged items and are also recognized in earnings;

- Cash flow hedges: if a derivative is designated as a hedging of the exposure to variability in the future cash flows attributed to a recognized asset or liability or to a highly probable future transaction that could have an impact on the income statement, the effective portion of the gain or loss stemming from changes in the fair value of the hedge is recognized in equity. The effective portion of any gain or loss is reclassified from shareholders' equity to the income statement in the same period in which the hedged transaction is recognized. Any gains or losses associated with a hedge that has become ineffective are immediately recognized in earnings. If a hedge or a hedging transaction is closed out but the hedged transaction has not yet been executed, all accumulated gains and losses, which until then were recognized in equity, are recognized in the income statement when the corresponding transaction is executed. If the occurrence of the hedged transaction is no longer viewed as probable, unrealized gains and losses suspended in equity are immediately transferred to the income statement.

The hedge effectiveness is determined at the inception of the hedge relationship, through periodic assessments of the prospective hedge effectiveness to ensure the existence of an economic relationship between the hedged item and the hedging instrument.

When hedge accounting cannot be applied, all gains and losses generated by subsequent fair value measurements of derivatives are immediately recognized in earnings.

The fair value of financial instruments that are listed on an active market is based on market prices at the balance sheet date. The fair value of financial instruments that are not are listed on an active market is determined using valuation techniques based on a series of methods and assumptions, and market information at the balance sheet date.

The following provides a classification of financial instruments recorded at fair value in a three-level hierarchy:
- Level 1: Fair value is determined on the basis of (unadjusted) quoted prices in active markets for identical assets or liabilities;
- Level 2: Fair value is determined using valuation techniques based on observable inputs on active market;
- Level 3: Fair value is determined using valuation techniques based on market unobservable inputs.

Revenue recognition
Revenues are recognized when control over assets sold to end customers or distributors has been transferred and related contractual obligations have been met. Revenues are measured as the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services (net of discounts, allowances and return).

Sales revenues
Sales to end customers are based on a business model which provides for reagents supply and the provision of a diagnostic instrument along with its technical support (identified as a single performance obligation). Sales revenues are recognized when control over diagnostic kits is transferred to the end customer ("at point in time").

Sales to distributors, including foreign branches, which provide for separate sale of kits/reagents and/or instruments are identified as separate performance obligation since kits, reagents and instruments will be combined and configured by the distributor and sold to the end customer. The relevant revenues are recognized when control over instruments and/or reagents is transferred to their distributor.

Service revenues
Service revenues are generated by separate contracts for technical support.

These revenues are recognized in the income statement based on the percentage of completion of each transaction and only when the outcome of the transaction can be estimated reliably.

Royalties
The Company collects royalties from third parties for the use of patents required to manufacture specific products. Revenues from royalties, which are generally based on the sales revenues generated by patent users, are recognized when underlying sales transactions are concluded.

Interest income
Interest income is recognized in the income statement at the effective yield rate. It is earned mainly on interests on arrears.

Dividends
Dividends received from investee companies are recognized in the income statement when the right to receive payment is established and only if they are derived from the distribution of earnings generated subsequent to the acquisition of the investee company.

Dividend distributions are recognized when the right of the Company's shareholders to receive payment is established, which generally occurs when the Shareholders' Meeting approves the dividend distribution resolution. The dividend distribution is recognized as a liability in the financial statements for the period during which the dividend distribution is approved by the Shareholders' Meeting.

Government grants
Government grants are recognized when there is a reasonable certainty that they will be collected. This occurs when the distributing public entity approves a formal resolution to that effect.

Grants received in connection with the purchase of property, plant and equipment or the capitalization of development costs are recognized among non-current liabilities and recognized in the income statement in equal instalments computed on the basis of the useful lives of the assets for which the grant was received.

Grants received as an interest subsidy upon the occurrence of specific events are recognized in the income statement at the present value of the benefit, when there is a formal commitment to grant the benefit by the distributing public entity. The corresponding liabilities are recognized at their fair value on the date the grant was received. Interest on this liability is recognized in the income statement in accordance with the amortized cost method.

Cost of sales
Cost of sales represents the cost incurred to produce or purchase the goods and merchandise sold by the Company. It includes all of the costs incurred to purchase and process materials and the overhead directly attributable to production.

Overhead includes depreciation of the property, plant and equipment and the amortization of the intangible assets used for production purposes, as well as inventory write-downs. Cost of sales also includes freight paid to deliver products to customers.

Research and development costs
This item includes research and development costs that cannot be capitalized and the amortization of capitalized development costs.

Interest expense
Interest expense is recognized in accordance with the accrual principles, based on the financed amount and the applicable effective interest rate.

Material extraordinary events and transactions – Atypical and/or unusual transactions
Consistent with Consob Communication No. DEM/6064293 of July 28, 2006, the notes to the financial statements provide information about the impact of material extraordinary events and transactions and/or atypical and/or unusual transactions on the Company's balance sheet, financial position and operating performance.

Related parties
Consistent with Consob Communication No. DEM/6064293 of July 28, 2006, the notes to the financial statements provide information about the impact of related-party transactions on the Company's balance sheet, financial position and income statement.

According to Consob Communication above atypical and/or unusual transactions are transactions that, because of their significance/material amount, type of counterpart, subject of the transaction, method of determining the transfer price and timing of the event (proximity to the end of a reporting period), could create doubts with regard to: the fairness/completeness of the financial statement disclosures, the existence of a conflict of interest, the safety of the corporate assets and the protection of minority shareholders.

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.

New documents issued by IASB and endorsed by the EU to be compulsorily adopted starting from the financial statements of the financial years starting from January 1, 2022.

Document title	Date of issue	Date of entry into force	Date of endorsement	EU Regulation and date of publication
Improvements to IFRS (2018–2020 cycle) [Amendments to IFRS 1, IFRS 9, IFRS 16[1] and IAS 41]	May 2020	1 January 2022	28 June 2021	(EU) 2021/1080 2 July 2021
Property, plant and equipment – Proceeds before intended use (Amendments to IAS 16)	May 2020	1 January 2022	28 June 2021	(EU) 2021/1080 2 July 2021
Onerous contracts – Costs of fulfilling a contract (Amendments to IAS 37)	May 2020	1 January 2022	28 June 2021	(EU) 2021/1080 2 July 2021
Reference to the conceptual framework (Amendments to IFRS 3)	May 2020	1 January 2022	28 June 2021	(EU) 2021/1080 2 July 2021

[1] Amendments to IFRS 16 have not been endorsed by the European Union as amendments refer to an illustrative example which is not included in the Standard.

IAS/IFRS and related IFRIC interpretations applicable to financial statements for financial years beginning after 1 January 2022.

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

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

IAS/IFRS and related IFRIC interpretations applicable to financial statements for financial years beginning after 1 January 2023. Documents NOT yet endorsed by the EU at 31 December 2022.
It should be noted that these documents will be applicable only after their endorsement by the EU.

Document title	Date of issue by the IASB	Date of entry into force of the IASB document	Date of expected endorsement by EU
Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)	September 2014	Deferred until the completion of the IASB project on the equity method	Endorsement suspended, pending the conclusion of the IASB project on the equity method
Classification of liabilities as current or non-current (Amendments to IAS 1) and Non-current liabilities with covenants (Amendments to IAS 1)	January 2020 July 2020 October 2022	1 January 2024	TBD
Lease liability in a sale and leaseback (Amendments to IFRS 16)	September 2022	1 January 2024	TBD

The Company will adopt these new standards, amendments and interpretations on the basis of the expected date of application and when endorsed by the European Union. An assessment is currently being carried out to analyze the potential effects of introducing these amendments in the consolidated financial statements.

New accounting standards endorsed and adopted by the Group

This note presents the impact of the adoption of amendments to the accounting standards - applied from 1 January 2022 - on the consolidated financial statements to the extent that they differ from those applied in the previous periods.

Improvements to IFRS (2018–2020 cycle) [Amendments to IFRS 1, IFRS 9, IFRS 16 and to IAS 41]

- IFRS 9 Financial Instruments - clarifies the fees that should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 Leasing - amends illustrative example 13 to remove the illustration of the reimbursement of leasehold improvements by the lessor and potential for confusion regarding lease incentives.
- IFRS 1 First-time Adoption of International Financial Reporting Standards - allows companies that have valued their assets and liabilities at carrying amount in the parent company's financial statements to also measure any translation differences using the amounts recognized by the parent company. This amendment also applies to associated companies and joint ventures that have benefited from the same IFRS 1 exemption.
- IAS 41 Agriculture - removes the requirement of IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This amendment is intended to be aligned with the standard's requirement to discount cash flows, net of tax.

Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)

The amendment to IAS 16 Property, Plant and Equipment (PP&E) is intended to prohibit an entity from deducting from the cost of tangible assets any proceeds from selling items produced while the company is preparing the asset for its intended use. Such sales revenues and related costs will be recognized in the income statement.

Onerous contracts – Cost of fulfilling a contract (Amendments to IAS 37)

The amendment clarifies that in estimating whether a contract is onerous, all costs directly attributable to the contract must be considered. Accordingly, the assessment of whether a contract is onerous includes not only incremental costs (such as, for example, the cost of direct material used in processing), but also all costs that the enterprise cannot avoid because it has entered into the contract (such as, for example, the portion of the cost of staff and depreciation of machinery used to perform the contract).

Reference to the conceptual framework (Amendments to IFRS 3)

The amendments updated the reference in IFRS 3 to the Conceptual Framework in the revised version, without any changes to the provisions of IFRS 3.

All the amendments described above entered into force on 1 January 2022 and did not have a material effect on the Group's financial statements as of 31 December 2022.

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

With reference to standards and interpretations which had already been issued at the end of the reporting period but were not yet in force, the Group is assessing any possible impacts resulting from the introduction of such amendments which are not expected to have a significant impact on the financial statements. The Company intends to adopt these standards and interpretations, if applicable, once they are effective.

Amendments and new standards issued and/or not yet endorsed are effective for financial years beginning on or after 1 January 2022. Early application is permitted, provided that the entity reports it.

IFRS 17 - Insurance Contracts (including amendments published in June 2020)

Given the activities and the sector in which this standard operates, and related amendments, it is not applicable to the Group.

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

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

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

Disclosure of Accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2)
The IASB amended IAS 1 to require entities to disclose their material accounting policy information, instead of significant accounting policies. Amendments clarify the meaning of material accounting policy information and explain how an accounting policy can be considered as material. Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed.

Definition of Accounting Estimates (Amendments to IAS 8)
Amendments clarify how entities should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important as changes in accounting estimates are accounted for prospectively to future transactions and other future events while changes in accounting policies must be applied retrospectively to past transactions and other past events as well to the current period.

Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)
Amendments to IAS 12 require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. Previously, IAS 12 did not clarify how to account for these tax effects and thus different approaches were accepted. Certain entities might have already accounted for these operations consistently with these amendments. These entities will not be affected by the amendments.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
Amendments clarify the accounting treatment for sale or contribution of assets between an Investor and its Associate or Joint Venture. The accounting treatment depends on whether the non-monetary asset sold or conferred constitutes a business (as defined by IFRS 3 - Business Combinations). Where the non-monetary assets constitute a business, the investor will recognize the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognized by the investor only to the extent of the other investor´s interests in the associate or joint venture.

Analysis of financial risks

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

(€ thousands)	Notes	12/31/2022			12/31/2021	
		Carrying value	Assets at amortized cost	Assets at fair value	Carrying value	Assets at amortized cost
Other non-current financial assets	(17)	30,976	30,976	-	42,206	42,206
Total non- current financial assets		***30,976***	***30,976***	***-***	***42,206***	***42,206***
Trade receivables	(16)	86	86	-	48,121	48,121
Trade receivable from Group companies	(16)	40,063	40,063	-	108,089	108,089
Other current assets	(18)	41,154	41,154	-	9,755	9,755
Other current financial assets	(21)	108	-	108	-	-
Intercompany financial receivables	(21)	13,811	13,811	-	6,600	6,600
Cash and cash equivalents	(19)	16,805	16,805	-	146,446	146,446
Total current financial assets		***112,027***	***111,919***	***108***	***319,011***	***319,011***
Total financial assets		**143,003**	**142,895**	**108**	**361,217**	**361,217**

(€ thousands)	Notes	12/31/2022			12/31/2021		
		Carrying value	Liabilities at amortized cost	Liabilities at fair value	Carrying value	Liabilities at amortized cost	Liabilities at fair value
Non-current financial liabilities: bond loan	(21)	448,565	448,565	-	439,520	439,520	-
Financial lease liabilities (IFRS 16)	(21)	734	734	-	11,005	11,005	-
Due for Put/Call option rights	(24)	1,190	-	1,190	1,334	-	1,334
Total non-current financial liabilities		***450,489***	***449,299***	***1,190***	***451,859***	***450,525***	***1,334***
Trade payables	(25)	8,253	8,253	-	47,166	47,166	-
Trade payables due to Group companies	(25)	8,366	8,366	-	32,545	32,545	-
Financial payables due to Group companies	(21)	143,543	143,543	-	87,538	87,538	-
Revolving Credit Facility granted to DiaSorin S.p.A.	(21)	39,642	39,642	-	-	-	-
Financial lease liabilities (IFRS 16)	(21)	363	363	-	1,231	1,231	-
Other current financial liabilities					1,037	-	1,037
Total current financial liabilities		***200,167***	***200,167***	***-***	***169,517***	***168,480***	***1,037***
Total financial liabilities		**650,656**	**649,466**	**1,190**	**621,376**	**619,005**	**2,371**

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. These instruments are classified at level 2 and booked under other current financial liabilities amounting to € 108 thousand at December 31, 2022 (negative by € 1,037 thousand at December 31, 2021).

The duration of financial liabilities for leasing contracts is provided in Note 21. Interest expense on leases amounted to € 65 thousand at December 31, 2022.

Non-current financial liabilities and assets are settled or valued at market rates and it is therefore considered that the fair value is in line with the current book values.

Risks related to fluctuations in foreign exchange and interest rate
The Group's Parent Company is exposed to the market risk caused by fluctuations in foreign exchange rates because it operates at the international level and executes transactions involving different foreign exchange and interest rates. A fluctuation of 5 percentage points in foreign currencies other that the euro would have an impact on the income statement equal to about € 0.1 million.

As to interest rates, a fluctuation of 2 percentage points would have an impact on the income statement limited to the possible use of the revolving credit facility (interests do not accrue on the convertible bond): on the amount used at 12.31.2022 (€ 40 million), should interest rates rise the impact would be € 0.8million on an annual basis.

In order to mitigate the foreign exchange risk related to the currency fluctuations, the Company executed currency forward sales requiring the recognition of a net positive fair value of € 108 thousand at December 31, 2022 (negative fair value of € 1,037 thousand at December 31, 2021).

Credit risk

The Parent Company's trade receivables from third parties have been transferred to DiaSorin Italia S.p.A. following the sale of the business unit. The Parent Company's remaining receivables were € 167 thousand and the related allowance for doubtful account amounted to € 86 thousand.

A breakdown of trade receivables and the related allowance for doubtful account by time limit is provided below:

Type	Amount not yet due	0 - 90	91 - 180	181 - 360	Beyond 360	Past-due amount	Total receivables
Trade receivables	86	0	0	0	81	81	167
Expected loss rate	*0%*	-	-	-	*100%*	*100%*	*48%*
Allowance for doubtful account	-	-	-	-	81	81	81
Net amount	**86**	**-**	**-**	**-**	**-**	**-**	**86**

Liquidity risk

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

In order to meet any financial needs and a credit market characterized by low liquidity, the Parent Company has deemed it necessary - in the first half of 2022- to adopt a EUR 150 million 3 year committed revolving credit facility, made available by a pool of banks and to be used upon set conditions.

Management believes that the funds and credit facilities currently available, when combined with the resources generated by the Company's operating and financing activities (including dividends received by its subsidiaries) will enable the Company to meet its cash needs.

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

	(€ thousands)	12/31/2022	12/31/2021
A	Cash on hand	16,805	146,446
B	Cash equivalents	-	-
C	Other current financial assets	13,919	6,600
D	**Cash (A+B+C)**	**30,724**	**153,046**
E	Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	(183,548)	(89,806)
F	Current portion of non-current financial debt	-	-
G	**Current financial debt (E+F)**	**(183,548)**	**(89,806)**
H	**Net current financial debt (G-D)**	**(152,824)**	**63,240**
I	Non-current financial debt (excluding the current portion and debt instruments)	(734)	(11,005)
J	Debt instruments	(448,565)	(439,520)
K	Trade payables and other non-current debts	-	-
L	**Non-current financial debt (I+J+K)**	**(449,299)**	**(450,525)**
M	**Total financial debt (H+L)**	**(602,123)**	**(387,285)**

At December 31, 2022, cash and cash equivalent amounted to € 16,805 thousand.

Current financial debt includes € 143,543 thousand in financial payables due to Group companies due to centralized cash management system and € 39,642 thousand in using a Revolving Credit Facility. In order to meet any financial needs and a credit market characterized by low liquidity, the Company has deemed it necessary to adopt a EUR 150 million 3 year committed revolving credit facility, made available by a pool of banks and to be used upon set conditions. At December 31, 2022, the Company used € 40,000 thousand of this facility, secured by the U.S. DiaSorin Inc..

Non-current financial debt includes the convertible bond signed in 2021 to finance the Luminex acquisition (€ 448,565 thousand) and non-current financial liabilities for IFRS16 leases.

Items that involve the use of significant assumptions and estimates

The preparation of financial statements in accordance with the IFRS requires the use of estimates for some material amounts. In addition, management is required to make judgments and assumptions in relation to accounting policies.

The process of drafting financial statements involves the use of estimates and assumptions about future events.

These estimates represent the best assessment possible on the date of the financial statements. However, because of their very nature, they could produce material changes in balance sheet amounts in future years.

Estimates are updated by the Management on an on-going basis and are based on past experience, all other known factors and the occurrence of future events that are reasonably expected to take place, particularly with regard to the macro-economic scenario marked by great uncertainty.

The main items affected by estimates are reviewed below.

Allowance for doubtful accounts

The Allowance for doubtful accounts reflects management's estimates about losses that could be incurred in the portfolio of accounts receivable from end customers and from the indirect distribution network (independent distributors). The allowance for doubtful accounts' estimate is based on the expected credit loss 'ECL' model calculated as the difference between the contractual cash flows due and the cash flows the Group expects to receive, determined on the basis of past experience for similar receivables, the current and historical past due percentages, losses and collections, and the careful monitoring of credit quality, current conditions and estimates on future economic conditions.

Useful life of tangible and intangible assets

The cost of tangible and intangible assets is amortized and depreciated according to the straight-line basis over the estimated useful life of the asset. The useful life is determined by the directors when such assets are purchased and is based on historical experience of similar assets, market conditions and expectations regarding future events that may have an impact, including new technologies. Therefore, the actual useful life may differ from the estimated useful life.

Development costs that meet the requirements for capitalization are recognized as intangible assets.

Impairment of non-current assets

Non-current assets include property, plant and equipment, intangible assets, equity investments and other financial assets. Management reviews the carrying amounts of non-current assets held and in use and available-for-sale assets on a regular basis and whenever events or circumstances make such review necessary. The recoverable value of property, plant and equipment and intangible is verified using criteria that are consistent with the requirements of IAS 36, which are explained in the section of these Notes entitled "Impairment of assets."

Pension plans and other post-employment benefits

Management uses different statistical assumptions and evaluation factors to project future events and compute the costs, liabilities and assets related to these plans. Assumptions are made with regard to the discount rate, the expected yield of plan assets, the rates of future increases in employee compensation and trends in health care costs. The actuaries who provide the Company with consulting support also use subjective parameters, such as employee mortality and termination rates.

Stock option plans

The measurement of stock option plans at fair value requires the formulation of specific assumptions, the most significant of which include the following:

- the value of the underlying shares on the valuation date;
- the expected volatility of the price/value of the underlying shares;
- the dividend yield of the underlying shares.

