

SOL S.p.A.

Half-yearly financial report of the SOL Group as at 30 June 2023

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BOARD OF DIRECTORS

Chairman and Managing Director

ALDO FUMAGALLI ROMARIO

Deputy Chairman and Managing Director

MARCO ANNONI

Director with special powers

GIOVANNI ANNONI

Director with special powers

GIULIO FUMAGALLI ROMARIO

Directors

ALESSANDRA ANNONI

DUCCIO ALBERTI

CRISTINA GRIECO

(Independent)

ANNA GERVASONI

(Independent)

ANTONELLA MANSI

(Independent)

ELLI MELETI

(Independent)

ERWIN PAUL WALTER RAUHE

(Independent)

BOARD OF STATUTORY AUDITORS

Chairman

GIOVANNI MARIA

ALESSANDRO ANGELO GAREGNANI

Regular auditors

GIUSEPPE MARINO

PAOLA DE MARTINI

Alternate Auditors

ANNALISA RANDAZZO

LUCIA FOTI BELLIGAMBI

GENERAL MANAGER

ANDREA MONTI

AUDITING COMPANY

DELOITTE & TOUCHE S.P.A.

Via Tortona n. 25

20144 Milan

Powers granted to the Directors

(CONSOB Communication No. 97001574 dated 20 February 1997)

To the Chairman and Deputy Chairman: legal representation before third parties and the court; several powers of ordinary administration; joint powers of extraordinary administration, it being understood that for the implementation of the relevant acts the signature of one of the two is sufficient with written authorisation from the other; without prejudice to some specific acts of particular importance that are reserved to the competence of the Board of Directors.

To Directors with special appointments: powers of ordinary administration relevant to Legal and Corporate Business (Mr. Giulio Fumagalli Romario) and the Organisation of Information Systems (Mr. Giovanni Annoni) with single signature.

Half-yearly financial report of the SOL Group as at 30 June 2023

Directors' Interim Report

Introduction

This Half-yearly financial report as at 30 June 2023 was drawn up pursuant to Italian Legislative Decree 58/1998 as amended, as well as with the Issuers' Regulation issued by Consob.

This Half-yearly financial report was prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and approved by the European Union, and was drawn up according to IAS 34 – Interim Financial Reporting, applying the same accounting standards adopted to prepare the consolidated financial statements as at 31 December 2022, with the exception of those illustrated in the Notes to the financial statements.

It has been prepared on a going concern basis in that it has been checked that there are no indicators that the SOL Group will not be able to meet its obligations in the next 12 months.

General context

The SOL Group is mainly engaged in production, applied research and distribution activities pertaining to industrial, pure and medicinal gases, in door-to-door medical care, as well as in the sector for related medical equipment in Europe, Turkey, Morocco, India, Brazil, China, Ecuador and Peru.

The products and services of companies belonging to the Group are used in the chemical, electronics, iron and steel, engineering and foodstuff industries, as well as in sectors such as environmental protection, research and health.

In the first half of 2023, the war in Ukraine continued, leading to considerable economic uncertainty and continuous changes in commodity prices.

Inflation remained high, although lower than in 2022.

The fall in natural gas and energy prices has so far had little impact on inflation, while the continued rise in interest rates adopted by the central banks has led to a slight cooling of the economies of the various countries, although they have continued to grow, albeit at lower rates than in the past.

However, this economic trend was already widely expected in the final months of 2022.

The persistence of restrictive monetary policy by central banks could further dampen economic activity, leading to lower growth in advanced countries in 2024.

Highlights of SOL Group results

Net sales achieved by the SOL Group in the first half of 2023 amounted to Euro 735.7 million (up by 11.8% when compared to Euro 658.2 million in the first half of 2022).

On a like-for-like basis, sales increased by 7.8%.

The gross operating margin was Euro 193.6 million, equating to 26.3% of sales, up by 22.7% when compared with the first half of 2022 (Euro 157.8 million, or 24% of sales).

The operating result came to Euro 118.9 million, equating to 16.2% of sales, up by 28.1 million compared to the figure for the same period of 2022 (Euro 92.8 million, or 14.1% of sales).

Net profit, net of estimated taxes, amounted to Euro 79.6 million, compared with Euro 64.7 million in the first half of 2022.

Cash flow amounted to Euro 152.9 million, up compared to the first half of 2022 (Euro 128.7 million).

Capital expenditure recorded in the financial statements totalled Euro 82.0 million (Euro 53.9 million in the same period of 2022).

The average number of staff employed as at 30 June 2023 totalled 5,957 (5,235 in the first half of 2022).

The Group's net financial indebtedness was equal to Euro 420.5 million (Euro 389.7 million as at 31 December 2022). Net of rental payables, net financial indebtedness was equal to Euro 350.5 million.

Operating performance and significant events during the half-year

In this context, the SOL Group achieved a good increase in sales of 11.8% (7.8% on a like-for-like basis) compared to the first half of 2022.

The half-yearly result was positive both in Italy, where sales grew by 5.4%, and abroad, where there was an increase of 16.6%.

The Technical Gas Division achieved sales of Euro 397.5 million, up 9.1% compared to the first half of 2022.

The Home Care Service Division, in which the Group operates through Vivisol, achieved sales of Euro 338.3 million, up 15.1% on the first half of 2022.

Profit margins increased compared to the first half of 2022.

Compared to the first half of 2022, the Gross Operating Margin increased in absolute terms by 22.7% and the Operating Result by 28.1%.

Technical gas reserves always remained within the safety levels and the sites ran at high loads.

Research activities, which have traditionally characterised, justified and supported the Group's development, continued during the first six months of 2023.

With regard to M&A, it should be noted that during the first half of the year, the subsidiary Airtel Srl acquired the majority of the capital of Swissgas and ICP - Industrias Criogenica del Peru, companies active in the technical gas sector in Ecuador and Peru.

Intra-group transactions and transactions with related parties

Transactions carried out with related parties, including intra-group transactions, cannot be considered as atypical or unusual, as they are part of the normal activities of Group companies. These transactions are settled at arm's length, taking into account the characteristics of the supplied goods and services.

Information on transactions with related parties, including those required by the Consob communication of 28 July 2006, are shown in the notes to the Financial Statements of this Half-yearly financial report as at 30 June 2023.

Main risks and uncertainties to which the SOL Group is exposed

Risks related to the general economic trend

The Group performance is affected by the increase or decrease of the gross national product, industrial production, cost of energy products and health expense policies adopted in the different European countries in which the Group works.

The consequences of the war in Ukraine could cause a further slowdown in various sectors of the economy in the countries where the SOL Group operates.

Risks relating to the Group's results

The SOL Group partially operates in sectors considerably regulated by economic cycles related to the trend in industrial production, such as the steel, metal working, engineering, chemical and glass manufacturing industries. In the case of an extended decline in business, the growth and profitability of the Group could be partially affected.

Moreover, government policies for reducing healthcare expenses could reduce margins in the home-care and medical gas sectors.

Risks related to fund requirements

The SOL Group carries on an activity that requires considerable investment both in production and in commercial equipment, and expects to meet the requirements through the cash flows resulting from operational management and from new loans.

Operational management should continue to generate sufficient financial resources, while the use of new loans, notwithstanding the Group's excellent capital and financial structure, may show higher interest rates and spreads than in the past.

Other financial risks

The Group is exposed to financial risks associated with its business operations:

- credit risk in relation to normal trade transactions with customers;
- liquidity risk, with particular reference to the raising of financial resources associated with investments and with the financing of working capital;
- market risks (mainly relating to exchange and interest rates and to commodity costs), in that the Group operates internationally in different currency areas and uses interest-bearing financial instruments.

Credit risk

The granting of credit to end customers is subject to specific assessments by means of structured credit facility systems.

Positions amongst trade receivables (if individually significant) for which objective partial or total non-recoverability is ascertained, are subject to individual write-down. Provisions are made on a collective basis for receivables that are not subject to individual write-down, taking into account the historic experience, the statistical data and, as a result of the introduction of the accounting standard IFRS 9, on the basis of a predictive approach, based on the counterparty's probability of default, the ability to recover in case of loss given default and also of expected future losses.

Liquidity risk

The liquidity risk may arise with the inability to raise, under good financial conditions, the financial resources necessary for the anticipated investments and the financing of working capital.

The Group has adopted a series of policies and processes aimed at optimising the management of financial resources, reducing liquidity risk, such as the maintenance of an adequate level of available liquidity, the obtaining of appropriate credit facilities and the systematic monitoring of the forecast liquidity conditions, in relation to the corporate planning process.

Management believes that the funds and the credit facilities currently available, in addition to those that will be generated by operating and financing activities, will permit the Group to satisfy its requirements resulting from investment activities, working capital management and debt repayments on their natural maturity dates.

Exchange rate risk

In relation to sales activities, the Group companies may find themselves with trade receivables or payables denominated in currencies other than the reporting currency of the company that holds them.

A number of Group subsidiary companies are located in countries outside the Eurozone, in particular Switzerland, Bosnia, Serbia, Albania, North Macedonia, Bulgaria, Hungary, Romania, the UK, Morocco, Poland, Czech Republic, India, Turkey, Brazil, China, Ecuador and Peru. Since the reference currency for the Group is the Euro, the income statements of these companies are translated into Euro using the average exchange rate for the period and, revenues and margins in local currency being equal, changes in interest rates may have an effect on the equivalent value in Euro of revenues, costs and economic results.

Assets and liabilities of the consolidated companies whose reporting currency is not the Euro can adopt equivalent values in Euro that differ depending on the exchange rate trend. As envisaged by the accounting standards adopted, the effects of these changes are booked directly to shareholders' equity, under the item "Other reserves".

Some Group companies purchase electricity that is used for the primary production of technical gasses. The price of electricity is affected by the Euro/dollar exchange rate and by the price trend of energy commodities. The risk related to their fluctuations is mitigated by signing, if possible and convenient, fixed price purchase contracts or with a variation measured over a longer time period. Moreover, almost all long-term technical gas supply contracts to customers are index-linked in such a way as to cover the fluctuation risks shown above.

The Parent Company has two bond loans outstanding for a total of USD 13 million. To hedge the exchange rate risk, two cross currency swaps were made in Euros on the total loan amount and for the entire duration (12 years). The fair value of the CCSs as at 30 June 2023 was positive in the amount of Euro 1,612 thousand.

With regard to the currency weakness involving the Turkish lira, note that Group companies resident in Turkey operate only within the country, but there could be a negative effect on their profitability as a result of the higher cost of products purchased from third countries.

As the conditions were met, IAS 29 - Financial Reporting in Hyperinflationary Economies was applied to the financial statements of Turkish companies as from 2022.

Interest rate risk

The interest rate risk is managed by the Parent Company by centralising most of the medium/long-term debt and by appropriately dividing the loans between fixed rate and floating rate, favouring, when possible and convenient, medium/long-term debt with fixed rates, also through specific Interest Rate Swap agreements.

Some Group companies have entered into a number of Interest Rate Swap agreements linked to two floating rate medium-term loans with the aim of guaranteeing a fixed rate on said loans. The notional value as at 30 June 2023 was Euro 119,130 thousand and the positive fair value was equal to Euro 9,283 thousand.

Risks relating to personnel

In various countries in which the Group operates, employees are protected by different laws and/or collective labour contracts that guarantee them the right to be consulted on specific issues - including the downsizing and closing of departments and the reduction of staff numbers - through representations. This could affect the Group's flexibility in strategically redefining its own organisations and activities.

The management of the Group consists of persons of proven expertise who normally have long-standing experience in the sectors in which the Group operates. The replacement of any person in management may require a long period of time.

There are potential risks to the health and safety of workers as well as to compliance with occupational health and safety regulations that are mitigated by the adoption of an integrated management system compliant with ISO 45001.

Risks related to the environment and climate change

The products and the activities of the SOL Group are subject to increasingly complex and strict authorisation and environmental rules and regulations. This concerns manufacturing plants subject to regulations on atmospheric emissions, waste disposal and waste water disposal and the ban on land contamination. High charges should be shouldered in order to observe such regulations.

During 2022, the Group further deepened its previous assessments of the significance of climate change-related risks, both physical and transitional, and their economic/financial implications.

With particular reference to transition risks, which depend on an overall scenario of change in the economic context with a view to limiting the increase in global temperature to 1.5-2°C, as per the agreement signed in Paris, the Board considers that factors related to changes in market demand (increased sensitivity of customers and, more generally, of the Group's stakeholders to sustainability issues), technological evolution (risks related to the necessary technological innovations) and regulatory evolution (i.e. risks arising from legislative or political impositions aimed at triggering change) are of greater importance to the Group.

In this context, in the industrial gas sector, which is characterised by a high energy content in production costs, the Group is constantly monitoring possible regulatory changes in order to meet the expectations of the market and the Group's stakeholders, and has planned investments in photovoltaic and wind power plants in order to increase the share of energy from renewable sources. Although there are currently no circumstances in which the Group's production processes are at risk of becoming obsolete as a result of the transition to a low-carbon economy, the Group intends to reaffirm its commitment to continue with the planned renewal and rationalisation of its plants, taking advantage of the opportunities offered by technological developments to reduce energy consumption and greenhouse gas emissions.

On the other hand, the Group is already active in the home care sector, continuously streamlining equipment and introducing new, less polluting technologies.

The common objective of both activities is to limit the fuel consumption and related greenhouse gas emissions generated directly and indirectly by the Group in connection with transport, which is mainly carried out by third-party suppliers. To this end, the Group has already experimented with electric vehicles and intends to encourage its suppliers to replace diesel-powered tractors with other lower-emission vehicles, in line with the expected evolution of the market offer of lower-emission alternatives. In this context, these measures will have no direct impact on SOL investments and costs.

It should also be noted that all of the above initiatives to limit energy consumption and emissions, as well as the procurement of energy from renewable sources, have already been outlined in the Group Sustainability Plan.

With regard to the exposure of tangible assets (plants, buildings) to physical risks related to climate change and the business continuity risk resulting from these factors, the Group considers that the overall risk is medium/low and has not identified any need for urgent action or significant investment.