Contingent liabilities

The Group's Parent Company is a party to legal and tax disputes. Given the uncertainty inherent in such situations, it is difficult to predict with certainty any expense that may result from these disputes. In the normal course of business, management relies on the support of its legal counsel and of experts on legal and taxation issues. The Group's Parent Company recognizes a liability in connection with these disputes when it believes that the occurrence of a cash outlay is probable and the amount of the resulting loss can be reasonably estimated. When a cash outlay becomes probable, but the amount cannot be determined, this fact is disclosed in the notes to the financial statements.

Convertible Bond

As regards items that involve the use of significant assumptions and estimates it should be noted the convertible bond valuation. Since its placement, the Bond Issue convertible into ordinary shares amounting to € 500 million due 2028 (Senior unsecured equity-linked bond) issued by DiaSorin S.p.A. on April 28, 2021 has been considered a compound instrument as it is split into a debt and, residually, an equity component, as provided for in IAS 32 – Financial instruments: Presentation. The equity instrument represents the value of the bond conversion option into DiaSorin S.p.A. shares.

Derivatives

The fair value of financial instruments is based on market quotations or, where unavailable, applying suitable evaluation techniques that use updated financial variables used by market investors and, where possible, taking into account the prices of recent similar transactions on financial instruments. Derivatives are classified as hedging instruments when the link between the derivative and the hedged item is formally documented and, subject to periodic checks, the effectiveness of the hedge is high. Compliance with the requirements defined in IFRS9 to qualify for hedge accounting is verified periodically. Changes in the fair value of derivatives that do not qualify for hedge accounting are recognized in profit and loss.

Climate change

Given the business model in which DiaSorin operates, the Group is not significantly exposed to environmental risks, especially in relation to Climate Change.

Description and main changes

Income statement

On July 1, 2022, the contribution described above through which DiaSorin S.p.A. transferred to DiaSorin Italia S.p.A. the business branch related to the operating activities carried out in Italy and in the United Kingdom (industrial activities, R&D, commercial and marketing activities and ancillary activities in support thereof) was completed. Following this operation revenues, cost of sale and certain operating expenses refer exclusively to the first half of 2022, making year-over-year balances difficult to compare.

In the consolidated income statement, costs are classified by function. This income statement format, also known as "cost of sales" income statement, is more representative of the Company's business than a presentation with expenses classified by nature.

In the classification of costs by nature, amortization and depreciation amounted € 13,958 thousand in 2022. They refer mainly to the first six months of the year, that is the period prior the sale of operating activities to DiaSorin Italia S.p.A., broken down as follows:

(€ thousands)	2022	2021
Depreciation of property, plant and equipment	8,299	13,974
Amortization of intangibles	5,659	9,722
Total	**13,958**	**23,696**

Depreciation of property, plant and equipment includes € 2,513 thousand attributable to equipment held by customers, which in the income statement by destination is part of the cost of sales. An additional € 3,688 thousand representing depreciation of plant and machinery and manufacturing and distribution equipment is included among production expenses.

The amortization of intangible assets is recognized mainly as part of sales and marketing expenses (€ 1,866 thousand) and research and development costs (€ 2,717 thousand). Amortization of intangibles was allocated as follows:

(€ thousands)	2022	2021
Cost of sales	133	683
Sales and marketing expenses	1,866	2,723
Research and development costs	2,717	5,187
General and administrative expenses	943	1,129
Total	**5,659**	**9,722**

Labor costs amounted to € 50,341 thousand. A breakdown is as follows:

(€ thousands)	2022	2021
Wages and salaries	33,275	49,154
Social security contributions	9,255	13,832
Severance indemnities paid	2,602	4,051
Cost of stock option plan	4,951	4,020
Other labor costs	258	465
Total	**50,341**	**71,522**

The table below shows the average number of employees of DiaSorin S.p.A. in each category:

	2022	2021
Factory staff	41	77
Office staff	386	658
Executives	47	54
Total	**474**	**789**

1. Net revenues

In 2022, net revenues, which are generated mainly through the sale of diagnostic kits, totaled € 260,362 thousand. As described above, net revenues were generated in the first half of 2022 until the execution of the contribution related to the operating and commercial activities to DiaSorin Italia S.p.A. A breakdown of revenues by geographic region is provided below:

(€ thousands)	2022	2021	Change %
Revenues from third customers – Italy	**73,876**	**157,034**	**-53.0%**
Italy	53,377	99,544	
Covid	20,499	57,490	
Revenues from third customers – International	**31,657**	**71,724**	**-55.9%**
Europe	7,947	17,305	-54.1%
Rest of the world	23,128	47,732	n.a.
Covid	582	6,687	-91.3%
Intercompany revenues	**154,828**	**354,335**	**-56.3%**
Europe	77,723	160,112	-51.5%
North America	33,560	88,995	-62.3%
Rest of the world	26,907	54,494	-50.6%
Covid	16,639	50,734	-67.2%
Total	**260,362**	**583,093**	**-55.3%**

Revenues from sales to public institutions and universities amounted to € 61,362 thousand.

2. Cost of sales

In 2022, cost of sales amounted to € 137,992 thousand (of which € 62.422 thousand with related parties). Cost of sales includes, in addition to costs for diagnostic kits production, payment of royalties amounting to € 6,904 thousand, distribution of products to end costumers equal to € 2,580 thousand. These costs refer to revenues generated in the first half of 2022, and therefore prior the contribution in kind to DiaSorin Italia S.p.A. of the operating and commercial activities. Depreciation of equipment held by customers were € 2,513 thousand.

3. Sales and marketing expenses

Sales and marketing expenses amounted to € 25,175 thousand. 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 Company-owned equipment provided to customers under gratuitous loan contracts.

4. Research and development costs

In 2022, research and development costs were € 15,107 thousand and include all of the research and development outlays that were not capitalized, including the costs incurred to register the products offered for sale and meet quality requirements and the amortization of capitalized development costs equal to € 1,675 thousand.

In the first six months the Group's Parent Company capitalized development costs amounting to € 5,201 thousand, that were delegated to DiaSorin Italia S.p.A..

5. General and administrative expenses

General and administrative expenses, which include expenses incurred for corporate management activities, Group administration, finance and control, information technology, corporate organization and insurance, amounted to € 38,216 thousand. The total amount includes € 8,649 thousand from related-party transactions. The remuneration of the Board of Directors, excluding the Company's employees, amounted to € 1,034 thousand, and remuneration of competence of the Statutory Auditors amounted to € 120 thousand.

6. Other operating income (expenses)

At December 31, 2022, other operating income amounted to € 5,757 thousand (expenses of € 8,118 thousand in 2021). The item includes income and expenses from operations that cannot be allocated to specific functional areas, and amounts charged back to Group companies from services provided to subsidiaries

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

(€ thousands)	2022	2021
Intra-Group services	12,550	5,671
Trade-related foreign exchange losses	(98)	(843)
Tax charges	(310)	(667)
Additions to the allowances for doubtful accounts and provisions for risks and charges	458	(1,886)
Other operating (expense) /income	(1,569)	(526)
Non-recurring charges	(5,274)	(9,867)
Other operating (expense) and income	**5,757**	**(8,118)**

Non-recurring charges, amounting to € 5,274 thousand, refer to costs incurred for the Luminex integration and the reorganization and contribution operation.

7. Financial income

In 2022, financial income was € 10,092 thousand, on the back of:

- dividends received by Group companies, amounting to € 7,373 thousand,
- interests related to Group companies, amounting to € 1,364 thousand,
- interests and other income, amounting to € 1,355 thousand.

Dividends received from subsidiaries were € 7,373 thousand in 2022, broken down as follows:

(€ thousands)	2022	2021
DiaSorin Iberia S.A.	2,500	-
Diasorin Deutschland GmbH	-	2,750
Diasorin S.A/N.V. (Belgium)	-	2,800
Diasorin Ltd (Israel)	1,500	1,000
Diasorin S.A. (France)	-	1,300
Diasorin Austria GmbH (Austria)	-	1,300
DiaSorin Czech s.r.o.	1,231	-
Diasorin Ltd (UK)	-	584
DiaSorin Switzerland AG	2,008	1,812
DiaSorin INUK Ltd	134	-
DiaSorin Diagnostics Ireland Ltd	-	388
Total dividends received	**7,373**	**11,934**

8. Financial expenses

Financial expenses are detailed in the following table:

(€ thousands)	2022	2021
Factoring transactions fees	(176)	(474)
Interest expense and other financial charges	(12,464)	(11,012)
including: IFRS 16 interest expense	(248)	(510)
Interest on pension funds	(23)	(26)
Total financial expense	**(12,663)**	**(11,512)**

Interest expenses include € 9,045 thousand interest accrued on the convertible bond at amortized cost.

9. Income taxes

Income taxes amounted to € 9,272 thousand:

(€ thousands)	2022	2021
Current income taxes:		
- Local taxes (IRAP)	2,559	7,592
- Corporate income taxes (IRES)	6,404	33,960
Other income taxes (non-deductible taxes/ taxes of previous years)	280	58
Deferred taxes	27	(61)
Including IRAP amount	(10)	*2*
Total income taxes	**9,272**	**41,549**

A reconciliation of the theoretical tax rate to the effective tax rate, without taking into account the IRAP liability and withholding taxes on dividends, is provided below:

(€ thousands)	2022	2021
Profit before taxes	47,058	180,397
Ordinary tax rate	24.00%	24.00%
Theoretical income taxes	11,294	43,295
Tax effect of permanent differences	(4,852)	(9,393)
Total income taxes	**6,442**	**33,902**
Effective tax rate	**13.7%**	**18.8%**

In 2022, the effective tax rate was 13.7% due to lower dividend collection.

10. Earnings per share

Information about basic earnings per share and diluted earnings per share is provided in the Notes to the consolidated Financial Statements.

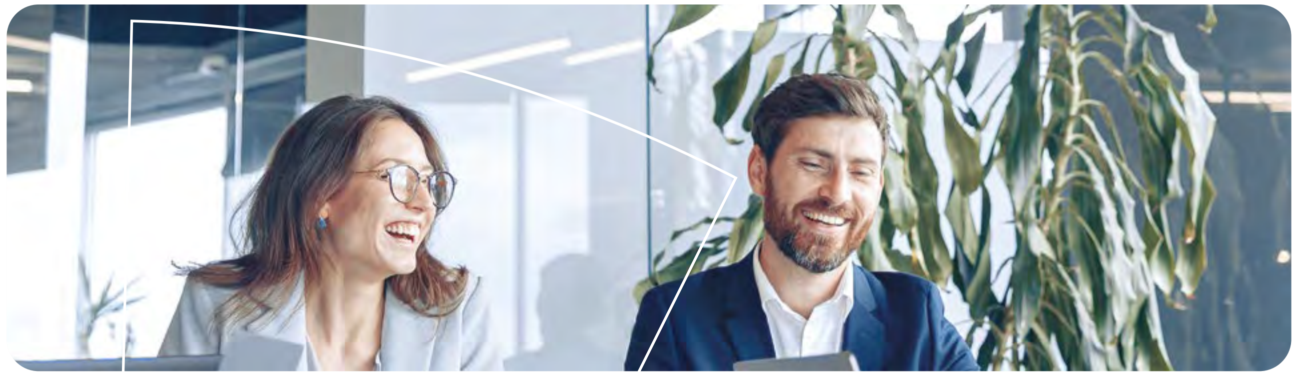
Consolidated statement of financial position

11. Property, plant and equipment

The tables below show the changes that occurred in the original cost of property, plant and equipment in 2021 and 2020:

(€ thousands)	At December 31, 2021	Contribution	Additions	Disposals	Translation differences	Reclassifications and other changes	At December 31, 2022
Land	659	(659)	-	-	-	-	-
Buildings	13,644	(13,900)	193	-	-	63	-
Plant and machinery	34,155	(35,086)	104	208	-	1,036	-
Manufacturing and distribution equipment	90,411	(91,816)	3,496	2,994	(107)	1,009	-
Other assets	14,940	(15,295)	517	3	(136)	250	272
Advances and tangible in progress	10,065	(8,664)	3,885	22	(6)	(4,533)	725
IFRS 16 rights of use	17,314	(15,866)	1,093	556	(162)	-	1,824
Total property, plant and equipment	**181,189**	**(181,286)**	**9,288**	**3,782**	**(412)**	**(2,176)**	**2,821**

(€ thousands)	At December 31, 2020	Additions	Disposals	Translation differences	Reclassifications and other changes	At December 31, 2021
Land	659	-	-	-	-	659
Buildings	13,453	188	-	-	3	13,644
Plant and machinery	30,014	2,676	1,038	-	2,503	34,155
Manufacturing and distribution equipment	81,817	9,185	2,840	466	1,783	90,411
Other assets	13,697	444	34	600	233	14,940
Advances and tangible in progress	9,508	7,004	-	20	(6,466)	10,065
IFRS 16 rights of use	13,604	3,371	295	634	-	17,314
Total property, plant and equipment	**162,752**	**22,867**	**4,206**	**1,720**	**(1,944)**	**181,189**



The following changes occurred in the corresponding accumulated depreciation accounts in 2022 and 2021:

(€ thousands)	At December 31, 2021	Contibution	Depreciation	Disposals	Translation differences	Reclassifications and other changes	At December 31, 2022
Buildings	6,467	(6,708)	241	-	-	-	-
Plant and machinery	21,134	(22,268)	1,342	208	- 1	-	-
Manufacturing and distribution equipment	69,313	(70,861)	4,839	2,751	(66)	(474)	-
Other assets	7,635	(8,116)	543	3	(50)	-	9
IFRS 16 rights of use	4,408	(4,236)	1,145	540	(22)	-	755
Total property, plant and equipment	**108,957**	**(112,189)**	**8,111**	**3,503**	**(139)**	**(474)**	**763**

(€ thousands)	At December 31, 2020	Depreciation	Disposals	Translation differences	Reclassifications and other changes	At December 31, 2021
Buildings	5,998	469	-	-	-	6,467
Plant and machinery	19,791	2,294	951	-	-	21,134
Manufacturing and distribution equipment	64,330	8,456	2,164	276	(1,585)	69,313
Other assets	6,486	980	33	202	-	7,635
IFRS 16 rights of use	2,837	1,775	282	79	-	4,408
Total property, plant and equipment	**99,442**	**13,973**	**3,431**	**557**	**(1,585)**	**108,957**

A breakdown of the net carrying value of property, plant and equipment at December 31, 2022 and 2021 is provided below:

(€ thousands)	At December 31, 2021	Contribution	Additions	Depreciation	Disposals	Translation differences	Reclassifications and other changes	At December 31, 2022
Land	659	(659)	-	-	-	-	-	-
Buildings	7,177	(7,192)	193	241	-	-	63	- -
Plant and machinery	13,021	(12,818)	104	1,342	-	1	1,036	-
Manufacturing and distribution equipment	20,840	(20,955)	3,496	4,839	243	(40)	1,741	-
Other assets	7,099	(7,179)	517	543	-	(86)	456	263
Advances and tangible in progress	10,529	(8,664)	3,885	-	22	(6)	4,997	725
IFRS 16 rights of use	12,906	(11,630)	1,093	1,145	15	(140)	-	1,069
Total property, plant and equipment	**72,231**	**(69,097)**	**9,288**	**8,111**	**280**	**(271)**	**(1,702)**	**2,058**

(€ thousands)	At December 31, 2020	Additions	Depreciation	Disposals	Translation differences	Reclassifications and other changes	At December 31, 2021
Land	659	-	-	-	-	-	659
Buildings	7,456	188	469	-	-	3	7,177
Plant and machinery	10,223	2,676	2,294	86	-	2,503	13,021
Manufacturing and distribution equipment	17,489	8,925	8,456	676	191	3,367	20,840
Other assets	7,210	238	980	-	398	233	7,099
Advances and tangible in progress	9,508	7,470	-	-	20	(6,469)	10,529
IFRS 16 rights of use	10,767	3,371	1,775	12	556	-	12,906
Total property, plant and equipment	**63,311**	**22,867**	**13,973**	**775**	**1,164**	**(363)**	**72,231**

With regard to the equipment held by customers, depreciation (prior to the contribution) amounted to € 2,513 thousand.

Reclassifications and net other changes amounting to € 1,702 thousand refer to advance payment reclassification from tangible to intangible assets.

Tangible assets include "Right-of-use Assets" for a total amount of € 1,069 thousand at December 31, 2022, recognized on the basis of IFRS 16 accounting standard. The item includes right-of-use assets relating to rented property and industrial buildings, amounting to € 684 thousand at December 31, 2022, along with right-of-use assets relating to company vehicles rentals amounting to € 385 thousand at December 31, 2022.

12. Goodwill and other intangible assets

In 2022 and 2021, changes in the gross carrying amount of intangible assets were as follows:

(€ thousands)	At December 31, 2021	Contribution	Additions	Reclassification and other changes	At December 31, 2022
Goodwill	44,966	(44,966)	-	-	-
Development costs	55,561	(60,584)	5,201	(178)	-
Concessions, licenses and trademarks	86,509	(67,420)	679	1,234	21,002
Customer relationship	6,741	(6,741)	-	-	-
Industrial patents and intellectual property rights	12,177	(9,923)	60	304	2,618
Advances and other intangibles	112	(110)	-	-	-
Total intangibles	**206,066**	**(189,744)**	**5,940**	**1,360**	**23,620**

(€ thousands)	At December 31, 2020	Additions	Translation differences	Disposals and other changes	At December 31, 2021
Goodwill	44,966	-	-	-	44,966
Development costs	44,539	11,687	-	(665)	55,561
Concessions, licenses and trademarks	83,990	1,272	-	1,247	86,509
Customer relationship	6,741	-	-	-	6,741
Industrial patents and intellectual property rights	12,074	103	-	-	12,177
Advances and other intangibles	105	-	7	-	112
Total intangibles	**192,416**	**13,062**	**7**	**582**	**206,066**

The following changes occurred in the corresponding accumulated amortization accounts in 2022 and 2021:

(€ thousands)	At December 31, 2021	Contribution	Amortization	Translation differences	Reclassification and other changes	At December 31, 2022
Goodwill	5,210	(5,210)	-	-	-	-
Development costs	21,178	(22,853)	1,675	-	-	-
Concessions, licenses and trademarks	45,436	(35,906)	3,588	-	(43)	13,075
Customer relationship	1,992	(2,216)	224	-	-	-
Industrial patents and intellectual property rights	10,797	(9,138)	368	-	-	2,027
Advances and other intangibles	100	(100)	4	(4)	-	-
Total intangibles	**84,713**	**(75,423)**	**5,859**	**(4)**	**(43)**	**15,102**

(€ thousands)	At December 31, 2020	Amortization	Translation differences	Disposals and other changes	At December 31, 2021
Goodwill	5,210	-	-	-	5,210
Development costs	17,995	3,183	-	-	21,178
Concessions, licenses and trademarks	39,944	5,505	-	- 13	45,436
Customer relationship	1,543	449	-	-	1,992
Industrial patents and intellectual property rights	10,220	577	-	-	10,797
Advances and other intangibles	86	8	6	-	100
Total intangibles	**74,998**	**9,722**	**6**	**(13)**	**84,713**

A breakdown of the net carrying value of intangible assets at December 31, 2022 and 2021 is provided below:

(€ thousands)	At December 31, 2021	Contribution	Additions	Amortization	Reclassification and other changes	At December 31, 2022
Goodwill	39,756	(39,756)	-	-	-	-
Development costs	34,383	(37,731)	5,201	1,675	(178)	-
Concessions, licenses and trademarks	41,073	(31,514)	679	3,588	1,278	7,928
Customer relationship	4,749	(4,525)	-	224	-	-
Industrial patents and intellectual property rights	1,381	(785)	60	368	302	590
Advances and other intangibles	15	(10)	-	4	(1)	-
Total intangibles	**121,357**	**(114,321)**	**5,940**	**5,859**	**1,401**	**8,518**

(€ thousands)	At December 31, 2020	Additions	Amortization	Translation differences	Disposals and other changes	At December 31, 2021
Goodwill	39,756	-	-	-	-	39,756
Development costs	26,544	11,946	3,183	-	- (924)	34,383
Concessions, licenses and trademarks	44,046	1,272	5,505	-	1,260	41,043
Customer relationship	5,198	-	449	-	-	4,749
Industrial patents and intellectual property rights	1,855	103	577	-	-	1,381
Advances and other intangibles	20	-	8	3	-	15
Total intangibles	**117,419**	**13,321**	**9,722**	**3**	**336**	**121,357**

Goodwill and development costs

Following the contribution operation executed on July 1, 2022, goodwill and developed costs have been transferred to DiaSorin Italia S.p.A.