Please refer to the annual non-financial statement for a more detailed discussion of the initiatives implemented by the Group.

Risks relating to IT management and data security

The increasing use of IT tools in the management of company activities and the interconnection of company systems with external IT infrastructures expose these systems to potential risks with regard to the availability, integrity and confidentiality of data, as well as the efficiency of the IT tools themselves.

To ensure effective business continuity, the Group adopted a disaster recovery and business continuity system to ensure immediate replication of the main legacy system workstations.

The choice of these systems to be managed in business continuity was made on the basis of a thorough analysis of the related risk.

Moreover, multiple levels of physical and logical protection, at the level of servers and at the level of clients, ensure the active security of data and business applications.

The SOL Group also has innovative artificial intelligence-based products to protect the digital identity of its employees.

Vulnerability analyses and audits on the security of business information systems are periodically carried out by independent technicians to check the adequacy of the company's IT systems.

Finally, with regard to the problem of fraud through the use of IT resources by external parties, all employees are periodically informed and trained on the correct use of the resources and IT applications available to them.

Tax risks

The SOL Group is subject to taxation in Italy and in several other foreign jurisdictions.

The various companies of the Group are subject to the assessment of the income tax returns by the competent tax authorities of the countries in which they operate.

As already occurred in the past, any findings reported in the tax audits are carefully assessed and, when necessary, challenged in the appropriate venues.

At present, a dispute is in progress in Italy for findings - considered groundless - on transfer pricing. The opening of the MAP (Mutual Agreement Procedure) between Italy and four other European countries has been requested and has not yet been completed.

However, at Group level, this should not have a significant effect on profitability, given that the level of taxation in the countries involved is very similar.

Risks deriving from the war in Ukraine

The risks to which the SOL Group is exposed in connection with the war between Russia and Ukraine that broke out in February 2022 are essentially indirect, in that there are no activities carried out directly by subsidiaries in the two countries involved.

In fact, the likely negative effects caused by the current conflict on the economic growth of European countries could lead to a lower rate of development of the sales of the SOL Group.

Moreover, the war is contributing to keeping the cost of energy products at high levels, resulting in the continued high cost of purchasing electricity and fuel; this could mean the risk of not being able to fully transfer these costs to the sales prices of technical gases and services on the market, with a consequent negative effect on the Group's margins.

The continuation of the war is also contributing to the inflationary effects of high energy commodity prices, with the consequent negative impact on investment costs and operating expenses.

In particular, a significant effect on home care activities is on the supply chain of medical equipment, for which there are delays and difficulties in deliveries and consequent shortages to meet growing demand, as well as an increase in purchase prices.

Other risks

It is stated that on 21 October 2022 the subsidiary Vivisol S.r.l. was notified of the interim measure prohibiting it from contracting with the Public Administration pursuant to Article 25, paragraph 2, of Italian Legislative Decree No. 231/2001 in connection with criminal suit No. 6036/2022 GEN. CRIM. REG. - No. 4500/2022 RGGIP pending before the Court of Palermo, which involves several natural and legal persons including a manager and a former manager of the Company, who are under investigation for the offences provided for and punished by Articles 319 and 321 of the Italian Penal Code, which were allegedly committed in connection with a tender dating back to 2017 called by the ASP of Palermo and from which, inter alia, no profit was made. An appeal was immediately lodged against the aforesaid precautionary measure pursuant to Article 299 of the Code of Criminal Procedure and on 2 November 2022, with the favourable opinion of the Prosecutors in charge of the investigation, the Investigating Magistrate suspended the aforesaid measure with immediate effect, allowing the Company to continue its operations. The measure was lifted on 10 February 2023.

As stated in the press releases immediately issued by the company, VIVISOL reiterates that it is not involved in this matter and firmly believes that this will be confirmed by the ongoing judicial investigations.

Management and co-ordination activities (pursuant to Article 37, subparagraph 2, Market Regulation issued by Consob)

In the shareholding structure of SOL S.p.A. a controlling shareholder is present, Gas and Technologies World B.V., (in turn controlled by Stichting Airvision, a foundation under Dutch law), that holds 59.978% of the share capital.

Neither Gas and Technologies World B.V. nor Stichting Airvision manage and co-ordinate SOL S.p.A. pursuant to Article 2497 of the Italian Civil Code in that the majority shareholder, the holding company, only asserts the rights and privileges of each shareholder and does not deal with the management of the Company (fully entrusted to the independent decisions of the Board of Directors of SOL S.p.A.).

Major events occurred after the end of the first half-year and outlook for the current year

There are no subsequent events to report.

The ongoing war in Ukraine contributes to keeping energy commodity prices, especially energy prices, and - due to the resulting inflationary effects - investment and operating costs still high.

However, the SOL Group will continue with its investment programmes and, where possible, acquisitions, with the aim of achieving good sales growth and maintaining profitability at appreciable levels.

The Chairman of the Board of Directors
Aldo Fumagalli Romario

Monza, 7 September 2023

Condensed half-yearly consolidated financial statements as at 30 June 2023

Consolidated income statement

The concise Income Statement of the SOL Group, prepared in accordance with the minimum requirements of IAS 1 - Presentation of Financial Statements, is shown below.

The profit or loss is also presented net of income tax according to the recognition method stated by IAS 34 – Interim Financial Reporting, by using the rate that is likely to be applied at the end of the current reporting period.

(in thousands of Euro)

	Notes	30/06/2023	%	30/06/2022	%
Net sales	1	735,733	100.0%	658,244	100.0%
Other revenues and income	2	24,235	3.3%	26,441	4.0%
Internal works and collections	3	14,495	2.0%	11,158	1.7%
Revenues		774,463	105.3%	695,842	105.7%
Purchase of materials		231,338	31.4%	234,520	35.6%
Services rendered		197,188	26.8%	176,021	26.7%
Change in inventories		(10,570)	-1.4%	(10,663)	-1.6%
Other costs		16,482	2.2%	13,458	2.0%
Total costs	4	434,438	59.0%	413,336	62.8%
Added value		340,025	46.2%	282,506	42.9%
Payroll and related costs	5	146,416	19.9%	124,753	19.0%
Gross operating margin		193,609	26.3%	157,753	24.0%
Depreciation/amortisation	6	69,568	9.5%	61,997	9.4%
Provisions and write-downs	6	5,126	0.7%	2,957	0.4%
Non-recurring (income)/expenses	6		0.0%		0.0%
Operating result		118,914	16.2%	92,799	14.1%
Financial income		2,515	0.3%	927	0.1%
Financial expense		(9,148)	-1.2%	(5,530)	-0.8%
Results from equity investments		437	0.1%	207	0.0%
Total financial income/(expense)	7	(6,196)	-0.8%	(4,396)	-0.7%
Profit (Loss) before income taxes		112,718	15.3%	88,403	13.4%
Income taxes	8	29,365	4.0%	21,725	3.3%
Net result from business activities		83,353	11.3%	66,678	10.1%
Net result from discontinued operations			0.0%		0.0%
(Profit)/Loss pertaining to minority interests		(3,737)	-0.5%	(1,997)	-0.3%
Net Profit/(Loss)		79,616	10.8%	64,681	9.8%
Earnings per share		0.878		0.713	