Concessions, licenses and trademarks and customer relationship

At December 31, 2022, the item concessions, licenses and trademarks amounted to € 7,928 thousand. The change compared to December 31, 2021 is due to balances referred to DiaSorin Italia S.p.A. (€ 31,514 thousand), and amortization of the period (€ 3,588 thousand).

From the information made available to the Management, there are no indications that the value of these items has been impaired. Therefore, the Company did not perforn any impairment test.

13. Equity investments

At December 31, 2022, equity investments were € 1,006,932 thousand.

The table that follows shows the changes that occurred in 2022:

Company	Head office location	12/31/2021	Change	12/31/2022
DiaSorin Italia SpA	Saluggia (Italy)	-	353,500	353,500
DiaSorin S.A/N.V.	Bruxelles (Belgium)	1,145	-	1,145
DiaSorin Ltda	San Paolo (Brazil)	10,908	-	10,908
DiaSorin S.A.	Antony (France)	2,509	-	2,509
DiaSorin Iberia S.A.	Madrid (Spain)	5,331	17	5,348
DiaSorin Ltd	Blewbury (UK)	689	137	826
DiaSorin Inc.	Stillwater (USA)	586,824	2,600	589,424
DiaSorin Mexico S.A de C.V.	Mexico City (Mexico)	3,296	-	3,296
DiaSorin Deutschland GmbH	Dietzenbach (Germany)	5,452	69	5,521
DiaSorin AB	Solna (Sweden)	4,819	-	4,819
DiaSorin Ltd	Rosh Haayin (Israel)	-	-	-
DiaSorin Austria GmbH	Vienna (Austria)	1,035	-	1,035
DiaSorin Poland sp. Z .o.o.	Warsaw (Poland)	2,854	-	2,854
DiaSorin Czech s.r.o.	Prague (Czech Republic)	2,126	-	2,126
DiaSorin South Africa (PTY) Ltd	Johannesburg (South Africa)	541	-	541
DiaSorin Australia (Pty) Ltd	Sydney (Australia)	2,275	12	2,287
DiaSorin Ltd	Shanghai (China)	479	172	651
DiaSorin Switzerland AG	Risch (Switzerland)	243	-	243
DiaSorin INUK Ltd	Dublin (Ireland)	7,862	(7,862)	-
DiaSorin Ireland Ltd	Dublin (Ireland)	19,878	-	19,878
DiaSorin Healthcare India Private Limited	Mumbai (India)	-	-	-
DiaSorin Apac Pte Ltd	Singapore	10	-	10
DiaSorin Middle East FZ-LLC	Dubai	11	-	11
Total equity investments		**658,288**	**348,645**	**1,006,932**

The change of € 348,645 thousand, was due to:

- the carrying amount of the equity investment in DiaSorin Italia S.p.A. amounting to € 353,490 thousand following the contribution executed on July 1, 2022;
- the increase in stock option costs awarded to employees of DiaSorin Inc., DiaSorin Deutschland GmbH, Diasorin Ltd (China), DiaSorin Ltd (UK), DiaSorin Iberia S.A., Diasorin Australia Pty, for a total amount of € 3,007 thousand;
- liquidation of Diasorin INUK Ltd.

The carrying amount of the equity investments has been tested for impairment, even in the absence of specific indicators. The impairment test was completed on the basis of the most recent projections of economic results and cash flows for future years (2023-2025). These projections have been developed on the basis of the strategic plan approved by the Board of Directors and presented in December 2021. This plan takes into account the 2023 forecast data and the new plan related to the Chinese subsidiary approved by the company's Board of Directors.

In computing the present value of future cash flow, the Group used a discount rate that reflects the weighted average cost of capital (WACC) and the cost of debt. The discount rate used was determined on a post-tax basis and coherently with the cash flows. The Group computed a specific WACC for each subsidiary to take into account the specific risk entailed by each company in each country (this variable is reflected in the use of government bonds as risk-free for each country).

The following provides WACC rates used for each company:

Company	WACC
DiaSorin Italia	9.77%
DiaSorin France	7.88%
DiaSorin Iberia	8.56%
DiaSorin Benelux	7.88%
DiaSorin Sweden	7.07%
DiaSorin UK	7.69%
DiaSorin Germany	6.95%
DiaSorin Austria	7.7%
DiaSorin Czech Republic & Slovakia	7.78%
DiaSorin North America	7.02%
DiaSorin Brazil	10.98%
DiaSorin Mexico	9.43%
DiaSorin Israel	8.30%
DiaSorin China	7.50%
DiaSorin Australia	6.95%
DiaSorin India	9.34%
DiaSorin Switzerland	7.11%
DiaSorin Poland	8.46%

The following provides "g" rates used for each company:

Companies	g rate
DiaSorin Italy	2.06%
DiaSorin France	2.00%
DiaSorin Iberia	1.95%
DiaSorin Benelux	1.96%
DiaSorin Sweden	2.02%
DiaSorin UK	1.96%
DiaSorin Germany	2.27%
DiaSorin Austria	2.13%
DiaSorin Czech Republic & Slovakia	2.11%
DiaSorin North America	2.15%
DiaSorin Brazil	3.12%
DiaSorin Mexico	3.20%
DiaSorin Israel	1.33%
DiaSorin China	2.32%
DiaSorin Australia	2.31%
DiaSorin India	4.44%
DiaSorin Switzerland	0.82%
DiaSorin Poland	2.23%

No impairment indicators were found.

In addition, the Company performed a sensitivity analysis assuming a deterioration of the variables used in the impairment test: WACC and g rate. More specifically the discount rate for each company increased up to 0.5 percentage point and the growth rate of the terminal value decreased to 0.5 percentage points. The sensitivity analysis performed on each company showed no indications of impairment.

A list of the equity investments held by the Group's Parent Company is provided below.

	Head Office location	Currency	Share capital (*)	Net profit/ (loss) for the year (*)	Shareholders' equity in latest approved financial statements (*)	Value per share or partnership interest	% interest held directly	no. of shares held
Equity investments consolidated line by line								
DiaSorin Italia S.p.A.	Saluggia (Italy)	EUR	1,000,000	53,009	406,226,315	1	100%	1,000,000
DiaSorin S.A/N.V.	Bruxelles (Belgium)	EUR	1,674,000	2,357,699	8,497,402	6,696	99.990%	249
DiaSorin Ltda	San Paolo (Brazil)	BRL	65,547,409	7,475,200	31,788,619	1	99.990%	65,547,408
DiaSorin S.A.	Antony (France)	EUR	960,000	1,387,210	9,810,316	15,3	99.990%	62,493
DiaSorin Iberia S.A.	Madrid (Spain)	EUR	1,453,687	2,411,956	11,117,139	6,01	99.990%	241,877
DiaSorin Ltd	Dartford (UK)	GBP	500	1,360,807	598,575	1	100%	500
DiaSorin Inc.	Stillwater (USA)	USD	1	78,001,400	1,352,295,400	0,01	100%	100
DiaSorin Mexico S.A de C.V.	Mexico City (Mexico)	MXP	63,768,473	13,374,600	48,242,393	1	99.99%	49,999
DiaSorin Deutschland GmbH	Dietzenbach (Germany)	EUR	275,000	1,863,174	7,608,669	275,000	100%	1
DiaSorin AB	Solna (Sweden)	SEK	5,000,000	4,905,658	28,585,906	100	100%	50,000
DiaSorin Ltd	Rosh HaAyin (Israel)	ILS	100	3,103,000	21,371,000	1	100%	100
DiaSorin Austria GmbH	Wien (Austria)	EUR	35,000	1,584,814	3,792,110	35,000	100%	1
DiaSorin Czech s.r.o.	Prague (Czech Republic)	CZK	200,000	4,586,000	88,430,000	200,000	100%	1
DiaSorin Ireland Limited	Dublin (Ireland)	EUR	163,202	-	6,348,122	1,2	100%	136,002
DiaSorin I.N. Limited	Dublin (Ireland)	EUR	1	4,452,341	6,348,121	0,01	100%	100
DiaSorin South Africa (PTY) Ltd	Sandton (South Africa)	ZAR	101	19,466	4,290,580	1	100%	101
DiaSorin Australia (Pty) Ltd	Sydney (Australia)	AUD	3,300,000	1,394,115	13,902,908	33,000	100%	100
DiaSorin Ltd	Shanghai (China)	RMB	22,000,000	-29,518,982	11,625,081	1	76%	16,720,000
DiaSorin Switzerland AG	Rotkreuz (Switzerland)	CHF	100,000	1,820,522	2,535,579	100	100%	1,000
DiaSorin Poland sp. z o.o.	Warsaw (Poland)	PLN	550,000	4,590,240	14,037,573	50	100%	11,000
DiaSorin Healthcare India Private Limited	Mumbai (India)	INR	4,700,000	47,675,454	200,577,440	10	0.01%	1
DiaSiorin APAC Pte. Ltd.	Singapore (Singapore)	EUR	1	75,778	273,776	N/A	100%	1
DiaSorin Middle East FZ-LLC	Dubai (UAE)	AED	50,000	124,484	38,762	1,000	100%	50

(*) Amounts stated in local currency

14. Deferred-tax assets

Deferred-tax assets amounted to € 548 thousand. They are recognized in the financial statements when their future use is deemed probable.

The balance reflects the deferred-tax assets computed on the temporary differences between the asset and liabilities amounts used to prepare the consolidated financial statements and the corresponding amounts used by the consolidated companies for tax purposes. A more detailed description of the temporary differences tax effect that generates deferred-tax assets is provided below:

(€ thousands)	12/31/2022	12/31/2021
Positive changes:		
Amortization of goodwill /intangible assets	-	
Provisions for risks and charges	118	5,705
Actuarial valuation of employee benefits	72	678
Unrealized exchange differences	-	(29)
Amortization	147	-
Other charges deductible in future years	213	360
Total	**550**	**6,714**
Negative changes:		
Amortization	-	(1,847)
Unrealized exchange differences	(2)	-
Total	**(2)**	**(1,847)**
Total deferred-tax assets	**548**	**4,867**

The change compared to 2021 is due to the transfer of assets and liabilities (on which deferred taxes were computed) to DiaSorin Italia S.p.A.

15. Inventories

Zeroing of inventories and their provision compared to December 31, 2021 reflects the values that have been transferred to DiaSorin Italia S.p.A.

(€ thousands)	12/31/2022			Values contributed			12/31/2021		
	Gross amount	Provisions for write-down	Net amount	Gross amount	Provisions for write-down	Net amount	Gross amount	Provisions for write-down	Net amount
Raw materials and supplies	-	-	-	(36,378)	(2,055)	(34,323)	38,041	(1,738)	36,303
Work in progress	-	-	-	(48,803)	(1,651)	(47,152)	45,256	(1,556)	43,700
Finished goods	-	-	-	(51,048)	(3,621)	(47,427)	43,868	(3,741)	40,127
Total	**-**	**-**	**-**	**(136,229)**	**(7,327)**	**(128,902)**	**127,165**	**(7,035)**	**120,130**

Provisions for inventory write-downs:

(€ thousands)	12/31/2022	12/31/2021
Opening balance	**7,035**	**5,520**
Contribution	(6,390)	-
Additions for the period	(631)	1,596
Utilizations/reversals for the period	-	(152)
Translation differences and other changes	(14)	71
Closing balance	**-**	**7,035**

16. Trade receivables
Trade receivables were € 40,149 thousand at December 31, 2022, and are almost entirely due from Group companies. There are no amounts owed by public institutions

The allowance for doubtful accounts amounted to € 81 thousand. The main changes occurred at December 31, 2022, are provided below:

(€ thousands)	12/31/2022	12/31/2021
Opening balance	**4,516**	**4,209**
Contribution	(3,256)	-
Additions for the year	-	386
Utilizations for the year	(1,179)	(79)
Closing balance	**81**	**4,516**

17. Financial receivables and other non-current financial assets
The balance of € 44,787 thousand includes primarily:

- € 32,796 thousand in loans provided to Group companies (of which € 1,820 thousand for the current portion and € 30,976 thousand for non-current portion);
- Positive balances arising from the centralized cash management system managed by the Group's Parent Company, amounting to € 11,991 thousand.

The change in loans provided to Group companies is provided below:

Subsidiary	Balance at 12/31/2022	Balance at 12/31/2021
DiaSorin Poland sp. Z.o.o	-	1,175
DiaSorin I.N. Limited	17,067	26,567
DiaSorin Slovakia sro	274	549
DiaSorin Australia Pty	-	-
DiaSorin Ltda (Brazil)	-	559
DiaSorin Sa de CV (Mexico)	914	1,389
DiaSorin Dubai	136	53
DiaSorin China	14,405	14,106
Total loans	**32,796**	**44,398**

At December 31, 2022, all outstanding loans accrue fixed or floating interest rate, as contractually defined and in line with market conditions applicable to the lending operation.

18. Other current and non-current assets
Other current assets amount to € 41,154 thousand and include amounts due from tax authorities.

Other non-current assets amount to € 529 thousand.

19. Cash and cash equivalents
Cash and cash equivalents amounted to € 16,805 thousand at December 31, 2022. They consist of balances in banks accounts. More detailed information on changes affecting cash and cash equivalents is provided in the Statement of Cash Flows.

20. Shareholders' equity

Share capital
At December 31, 2022, the fully paid-in share capital consisted of 55,948,257 common shares, par value of 1 € each. No changes occurred compared with December 31, 2021.

Treasury shares
At December 31, 2022, the amount of treasury shares was 2,435,372 (4.35% of the share capital), totaling € 281,277 thousand.

The change compared to December 31, 2022, equal to € 161,255 thousand, is due to the net purchase of treasury shares (€ 164,958 thousand) and the exercise of 57.500 total options related to the 2016 Stock Option plan (15,000 options) and to the 2017 Stock Option Plan (42,500 options), for a total amount of € 3,703 thousand.

Additional paid-in capital
This reserve amounted to € 18,155 thousand at December 31, 2022 and no changes occurred compared with December 31, 2021.

Statutory reserve
This reserve amounted to € 11,190 thousand and no changes occurred compared with December 31, 2021.

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

(€ thousands)	12/31/2022	12/31/2021	change
Currency translation reserve	(534)	(220)	(314)
Reserve for treasury shares	281,277	120,022	161,255
Stock option reserve	22,405	14,279	8,126
Gains/(losses) on remeasurement of defined benefit plans	(1,159)	(1,394)	235
Reserve for equity investments revaluation	5,287	5,287	-
Retained earnings	347,535	424,894	(77,359)
IFRS transition reserve	1,006	1,006	-
Total Other reserves and retained earnings	**655,817**	**563,874**	**91,943**

Currency translation reserve
The change of € 314 thousand shown in the currency translation reserve at December 31, 2022 is due to the translation into euros of the U.K. Branch balances and to unrealized foreign exchange differences on the indebtedness denominated in foreign currencies held by the Parent Company to hedge its equity investment in the U.K. Branch, which were negative by € 160 thousand, net of the tax effect (impacts referred to the period prior to the contribution).

Reserve for treasury shares
At December 31, 2022, the reserve for treasury shares amounted to € 281,277 thousand (€ 120,022 thousand at December 31, 2021). This reserve was established pursuant to law (Article 2357-*ter* of the Italian Civil Code). In 2022, changes in the reserve were due to the purchase of treasury shares, amounting to € 164,958 thousand, net of 57,500 total options exercised, relating to the 2016 Stock Option Plan (15,000 options) and to the 2017 Stock Option Plan (42,500 options), for a total amount of € 3,703 thousand.

Stock option reserve
At December 31, 2022, the stock option reserve amounted to € 22,405 thousand (€ 14,279 thousand at December 31, 2021) and refers to the stock option plans that were outstanding at December 31, 2022 (described in Note 28). The changes in the reserve that occurred at December 31, 2022 included both an increase due to the recognition of the overall cost of the stock option Plans (€ 4,845 thousand) that was posted and recognized in the income statement as labor costs included in general and administrative expenses, and a decrease of € 958 thousand following the options exercised. Lastly, this reserve includes costs related to options awarded to subsidiaries employees and recognized as increase in equity investments value (€ 2,864 thousand).

Gains/Losses on remeasurement of defined-benefit plans
At December 31, 2022, this item, negative by € 1,159 thousand includes net losses of the period related to the actuarial assessment of the Group's defined-benefit plans amounting to € 2,355 thousand, net of tax effect.

Retained earnings
Retained earnings amounted to € 347,535 thousand, due to:
- the appropriation of the net profit earned in 2021 (138,848 thousand);
- dividend distribution to shareholders, equal to € 57,316 thousand approved on April 29, 2022 by the Ordinary Shareholders' Meeting (equal to € 1.05 per share);

IFRS transition reserve
The IFRS transition reserve was established on January 1, 2006, 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.

The table below shows the components of shareholders' equity on the basis of availability for use and distribution:

(€ thousands)

Nature and description	Amount	Possible use (*)
Share capital	55,948	
Additional paid-in capital	18,155	A,B
Statutory reserve	11,190	B
Stock option reserve	22,405	-
Reserve for treasury shares	281,277	
Translation reserve	(543)	A,B
Other reserve and retained earnings	71,392	A,B,C

(*) Possible use
A: for share capital increase
B: to cover losses
C: for distribution to shareholders

21. Financial liabilities

Payables for financial liabilities amounted to € 632,847 thousand at December 31, 2022, and a breakdown is as follows (amount in thousands):

Type of financial liability	Currency	Current portion	Non-current portion	*Due beyond 1 year and within 5 years*	*Due beyond 5 years*	Total
IFRS 16 lease payables	€	363	734	734	-	1,097
Convertible Bond issued by DiaSorin S.p.A,	€	-	448,565	-	448,565	448,565
Revolving Credit Facility granted to DiaSorin S.p.A.	€	39,642	-	-	-	39,642
Total financial liabilities		**40,005**	**449,299**	**734**	**448,565**	**489,304**
Group's centralized cash management system / Intra-group financing facilities	€	143,543	-	-	-	143,543
TOTAL		**183,548**	**449,299**	**734**	**448,565**	**632,847**

In 2022, financial liabilities include a Revolving Credit Facility for € 40,000 thousand and notional interests and amortized cost, equal to € 9,045 thousand, accrued on the convertible bond. IFRS16 lease liabilities were € 1,097 thousand, as a result of the contribution to DiaSorin Italia S.p.A, equal to € 11,236 thousand.

The table below lists the financial liabilities owed to outside lenders that were outstanding at December 31, 2022 (amounts in € thousands):

Type of financial liabilities	At December 31, 2021	Additions	Repayments	Interests accrued and amortized cost	Translation differences and other changes	At December 31, 2022
Convertible Bonds issued by DiaSorin S.p.A.	439,520	-	-	9,045	-	448,565
IFRS 16 lease payables	12,236	1,093	(933)	-	(11,299)	1,097
Revolving Credit Facility granted to DiaSorin S.p.A.	-	39,549	-	93	-	39,642
Other current financial liabilities	1,037	-	-	-	(1,037)	-
Total financial liabilities	**452,793**	**40,642**	**(933)**	**9,138**	**(12,336)**	**489,304**

As required by IAS 7, the table that follows provides financial liabilities: the flows shown are future cash flows determined on the basis of residual contractual maturities for both principal and interest.