(in thousands of Euro)

	2Q 2023	%	2Q 2022	%
Net sales	369,880	100.0%	335,937	100.0%
Other revenues and income	12,986	3.5%	16,094	4.8%
Internal works and collections	8,998	2.4%	5,896	1.8%
Revenues	391,864	105.9%	357,928	106.5%
Purchase of materials	112,945	30.5%	121,641	36.2%
Services rendered	100,413	27.1%	90,848	27.0%
Change in inventories	(2,716)	-0.7%	(4,309)	-1.3%
Other costs	8,896	2.4%	6,996	2.1%
Total costs	219,538	59.4%	215,177	64.1%
Added value	172,327	46.6%	142,751	42.5%
Payroll and related costs	75,924	20.5%	64,501	19.2%
Gross operating margin	96,402	26.1%	78,250	23.3%
Depreciation/amortisation	35,456	9.6%	31,410	9.4%
Provisions and write-downs	2,776	0.8%	992	0.3%
Non-recurring (income)/expenses		0.0%		0.0%
Operating result	58,170	15.7%	45,847	13.6%
Financial income	1,260	0.3%	400	0.1%
Financial expense	(4,402)	-1.2%	(2,920)	-0.9%
Results from equity investments	355	0.1%	274	0.1%
Total financial income/(expense)	(2,788)	-0.8%	(2,246)	-0.7%
Profit (Loss) before income taxes	55,382	15.0%	43,601	13.0%
Income taxes	15,134	4.1%	10,546	3.1%
Net result from business activities	40,248	10.9%	33,055	9.8%
Net result from discontinued operations		0.0%		0.0%
(Profit)/Loss pertaining to minority interests	(1,720)	-0.5%	(937)	-0.3%
Net Profit/(Loss)	38,529	10.4%	32,118	9.6%
Earnings per share	0.425		0.354	

Consolidated statement of comprehensive income

(in thousands of Euro)

	30/06/2023	30/06/2022
Profit/(Loss) for the year (A)	83,353	66,678
Components that will never be reclassified to the Income Statement		
Actuarial gains/(losses)	11	1,972
Tax effect	(3)	(473)
Total components that will never be reclassified to the Income Statement (B1)	8	1,499
Components that may be reclassified to the Income Statement		
Profits / (losses) on cash flow hedging instruments	(2,099)	7,619
Profits/(losses) deriving from conversion of financial statements of foreign companies	1,513	1,907
Tax effect related to other profits (losses)	504	(1,823)
Total components that may be reclassified to the Income Statement (B2)	(82)	7,703
Total other profits/(losses) net of the tax effect (B1) + (B2) = (B)	(74)	9,202
Overall result for the period (A+B)	83,280	75,880
Attributable to:		
- shareholders of the parent company	81,224	73,775
- minority interest	2,056	2,105

Consolidated statement of financial position

(in thousands of Euro)

	Notes	30/06/2023	31/12/2022
Tangible fixed assets	9	739,513	694,164
Goodwill and consolidation differences	10	224,194	216,811
Other intangible fixed assets	11	34,628	26,550
Equity investments	12	21,371	13,082
Other financial assets	13	25,154	22,015
Deferred tax assets	14	18,127	18,557
NON-CURRENT ASSETS		1,062,986	991,179
Non-current assets held for sale			
Inventories	15	94,159	84,144
Trade receivables	16	436,093	431,054
Other current assets	17	67,388	64,377
Current financial assets	18	11,943	13,187
Cash and cash at bank	19	124,818	134,642
CURRENT ASSETS		734,401	727,403
TOTAL ASSETS		1,797,387	1,718,583
Share capital		47,164	47,164
Share premium reserve		63,335	63,335
Legal reserve		10,459	10,459
Reserve for treasury shares in portfolio		0	0
Other reserves		666,871	565,261
Retained earnings (accumulated loss)		1,321	704
Net Profit		79,617	133,692
Shareholders' equity - Group		868,767	820,615
Shareholders' equity - Minority interests		42,572	38,134
Profit pertaining to minority interests		3,737	3,882
Shareholders' equity - Minority interests		46,309	42,015
SHAREHOLDERS' EQUITY	20	915,076	862,630
Employee severance indemnities and benefits	21	15,430	15,143
Provision for deferred taxes	22	12,898	12,163
Provisions for risks and charges	23	4,944	3,309
Payables and other financial liabilities	24	458,516	454,496
NON-CURRENT LIABILITIES		491,788	485,111
Non-current liabilities held for sale			
Amounts due to banks		15,370	6,860
Trade accounts payable		169,348	175,114
Other financial liabilities		90,697	84,814
Tax payables		32,873	32,552
Other current liabilities		82,235	71,502
CURRENT LIABILITIES	25	390,524	370,842
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,797,387	1,718,583

Consolidated cash flow statement

(in thousands of Euro)

	Notes	30/06/2023	30/06/2022
CASH FLOWS GENERATED BY OPERATING ACTIVITIES			
Profit for the year		79,616	64,681
Minority interests in profit/loss		3,737	1,997
<i>Adjustments to items not affecting liquidity</i>			
Depreciation/amortisation	6	69,568	61,997
Interest on loans and on bonds	7	5,412	3,903
Employee severance indemnities and benefits accrued	5	1,012	1,361
Provisions/Use of provisions for risks and charges	22 - 23	2,370	2,699
Taxes for the period	8	27,724	18,902
<i>Cash flow before changes in nwc</i>		189,439	155,540
<i>Changes in current assets and liabilities</i>			
Inventories	15	(8,744)	(11,415)
Trade receivables	16	(1,301)	(63,353)
Other assets	14 - 17	(2,581)	(14,165)
Suppliers	25	(8,673)	17,909
Other liabilities		3,425	(1,283)
Tax payables		(12,046)	(1,400)
<i>Total changes in current assets and liabilities</i>		(29,920)	(73,707)
Other adjustments for non-monetary items		(4,685)	1,211
Taxes paid		(15,358)	(13,336)
<i>Cash flow generated by operating activities</i>		139,475	69,708
CASH FLOWS GENERATED BY INVESTMENT ACTIVITIES			
Acquisition of tangible fixed assets	9	(82,034)	(53,747)
Revaluations and other changes in tangible fixed assets	9	(15,693)	(11,328)
Increases in intangible assets		(11,220)	(7,749)
(Increase) decrease in long-term investments	13	3,710	(4,608)
(Increase) decrease of equity investments and business units		(19,665)	(3,752)
(Increase) decrease in current financial assets	18	(5,126)	(131)
<i>Total</i>		(130,028)	(81,315)
CASH FLOWS GENERATED BY FINANCING ACTIVITIES			
Repayment of loans		(8,058)	(22,534)
Raising of new loans		23,732	500
Redemption of bonds		(11,941)	(12,049)
Undertaking bonds		-	75,000
Change in leases		4,004	5,116
Raising (repayment) of shareholders' loans		1,994	-
Dividends paid	20	(33,638)	(24,235)
Interest on loans and on bonds paid		(5,014)	(3,614)
<i>Total</i>		(28,921)	18,184
Effect of exchange rate fluctuations	20	1,139	410
INCREASE (DECREASE) IN CASH IN HAND AND AT BANK		(18,334)	6,987
CASH IN HAND AND AT BANK AT BEGINNING OF YEAR	19	127,782	137,998
CASH IN HAND AND AT BANK AT END OF YEAR	19	109,448	144,985