Lender	At December 31, 2022	1 year	2 - 5 years	> 5 years	Total
Convertible Bonds issued by DiaSorin S.p.A.	448,565	-	-	500,000	500,000
Revolving Credit Facility granted to DiaSorin S.p,A	39,642	40,238	-	-	40,238
IFRS 16 lease payables	1,097	387	830	-	1,217
Total financial liabilities	**489,304**	**40,625**	**830**	**500,000**	**541,455**

22. Provision for employee severance indemnities and other employee benefits

The item amounted to €3,348 thousand. The balance in this account reflects all of the Company's pension plan obligations, other post-employment benefits and benefits payable to employees when certain requirements are met. The Company provides post-employment benefits to its employees through defined-contribution and/or defined-benefit plans.

As a rule, benefits are based on each employee's level of compensation and years of service. The Company's obligations refer to the employees currently on its payroll.

Defined-contribution plans

When defined-contribution plans are used, the Company pays contributions to public or private insurance institutions pursuant to a statutory or contractual obligation or on a voluntary basis. With the payment of these contributions, the Company absolves all of its obligations.

The liability for contributions payable on the date of the financial statements 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. In 2022, this cost amounted to € 2,081 thousand.

Defined-benefit plans

The Company's pension plan that qualifies as a defined-benefit plan is the plan covered by the provision for employee severance indemnities accrued until December 31, 2006. The liability is recognized at its actuarial value using the projected unit credit method. Any resulting actuarial gains or losses are credited or charged to equity in the statement of comprehensive income in the period in which they arise.

Other employee benefits

The Company 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.

Starting from 2019, a 2019-2022 four-year plan ("LTI Plan") was implemented in favor of seven key executives of the DiaSorin Group, including the Strategic Executives. The LTI Plan was adopted with the aim of their retention, as well as rewarding the achievement of important medium/long- term business targets in accordance with the DiaSorin Group growth strategy. The LTI Plan envisages a stock option plan (the 2018 Plan, as described in Note 27) and a target cash bonus (totaling € 7 million gross) tied to the achievement of a specific objective. Upon achieving the target objective, the cash bonus shall be paid to each beneficiary by the end of April 2023, following the approval of the 2022 consolidated financial statements. The LTI Plan cash bonus falls into "Other long-term benefits" of IAS 19 and is assessed by using actuarial methods.

Please note that any resulting actuarial gains or losses recorded on the basis of these employees' benefits are recognized in the income statement. Gains recognized in 2022 were € 163 thousand (losses of € 45 thousand in 2021).

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

(€ thousands)	12/31/2022	12/31/2021	Change
Employees severance indemnities	395	2,847	(2,452)
Other long-term benefits	2,953	4,005	(1,052)
Total employee benefits	**3,348**	**6,852**	**(3,504)**

The "Provision for employee severance indemnities" reflects the Company's liability under the relevant Italian law (recently amended with the enactment of Law No. 296/06) for employee severance benefits vested up to December 31, 2006, which will be paid to employees at the end of their employment. Under certain specific conditions, advances may be disbursed to employees while still employed. This system constitutes a non-financed defined-benefit plan, since virtually all of the benefits have vested, except for inflation adjustments.

The table below shows a breakdown of the main changes that occurred in the Group's employee benefit plans in 2022:

(€ thousands)	Defined-benefit plans	Other benefits	Total employee benefits
Balance at 12/31/2021	**2,847**	**4,005**	**6,852**
Contribution of the business branch to Diasorin Italia S.p.A.	(2,127)	(1,595)	(3,722)
Financial expense / (income)	(9)	(14)	(23)
Actuarial losses/(gains) recognized in income statement	-	(163)	(163)
Actuarial losses/(gains) from financial assumptions	(77)	-	(77)
Actuarial losses/(gains) from demographic changes	(1)	-	(1)
Actuarial losses/(gains) from experience	(235)	-	(235)
Current service cost	-	788	788
Benefits paid	(3)	(68)	(71)
Balance at 12/31/2022	**395**	**2,953**	**3,348**

The main changes with regard to the provision for employee benefits include actuarial profits recognized in the comprehensive income statement (€ 313 thousand) and contributions paid (€ 71 thousand), in addition to the portion transferred to Diasorin Italia S.p.A. in relation to the contribution of the business branch. The net amount recognized in the 2022 income statement for employee benefits was an expense of € 602 thousand (€ 882 thousand in 2021).

Actuarial losses/(gains) arising from other employee benefits and current service cost are recognized in the income statement as part of labor costs, allocated to the area to which they correspond. Interest expense is recognized in the income statement as part of "Net financial income/(expense)". Actuarial losses/(gains) on defined-benefit plans are credited or charged to equity in the statement of comprehensive income in the period in which they arise.

The table below lists the main assumptions used for actuarial computation purposes in the defined benefit plans:

	Pension plans	
	12/31/2022	12/31/2021
Discount rate	3.55%	0.25%
Projected wage increases	3.50%	3.50%
Inflation rate	2.82%	2.28%
Average employee turnover rate	6.88%	6.51%

A sensitivity analysis of changes in the main assumptions used for actuarial computation purposes is set out below:

(€ thousands)		Provision of employee severance indemnities	
Discount rate		Inflation rate	
0.5% Increase	(11)	0.5% Increase	8
0.5% Decrease	12	0.5% Decrease	(7)
Projected wage increases		Average employee turnover rate	
0.5% Increase	-	10% Increase	1
0.5% Decrease	-	10% Decrease	-

23. Provisions for risks and charges

Following the contribution executed to DiaSorin Italia S.p.A, provision for risks and charges amounted to € 400 thousand.

24. Other non-current liabilities

Other non-current liabilities totaled € 1,190 thousand and include a long-term liability arising from put/call option rights under the Joint Venture agreement in China ad € 1,190 thousand, recognized according to IAS 32 and IFRS 9 accounting standards.

25. Trade payables

At December 31, 2022, trade payables, which totaled € 16,619 thousand, and include € 8,366 thousand owed to related parties. There are no amounts due after 2022. As to the contribution, trade payables of € 67,370 thousand have been transferred to DiaSorin Italia S.p.A..

26. Other current liabilities

Other current liabilities of € 9,565 thousand at December 31, 2022 consist mainly of amounts owed to employees for additional monthly payments to be paid, contributions payable to social security and health benefit institutions

27. Commitments and contingent liabilities

Guarantees provided and received

At December 31, 2022, the guarantees that the Group's Parent Company provided to third parties totaled € 805,447 thousand and include bank sureties in connection with the submission of bids in response to public calls for tenders (€ 2,907 thousand), guarantees to secure credit lines provided to Group companies (€ 800,889 thousand), and defined-contribution pension plans of some subsidiaries (€ 1,650 thousand).

Significant commitments and contractual obligations

There are no significant contractual obligations as those previously executed with Stratec for the development and production of the LIAISON XL and the new LIAISON XS analyzers fall within the scope of DiaSorin Italia S.p.A. contribution.

28. Stock option plans and Equity Awards

2016 Plan

On April 28, 2016, the Ordinary Shareholders' Meeting approved the new 2016 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries.

The Board of Directors approved an initial tranche of beneficiaries with a grant of 130,000 options by a resolution dated May 16, 2016, a second tranche with a grant of 20,000 options by a resolution dated August 4, 2016, a third tranche with a grant of 40,000 options by a resolution dated December 19, 2016, a fourth tranche with a grant of 40,000 options by a resolution dated August 3, 2017, a fifth tranche with a grant of 25,000 options by a resolution dated March 7, 2018, a sixth tranche with a grant of 20,000 options by a resolution dated November 7, 2018 and a seventh tranche with a grant of 25,000 by a resolution dated March 14, 2019.

Please note that, due some "bad leaver" and "good leaver" events, 104,849 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.

These free option grants convey to the beneficiaries the right to acquire up to 250,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2016 Plan.

On May 12, 2016, the company announced the start of the treasury shares buy-back plan to service the Stock Option Plan, under the terms and conditions authorized by the Shareholders' Meeting of April 28, 2016.

The program was completed on June 9, 2016, resulting in the purchase of 250,000 common shares (equal to 0.44% of the share capital). The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the DiaSorin common shares for the stock market trading session preceding each purchase.

At December 31, 2022, stock options amounted to 16,699, following 15,000 being exercised on May 2, 2022, at an average exercise price of € 86.0448.

During the abovementioned period, the average price of the DiaSorin shares was € 123.45.

As detailed:

2016 Plan	Grant date	Number of options	Parent Company's options
V Tranche	March 7, 2018	4,699	-
VI Tranche	November 7, 2018	2,000	-
VII Tranche	March 14, 2019	10,000	-
Total		**16,699**	**-**

2017 Plan

On April 27, 2017, the Ordinary Shareholders' Meeting approved the new 2017 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries.

The Board of Directors approved a first tranche of beneficiaries with a grant of 170,000 options by a resolution dated November 9, 2017, a second tranche with a grant of 10,000 options by a resolution dated March 7, 2018, a third tranche with a grant of 40,000 options by a resolution dated May 8, 2018, a fourth tranche with a grant of 15,000 options by a resolution dated November 7, 2018, a fifth tranche with a grant of 10,000 options by a resolution dated March 14, 2019, a sixth tranche with a grant of 10,000 options by a resolution dated June 10, 2019, a seventh tranche with a grant of 65,000 options by a resolution dated July 31, 2019, an eighth tranche with a grant of 45,000 options by a resolution dated November 6, 2019, a ninth tranche with a grant of 30,000 options by a resolution dated 19 December, 2019, a tenth tranche with a grant of 5,000 options by a resolution dated March 11, 2020, an eleventh tranche with a grant of 20,000 options by a resolution dated May 13, 2020 and a twelfth tranche with a grant of 56,122 options by a resolution dated July 30, 2020.

Please note that, due some "bad leaver" and "good leaver" events, 78,120 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.

These free option grants convey to the beneficiaries the right to acquire up to 450,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2017 Plan.

The Shareholders' Meeting of April 27, 2017 resolved to authorize, pursuant to and for the purposes of Article 2357 of the Italian Civil Code, the purchase, in one or more installments and for a period of 18 months from the date of the resolution, the purchase of up to 450,000 common shares to service the new 2017 Stock Option Plan. The program was implemented in April 2018 with the purchase of 100,000 common shares (equal to 0.18% of the share capital) and continued throughout 2020 along with the 2019 Stock Option Plan, ended on October 23, 2020. The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the DiaSorin common shares for the stock market trading session preceding each purchase

At December 31, 2021, stock options amounted to 161,624 (of which 61,122 referred to the Parent Company), following 10,000 options (all referred to the Parent Company)being exercised between January 20, 2021 and November 5, 2021, at an average exercise price of € 70.0517, following 10,000 options (all referred to the Parent Company) being exercised between July 12, 2022 and July 25, 2022, at an average exercise price of € 86.0448, following 5,000 options (all referred to the Parent Company)being exercised between July 20, 2021 and August 2, 2021, at an average exercise price of € 95.3515, following 12,500 options (all referred to the Parent Company)being exercised between August 5, 2022 and

December 14, 2022, at an average exercise price of € 102.6159 and 5,000 options (all referred to the Parent Company) being exercised on November 18 2022, at an average exercise price of € 99.5983.

During the abovementioned period, the average price of the DiaSorin shares was € 166.51.

As detailed

2017	Grant date	Number of outstanding options	Parent Company's options
IV Tranche	November 7, 2018	5,000	5,000
VI Tranche	June 10, 2019	5,000	5,000
VII Tranche	July 31, 2019	52,500	15,000
VIII Tranche	November 6, 2019	25,000	-
IX Tranche	December 19, 2019	19,632	-
X Tranche	March 11, 2020	5,000	5,000
XI Tranche	May 13, 2020	20,000	20,000
XII Tranche	July 30, 2020	29,492	11,122
Total		**161,624**	**61,122**

2018 Plan

On April 23, 2018, the Ordinary Shareholders' Meeting approved the new 2018 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries.

The Board of Directors approved an initial tranche of beneficiaries with a grant of 675,000 options by a resolution dated May 8, 2018.

Please note that, due some "bad leaver" and "good leaver" events, 12,219 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.

These free option grants convey to the beneficiaries the right to acquire up to 675,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2018 Plan.

On May 3, 2018, the company announced the start of the treasury shares buy-back plan to service the 2018 Stock Option Plan, under the terms and conditions authorized by the Shareholders' Meeting of April 23, 2018. The program was completed on July 4, 2018, resulting in the purchase of 675,000 common shares (equal to 1.21% of the share capital). The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the DiaSorin common shares for the stock market trading session preceding each purchase.

At December 31, 2022, stock options amounted to 662,781 (of which 560,000 stock options referred to the Parent Company), all related to the grant date of May 8, 2018.

2019 Plan

On April 24, 2019, the Ordinary Shareholders' Meeting approved the new 2019 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries.

The Board of Directors approved a first tranche of beneficiaries with a grant of 8,878 options by a resolution dated July 30, 2020, a second tranche with a grant of 91,122 options by a resolution dated November 11, 2020, and a third tranche with a grant of 5,000 options by a resolution dated November 11, 2021.

Please note that, due some "bad leaver" and "good leaver" events, 5,000 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.

These free option grants convey to the beneficiaries the right to acquire up to 100,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2019 Plan.

On June 17, 2020, the company announced the start of the treasury shares buy-back plan to service the 2019 Stock Option Plan, under the conditions and terms authorized by the Shareholders' Meeting of April 24, 2019. The program was completed on October 23, 2020, resulting in the purchase of 192,511 common shares (equal to 0.3441% of the share capital), partly to serve the 2017 Stock Option Plan. The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the DiaSorin common shares for the stock market trading session preceding each purchase.

At December 31, 2022, stock options amounted to 100,000 (of which 80,000 stock options referred to the Parent Company).

As detailed

2019 Plan	Grant date	Number of outstanding options	Parent Company's options
I Tranche	July 30, 2020	8,878	8,878
II Tranche	November 11, 2020	86,122	66,122
III Tranche	November 11, 2021	5,000	5,000
Total		**100,000**	**80,000**

2020 Plan

On June 10, 2020, the Ordinary Shareholders' Meeting approved the new 2020 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries.

The Board of Directors approved an initial tranche of beneficiaries with a grant of 18,878 options by a resolution dated November 11, 2020, a second tranche of beneficiaries with a grant of 15,000 options by a resolution dated December 21, 2020, a third tranche of beneficiaries with a grant of 60,000 options by a resolution dated March 11, 2021, a fourth tranche of beneficiaries with a grant of 5,000 options by a resolution dated May 14, 2021, a fifth tranche with a grant of 40,000 options by a resolution dated July 30, 2021 and a sixth tranche with a grant of 11,122 options by a resolution dated November 11, 2021 and a seventh tranche with a grant of 3,654 options by a resolution dated December 1, 2022.

Please note that, due some "bad leaver" and "good leaver" events, 3,654 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.

These free option grants convey to the beneficiaries the right to acquire up to 150,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2020 Plan.

On April 6, 2021, the company announced the start of the treasury shares buy-back plan to service the Stock Option Plan of the company, under the conditions and terms authorized by the Shareholders' Meeting of April 10, 2020. The program was completed on November 2, 2021, resulting in the purchase of 100,000 common shares (equal to 0.1718% of the share capital). The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the DiaSorin common shares for the stock market trading session preceding each purchase.

At December 31, 2022 stock options amounted to 150,000 (of which 85,000 stock options referred to the Parent Company).

As detailed:

2020 Plan	Grant date	Number of outstanding options	Parent Company's options
I Tranche	November 11, 2020	18,878	8,878
II Tranche	December 21, 2020	15,000	15,000
III Tranche	March 11, 2021	56,346	5,000
IV Tranche	May 14, 2021	5,000	5,000
V Tranche	July 30, 2021	40,000	40,000
VI Tranche	November 11, 2021	11,122	11,122
VII Tranche	December 1, 2022	3,654	-
Total		**150,000**	**85,000**

2021 Plan
On April 22, 2021, the Ordinary Shareholders' Meeting approved the new 2021 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries.

The Board of Directors approved a first tranche of beneficiaries with a grant of 48,878 options by a resolution dated November 11, 2021, a second tranche of beneficiaries with a grant of 50,000 options by a resolution dated May 6, 2022, and a third tranche of beneficiaries with a grant of 36,346 options by a resolution dated December 1, 2022.

Please note that, due some "bad leaver" and "good leaver" events, 3,787 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.

These free option grants convey to the beneficiaries the right to acquire up to 300,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2021 Plan.

The Shareholders' Meeting of April 22, 2021, resolved to authorize, pursuant to and for the purposes of Article 2357 of the Italian Civil Code, the purchase, in one or more installments and for a period of 18 months from the date of the resolution, the purchase of up to 300,000 common shares (equal to 0.536% of the share capital), to service the new 2021 Stock Option Plan.

On July 30, 2021, the company announced the start of the treasury shares buy-back plan.

At December 31, 2022, stock options amounted to 131,437 (of which 18,878 stock options referred to the Parent Company), so detailed:

2021 Plan	Grant date	Number of outstanding options	Parent Company's options
I Tranche	November 11, 2021	45,091	18,878
II Tranche	May 6, 2022	50,000	-
III Tranche	December 1, 2022	36,346	-
Total		**131,437**	**18,878**

Equity Awards Plan 2022
On April 29, 2022, the Ordinary Shareholders' Meeting approved an incentive and loyalty plan called "Equity Awards Plan" for the managers of DiaSorin S.p.A. and the other DiaSorin Group's companies. The Plan shall be implemented through the free assignment of rights which, if accrued upon the fulfilment of the conditions, grant the right to receive – without consideration- ordinary treasury shares in the Company's portfolio, at a ratio of 1 share for each right accrued. In May 2022, the list of beneficiaries was approved and 53,478 rights were granted to receive treasury shares.

Valuation of stock options and equity awards
The stock options granted to Directors and employees are measured at their fair value on the grant date in accordance with the method provided in IFRS 2 and the total cost of the plan thus determined is allocated over the vesting period.

The fair value computation method uses a binomial model and is based on the following assumptions:

A – Exercise price
The exercise price was determined in accordance with Article 6.2 of the Plan's Regulation.

B – Stock price
The value assigned to the underlying instrument for stock option valuation purposes is the daily closing price for DiaSorin shares on the grant date.

C – Expected volatility
The expected volatility of the underlying instrument measures the expected fluctuations in price/value over a given period of time. The measure of volatility used in the option pricing model used is the annualized standard deviation of the continuously compounded rates of return on an equity security over a period of time.

D – Employee exit rate
This rate, which reflects the probability that Directors or employees who are the recipients of stock option grants will leave the Company before the vesting date, was deemed to be 0%.

E – Risk-free interest rate
IFRS 2 requires the use of a risk-free interest rate that will be valid over the expected life of the options, with the term expected life meaning the length of time between the grant date and the expected option exercise date.

F – Dividend yield
The value of stock options is also affected by assumptions about the dividend yield, which is the annual dividend paid per share stated as a percentage of the share price.

The table below lists the input data used for stock option valuation purposes:

2016 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.000000000	€ 52.54	€ 52.25	€ 1.00	30.00%	0.00%	0.46%	1.70%	05/16/2016	05/16/2019
II Tranche	3.002739726	€ 56.31	€ 57.80	€ 1.00	30.00%	0.00%	0.14%	1.70%	08/04/2016	08/05/2019
III Tranche	3.002739726	€ 51.84	€ 53.65	€ 1.00	30.00%	0.00%	0.38%	1.70%	12/19/2016	12/20/2019
IV Tranche	3.005479452	€ 69.63	€ 73.05	€ 1.00	23.00%	0.00%	0.14%	1.50%	08/03/2017	08/04/2020
V Tranche	3.005479452	€ 70.05	€ 70.60	€ 1.00	23.00%	0.00%	0.33%	1.50%	03/07/2018	03/08/2021
VI Tranche	3.005479452	€ 82.42	€ 81.60	€ 1.00	25.00%	0.00%	0.44%	1.50%	11/07/2018	11/08/2021
VII Tranche	3.005479452	€ 86.04	€ 85.80	€ 1.00	25.00%	0.00%	0.25%	1.50%	3/14/2019	3/15/2022

2017 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.005479452	€ 78.47	€ 72.05	€ 1.00	23.00%	0.00%	-0.07%	1.50%	11/09/2017	11/10/2020
II Tranche	3.005479452	€ 70.05	€ 70.60	€ 1.00	23.00%	0.00%	0.14%	1.50%	03/07/2018	03/08/2021
III Tranche	3.008219178	€ 76.24	€ 78.30	€ 1.00	23.00%	0.00%	0.18%	1.50%	08/08/2018	05/10/2021
IV Tranche	3.005479452	€ 82.42	€ 81.60	€ 1.00	25.00%	0.00%	0.24%	1.50%	11/07/2018	11/8/2021
V Tranche	3.005479452	€ 86.04	€ 85.80	€ 1.00	25.00%	0.00%	0.12%	1.50%	03/14/2019	3/15/2022
VI Tranche	3.010958904	€ 95.35	€ 102.00	€ 1.00	25.00%	0.00%	-0.02%	1.50%	06/10/2019	6/13/2022
VII Tranche	3.005479452	€ 102.62	€ 105.00	€ 1.00	25.00%	0.00%	-0.24%	1.50%	07/31/2019	8/01/2022
VIII Tranche	3.005479452	€ 99.60	€ 104.30	€ 1.00	25.00%	0.00%	-0.08%	1.50%	11/06/2019	11/7/2022
IX Tranche	3.005479452	€ 119.28	€ 117.60	€ 1.00	25.00%	0.00%	-0.06%	1.50%	12/19/2019	12/20/2022
X Tranche	3.005479452	€ 110.44	€ 113.00	€ 1.00	25.00%	0.00%	-0.01%	1.50%	03/11/2020	3/13/2023
XI Tranche	3.005479452	€ 156.44	€ 172.50	€ 1.00	28.00%	0.00%	0.32%	1.50%	05/13/2020	5/15/2023
XII Tranche	3.002739726	€ 173.28	€ 167.50	€ 1.00	30.00%	0.00%	-0.17%	1.00%	07/30/2020	7/31/2023

2018 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	4.657534247	€ 76.24	€ 78.30	€ 1.00	23.00%	0.00%	0.49%	1.50%	05/08/2018	01/02/2023

2019 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.002739726	€ 173.28	€ 167.50	€ 1.00	30.00%	0.00%	-0.17%	1.00%	7/30/2020	7/31/2023
II Tranche	3.005479452	€ 189.05	€ 172.40	€ 1.00	30.00%	0.00%	-0.29%	1.00%	11/11/2020	11/13/2023
III Tranche	3.005479452	€ 186.15	€ 185.00	€ 1.00	34.00%	0.00%	-0.18%	1.00%	11/11/2021	11/12/2024

2020 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.005479452	€ 189.05	€ 172.40	€ 1.00	30.00%	0.00%	-0.29%	1.00%	11/11/2020	11/13/2023
II Tranche	3.002739726	€ 169.95	€ 171.70	€ 1.00	30.00%	0.00%	-0.30%	1.00%	12/21/2020	12/22/2023
III Tranche	3.005479452	€ 168.46	€ 144.30	€ 1.00	30.00%	0.00%	-0.23%	1.00%	3/11/2021	3/12/2024
IV Tranche	3.005479452	€ 145.50	€ 138.00	€ 1.00	34.00%	0.00%	-0.19%	1.00%	5/14/2021	5/15/2024
V Tranche	3.005479452	€ 164.23	€ 171.15	€ 1.00	34.00%	0.00%	-0.35%	1.00%	7/30/2021	7/31/2024
VI Tranche	3.005479452	€ 186.15	€ 185.00	€ 1.00	34.00%	0.00%	-0.29%	1.00%	11/11/2021	11/12/2024
VII Tranche	3.005479452	€ 131.73	€ 131.75	€ 1.00	25.00%	0.00%	2.86%	1.00%	12/01/2022	12/02/2025

2021 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.005479452	€ 186.15	€ 185.00	€ 1.00	34.00%	0.00%	-0.18%	1.00%	11/11/2021	11/12/2024
II Tranche	3.005479452	€ 129.70	€ 119.59	€ 1.00	36.00%	0.00%	1.65%	1.00%	05/06/2022	05/07/2025
III Tranche	3.005479452	€ 131.73	€ 131.75	€ 1.00	25.00%	0.00%	2.86%	1.00%	12/01/2022	12/02/2025

"Equity Awards" PLAN	Vesting Date	Stock price at the valuation date	Tasso Risk Free	Volatility	Dividend Yield
I Tranche	05/19/2023	118.10	0.3602%	25%	1%
II Tranche	05/20/2024	118.10	1.0735%	25%	1%
III Tranche	05/20/2025	118.10	1.3851%	25%	1%
IV Tranche	05/20/2026	118.10	1.5244%	25%	1%

Based on the assumptions described above, the fair value of the 2016 Plan is equal to €2,504 thousand, with a vesting period that goes from May 16, 2016 to March 15, 2022. The fair value per option is as follows (amounts in €):

2016 PLAN	Number of options on the vesting date	Parent Company's options	Fair Value per option
V Tranche	4,699	-	13.30140
VI Tranche	7,000	-	16.34540
VII Tranche	10,000	-	17.16720

Based on the assumptions described above, the fair value of the 2017 Plan is equal to € 6,947 thousand, with a vesting period that goes from November 9, 2017 to July 31, 2023. The fair value per option is as follows (amounts in €):

2017 PLAN	Number of options on the vesting date	Parent Company's options	Fair Value per option
IV Tranche	5,000	5,000	13.66450
VI Tranche	5,000	5,000	20.69650
VII Tranche	52,500	15,000	20.32530
VIII Tranche	25,000	-	20.97320
IX Tranche	19,632	-	22.79680
X Tranche	5,000	5,000	22.78360
XI Tranche	20,000	20,000	44.09502
XII Tranche	29,492	11,122	37.36410

Based on the assumptions described above, the fair value of the 2018 Plan is equal to € 9,992 thousand, with a vesting period that goes from May 8, 2018 to January 2, 2023. The fair value per option is as follows (amounts in €):

2018 PLAN	Number of options on the vesting date	Parent Company's options	Fair Value per option
I Tranche	662,781	560,000	14.97060

Based on the assumptions described above, the fair value of the 2019 Plan is equal to € 3,515 thousand, with a vesting period that goes from July 30, 2020 to November 12, 2024. The fair value per option is as follows (amounts in €):

2019 PLAN	Number of options on the vesting date	Parent Company's options	Fair Value per option
I Tranche	8,878	8,878	37.36410
II Tranche	86,122	66,122	34.17690
III Tranche	5,000	5,000	47.91980

Based on the assumptions described above, the fair value of the 2020 Plan is equal to € 5,432 thousand, with a vesting period that goes from November 11, 2020 to December 2, 2025. The fair value per option is as follows (amounts in €):

2020 PLAN	Number of options on the vesting date	Parent Company's options	Fair Value per option
I Tranche	18,878	8,878	34.17690
II Tranche	15,000	15,000	40.42982
III Tranche	56,346	5,000	26.48940
IV Tranche	5,000	5,000	34.15873
V Tranche	40,000	40,000	46.76244
VI Tranche	11,122	11,122	47.91980
VII Tranche	3,654	-	31.16386

Based on the assumptions described above, the fair value of the 2021 Plan is equal to € 4,913 thousand, with a vesting period that goes from November 11, 2021 to December 2, 2025. The fair value per option is as follows (amounts in €):

2021 PLAN	Number of options on the vesting date	Parent Company's options	Fair Value per option
I Tranche	45,091	18,878	47.91980
II Tranche	50,000	-	32.38470
III Tranche	36,346	-	31.16386

The fair value of the "Equity Awards" Plan is equal to € 3,499 thousand, with a vesting period that goes from May 20, 2022 to May 20, 2026. The fair value per option is as follows (amounts in €):

"Equity Awards" PLAN	Number of options	Fair Value per option
I Tranche	10,237	117.02
II Tranche	8,190	115.99
III Tranche	6,552	114.99
IV Tranche	5,242	113.99

The cost attributable to 2022, which amounted to € 4,845 thousand was recognized in the income statement as part of labor costs and general and administrative expenses, with the offsetting entries posted to shareholder's equity.

The 2022 expense for stock options awarded to subsidiaries employees, equal to € 2,864 thousand, is recognized as increase in equity investments value with the offsetting entries posted to shareholder's equity.

29. Related-party transactions

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

The impact of these transactions on the individual components of financial statements, which was already disclosed in separate income statement and statement of financial position schedules provided for this purpose, is summarized in the tables that follow.

(€ thousands)	Net revenues		Cost of sales		General & Administrative		Sales & marketing		Research & Development		Other operating income (expense)		Financial income (expense)	
Counterparty	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
DiaSorin S.A. – France	12,564	27,466	445	703	7	14	(43)	(114)	-	-	797	357	-	1,300
Diasorin Italia SpA	-		(1,162)	--	367	-	(161)	-	358	-	2,734	-	(19)	-
Diasorin Italia UK Branch	-	-	-	-	-	-	-	-	-	-	178	-	55	-
Diasorin Iberia S.A.	18,077	39,763	554	954	(150)	19	(124)	192	-	-	858	665	9	5
DiaSorin S.A./N.V - Benelux	9,226	21,537	259	432	14	31	8	25	-	-	(115)	432	1	2,800
DiaSorin Ltd - UK	6,794	10,668	207	386	7	16	6	12	-	-	(709)	(424)	11	585
DiaSorin Ireland Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	(98)
DiaSorin Diagnostics Ireland Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	388
DiaSorin I.N. Limited	-	-	(5,370)	(11,427)	-	-	-	-	-	-	-	-	472	633
DiaSorin IN.UK Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	1
DiaSorin Deutschland GmbH	25,106	46,962	(8,234)	(15,366)	7	14	10	95	(57)	(334)	761	(885)	-	2,750
DiaSorin Austria GmbH	5,055	12,735	173	328	7	14	34	9	-	-	424	249	-	1,300
DiaSorin Switzerland AG	5,316	11,626	169	285	7	14	25	64	-	-	274	200	14	1,823
DiaSorin Poland sp. Z .o.o.	2,638	8,415	224	355	12	37	20	-	-	-	262	211	21	17
DiaSorin AB - Sweden	5,263	10,134	138	273	7	16	10	23	-	-	274	202	6	7
DiaSorin Czech s.r.o.	2,247	9,182	124	266	7	14	4	3	-	-	198	182	-	-
DiaSorin Slovakia sro	746	1,799	66	124	7	14	4	3	-	-	75	72	4	6
DiaSorin Inc. - USA	26,816	78,621	(29,882)	(64,403)	(133)	-	8	(776)	(476)	(1,053)	3,867	4,394	(24)	6
DiaSorin Canada Inc	-		-		-	-	-	-	-	-	-	(97)	-	-
DiaSorin Ltda - Brazil	3,272	5,222	-	-	-	-	4	(4)	-	-	65	59	1	91
DiaSorin Mexico S.A de C.V.	1,710	3,434	5	(19)	-	-	(278)	(556)	-	-	148	147	119	87
DiaSorin Ltd - Israel	631	2,081	-	(1)	28	-	12	47	-	-	226	221	-	1,000
DiaSorin Ltd - China	16,453	37,226	229	236	-	2	4	(48)	(5)	-	(123)	(770)	630	240
DiaSorin Trivitron Healthcare Private Limited	2,321	3,378	25	(25)	-	5	4	-	-	-	35	30	-	-
DiaSorin South Africa (PTY) Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DiaSorin Middle East FZ-LLC	-	-	-	-	-	-	-	-	-	-	(300)	-	-	-
DiaSorin APAC Pte Ltd	-	-	-		-	-	-	-	-	-	(412)	(711)	4	-
DiaSorin Australia (Pty) Ltd	3,538	6,730	(10)	(55)	11	20	9	69	-	-	268	243	-	2
DiaSorin Molecular LLC	7,055	17,355	(19,133)	(28,683)	78	3	-	84	1,714	3,257	1,158	928	-	-
Luminex Corporation	-	-	(1,249)	-	(26)	131	(329)	(522)	(411)	(23)	1,609	-	-	-
Total Group companies	**154,828**	**354,335**	**(62,422)**	**(115,638)**	**257**	**363**	**(773)**	**(1,394)**	**1,123**	**1,847**	**12,551**	**5,703**	**1,303**	**12,942**
Executives with strategic responsibilities	-	-	-	-	(6,813)	(7,911)	-	-	-	-	-	-	-	-
Directors	-	-	-	-	(1,034)	(995)	-	-	-	-	-	-	-	-
Other related parties	-	-	-	-	(7,847)	(8,906)	-	-	-	-	-	-	-	-
Total Group companies and other related parties	**154,828**	**354,335**	**(62,422)**	**(115,638)**	**(7,590)**	**(8,543)**	**(773)**	**(1,394)**	**1,123**	**1,847**	**12,551**	**5,703**	**1,303**	**12,942**
As a percentage on line items	**59.5%**	**60.8%**	**45.2%**	**38.0%**	**19.9%**	**17.4%**	**3.1%**	**3.7%**	**7.4%**	**7.7%**	**-218.0%**	**70.3%**	**-22.8%**	**159.4%**

(€ thousands)	Trade receivables		Current financial receivables		Non-current financial receivables		Trade payables		Current financial payables		Other current liabilities		Other non-current liabilities		Other current financial liabilities		Other non-current financial liabilities	
Counterparty	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
DiaSorin S.A. - France	357	5,733	-	-	-	-	-	(7)	(2,427)	(4,437)	-	-	-	-	-	-	-	-
Diasorin Italia SpA	25,666	-	-	-	-	-	(5,363)	-	(94,733)	-	-	-	-	-	(124)	-	(570)	-
Diasorin Italia UK Branch	117	-	4,705	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Diasorin Iberia S.A.	348	14,922	2,056	2,416	-	-	(216)	(197)	(2,776)	(10,060)	-	-	-	-	-	-	-	-
DiaSorin S.A./N.V - Benelux	284	6,887	975	-	-	-	(721)	(8)	(4,279)	(7,274)	-	-	-	-	-	-	-	-
DiaSorin Ltd - UK	294	4,315	4,222	1,947	-	-	(276)	(226)	-	(5,509)	-	-	-	-	-	-	-	-
DiaSorin Ireland Limited	-	-	-	-	-	-	-	-	(19,853)	(19,853)	-	-	-	-	-	-	-	-
DiaSorin I.N. Limited	2,868	-	-	-	17,067	26,567	-	(2,940)	(1,800)	(507)	-	-	-	-	-	-	-	-
DiaSorin Diagnostics Ireland Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DiaSorin IN.UK Limited	-	-	-	-	-	-	-	-	-	(7,960)	-	-	-	-	-	-	-	-
DiaSorin Deutschland GmbH	1,069	10,154	-	-	-	-	-	(3,555)	(5,670)	(10,553)	-	-	-	-	-	-	-	-
DiaSorin Austria GmbH	231	3,995	-	-	-	-	-	-	(2,014)	(4,730)	-	-	-	-	-	-	-	-
DiaSorin Switzerland AG	118	6,478	-	-	-	-	-	-	(4,013)	(5,551)	-	-	-	-	-	-	-	-
DiaSorin Poland sp. Z .o.o.	119	3,470	34	392	-	783	-	(3)	-	(2,816)	-	-	-	-	-	-	-	-
DiaSorin AB - Sweden	116	2,755	-	43	-	-	-	-	(5,577)	(5,334)	-	-	-	-	-	-	-	-
DiaSorin Czech s.r.o.	89	2,955	-	-	-	-	-	-	(356)	(2,874)	-	-	-	-	-	-	-	-
DiaSorin Slovakia sro	19	324	137	137	137	412	-	-	(45)	(80)	-	-	-	-	-	-	-	-
DiaSorin Inc. - USA	1,380	6,826	-	2	-	-	(8)	(23,089)	-	-	-	-	-	-	-	-	-	-
DiaSorin Canada Inc	-		-		-		-	(25)	-		-	-	-	-	-	-	-	-
DiaSorin Ltda - Brazil	39	2,385	-	559	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DiaSorin Mexico S.A de C.V.	126	2,558	700	811	214	577	-	(185)	-	-	-	-	-	-	-	-	-	-
DiaSorin Ltd - Israel	41	604	-	-	-	-	(13)	-	-	-	-	-	-	-	-	-	-	-
DiaSorin Ltd - China	270	9,677	847	240	13,558	13,866	-	(636)	-	-	-	-	-	-	-	-	-	-
DiaSorin Trivitron Healthcare Private Limited	121	2,273	-	-	-	-	-	(72)	-	-	-	-	-	-	-	-	-	-
DiaSorin South Africa (PTY) Ltd	-	0	-	-	-	-	-	(2)	-	-	-	-	-	-	-	-	-	-
DiaSorin APAC Pte Ltd	-	-	-	-	-	-	-	(78)	-	-	-	-	-	-	-	-	-	-
DiaSorin Australia (Pty) Ltd	777	1,551	-	-	-	-	-	(5)	-	-	-	-	-	-	-	-	-	-
DiaSorin Molecular LLC	2,308	20,076	-	-	-	-	-	(915)	-	-	-	-	-	-	-	-	-	-
DiaSorin Middle East FZ-LLC	-	-	135	53	-	-	(12)	(11)	-	-								
Luminex Corporation	3,306	151	-	-	-	-	(1,757)	(436)	-		-	-	-	-	-	-	-	-
Luminex Molecular Diagsnostcs INC	-	-	-	-	-		-	(156)		-	-	-	-	-	-	-	-	-
Total Group companies	**40,063**	**108,089**	**13,811**	**6,600**	**30,976**	**42,206**	**(8,366)**	**(32,545)**	**(143,543)**	**(87,538)**	**-**	**-**	**-**	**-**	**(124)**	**-**	**(570)**	**-**
Executives with strategic responsibilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Directors	-	-	-	-	-	-	-	-	-	-	(65)	(74)	(2,608)	(2,212)	-	-	-	-
Other related parties	-	-	-	-	-	-	-	-	-	-	(65)	(74)	(2,608)	(2,212)	-	-	-	-
Total Group companies and other related parties	**40,063**	**108,089**	**13,811**	**6,600**	**30,976**	**44,839**	**(8,366)**	**(32,545)**	**(143,543)**	**(87,538)**	**(65)**	**(74)**	**(2,608)**	**(2,212)**	**(124)**	**-**	**(570)**	**-**
As a percentage on line items	**99.8%**	**69.2%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**50.3%**	**40.8%**	**78.2%**	**98.6%**	**0.7%**	**0.3%**	**77.9%**	**32.3%**	**10.3%**	**0.0%**	**-0.1%**	**0.0%**

30. Significant events occurring after December 31, 2022 and business outlook

No significant events occurred after December 31, 2022.

The Company does not expect material negative impacts deriving from the conflict between Ukraine and Russia, as it is not significantly exposed in these areas.

31. Significant non-recurring events and transactions

According to the ESMA Communication no. n. 32-63-1186 of 29 October 2021, there were no significant non-recurring events and transactions.

32. Transactions resulting from atypical and/or unusual activities

In 2022, there were no transactions resulting from atypical and/or unusual activities, as defined in the Consob Communication dated July 28, 2006 (see the definition provided in the Financial Statement Presentation Format section of this Report).

33. Other information

Law no. 124 of 4 August 2017 (the Annual Market and Competition Law) defined that, as from 2019, companies receiving grants, financial support, remunerated duties and any kind of economic benefits from Public Administrations and similar bodies are required to publish such amounts in the Note to the financial statements and consolidated financial statements.