Statement of changes in consolidated shareholders' equity

(in thousands of Euro)

	Share capital	Share premium reserve	Legal reserve	Other reserves	Net Profit	Total Group shareholders' equity	Total minority interests	Total shareholders' equity
Balance as at 31/12/2021	47,164	63,335	10,459	487,750	89,549	698,257	23,194	721,452
Allocation of 2021 profit	-	-	-	67,781	(67,781)	-	-	-
Dividend distribution	-	-	-	-	(21,768)	(21,768)	(2,467)	(24,235)
Other consolidation changes	-	-	-	(4,052)	-	(4,052)	1,448	(2,605)
Profit (loss) for the financial year	-	-	-	9,094	64,681	73,775	2,105	75,880
Balance as at 30/06/2022	47,164	63,335	10,459	560,573	64,680	746,212	24,280	770,492

(in thousands of Euro)

	Share capital	Share premium reserve	Legal reserve	Other reserves	Net Profit	Total Group shareholders' equity	Total minority interests	Total shareholders' equity
Balance as at 31/12/2022	47,164	63,335	10,459	565,965	133,693	820,615	42,015	862,630
Allocation of 2022 profit	-	-	-	111,925	(111,925)	-	-	-
Dividend distribution	-	-	-	-	(29,931)	(29,931)	(3,707)	(33,638)
Other consolidation changes	-	-	-	(3,141)	-	(3,141)	5,945	2,804
Profit (loss) for the financial year	-	-	-	1,607	79,616	81,224	2,056	83,280
Balance as at 30/06/2023	47,164	63,335	10,459	668,193	79,616	868,767	46,309	915,076

Notes to the Financial Statements

These condensed half-yearly consolidated financial statements have been drawn up in accordance with the International Accounting Principles (IFRS) established by the International Accounting Standards Board and approved by the European Union. The IFRS are understood to also be all the international accounting standards reviewed (IAS), all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standard Interpretations Committee ("SIC").

The Condensed half-yearly consolidated financial statements consist of Consolidated outline accounts accompanied by notes to the financial statements. The income statement has been drawn up with the allocation of the costs by nature; the Balance Sheet has been prepared in accordance with the format that highlights the separation of the "current/non-current" assets and liabilities, while the indirect method was adopted for the statement of cash flows, adjusting the profit for the period of non-monetary components. Statement of changes in shareholders' equity shows comprehensive income (expenses) for the year and other changes in Shareholders' Equity. The condensed half-yearly consolidated financial statements have been prepared on a going concern basis in that the Group's Directors have assessed that, despite the difficult economic and financial context, there are no significant uncertainties (as defined by IAS 1) as to the Company's ability to continue as a going concern.

In preparing these condensed half-yearly consolidated financial statements, drawn up in accordance with IAS 34 – Interim Financial Reporting, the accounting standards, valuation and consolidation criteria applied were those adopted in preparing the consolidated financial statements as at 31 December 2022, to which reference is made for a more extensive discussion. Moreover, this consolidated half-yearly financial report was prepared in accordance with the International Accounting Standards applicable as from 1 January 2023, for which reference should be made to the following paragraph *"Accounting standards, amendments and interpretations of the IFRS applied as from 1 January 2023"*.

The analysis of the income statement and the consolidated statement of financial position and cash flow statement has also been carried out, in accordance with the matters anticipated by IFRS 8, highlighting the contribution of the "Technical gases" and "Home-care service" activity sectors taken as primary sectors and providing the most important data relating to the activities by geographic area, Italy and the Rest of the world, identified as secondary sectors.

All the amounts are expressed in thousands of Euros.

Group composition and scope of consolidation

The consolidated financial statements comprise the financial statements as at 30 June 2023 of the SOL S.p.A. Parent Company and of the following companies, pursuant to Article 38, paragraph 2 of Italian Legislative Decree No. 127/91 as amended by the provisions of Italian legislative decree no. 139 of 18 August 2015 "Implementation of directive 2013/34/EU related to the financial statements, consolidated financial statements and related reports of certain types of companies, amending directive 2006/43/EC and repealing directives 78/660/EEC and 83/349/EEC, for the part related to the regulations of the financial statements and consolidated financial statements".

- a) directly or indirectly controlled subsidiaries, consolidated on a line-by-line basis;

Company name and registered office	Notes	Share capital	Ownership percentage		
			Direct	Indirect	Total
AIRSOL S.r.l. - Monza		EUR 7,750,000	100.00%		100.00%
ALLERSHAUSEN CARE GmbH - Neufahrn bei Freising		EUR 25,000		100.00%	100.00%
B.T.G. BVBA - Lessines		EUR 5,508,625		100.00%	100.00%
BEHRINGER France S.a.r.l. - Saint Andre Lez Lille		EUR 10,000		51.00%	51.00%
BEHRINGER Srl – Genoa		EUR 102,000	2.00%	49.00%	51.00%
Bhoruka Specialty Gases Private Limited - Bangalore	1	INR 204,080	51.00%		51.00%
BiotechSol Srl - Monza		EUR 110,000	51.00%	49.00%	100.00%
BLA SERVICOS HOSPITALARES LTDA - San Paolo		BRL 15,000,000		51.00%	51.00%
C.T.S. Srl - Monza		EUR 156,000	100.00%		100.00%
Cryolab Srl - Rome		EUR 509,021	85.00%		85.00%
CRYOS Srl - Peveragno		EUR 40,000		85.00%	85.00%
DIATHEVA Srl - Cartoceto		EUR 260,000	82.00%		82.00%
Direct Medical Limited Company - Athlone		EUR 100		100.00%	100.00%
DN GLOBAL HOMECARE LTDA. - Salvador		BRL 1,968,130		46.75%	46.75%
Dolby Healthcare Limited - Stirling		GBP 300,100		100.00%	100.00%
Dolby Medical Home Respiratory Care Limited - Stirling		GBP 15,100		100.00%	100.00%
Energetika Z.J. d.o.o. – Jesenice		EUR 999,602	100.00%		100.00%
FLOSIT S.A.S. - Casablanca		MAD 12,000,000	99.97%	0.03%	100.00%
France Oxygene Sarl - Templemars		EUR 1,300,000		100.00%	100.00%
GEBZE GAZ A.S. - Gebze		TRY 5,503,000		85.00%	85.00%
GLOBAL CARE ASSISTENCIA DOMICILIAR LTDA. - San Paolo		BRL 10,736,528		85.00%	85.00%
Green ASU Plant Private Limited - Bangalore	2	INR 10,000,000	100.00%		100.00%
GTH GAZE INDUSTRIALE S.A. - Bucharest		RON 14,228,583	99.99%		99.99%
GTS Sh.p.K. - Tirana		ALL 292,164,000	100.00%		100.00%
HYDROENERGY Sh.p.k. - Tirana		ALL 1,444,108,950	96.04%		96.04%
I.C.O.A. Srl – Vibo Valentia		EUR 45,760	97.60%		97.60%
Il Point Srl - Verona		EUR 98,800		50.01%	50.01%
Intensivpflegedienst Kompass GmbH - Munich		EUR 25,000		100.00%	100.00%
Irish Oxygen Company Limited - Cork		EUR 697,802		50.01%	50.01%
ITOP ORTOPEDIE ASSOCIATE Srl - Rome		EUR 10,400		51.00%	51.00%
ITOP SERVIZI Srl - Rome		EUR 10,000		51.00%	51.00%
ITOP SICILIA Srl - Rome		EUR 50,000		51.00%	51.00%
ITOP Spa OFFICINE ORTOPEDICHE - Rome		EUR 400,000		51.00%	51.00%
JML SERVICOS HOSPITALARES LTDA - San Paolo		BRL 19,597,590		51.00%	51.00%
KSD KOHLENSAURE-DIENST GmbH - Bretzfeld		EUR 30,000		100.00%	100.00%
MBAR Assistance Respiratoire S.a.s. - Ballan Mire		EUR 7,622		100.00%	100.00%
MEDES Srl - Settimo Milanese		EUR 10,400	51.00%		51.00%
MEDSEVEN sp.zo.o. - Osielsko		PLN 646,000		100.00%	100.00%
Medtek Medizintechnik GmbH - Grunstadt		EUR 75,000		100.00%	100.00%
MEL a.d. – Trn		BAM 2,005,830	80.00%		80.00%
ORTHOHUB Srl - Rome		EUR 10,000		51.00%	51.00%
P PAR PARTICIPACOES LTDA. - San Paolo		BRL 31,233,045		85.00%	85.00%
PALLMED sp.zo.o. - Bydgoszcz		PLN 800,802		100.00%	100.00%
Personal Genomics Srl - Verona		EUR 500,000		84.71%	84.71%
Pielmeier Medizintechnik GmbH - Taufkirchen		EUR 25,000		100.00%	100.00%
Polar Ice Limited - Portarlington		EUR 3,672		61.00%	61.00%

Portare Distribuidora de Produtos e Servicos Medico-Hospitalar Ltda - San Paolo	BRL	2,000,000		85.00%	85.00%
Profi Gesundheits - Service GmbH - Weiler bei Bingen	EUR	25,000		100.00%	100.00%
RE.V.I. Srl - Surbo	EUR	52,000		100.00%	100.00%
RESPITEK A.S. - Istanbul	TRY	4,390,000		70.00%	70.00%
Shanghai Mu Kang Medical Device Distribution Service Co. Ltd - Shanghai	CNY	5,000,000		70.00%	70.00%
Shanghai Shenwei Medical Gas Co. Ltd - Shanghai	CNY	10,000,000		70.00%	70.00%
SITEX MAD Sa - Plan-les-Ouates	CHF	110,000		100.00%	100.00%
SITEX SA - Plan-les-Ouates	CHF	400,000		100.00%	100.00%
SOL Bulgaria E.A.D. - Sofia	BGN	19,305,720	100.00%		100.00%
SOL Croatia d.o.o. – Sisak	EUR	4,084,053	100.00%		100.00%
SOL Deutschland GmbH - Krefeld	EUR	7,000,000		100.00%	100.00%
SOL France S.a.s. - Eragny	EUR	13,000,000		100.00%	100.00%
SOL Gas Primari Srl - Monza	EUR	500,000	100.00%		100.00%
SOL GROUP LAB Srl - Costabissara	EUR	100,000	100.00%		100.00%
SOL Hellas S.A. - Magoula	EUR	4,947,429		99.72%	99.72%
SOL HUNGARY KFT - Dunaharaszti	HUF	50,020,000		100.00%	100.00%
SOL Hydropower d.o.o. - Skopje	MKD	2,460,200	100.00%		100.00%
SOL India Private Limited - Chennai	INR	703,991,650	86.37%		86.37%
SOL Kohlensaure GmbH & Co. KG - Burgbrohl	EUR	20,000	100.00%		100.00%
SOL Kohlensaure Verwaltungs GmbH - Burgbrohl	EUR	25,000		100.00%	100.00%
SOL Kohlensaure Werk GmbH & Co. KG - Burgbrohl	EUR	10,000		100.00%	100.00%
SOL Nederland B.V. - Tilburg	EUR	2,295,000	100.00%		100.00%
SOL Real Estate Deutschland GmbH - Neufahrn bei Freising	EUR	25,000		100.00%	100.00%
SOL SEE d.o.o. - Skopje	MKD	497,554,300	97.16%	2.84%	100.00%
SOL Slovakia s.r.o. - Bratislava	EUR	75,000		100.00%	100.00%
SOL Srbija d.o.o. - Nova Pazova	RSD	317,193,834	67.16%	32.84%	100.00%
SOL T.G. GmbH – Wiener Neustadt	EUR	5,726,728	100.00%		100.00%
SOL TK A.S. - Istanbul	TRY	47,874,000		100.00%	100.00%
SOL-K Sh.p.K. - Pristina	EUR	2,010,000	99.72%	0.28%	100.00%
SPG – SOL Plin Gorenjska d.o.o. - Jesenice	EUR	8,220,664	54.85%	45.15%	100.00%
SPITEX PERSPECTA AG - Basel	CHF	100,000		100.00%	100.00%
Sterimed Srl - Surbo	EUR	100,000		100.00%	100.00%
Swissgas Del Ecuador S.A. - Guayaquil	USD	13,200,000		50.01%	50.01%
T.P.J. d.o.o. – Jesenice	EUR	2,643,487	64.11%	35.89%	100.00%
TAE HELLAS S.A. - Maroussi	EUR	6,422,227		99.78%	99.78%
Tesi Srl Tecnologia & Sicurezza - Milan	EUR	14,489	89.63%		89.63%
TGP A.D. - Petrovo	BAM	1,177,999	61.38%	26.04%	87.42%
TGS d.o.o. - Skopje	MKD	419,220,422	100.00%		100.00%
TGT A.D. - Trn	BAM	970,081	75.18%		75.18%
U.T.P. d.o.o. – Pula	EUR	2,328,462		100.00%	100.00%
UNIT CARE SERVICOS MEDICOS LTDA. - San Paolo	BRL	2,084,000		89.50%	89.50%
Vivicare GmbH – Neufahrn bei Freising	EUR	25,000		100.00%	100.00%
Vivicare Holding GmbH - Neufahrn bei Freising	EUR	25,000		100.00%	100.00%
VIVISOL Adria d.o.o. - Mengeš	EUR	7,500		100.00%	100.00%
VIVISOL B Srl - Lessines	EUR	162,500	0.08%	99.92%	100.00%
VIVISOL Brasil Ltda. - San Paolo	BRL	12,159,000		100.00%	100.00%
VIVISOL Calabria Srl - Vibo Valentia	EUR	10,400		98.32%	98.32%