10. Annex III: Disclosure required pursuant to art. 149-duodecies of the CONSOB issuers' Regulation

(€ thousands)	Party providing the service	Recipient	Fee attributable to 2022
Independent Auditing	PricewaterhouseCoopers S.p.A.	Group's Parent company Diasorin S.p.A.	577
Other services	PricewaterhouseCoopers S.p.A.	Group's Parent company Diasorin S.p.A.	21
Total			**598**

11. Certification of the statutory financial statements pursuant to art. 81-ter of Consob Regulation n. 11971 of May 14, 1999, as amended

i) We, the undersigned, Carlo Rosa, in my capacity as Chief Executive Officer, and Piergiorgio Pedron, in my capacity as Corporate Accounting Documents Officer, of the issuer 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 to prepare the 2022 statutory financial statements are:

a) adequate in light of the Company's characteristics; and

b) applied effectively

2. Moreover, we attest that:

2.1 the statutory financial statements at December 31, 2022:

a) have been prepared in accordance with the applicable international accounting standards recognized by the European Union, pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council dated July 19, 2002;

b) are consistent with the data in the supporting documents and accounting records;

c) are suitable for the purpose of providing a truthful and fair representation of the balance sheet, operating performance and financial position of the issuer

2.2 the Report on Operations provides a reliable analysis of the Group's performance and result from operations and of the status of the issuer, together with a description of the main risks and uncertainties to which they are exposed.

Saluggia, March 27, 2023

Signed:

Carlo Rosa	Piergiorgio Pedron
Chief Executive Officer	Corporate Accounting Document Officer

12. Report of the Board of Statutory Auditors

RELAZIONE DEL COLLEGIO SINDACALE
SULL'ESERCIZIO 2022

ALL'ASSEMBLEA DEGLI AZIONISTI AI SENSI DELL'ART. 153 D.LGS. 58/1998 E DELL'ART. 2429, COMMA 2, DEL CODICE CIVILE

Signori Azionisti,

nel corso dell'esercizio chiuso al 31 dicembre 2022, il Collegio Sindacale di DiaSorin S.p.A. (di seguito la Società o Diasorin), in ottemperanza al disposto dell'art. 149 del D.Lgs. 58/98 (TUF), e dell'articolo 2403 del Codice Civile, ha svolto le attività di vigilanza, in conformità alla legge, osservando le comunicazioni Consob in materia di controlli societari e attività del Collegio Sindacale (in particolare, comunicazione 20 febbraio 1997, n. DAC/RM 97001574 e comunicazione n. DEM 1025564 del 6 aprile 2001, successivamente integrata con comunicazione n. DEM/3021582 del 4 aprile 2003 e comunicazione n. DEM/6031329 del 7 aprile 2006), tenendo anche conto dei principi di comportamento raccomandati dal Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili e delle indicazioni contenute nel Codice di Autodisciplina, nonché, ove indicato, con il Codice di Corporate Governance, approvato nel gennaio 2020, promosso dal Comitato per la *Corporate Governance*.

Inoltre, avendo la Società adottato il modello di governance tradizionale, il Collegio Sindacale si identifica con il "Comitato per il controllo interno e la revisione contabile" cui competono ulteriori specifiche funzioni di controllo e monitoraggio in tema di informativa finanziaria e revisione legale, previste dall'art. 19 del D.Lgs. 27 gennaio 2010 n. 39, così come modificato dal D.Lgs. 17 luglio 2016 n. 135.

L'attuale Collegio Sindacale, nominato il 29 aprile 2022 dall'Assemblea degli Azionisti di DiaSorin. e in carica per il triennio 2022-2024, ossia sino alla data dell'Assemblea che sarà convocata per l'approvazione del Bilancio che chiuderà al 31 dicembre 2024 – è così composto:

• Sindaci Effettivi: dott.ssa Monica Mannino (Presidente), dott.ssa Ottavia Alfano, dott. Matteo Sutera;

• Sindaci Supplenti: dott. Cristian Tundo, avv. Romina Guglielmetti.

Il Collegio Sindacale ha approvato in data 8 marzo 2022, il documento allegato alla relazione illustrativa redatta *ex* art. 125-*ter* del TUF e denominato "*Orientamenti agli azionisti sul rinnovo del Collegio Sindacale*", contenente alcune indicazioni per gli azionisti in merito alla politica di diversità nella composizione dell'organo di controllo della Società. Ai sensi dell'art, 144-quinquiesdecies del Regolamento Emittenti, approvato dalla Consob con deliberazione

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11971/99 e successive modificazioni ed integrazioni, l'elenco degli incarichi ricoperti dai componenti del Collegio Sindacale presso le società di cui al Libro V, Titolo V, Capi V, VI e VII del Codice civile è pubblicato, ricorrendone i presupposti, dalla Consob sul proprio sito internet (www.consob.it).

La Società riporta nella Relazione sul Governo Societario e gli Assetti Proprietari i principali incarichi rivestiti dai componenti il Collegio Sindacale.

Il Collegio dà atto del rispetto, da parte di tutti i propri componenti, delle richiamate disposizioni regolamentari della Consob in tema di "limite al cumulo degli incarichi".

Si dà atto che la composizione del Collegio Sindacale in carica risulta conforme alle disposizioni in materia di diversità di genere di cui all'articolo 148, comma 1bis del D. lgs 58/1998, come modificato dall'articolo 1, comma 303, l. 27 dicembre 2019 n.160, e applicato ai sensi dell'articolo 1, comma 304 della stessa legge nonché secondo quanto disposto dalla comunicazione Consob n. 1 /20 del 30 gennaio 2020.

L'incarico di revisione legale dei conti della Società è svolto dalla società di revisione PricewaterhouseCoopers S.p.A. (in seguito: la "Società di Revisione" o "PWC") per la durata di 9 esercizi (2016-2024) come deliberato dall'Assemblea del 28 aprile 2016.

Si dà atto che l'Assemblea del 29 aprile 2022 ha nominato un Consiglio di Amministrazione composto da amministratori esecutivi e non esecutivi, tutti dotati di professionalità e competenza adeguate ai compiti loro affidati.

Si dà atto che la composizione del Consiglio di Amministrazione in carica risulta conforme alle disposizioni in materia di diversità di genere di cui all'articolo 148, comma 1bis del D.lgs 58/1998, come modificato dall'articolo 1, comma 303, l. 27 dicembre 2019 n.160, e applicato ai sensi dell'articolo 1, comma 304 della stessa legge nonché secondo quanto disposto dalla comunicazione Consob n. 1 /20 del 30 gennaio 2020. L'attuale composizione del Consiglio rispetta i suddetti Limiti al Cumulo, verificati da ultimo in occasione della riunione del Consiglio del 27 marzo 2023.

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Con riferimento all'attività di sua competenza, nel corso dell'esercizio in esame, il Collegio, nella sua attuale composizione, dichiara di avere:

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- partecipato all'unica Assemblea degli Azionisti del 29 aprile 2022;
- partecipato alle riunioni del Consiglio di Amministrazione, ottenendo dagli amministratori, con periodicità almeno trimestrale, adeguate informazioni sul generale andamento della gestione e sulla sua prevedibile evoluzione, nonché sulle operazioni di maggiore rilievo, per dimensioni e caratteristiche, effettuate dalla Società e dalle sue controllate;
- acquisito gli elementi di conoscenza necessari per svolgere l'attività di verifica del rispetto della legge, dello statuto, dei principi di corretta amministrazione e dell'adeguatezza e del funzionamento della struttura organizzativa della Società, attraverso l'acquisizione di documenti e di informazioni dai responsabili delle funzioni interessate, e di periodici scambi di informazione con PricewaterhouseCoopers S.p.A;
- partecipato, attraverso il suo Presidente o altro suo componente, alle riunioni del Comitato Controllo e Rischi e Sostenibilità, del Comitato per la Remunerazione e le Proposte di Nomina e del Comitato per le Operazioni con Parti Correlate;
- vigilato sul funzionamento e sull'efficacia del sistema di controllo interno e sull'adeguatezza del sistema amministrativo e contabile, in particolare sotto il profilo di affidabilità di quest'ultimo a rappresentare i fatti di gestione;
- scambiato tempestivamente con i responsabili della Società di Revisione, incaricata della revisione legale a norma del D.lgs. 58/1998 e del D.lgs. 39/2010, i dati e le informazioni rilevanti per l'espletamento dei rispettivi compiti ai sensi dell'art. 150 del TUF, anche attraverso l'esame dei risultati del lavoro svolto e la ricezione delle relazioni previste dall'art. 14 del D.lgs. 39/2010 e dall'art. 11 del Reg. UE 537/2014;
- esaminato i contenuti della Relazione aggiuntiva ex art. 11 del Reg. UE 537/2014, dall'esame della quale non sono emersi aspetti che debbano essere evidenziati nella presente relazione;
- monitorato la funzionalità del sistema di controllo sulle società del Gruppo e l'adeguatezza delle disposizioni ad esse impartite, anche ai sensi dell'art. 114, 2° comma, del TUF;
- preso atto dell'avvenuta predisposizione della Relazione sulla Remunerazione ex art. 123-ter del TUF ed ex art. 84-quater del Regolamento Emittenti, senza osservazioni da segnalare;
- monitorato le concrete modalità di attuazione delle regole di governo societario adottate dalla Società in conformità al Codice di Corporate Governance;
- verificato, in relazione alla valutazione periodica da effettuarsi ai sensi dell'art. 4 del nuovo Codice di Corporate Governance, nell'ambito della vigilanza sulle modalità di concreta attuazione delle regole di governo societario, la corretta applicazione dei criteri e delle procedure di accertamento adottati dal Consiglio di Amministrazione, in merito alla valutazione positiva dell'indipendenza degli Amministratori;
- vigilato sulla conformità della procedura interna riguardante le Operazioni con Parti Correlate ai principi indicati nel Regolamento approvato dalla Consob con delibera n. 17221 del 12 marzo 2010 e successive modifiche, nonché sulla sua osservanza, ai sensi dell'art. 4, 6° comma, del medesimo Regolamento;
- vigilato sull'espletamento degli adempimenti correlati alla normativa europea riferita agli Abusi di Mercato (cd. MAR) e al trattamento delle informazioni privilegiate e delle procedure adottate a riguardo dalla Società;
- vigilato sul processo di informazione societaria, verificando l'osservanza da parte degli amministratori delle norme procedurali inerenti alla redazione, alla approvazione e alla pubblicazione del bilancio di esercizio e del bilancio consolidato;
- accertato l'adeguatezza, sotto il profilo del metodo, del processo di *impairment* attuato al fine di accertare l'eventuale esistenza di perdite di valore dell'avviamento e/o degli attivi iscritti a bilancio;
- verificato che la Relazione degli Amministratori sulla Gestione fosse conforme alla normativa vigente, oltre che coerente con le deliberazioni adottate dal Consiglio di Amministrazione e con i fatti rappresentati nel bilancio di esercizio e in quello consolidato;
- preso atto del contenuto della Relazione Semestrale consolidata al 30 giugno 2022, senza che sia risultato necessario esprimere osservazioni, nonché accertato che quest'ultima fosse stata resa pubblica secondo le modalità previste dall'ordinamento;

- con riferimento alle informazioni periodiche aggiuntive, di cui all'art. 82-*ter* Regolamento Emittenti, preso atto che la Società ha continuato a fornire, su base volontaria e a mezzo comunicato stampa, i principali dati economico-finanziari consolidati ed aggiornamenti sull'andamento della gestione con cadenza trimestrale;
- svolto, nel ruolo del Comitato per il Controllo Interno e la Revisione contabile, ai sensi dell'art. 19, 1° comma, del D.lgs. 39/10, come modificato dal D.lgs. 135/16, le specifiche funzioni di informazione, monitoraggio, controllo e verifica ivi previste, adempiendo ai doveri e ai compiti indicati nella predetta normativa;
- vigilato sull'osservanza delle disposizioni stabilite dal D.lgs. 254/2016, esaminando, tra l'altro, la Dichiarazione Consolidata di Carattere Non Finanziario, inserita all'interno della Relazione Finanziaria Annuale, accertando altresì il rispetto delle disposizioni che ne regolano la redazione ai sensi del citato decreto, anche alla luce delle indicazioni fornite all'ESMA nel documento del 28 ottobre 2022 sulle priorità di vigilanza;
- esaminato il progetto di bilancio di esercizio e il progetto di bilancio consolidato nonché le operazioni di maggiore rilievo economico, patrimoniale o finanziario, ivi incluse le operazioni con parti correlate o caratterizzate da un potenziale conflitto di interessi. A tal proposito il Collegio segnala di aver rinunciato, in occasione del Consiglio del 27 marzo 2023, ai termini previsti all'art. 154-ter, 1ter del TUF;
- monitorato, acquisendo informazioni dalle funzioni interessate, i contenziosi civili, amministrativi e fiscali in cui è coinvolta la Società.

Con riguardo all'emergenza pandemica da COVID-19 che ha segnato anche parzialmente l'esercizio 2022, il Collegio Sindacale ha proseguito l'attività di vigilanza sull'adozione delle necessarie misure di prevenzione e contenimento del contagio sui luoghi di lavoro, in conformità alle indicazioni impartite dalle autorità competenti per consentire la prosecuzione dell'attività aziendale.

A tal fine il Collegio ha assunto informazioni anche in occasione delle riunioni del Consiglio di Amministrazione e dell'Organismo di vigilanza.

Il Collegio ha altresì monitorato gli effetti e l'impatto del conflitto tra Russia e Ucraina sull'andamento della Società e del suo business nonché sulla sua situazione patrimoniale, economica e finanziaria, anche attraverso l'esame delle relazioni finanziarie periodicamente

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emesse dalla Società e scambi di informazione con esponenti aziendali e con la società di revisione. Ha anche accertato che tali impatti sono stati correttamente descritti e rappresentati nei documenti di informazione finanziaria annuali e infrannuali della Società.

L'Organo Amministrativo nel paragrafo "Fatti di rilievo intervenuti dopo la chiusura dell'esercizio ed evoluzione prevedibile della gestione", ha riportato che in data 28 febbraio 2023 DiaSorin ha annunciato che Luminex Corporation, società interamente controllata, ha completato la cessione delle attività relative alla propria Business Unit Flow Cytometry & Imaging (FCI) a Cytek per circa 46,5 milioni di dollari americani.

Per quanto di nostra competenza, anche per il corrente anno l'attività di vigilanza sarà posta in essere per accertare l'adeguatezza delle azioni di governo che il Consiglio di Amministrazione riterrà opportuno adottare a sostegno e tutela del patrimonio sociale e della continuità aziendale e in materia di sicurezza degli ambienti di lavoro e del personale dipendente.

Nel corso dell'attività di vigilanza, svolta dal Collegio Sindacale, secondo le modalità sopra descritte, non sono emersi fatti da cui desumere il mancato rispetto della legge e dell'atto costitutivo o tali da giustificare segnalazioni alle Autorità di Vigilanza o la menzione nella presente relazione.

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Di seguito vengono fornite le ulteriori indicazioni richieste dalla Comunicazione Consob n. DEM/1025564 del 6 aprile 2001 e successive modificazioni.

I. Sono state acquisite adeguate informazioni sulle operazioni di maggior rilievo economico, finanziario e patrimoniale effettuate dalla Società e dalle società da questa controllate. Le principali iniziative intraprese nel corso dell'esercizio sono esaurientemente trattate nella Relazione sulla Gestione e opportunamente trasmesse al mercato ai sensi di legge.

   Rileva qui ricordare che in data 1° luglio 2022 la Società ha perfezionato il progetto di ridefinizione della struttura societaria approvato dal Consiglio di Amministrazione della Capogruppo del 16 dicembre 2021 e del 6 maggio 2022, con lo scopo di razionalizzare e

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distinguere, anche sotto il profilo societario, le attività operative da quelle di holding e di servizi attualmente svolte in DiaSorin

Il progetto di riorganizzazione è stato attuato mediante il conferimento del ramo d'azienda relativo alle attività operative condotte in Italia e nel Regno Unito (attività industriali, R&D, commerciali – marketing e attività a supporto delle medesime) in DiaSorin Italia S.p.A. (di seguito DiaSorin Italia), società di nuova costituzione interamente e direttamente posseduta dalla Società.

L'Operazione, così strutturata, ha permesso di conseguire i seguenti obiettivi:

- ✓ rendere la struttura societaria coerente con l'evoluzione della struttura organizzativa e con la natura multinazionale del Gruppo. In questo contesto, DiaSorin S.p.A., società controllante quotata, si occupa della definizione e dello sviluppo dell'indirizzo strategico, della tesoreria e dell'attività di coordinamento a beneficio dell'intero Gruppo, mentre il presidio delle attività operative precedentemente svolte in Italia e nel Regno Unito sono ora demandate a DiaSorin Italia;
- ✓ adottare una governance maggiormente allineata alla complessità e dimensione del Gruppo;
- ✓ assicurare un migliore presidio delle singole aree geografiche e di business.

II. Sulla base delle informazioni fornite dalla Società e dei dati acquisiti relativamente alle predette operazioni, il Collegio Sindacale ne ha accertato la conformità alla legge, all'atto costitutivo e ai principi di corretta amministrazione, assicurandosi che le medesime non fossero manifestamente imprudenti o azzardate, in potenziale conflitto di interessi, in contrasto con le delibere assunte dall'Assemblea degli Azionisti o tali da compromettere l'integrità del patrimonio aziendale.

III. Il Collegio non ha individuato nel corso delle proprie verifiche operazioni atipiche e/o inusuali, né con terzi né con Società del Gruppo né con parti correlate. Si dà atto che l'informazione resa nella Relazione Finanziaria in ordine ad eventi e operazioni significative e ad eventuali operazioni atipiche e/o inusuali, comprese quelle infragruppo e con parti correlate, risulta adeguata e conforme alle disposizioni normative.

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IV. Le caratteristiche delle operazioni infragruppo e con parti correlate attuate dalla Società e dalle sue controllate nel corso del 2022, i soggetti coinvolti ed i relativi effetti economici sono indicati nella nota 31 del bilancio consolidato e nella nota 29 del bilancio d'esercizio, alle quali si rinvia. Si segnala che la Società ha intrattenuto con regolarità rapporti di natura commerciale e finanziaria con le società controllate, che consistono in operazioni rientranti nell'ambito delle attività ordinarie di gestione e concluse in linea con le prassi di mercato sino alla data del conferimento del ramo d'azienda relativo alle attività operative condotte in Italia e nel Regno Unito alla società DiaSorin Italia e a partire dal 1° luglio 2022 la Società non intrattiene rapporti di natura commerciale con le società controllate. Il Collegio Sindacale valuta complessivamente adeguata l'informativa fornita in merito alle già menzionate operazioni e valuta che queste ultime, sulla base dei dati acquisiti, appaiono congrue e rispondenti all'interesse sociale.

Le Operazioni con Parti Correlate, individuate sulla base dei principi contabili internazionali e delle disposizioni emanate da Consob, sono regolate da una procedura interna (di seguito, la "Procedura"), non ci sono state modifiche nel corso del 2022.

Il Consiglio ha stabilito di valutare di volta in volta la significatività delle operazioni poste in essere e quindi non ha determinato/adottato criteri generali di individuazione delle operazioni rilevanti.

Il Collegio Sindacale ha esaminato la Procedura accertandone la conformità al Regolamento Consob n. 17221 del 12 marzo 2010 e al Regolamento Mercati Consob 20249/2017.

Per le anzidette operazioni il Collegio ha verificato la corretta applicazione della Procedura.

V. La Società di Revisione ha emesso in data 06 aprile 2023 le relazioni ai sensi degli artt. 14 e 16 del D.Lgs. 39/2010 e dell'art. 10 del Reg. UE n. 537/2014 con le quali ha attestato che:

- il bilancio di esercizio della Società e il bilancio consolidato del Gruppo al 31 dicembre 2022 forniscono una rappresentazione veritiera e corretta dello stato patrimoniale, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data in conformità ai principi contabili internazionali IAS/IFRS nonché ai provvedimenti emanati in attuazione dell'articolo 9 del Dlgs 38/05;

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- la Relazione sulla Gestione e le informazioni di cui all'art. 123-*bis* del TUF contenute nella Relazione sul Governo Societario e sugli Assetti Proprietari sono coerenti con il bilancio d'esercizio della Società e con il bilancio consolidato di Gruppo e redatte in conformità alle norme di legge;
- il giudizio sul bilancio di esercizio e sul bilancio consolidato espresso nelle predette Relazioni è in linea con quanto indicato nella Relazione aggiuntiva predisposta ai sensi dell'art. 11 del Reg. UE n. 537/2014;
- il bilancio separato della Società è stato predisposto nel formato XHTML in conformità alle disposizioni del Regolamento Delegato (UE) 2019/815;
- il bilancio consolidato del Gruppo è stato predisposto nel formato XHTML ed è stato marcato, unitamente alle note illustrative, in tutti gli aspetti significativi, in conformità alle disposizioni del Regolamento Delegato (UE) 2019/815.

Alcune informazioni contenute nelle note esplicative al bilancio consolidato quando estratte dal formato XHTML in un'istanza XBRL, a causa di taluni limiti tecnici, potrebbero non essere riprodotte in maniera identica rispetto alle corrispondenti informazioni visualizzabili nel bilancio consolidato in formato XHTML.

Nella Relazione sulla revisione contabile del bilancio consolidato la Società di Revisione ha altresì dichiarato di aver verificato, per quanto di propria competenza, la Dichiarazione di Carattere Non Finanziario relativa all'esercizio 2022. La Società di Revisione ha altresì emesso una Relazione attestante la conformità, in tutti gli aspetti significativi, a quanto richiesto dal D.lgs. 254/2016 e dall'art. 5 del Reg. Consob 20267/2018 e ai principi e alle metodologie di cui ai GRI *Standards* selezionati dalla Società. In tale Relazione la Società di Revisione ha dichiarato che non sono pervenuti alla sua attenzione elementi che facciano ritenere che la Dichiarazione Consolidata di Carattere Non Finanziario non sia redatta in conformità a quanto richiesto dalla legge.

Nelle citate Relazioni della Società di Revisione non risultano rilievi né richiami d'informativa ai sensi dell'art. 14, 2° comma, lett. d), né dichiarazioni rilasciate ai sensi dell'art. 14, 2° comma, lett. e) ed f) del D.lgs. 39/10.

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In data 6 aprile 2023, la stessa Società di Revisione ha trasmesso al Collegio Sindacale, nella qualità di Comitato per il Controllo Interno e la Revisione contabile, la Relazione aggiuntiva per illustrare i risultati della revisione legale dei conti, gli elementi connaturati al processo di pianificazione e svolgimento della revisione alle relative scelte metodologiche e il rispetto di principi etici, ai sensi dell'art. 11 del Regolamento UE n. 537/2014: come riportato nel giudizio sui Bilanci, questa relazione non contraddice gli stessi giudizi, ma riferisce su specifiche materie. Rileva qui menzionare che, oltre alle cosiddette questioni significative segnalate quali "aspetti chiave della revisione", nelle relazioni sul Bilancio, di esercizio e consolidato, non emergono carenze significative nel sistema di controllo interno in relazione al processo di informativa finanziaria meritevoli di essere portate all'attenzione dei responsabili delle attività di "governance".

In data 6 aprile 2023 la Società di Revisione ha rilasciato la conferma annuale della propria indipendenza ai sensi dell'art. 6, par. 2, lett. a del Regolamento UE n.537/2014 che è stata trasmessa in pari data al Collegio Sindacale.

Il Collegio, anche nel corso degli incontri con la Società di Revisione, non ha ricevuto dalla stessa informativa su fatti ritenuti censurabili rilevanti nello svolgimento dell'attività di revisione legale sul bilancio di esercizio e consolidato.

Nel corso dell'esercizio, sulla base di quanto riferito dalla Società di Revisione, la Società e alcune sue controllate hanno conferito alla Società di Revisione, e a soggetti appartenenti al suo network (rete PWC), incarichi a favore della Società e di alcune società del gruppo per servizi diversi dalla revisione legale dei conti.

Il dettaglio dei compensi corrisposti nell'esercizio e il costo di competenza degli incarichi svolti, compresi quelli conferiti nel 2022, dalla Società di Revisione e da soggetti appartenenti al suo *network* a favore della Società e delle sue controllate, è indicato nel bilancio consolidato della società, come richiesto dall'art. 149-duodecies del regolamento Emittenti, nell'allegato II della Relazione al bilancio consolidato e nell'allegato III della Relazione al bilancio di esercizio.

I compensi relativi alla revisione includono le attività connesse alla verifica della Dichiarazione di Carattere Non Finanziario e bilancio ESEF.

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I servizi diversi dalla revisione si riferiscono ad attività richieste nell'ambito di attestazione dei ricavi in Germania, mentre per la società belga l'attestazione ha riguardato il fatturato sui *medical devices*.

Per la società Luminex Hong Kong la società di revisione ha fornito servizi di natura fiscale.

Per la Capogruppo la Società di Revisione ha, inoltre, attestato il prospetto dei costi di Ricerca e Sviluppo ai fini del riconoscimento del credito d'imposta.

Non sono stati erogati servizi non di revisione di natura fiscale e di valutazione a controllate estere incorporate in Stati membri dell'unione europea.

Il Collegio Sindacale, nel ruolo di Comitato per il Controllo Interno e la revisione contabile, ha adempiuto ai doveri richiesti dall'art. 19, 1° comma, lett. e) del D.lgs. 39/2010 (come modificato dal D.lgs. 135/2016) e dall'art. 5, par. 4 del Reg. UE 537/2014 in materia di preventiva approvazione dei predetti incarichi, verificando la loro compatibilità con la normativa vigente e, specificatamente, con le disposizioni di cui all'art. 17 del D.lgs. 39/2010 e successive modificazioni -- nonché con i divieti di cui all'art. 5 del Regolamento ivi richiamato.

Il Collegio Sindacale segnala che il processo di valutazione, in occasione del conferimento alla Società di Revisione ed alla sua Rete, di alcune tipologie di servizi da parte della Società e delle sue controllate è regolato da una "Procedura interna per l'approvazione dei servizi da conferire alla società incaricata della revisione legale e alla sua rete" che ha l'obiettivo di garantire il soddisfacimento del requisito di indipendenza della Società di Revisione e di regolare l'anzidetto processo di valutazione.

Inoltre, il Collegio ha:

a) verificato e monitorato l'indipendenza della Società di Revisione, a norma degli artt. 10, 10-*bis*, 10-*ter*, 10-*quater* e 17 del d.lgs. 39/2010 e dell'art. 6 del Reg. UE n. 537/2014, accertando il rispetto delle disposizioni normative vigenti in materia e che gli incarichi per servizi diversi dalla revisione conferiti a tale società non apparissero tali da generare rischi potenziali per l'indipendenza del revisore e per le salvaguardie di cui all'art. 22-ter della Dir. 2006/43/CE;

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b) esaminato la relazione di trasparenza e la relazione aggiuntiva redatte dalla Società di Revisione in osservanza dei criteri di cui al Reg. UE 537/2014, rilevando che, sulla base delle informazioni acquisite, non sono emersi aspetti critici in relazione all'indipendenza della Società di Revisione;

c) ricevuto la conferma per iscritto, ai sensi dell'art. 6, par.2, lett. a), del Reg. UE 537/2014, che la Società di Revisione, nel periodo dal 1° gennaio 2021 al momento del rilascio della dichiarazione, non ha riscontrato situazioni che possano compromettere la sua indipendenza ai sensi degli artt. 10 e 17 del D.lgs. 39/2010, nonché 4 e 5 del Reg. UE 537/2014;

d) discusso con la Società di Revisione dei rischi per la sua indipendenza e delle eventuali misure adottate per mitigarli, ai sensi dell'art. 6, par.2, lett. b) del Reg. UE n.537/2014.

VI. Nel corso dell'esercizio il Collegio non ha ricevuto denunce ai sensi dell'art. 2408 c.c., né esposti dei soci o di terzi.

VII. Nel corso dell'esercizio 2022, il Collegio Sindacale si è espresso in tutti quei casi in cui è stato richiesto dal Consiglio di Amministrazione, anche in adempimento alle disposizioni normative che richiedono la preventiva consultazione del Collegio Sindacale.

Il Collegio Sindacale, per quanto di propria competenza, ha esaminato nel corso dell'esercizio le proposte avanzate – previa valutazione da parte del Comitato per la Remunerazione e le Proposte di Nomina – in merito alla politica remunerativa e sua attuazione.

Il sistema di remunerazione, attuato su proposta del Comitato per la Remunerazione e le Proposte di Nomina, prevede l'attribuzione di compensi articolati in una componente fissa e una componente variabile legata ai risultati economici conseguiti a livello di Gruppo e correlata a prefissati obiettivi specifici, insieme alla partecipazione ai Piani di *Stock Options* e di *Long Term Incentive* della Società, in favore di determinati dirigenti in posizioni chiave, tra i quali i Dirigenti Strategici, come illustrato nella Relazione sulla Remunerazione, che sarà pubblicata ai sensi dell'art. 123-ter TUF sul sito internet della Società.

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Il Comitato ha inoltre verificato che l'infrastruttura di Remunerazione del Gruppo DiaSorin fosse allineata con il piano strategico e con gli obiettivi di sostenibilità, innovazione e motivazione del nuovo perimetro aziendale.

Nel corso dell'esercizio, la Società ha implementato il primo ciclo del Nuovo Piano di *Equity* dedicato al *management* di Luminex e DiaSorin, ad esclusione dei Dirigenti con Responsabilità Strategiche, lanciato a maggio 2022 e basato sull'assegnazione di azioni ordinarie DiaSorin.

In linea con le migliori prassi del mercato americano ed europeo, il Piano *Equity* è basato su un *mix* di strumenti (*performance share* e *restricted share units*) e persegue le finalità di:

- *retention* delle risorse chiave del Gruppo;
- creazione di valore, premiando il contributo del *senior management team* alla creazione di valore per gli azionisti;
- cultura del merito, elaborando una proposta individualizzata di *pay opportunity* equa in base al ruolo e al valore del *manager*.

In conformità a quanto previsto dal Regolamento Parti Correlate, così come recepito nella Procedura per le Operazioni con Parti Correlate di DiaSorin, l'approvazione della Politica da parte dell'Assemblea degli Azionisti esonera la Società dall'applicare la suddetta procedura nelle deliberazioni del Consiglio di Amministrazione in materia di remunerazione degli Amministratori e degli Altri Dirigenti con Responsabilità Strategiche.

Il Comitato per la Remunerazione e le Proposte di Nomina ha verificato che i compensi attribuiti risultino allineati ai valori di mercato.

Il Collegio Sindacale si è altresì espresso in tutti quei casi in cui è stato richiesto dal Consiglio di Amministrazione anche in adempimento alle disposizioni che, per talune decisioni, richiedono la preventiva consultazione del Collegio Sindacale.

In generale, al fine di acquisire le informazioni strumentali allo svolgimento dei propri compiti di vigilanza, il Collegio Sindacale, nel corso dell'esercizio 2022, si è riunito 13 volte. Le attività svolte nelle sopramenzionate riunioni sono documentate nei relativi verbali. Inoltre, il Collegio Sindacale, attraverso almeno uno dei suoi componenti, ha partecipato a

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tutte le 6 riunioni del Consiglio di Amministrazione della Società, alle 4 riunioni del Comitato Controllo e Rischi e Sostenibilità e alle 4 riunioni del Comitato per la Remunerazione e le Proposte di Nomina e all'unica riunione del Comitato per le Operazioni con Parti Correlate, nonché all'unica assemblea

Nel perdurare degli effetti derivanti dall'evento pandemico, il Collegio Sindacale ha svolto da remoto una parte delle proprie attività, senza rilevare impatti sull'efficacia dell'attività di controllo.

VIII. Il Collegio Sindacale ha vigilato sull'osservanza della legge e dell'atto costitutivo e sul rispetto dei principi di corretta amministrazione, assicurandosi che le operazioni deliberate e poste in essere dagli amministratori fossero conformi alle predette regole e principi, oltre che ispirate a principi di razionalità economica e non manifestamente imprudenti o azzardate, in conflitto d'interessi con la Società, in contrasto con le delibere assunte dall'Assemblea, ovvero tali da compromettere l'integrità del patrimonio aziendale. Il Collegio ritiene che gli strumenti e gli istituti di *governance* adottati dalla Società rappresentino un valido presidio al rispetto dei principi di corretta amministrazione.

IX. La vigilanza sull'adeguatezza della struttura organizzativa della Società e del Gruppo si è svolta attraverso la conoscenza della struttura amministrativa della Società e lo scambio di dati e informazioni con i responsabili delle diverse funzioni aziendali, con la funzione di *Internal Audit* e con la Società di Revisione.

La struttura organizzativa della Società e del Gruppo è curata dall'Amministratore Delegato e implementata attraverso un sistema di deleghe interne che hanno individuato i dirigenti responsabili delle diverse direzioni e *Business Units* e conferito procure coerenti con le responsabilità assegnate.

Anche a seguito delle modifiche della struttura societaria intervenute nel luglio 2022, la struttura organizzativa della Società risulta adeguata in considerazione dell'oggetto, delle caratteristiche e delle dimensioni della Società.

X. Con riferimento alla vigilanza sull'adeguatezza e sull'efficacia del sistema di controllo interno, anche ai sensi del vigente art. 19 del D.lgs. 39/2010, il Collegio ha avuto incontri periodici con il responsabile della funzione di *Internal Audit* e di altre funzioni aziendali e alle relative riunioni con il Comitato Controllo e Rischi e Sostenibilità e con l'Organismo di

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Vigilanza, previsto ai sensi del modello organizzativo previsto dal D.lgs 231/2001 adottato dalla Società (il "Modello 231"), per il tramite anche della presenza di un suo componente all'interno del citato organismo.

Il Collegio ha rilevato che il sistema di controllo interno e gestione dei rischi della Società si basa su un insieme strutturato e organico di regole, procedure e strutture organizzative volte a prevenire o limitare le conseguenze di risultati inattesi e a consentire il raggiungimento degli obiettivi strategici ed operativi (ossia di coerenza delle attività con gli obiettivi, di efficacia ed efficienza delle attività e di salvaguardia del patrimonio aziendale), di conformità alle leggi e ai regolamenti applicabili (*compliance*) e di corretta e trasparente informativa interna e verso il mercato (*reporting*).

Le linee guida del sistema di controllo interno e gestione dei rischi della Società sono definite dal Consiglio di Amministrazione, con l'assistenza del Comitato Controllo Rischi e Sostenibilità. Il Consiglio di Amministrazione provvede altresì a valutare, almeno con cadenza annuale, la sua adeguatezza e il suo corretto funzionamento, con il supporto della funzione di *Internal Audit* e del Comitato Controllo e Rischi e Sostenibilità. La funzione *Internal Audit* della Società opera sulla base di un piano annuale che definisce quale attività e processi sottoporre a verifica in ottica di *risk based approach (Modello Risk Assessemnt per Piano di Audit ai fini del D.Lgs 262/05)*.

Il piano è approvato annualmente dal Consiglio di Amministrazione previo parere favorevole del Comitato Controllo Rischi e Sostenibilità ed è stato da ultimo rivisto e approvato nella riunione del Consiglio di Amministrazione del 27 marzo 2023.

Sulla base dell'attività svolta, delle informazioni acquisite, del contenuto della Relazione della Funzione di Controllo, il Collegio Sindacale ritiene che non vi siano elementi di criticità tali da inficiare l'assetto del sistema dei controlli e di gestione del rischio.

In relazione all'efficacia del sistema di controllo interno e di gestione dei rischi - atto a garantire la salvaguardia del patrimonio sociale, l'efficienza dei processi aziendali, l'affidabilità dell'informazione finanziaria e, più in generale, il rispetto delle leggi, dello Statuto sociale e delle procedure interne - attestiamo di aver valutato l'appropriatezza del Sistema di Controllo di Gestione, riscontrando che il relativo processo di pianificazione è supportato da adeguati sistemi informativi e procedure che consentono di riconciliare in

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modo affidabile le principali informazioni di carattere economico e finanziario con le risultanze dei sistemi informativi utilizzati all'interno delle singole società controllate.

La Società, anche a livello di gruppo, si avvale di ulteriori strumenti a presidio degli obiettivi operativi e degli obiettivi di *compliance*, tra cui un sistema strutturato e periodico di pianificazione, controllo di gestione e *reporting*, un sistema di gestione dei rischi aziendali secondo i principi *dell'Enterprise Risk Management* (ERM) adottato nonché il Modello di controllo contabile secondo la L. 262/2005 in materia di informazione finanziaria, per garantire un livello soddisfacente in termini di efficacia nella prevenzione dei principali rischi sul *financial reporting*.

La Società è dotata del Modello 231 che, insieme al Codice Etico del Gruppo, risulta finalizzato a prevenire il compimento degli illeciti rilevanti ai sensi del decreto e, conseguentemente, l'estensione alla Società della riferita responsabilità amministrativa.

L'Organismo di Vigilanza ha vigilato sul funzionamento e sull'osservanza del Modello Organizzativo – del quale ha valutato l'idoneità ai sensi del D.lgs. 231/2001 – monitorando l'evoluzione della normativa rilevante, l'implementazione delle iniziative di formazione del personale, nonché l'osservanza dei Protocolli da parte dei loro destinatari, anche attraverso verifiche effettuate con il supporto della funzione di *Internal Audit*.

In tema di *internal dealing*, fermi restando gli obblighi relativi alla disciplina del *market abuse*, la Procedura è stata da ultimo aggiornata dal Consiglio in data 14 marzo 2019 al fine di recepire le modifiche apportate da Consob al Regolamento Emittenti con Delibera n. 19925 del 22 marzo 2017 e di tenere conto delle modifiche al TUF da parte del D.Lgs. 107/2018: la Società ha regolato l'obbligo di astensione dal compimento di operazioni su strumenti finanziari emessi dalla Società e quotati in mercati regolamentati secondo quanto previsto dalla normativa *pro-tempore* vigente.

La Procedura per la gestione interna delle Informazioni Rilevanti e delle Informazioni Privilegiate e la comunicazione al pubblico di Informazioni Privilegiate è stata da ultimo modificata dal Consiglio di Amministrazione in data 21 dicembre 2020 al fine di istituire, ai sensi delle raccomandazioni contenute nelle Linee Guida CONSOB, un registro riferito alle informazioni rilevanti, la c.d. "*Relevant Information List*", con l'obiettivo di tracciare le fasi prodromiche alla pubblicazione delle informazioni privilegiate, individuando e monitorando

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quei tipi di informazioni che l'emittente ritiene rilevanti, in quanto relativi a dati, eventi, progetti o circostanze che, possono, in un secondo momento, assumere natura privilegiata.

In relazione all'esercizio 2022, in conformità a quanto previsto dal criterio 7.C.1 del Codice e dell'art. 6, Raccomandazione 33, del Codice di Corporate Governance, il Consiglio di Amministrazione ha effettuato, sulla base delle informazioni ed evidenze raccolte, con il supporto dell'attività istruttoria del Comitato Controllo e Rischi e Sostenibilità, una valutazione complessiva dell'adeguatezza del sistema di controllo interno e di gestione dei rischi, ivi incluse le modalità di coordinamento tra i vari soggetti coinvolti nel sistema medesimo, ritenendo che esso sia complessivamente idoneo a consentire, con ragionevole certezza, un'adeguata gestione dei principali rischi identificati.

Ad avviso del Collegio, alla luce delle informazioni acquisite, il sistema di controllo interno e di gestione dei rischi della Società appare adeguato, efficace e dotato di effettiva operatività.

XI. Il Collegio ha inoltre vigilato sull'adeguatezza e affidabilità del sistema amministrativo-contabile a rappresentare correttamente i fatti di gestione, ottenendo informazioni da parte dei responsabili delle rispettive funzioni, esaminando documenti aziendali e analizzando i risultati del lavoro svolto dalla Società di Revisione. Al Dirigente Preposto alla redazione dei documenti contabili societari sono state attribuite in modo congiunto le funzioni stabilite dalla legge e forniti adeguati poteri e mezzi per l'esercizio dei relativi compiti. Inoltre, all'Amministratore Delegato, per il tramite dei Dirigente Preposto, spetta l'attuazione del "Modello di controllo contabile ex L. 262/2005" avente l'obiettivo di definire le linee che devono essere applicate nell'ambito del Gruppo DiaSorin con riferimento agli obblighi derivanti dall'art. 154-*bis* del TUF in tema di redazione di documenti contabili societari e dei relativi obblighi di attestazione. La predisposizione dell'informativa contabile e di bilancio, civilistica e consolidata, è disciplinata dal manuale dei principi contabili di Gruppo e dalle altre procedure amministrativo-contabili che fanno parte del Modello ex L. 262/2005.

Nell'ambito del Modello di cui alla L. 262/2005 sono formalizzate anche le procedure inerenti al processo di *impairment* in conformità al principio contabile IAS 36.

La Società si è avvalsa di una società indipendente per l'effettuazione del test di impairment dell'avviamento e delle attività intangibili iscritte nel bilancio consolidato chiuso al 31 dicembre 2022. Tenuto conto delle raccomandazioni formulate dall'Autorità Europea degli Strumenti finanziari e dei Mercati ("ESMA") intese ad assicurare una maggiore trasparenza delle metodologie adottate da parte delle società quotate nell'ambito delle procedure di *impairment test* sull'avviamento e sulle attività immateriali, nonché in linea con quanto raccomandato dal documento congiunto Banca d'Italia- Consob- Isvap n. 4 del 3 marzo 2010 e alla luce delle indicazioni fornite dalla stessa Consob, la rispondenza della procedura di *impairment test* alle prescrizioni del principio contabile internazionale IAS 36 ha formato oggetto di espressa approvazione da parte del Consiglio di Amministrazione della Società in data 27 marzo 2023, previo parere favorevole rilasciato al riguardo dal Comitato Controllo Rischi e Sostenibilità. Il Collegio ha vigilato sul rispetto dei requisiti di informativa emessi da CONSOB con il richiamo di attenzione n. 3/22 del 19 marzo 2022 - Conflitto in Ucraina - Richiamo di attenzione degli emittenti vigilati sull'informativa finanziaria e sugli adempimenti connessi al rispetto delle misure restrittive adottate dall'Unione europea nei confronti della Russia, e dell'ESMA con il documento emesso il 28 ottobre 2022 e sul processo di impairment (*European common enforcement priorities for 2022 annual financial reports).*

Per una più completa descrizione delle metodologie e assunzioni applicate si rimanda alla relativa nota del Bilancio Consolidato.

Il Collegio Sindacale ha vigilato sul processo di informativa finanziaria, anche mediante assunzione di informazioni dal *management* della Società e valuta complessivamente adeguato il sistema amministrativo-contabile della Società ed affidabile nel rappresentare correttamente i fatti di gestione.

XII. Il Collegio Sindacale ha vigilato sull'adeguatezza delle disposizioni impartite dalla Società alle controllate ai sensi dell'art. 114, 2° comma, del TUF, accertandone, sulla base delle informazioni rese dalla Società, l'idoneità a fornire le informazioni necessarie per adempiere agli obblighi di comunicazione previsti dalla legge, senza eccezioni.

XIII. Per quanto concerne la verifica sulle modalità di concreta attuazione delle regole di governo societario, previste dal Codice di Corporate Governance nell'edizione in vigore, il Collegio ha svolto tale attività di verifica con l'assistenza della Direzione Affari Legali e Societari della Società.

Il Consiglio di Amministrazione, nel corso della seduta tenutasi in data 27 marzo 2023, ha verificato che la Società risulta essere generalmente in linea con le raccomandazioni emanate dal Comitato per la Corporate Governance con la lettera del 25 gennaio 2023. Le suddette raccomandazioni immediatamente portate a conoscenza del Presidente del Consiglio d'Amministrazione e del Presidente del Collegio Sindacale della Società sono state condivise in tale occasione con il Consiglio di Amministrazione.

La Relazione sul Governo Societario e gli Assetti riporta che l'assetto di *governance* di Diasorin risulta allineato alle disposizioni del Codice di Corporate Governance applicabile alla Società, salvo i casi di disapplicazione indicati nella Tabella 7 della Relazione stessa e motivati.

Il Collegio ha inoltre esaminato la lettera del 25 gennaio 2023 del Presidente del Comitato per la Corporate Governance nonché le valutazioni effettuate e le decisioni assunte dalla Società in merito alle raccomandazioni ivi contenute senza particolari osservazioni a riguardo.

Il Consiglio di Amministrazione, nell'interesse della Società e dei suoi Azionisti, ha promosso il dialogo con gli Investitori e, in conformità con le previsioni del Codice del Codice di Corporate Governance, ha approvato la "Politica avente ad oggetto la gestione del dialogo con gli investitori istituzionali e con la generalità degli azionisti" (di seguito, "*Engagement Policy*").

L'Engagement Policy è stata redatta con la finalità di assicurare che il dialogo con gli Investitori e in generale con l'intera comunità degli azionisti avvenga nel rispetto della normativa vigente, ivi inclusa quella riguardante il trattamento delle informazioni privilegiate, e delle buone pratiche societarie e sia improntato a principi di correttezza, trasparenza, tempestività e simmetria informativa.

Il Presidente del Consiglio di Amministrazione, coadiuvato dall'Amministratore Delegato, assicura che l'organo di amministrazione sia tempestivamente informato sullo sviluppo e sui contenuti significativi del dialogo intercorso con gli Investitori Istituzionali e, in particolare, con gli Azionisti, in base alle previsioni dell'*Engagement Policy*.

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La Società ha approvato nel Consiglio di Amministrazione tenutosi in data 1° dicembre 2022 un Piano ESG 2023-2025. Il Piano prevede diversi obiettivi in ambito ambientale, sociale e di governance, in linea con i valori aziendali.

XIV. Il Consiglio di Amministrazione della Società è attualmente composto da 15 amministratori, di cui 7 indipendenti. La sua composizione rispetta inoltre le regole in tema di equilibrio di genere.

Il Consiglio di Amministrazione ha proceduto ad un'autovalutazione della dimensione, della composizione e del funzionamento del Consiglio stesso e dei suoi Comitati per l'esercizio 2022, i cui risultati sono stati presentati alla riunione del Consiglio di Amministrazione del 27 marzo 2023 e sono richiamati nella Relazione sul Governo Societario e sugli Assetti Proprietari. Il Collegio è stato informato dell'esito delle valutazioni condivise con il Lead Independent Director e gli amministratori indipendenti Ai sensi dell'art. 4, Principio XIV, Raccomandazioni 21 e 22 del Codice di Corporate Governance, il Consiglio, sulla base di un apposito questionario suddiviso in diversi ambiti di indagine e con possibilità di esprimere commenti e proposte, ha effettuato anche con riferimento all'esercizio 2022, pur essendo Diasorin una società a proprietà concentrata, un processo di autovalutazione sulla dimensione, sulla composizione (incluso numero e ruolo dei consiglieri indipendenti) e sul funzionamento del Consiglio stesso e dei suoi comitati. Gli esiti del processo di autovalutazione risultano agli atti della Società.

In merito alla procedura seguita dal Consiglio di Amministrazione ai fini della verifica dell'indipendenza dei propri consiglieri, il Collegio Sindacale ha proceduto alle valutazioni di propria competenza, constatando la corretta applicazione dei criteri e delle procedure di accertamento dei requisiti di indipendenza di cui alla legge e al Codice di Corporate Governance ed il rispetto dei requisiti di composizione dell'organo amministrativo nel suo complesso.

Infine, il Collegio ha svolto la valutazione di idoneità dei componenti del Collegio Sindacale stesso e di adeguata composizione dell'organo, con riferimento ai requisiti di professionalità, competenza, onorabilità e indipendenza richiesti dalla normativa, redigendo la Relazione sull'autovalutazione del Collegio Sindacale relativa al 2022. L'esito del processo

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valutativo è stato positivo. Gli esiti del processo di autovalutazione risultano agli atti della Società.

La Relazione di autovalutazione del Collegio Sindacale è stata presentata al Consiglio di Amministrazione in occasione della seduta consiliare del 27 marzo 2023 ed è stata resa nota nell'ambito della Relazione sul Governo Societario e gli Assetti proprietari.

Ha altresì fatto propria la raccomandazione del Codice di Corporate Governance che prescrive di dichiarare l'interesse proprio o di terzi in specifiche operazioni sottoposte al consiglio di amministrazione. Nel corso dell'esercizio 2022 non si sono verificate situazioni relativamente alle quali i componenti del collegio sindacale abbiano dovuto effettuare tali dichiarazioni.

All'interno del Consiglio di Amministrazione risultano istituiti i seguenti comitati:

- Comitato Controllo Rischi e Sostenibilità, con funzioni di natura consultiva e propositiva, che riferisce al Consiglio di Amministrazione almeno semestralmente sull'attività svolta e sull'adeguatezza del sistema di controllo interno e di gestione dei rischi ed è altresì incaricato della supervisione delle tematiche di sostenibilità connesse all'esercizio dell'attività dell'impresa e alle sue dinamiche di interazione con tutti gli *stakeholders*; tale comitato è composto da tre amministratori non esecutivi, in maggioranza indipendenti tra i cui il Presidente, e si è riunito 4 volte nel 2022.
- Comitato per la Remunerazione e le Proposte di Nomina, composto da tre amministratori non esecutivi, di cui due indipendenti, e riunitosi 7 volte nel corso del 2022: nel corso di dette riunioni il Comitato ha formulato le proprie raccomandazioni in materia di metodologia di consuntivazione delle remunerazioni variabili, ha approvato la bozza della Relazione sulla Remunerazione e sui compensi corrisposti riferita all'esercizio 2022, ha:
  - esaminato il questionario per svolgimento dell'autovalutazione del consiglio formulato le proprie raccomandazioni in materia di metodologia di definizione e consuntivazione delle remunerazioni variabili;

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- approvato la bozza della relazione in materia di remunerazione sui compensi corrisposti riferiti all'esercizio 2021;
- formulato proposte di variazioni retributive ed assegnazione di premi monetari;
- esaminato la proposta di adozione del piano di incentivazione *denominato Equity Awards Plan* basato sull'assegnazione di strumenti finanziari dell'emittente in favore di dipendenti chiave del Gruppo;
- formulato una proposta di orientamento sulla composizione del nuovo Consiglio;
- esaminato la conformità delle liste presentate per il rinnovo degli organi sociali alle prescrizioni normative e alle raccomandazioni formulate nell'orientamento;
- formulato le proposte di remunerazione del presidente e del vicepresidente per il mandato relativo agli esercizi 2022- 2024;
- esaminato la proposta di aggiornamento del benchmark retributivo di alcuni dirigenti con responsabilità strategiche formulando ove ritenuto opportuno le relative proposte di revisione dei pacchetti retributivi

- Comitato per le Operazioni con Parti Correlate, composto da tre amministratori indipendenti e riunitosi, nel corso dell'esercizio 2022, 1 volta per esaminare e valutare alcune operazioni con parti correlate, sulle quali il Comitato ha rilasciato il proprio parere.

Si rinvia alla Relazione sul Governo societario e gli Assetti proprietari per ulteriori approfondimenti sulla *corporate governance* della Società in merito alla quale il Collegio non ha rilievi da formulare.

XV. Il Collegio Sindacale ha esaminato la Relazione sulla Remunerazione approvata dal Consiglio di Amministrazione il 27 marzo 2023 su proposta del Comitato per la Remunerazione e ne ha verificato la conformità alle prescrizioni di legge e regolamentari, la chiarezza e completezza informativa con riguardo alla politica di remunerazione adottata dalla Società.

XVI. Il Collegio Sindacale ha altresì esaminato le proposte che il Consiglio di Amministrazione, nella riunione del 27 marzo 2023, ha deliberato di sottoporre all'Assemblea, e dichiara di non avere osservazioni al riguardo, ivi inclusa la proposta di distribuzione di un dividendo.

XVII. Infine, il Collegio Sindacale ha svolto le proprie verifiche sull'osservanza delle norme di legge inerenti alla formazione del progetto di bilancio di esercizio e di bilancio consolidato

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di Gruppo al 31 dicembre 2022, delle rispettive note illustrative e della Relazione sulla Gestione a corredo degli stessi, in via diretta e con l'assistenza dei responsabili di funzione ed attraverso le informazioni ottenute dalla Società di Revisione. In particolare, il Collegio Sindacale, in base ai controlli esercitati e alle informazioni fornite dalla Società, nei limiti della propria competenza secondo l'art. 149 del TUF, dà atto che i prospetti del bilancio di esercizio e del bilancio consolidato di DiaSorin al 31 dicembre 2022 sono stati redatti in conformità alle disposizioni di legge che regolano la loro formazione e impostazione e agli *International Financial Reporting Standards*, emessi dall'*International Accounting Standards Board*, in base al testo pubblicato nella Gazzetta Ufficiale delle Comunità Europee.

Il bilancio di esercizio e quello consolidato sono accompagnati dalle prescritte attestazioni, sottoscritte dall'Amministratore Delegato e dal Dirigente Preposto alla redazione dei documenti contabili societari.

Inoltre, il Collegio Sindacale ha verificato che la Società ha adempiuto gli obblighi previsti dal D.lgs. 254/2016 e che, in particolare, ha provveduto a redigere la Dichiarazione Consolidata di Carattere Non Finanziario, conformemente a quanto previsto dagli artt. 3 e 4 del medesimo decreto.

Sul punto il Collegio Sindacale dà atto che la Società si è avvalsa dell'esonero dall'obbligo di redigere la Dichiarazione Individuale di Carattere Non Finanziario previsto dall'art. 6, 1° comma del d.lgs. 254/2016, avendo essa redatto la Dichiarazione Consolidata di Carattere Non Finanziario in conformità a quanto richiesto dagli artt. 3 e 4 del D.lgs. 254/2016 e dalla restante normativa applicabile, nonché alla luce delle indicazioni fornite all'ESMA nel documento del 28 ottobre 2022 sulle priorità di vigilanza: tale dichiarazione è accompagnata dall'attestazione rilasciata dalla Società di Revisione circa la conformità delle informazioni ivi fornite a quanto previsto dal citato decreto legislativo ai principi e alle metodologie utilizzate dalla società per la sua redazione anche ai sensi del regolamento Consob adottato con delibera del 18 gennaio 2018 numero 20267.

La DNF è stata approvata dal Consiglio di Amministrazione del 27 marzo 2023 come documento integrato nella Relazione sulla gestione e al bilancio consolidato al 31 dicembre 2022.

La Società di Revisione nella relazione emessa il 6 aprile 2023 evidenzia che non sono pervenuti alla sua attenzione elementi tali da far ritenere che la DNF del Gruppo relativa all'esercizio chiuso al 31 dicembre 2022 non sia stata redatta, in tutti gli aspetti significativi, in conformità a quanto richiesto dagli artt. 3 e 4 del D.lgs. 254/2016 e dai "*Global Reporting Initiative Sustainability Reporting Standards*", con riferimento alla selezione di GRI Standards da essi individuati come standard di rendicontazione.

Inoltre, la Società di Revisione comunica che le conclusioni espresse in tale relazione non si estendono alle informazioni contenute nel paragrafo "Tassonomia" della DNF, richieste dall'art. 8 del Regolamento Europeo 852/2020.

Sulla base di quanto sopra riportato, a compendio dell'attività di vigilanza svolta nell'esercizio 2022, e tenuto conto anche delle risultanze dell'attività effettuata dal soggetto incaricato della revisione legale dei conti, contenute nell'apposita relazione accompagnatoria del bilancio, il Collegio Sindacale non ha rilevato specifiche criticità, omissioni, fatti censurabili o irregolarità e non ha osservazioni, né raccomandazioni da formulare all'assemblea ai sensi dell'art. 153 del D.lgs. 58/1998, per quanto di propria competenza, in merito alle proposte di delibera formulate dal Consiglio di Amministrazione all'Assemblea.

Milano, 6 aprile 2023

Il Collegio Sindacale

Dott.ssa Monica Mannino	Presidente	
Dott.ssa Ottavia Alfano	Sindaco effettivo	
Dott. Matteo Sutera	Sindaco effettivo	

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13. Report of the Independent Auditors

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of DiaSorin SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of DiaSorin SpA (the Company), which comprise the statement of financial position as of 31 December 2022, the income statement, the comprehensive income statement, statement of changes in shareholders' equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2022, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

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Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Valuation of the recoverability of investments in subsidiaries	
Note 13 to the financial statements as of 31 December 2022 "Investments in subsidiaries" Non-current assets in the Company's financial statements as of 31 December 2022 include Euro 942,924 thousand referred to the investments held in the subsidiaries DiaSorin Inc. (Euro 589,424 thousand) and DiaSorin Italia SpA (Euro 353,500 thousand), which are measured at cost and represent approximately the 81% of the total assets. These investments, although in absence of impairment indicators, were tested for impairment tests in accordance with the international financial reporting standards as adopted by the European Union ("IFRS") and, in particular, IAS 36 "Impairment of assets", also in consideration of the significant intangible assets and goodwill recorded in the financial statements of the subsidiaries held directly or indirectly. The impairment test was carried out by comparing the carrying amount of the investment in the financial statements as of 31 December 2022 and the related recoverable amount. The recoverable amount, determined as the value in use, is represented by the present value of future cash flows referred to each subsidiary. The valuation of the recoverability of investments in subsidiaries has been considered a key audit matter given their magnitude in the financial statement as well as the underlying estimation elements included in the assumptions developed by Directors on future forecasts, such as the cash flows growth rate, including the g-rate, and discount rates.	We performed an understanding of the process of preparing cash flow projections and of the process of preparing and approving the annual impairment test. We analysed the business and financial plans for the period 2023-2025, which were approved by the Board of Directors and used to assess the recoverability of the carrying value of investments in subsidiaries, including through meetings with management in which we were shown the process of preparing these plans. We compared the 2022 actual results of subsidiaries with the expected figures included in the previous year's impairment test and analysed main variances, to assess the reliability of the projections prepared by Directors. We analysed and understood the main assumptions underlying the forecast revenues and costs of each subsidiary as well as verified their reasonableness based on actual results, future strategic developments and expected market evolutions. We verified, through the involvement of valuation experts belonging to PwC network, the impairment test methodology, the mathematical accuracy of the model used, and the reasonableness of assumptions included, also in connection with the determination of the terminal value, including the g-rate, and the discount rate. We verified the sensitivity analysis in relation to the recoverability of the carrying amount of investments considering possible changes in

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Key Audit Matters	Auditing procedures performed in response to key audit matters
	key assumptions such as the g-rate and discount rate. We finally assessed the appropriateness and completeness of the financial statement's disclosure in particular with reference to the assumptions and the sensitivity analysis reported.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No 537/2014

On 28 April 2016 the shareholders of DiaSorin SpA in general meeting engaged us to perform the statutory audit of the Company's and consolidated financial statements for the years ending 31 December 2016 to 31 December 2024.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of DiaSorin SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the financial statements as of 31 December 2022, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Commission Delegated Regulation

In our opinion, the financial statements as of 31 December 2022 have been prepared in XHTML format in compliance with the provisions of the Commission Delegated Regulation.

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10 and Article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of DiaSorin SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of DiaSorin SpA as of 31 December 2022, including their consistency with the relevant financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the financial statements of DiaSorin SpA as of 31 December 2022 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of DiaSorin SpA as of 31 December 2022 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Milan, 6 April 2023

PricewaterhouseCoopers SpA

Signed by

Stefano Pavesi
(Partner)

As disclosed by the Directors in Note 33 "Other information", the accompanying financial statements of DiaSorin S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

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