VIVISOL Czechia s.r.o. - Prague	CZK	100,000	100.00%	100.00%
VIVISOL Deutschland GmbH - Neufahrn bei Freising	EUR	2,500,000	100.00%	100.00%
VIVISOL France Sarl - Vaux Le Penil	EUR	3,503,600	100.00%	100.00%
VIVISOL Heimbehandlungsgeräte GmbH - Vienna	EUR	726,728	100.00%	100.00%
VIVISOL Hellas S.A. - Athens	EUR	1,053,981	99.89%	99.89%
VIVISOL Iberica S.L.U. - Arganda del Rey	EUR	5,500,000	100.00%	100.00%
VIVISOL Intensivservice GmbH - Regensburg	EUR	40,000	100.00%	100.00%
VIVISOL Napoli Srl - Marcianise	EUR	98,800	81.00%	81.00%
VIVISOL Nederland B.V. – Tilburg	EUR	500,000	100.00%	100.00%
VIVISOL Portugal Unipessoal LDA - Condeixa-a-Nova	EUR	100,000	100.00%	100.00%
VIVISOL Silarus Srl - Battipaglia	EUR	18,200	56.70%	56.70%
VIVISOL Srl – Monza	EUR	2,600,000	51.00%	49.00%
WIP Weiterbildung in der Pflege GmbH - Neufahrn bei Freising	EUR	25,000	100.00%	100.00%

1. The Group's share as at 30 June 2023 includes a 5.40 % equity investment of Simest SpA; under an agreement entered into between Sol SpA and SIMEST SpA on 25 November 2022, SOL SpA is under obligation to repurchase the entire Simest SpA share by 30 November 2030.
2. The Group's share as at 30 June 2023 includes a 47.44 % equity investment of Simest SpA; under an agreement entered into between Sol SpA and SIMEST SpA on 25 November 2022, SOL SpA is under obligation to repurchase the entire Simest SpA share by 30 November 2030.

b) jointly controlled companies, consolidated by adopting the equity method:

Company Name and Registered Office	Share capital	Ownership percentage
Consorzio EcoDue - Monza	EUR 800,000	50.00%
CT Biocarbonic GmbH - Zeitz	EUR 50,000	50.00%

c) non-consolidated subsidiary and associated companies:

Company Name and Registered Office	Share capital	Ownership percentage
CENTRO ORTOPEDICO FERRANTI S.r.l. - Palermo	EUR 60,000	48.30%
FLOSIT PHARMA S.A.S. - Casablanca	MAD 5,000,000	100.00%
GTE sl - Barcelona	EUR 12,020	100.00%
Industria criogenica del Perú - Lima	SOL 1,610,000	50.01%
Nippon Sanso Shenwei Gases Co. Ltd - Shanghai	CNY 18,224,460	31.62%
Shanghai ShenWei Gas Filling Co. Ltd - Shanghai	CNY 1,000,000	37.00%
ZDS JESENICE d.o.o. - Jesenice	EUR 10,000	75.00%

FLOSIT PHARMA S.A. and G.T.E. SI were not consolidated in that they were inactive and not relevant for the purposes of giving a true and fair view of the financial position, the results of the operations and the cash flows of the Group.

The companies Nippon Sanso Shenwei Gases Co. Ltd, Shanghai ShenWei Gas Filling Co. Ltd and CENTRO ORTOPEDICO FERRANTI S.r.l. were not consolidated in that they are minority interests.

ZDS Jesenice d.o.o. was not consolidated since it is administered by a minority shareholder.

The company Industria cryogenica del Peru was not consolidated because it was acquired in the last few days of the half-year period, and therefore it was not possible to obtain an updated statement of financial position as at 30 June 2023.

The scope of consolidation between 30 June 2023 and 31 December 2022 underwent the following changes:

- with the inclusion of Swissgas Del Ecuador S.A. acquired in March 2023,
- with the increase in shareholdings in CRYOS Srl from 70% to 85%,
- with the increase in the shareholdings in VIVISOL Brasil Ltda from 94 % to 100%.

e) associated companies, consolidated by adopting the equity method:

Company Name and Registered Office	Share capital		Ownership percentage
CONSORGAS Srl - Milan	EUR	500,000	25.79%
NEMO LAB Srl - Milan	EUR	14,286	30.00%
Shanghai Jiawei Medical Gas Co. Ltd - Shanghai	CNY	1,000,000	30.00%

Finally, equity investments in other companies were carried at fair value through profit and loss, as they cannot be included among subsidiary and associated companies.

Accounting and consolidation principles

General principles

Further to the enforcement of Legislative Decree no. 38 of 28 February 2005, implementing in the Italian regulations the European Regulation No. 1606 of 19 July 2002, starting from 1 January 2005, the SOL Group adopted the international accounting standards (IAS/IFRS) issued by the International Accounting Standard Board (IASB), as approved by the European Union.

Use of estimates

The preparation of the financial statements and the related notes in accordance with the IFRS requires management to make estimates and assumptions that have an effect on the values of the financial statement revenues, costs, assets and liabilities and on the disclosures relating to the potential assets and liabilities as of the reporting date.

It should also be noted that some measurement processes, especially the more complex ones, such as the calculation of any impairment of non-current assets, are fully made only when the annual financial statements are prepared, with the exception of the cases in which there are indicators that require the immediate measurement of any impairment loss.

In general, the use of estimates is particularly important for depreciation/amortisation, measurement of derivative instruments, calculation of risk provisions and write-down provisions, as well as impairment test.

The SOL Group does not carry on activities characterised by significant seasonal or cyclical changes in total sales for the year.

Income taxes are calculated based on the best estimate of the expected rate for the whole financial year.

Consolidation of foreign companies

All the assets and liabilities of foreign companies denominated in currency other than the Euro that are included within the scope of consolidation are converted using the exchange rates in force at the reporting date (current exchange rate method). Income and costs are translated using the average rate for the year. The exchange differences emerging from the application of this method are classified as an equity account until the equity investment is disposed of.

Goodwill and adjustments to the fair value generated by the acquisition of a foreign company are stated in the relevant currency and translated using the period-end exchange rate.

The exchange rates used for converting the financial statements not expressed in Euro are indicated in the table below:

Currency	Exchange rate on 30/06/2023	Average exchange rate 30/06/2023	Exchange rate on 31/12/2022	Average exchange rate 2022	Exchange rate on 30/06/2022	Average exchange rate 30/06/2022
Czech Koruna	Euro 0.04212	Euro 0.04223	Euro 0.04147	Euro 0.04071	Euro 0.04042	Euro 0.04059
Macedonian dinar	Euro 0.01629	Euro 0.01623	Euro 0.01624	Euro 0.01623	Euro 0.01633	Euro 0.01623
Serbian dinar	Euro 0.00853	Euro 0.00853	Euro 0.00852	Euro 0.00852	Euro 0.00856	Euro 0.00851
Moroccan dirham	Euro 0.09297	Euro 0.09071	Euro 0.08962	Euro 0.09365	Euro 0.09486	Euro 0.09431
US Dollar	Euro 0.92030	Euro 0.92498	Euro -	Euro -	Euro -	Euro -
Hungarian forint	Euro 0.00269	Euro 0.00263	Euro 0.00249	Euro 0.00256	Euro 0.00252	Euro 0.00267
Swiss franc	Euro 1.02166	Euro 1.01463	Euro 1.01554	Euro 0.99532	Euro 1.00402	Euro 0.96902
Albanian lek	Euro 0.00939	Euro 0.00886	Euro 0.00874	Euro 0.00841	Euro 0.00843	Euro 0.00826
Bulgarian lev	Euro 0.51130	Euro 0.51130	Euro 0.51130	Euro 0.51130	Euro 0.51130	Euro 0.51130
Turkish Lira	Euro 0.03531	Euro 0.03531	Euro 0.05009	Euro 0.05009	Euro 0.05773	Euro 0.06160
Convertible mark	Euro 0.51129	Euro 0.51129	Euro 0.51129	Euro 0.51129	Euro 0.51129	Euro 0.51129
New Romanian leu	Euro 0.20147	Euro 0.20268	Euro 0.20204	Euro 0.20279	Euro 0.20217	Euro 0.20220
Brazilian real	Euro 0.18944	Euro 0.18237	Euro 0.17735	Euro 0.18383	Euro 0.18440	Euro 0.17993
Indian rupee	Euro 0.01121	Euro 0.01125	Euro 0.01134	Euro 0.01209	Euro 0.01218	Euro 0.01200
British pound	Euro 1.16512	Euro 1.14075	Euro 1.12748	Euro 1.17266	Euro 1.16523	Euro 1.18739
Yuan Renminbi	Euro 0.12661	Euro 0.13352	Euro 0.13590	Euro 0.14127	Euro 0.14363	Euro 0.14119
Polish Zloty	Euro 0.22529	Euro 0.21617	Euro 0.21364	Euro 0.21340	Euro 0.21320	Euro 0.21585

Hyperinflationary economies

The SOL Group controls companies based in Turkey, a country that has been defined as having high inflation in 2022, as the cumulative inflation rate over the last three years has exceeded 100 %. According to the accounting standard IAS 29 Financial Reporting in Hyperinflationary Economies, the financial statements of companies in this condition must be restated according to specific procedures and a valuation process, in order to eliminate the distorting effects of the loss of the purchasing power of money.

In the income statement, costs and revenues are revalued by applying the change in the general consumer price index. With regard to the balance sheet, monetary items are not revalued as they are already expressed in the current unit of measurement at the end of the reporting period; On the other hand, non-monetary assets and liabilities are revalued from the date of initial recognition to the end of the reporting period.

The financial statements are translated into Euro by applying the period-end exchange rate for both balance sheet and income statement items.

Accounting standards, amendments and interpretations of the IFRS applied as from 1 January 2023

The Group applied the following accounting standards, amendments and interpretations of the IFRS for the first time as from 1 January 2023:

- On 7 May 2021, the IASB published an amendment called “**Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction**”. The document clarifies how deferred taxes should be accounted for on certain transactions that may generate assets and liabilities of equal amounts, such as leases and decommissioning obligations. The amendments were applied beginning on or after 1 January 2023. The adoption of these amendments had no impact on the consolidated financial statements of the Group.

- On 12 February 2021, the IASB published two amendments called **“Disclosure of Accounting Policies—Amendments to IAS 1 and IFRS Practice Statement 2”** and **“Definition of Accounting Estimates—Amendments to IAS 8”**. The amendments are intended to improve the disclosure of accounting policies so as to provide more useful information to investors and other primary users of financial statements and to help companies distinguish changes in accounting estimates from changes in accounting policies. The amendments were applied beginning on or after 1 January 2023. The adoption of these amendments had no impact on the consolidated financial statements of the Group.

Accounting standards, amendments and IFRS and IFRIC interpretations not yet approved by the European Union

At the end of the reporting period, the competent bodies of the European Union have not yet completed the approval process required to adopt the amendments and standards described below:

- On 23 January 2020, the IASB published an amendment called **“Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current”** and on 31 October 2022, the IASB published an amendment called **“Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants”**. The purpose of the documents is to clarify how to classify debts and other short or long term liabilities. The amendments are effective beginning on 1 January 2024; however, companies may opt for earlier application. [The directors do not expect a significant effect on the Group’s consolidated financial statements through the adoption of this amendment.
- On 22 September 2022, the IASB published an amendment called **“Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback”**. The document requires the seller-lessee to measure the lease liability arising from a sale and leaseback transaction in such a way that no income or loss is recognised in respect of the retained right of use. The amendments apply beginning on 1 January 2024, but earlier application is permitted. The directors do not expect a significant effect on the Group’s consolidated financial statements through the adoption of this amendment.
- On 23 May 2023, the IASB published an amendment called **“Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules”**. The document introduces a temporary exception from recognition and disclosure requirements for deferred tax assets and liabilities related to Pillar Two Model Rules and provides for specific disclosure requirements for entities affected by the related International Tax Reform. The document provides for the immediate application of the temporary exception, while the disclosure requirements will only apply to annual financial statements beginning on or after 1 January 2023, but not to interim financial statements ending before 31 December 2023. The directors do not expect a significant effect on the Group’s consolidated financial statements through the adoption of this amendment.
- On 25 May 2023, the IASB published an amendment called **“Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements”**. The document requires an entity to provide additional disclosures about reverse factoring arrangements that enable users of financial statements to evaluate how financial arrangements with suppliers may affect the entity's liabilities and cash flows and to understand the effect of those arrangements on the entity's exposure to liquidity risk. The amendments apply beginning on 1 January 2024, but earlier application is permitted. The directors do not expect a significant effect on the Group’s consolidated financial statements through the adoption of this amendment.

Notes

Income statement

1. Net sales

Balance as at	30/06/2023	735,733
Balance as at	30/06/2022	658,244
Change		<u>77,490</u>

Revenues by type of business break down as follows:

Description	30/06/2023	30/06/2022	Change
Technical gases	397,477	364,341	33,136
Home-care	338,257	293,903	44,354
Total	735,733	658,244	77,490

Reference should be made to the "Operating performance" section and to the analysis of the results by type of business for the relevant comments.

2. Other revenues and income

Balance as at	30/06/2023	24,235
Balance as at	30/06/2022	26,441
Change		<u>(2,206)</u>

The item "Other revenues and income" breaks down as follows:

Description	30/06/2023	30/06/2022	Change
Capital gains on disposal	693	670	23
Extraordinary income	16,465	12,210	4,256
Grants received	456	815	(359)
Real estate rentals	215	217	(2)
Other	6,405	12,529	(6,123)
Total	24,235	26,441	(2,206)

3. Internal works and collections

Balance as at	30/06/2023	14,495
Balance as at	30/06/2022	11,158
Change		<u>3,337</u>

The item "Internal works and collections" breaks down as follows:

Description	30/06/2023	30/06/2022	Change
Transfers to assets	13,770	10,615	3,154
Time work	725	542	183
Total	14,495	11,158	3,337

The item "Transfers to assets" includes the collection from the warehouse, mainly for equipment not intended for sale, but to rent, transferred to assets.

The item "Time work" is related to costs incurred for the internal construction of fixed assets.

4. Total costs

Balance as at	30/06/2023	434,438
Balance as at	30/06/2022	413,336
Change		<u>21,102</u>

The breakdown of the item is as follows:

Description	30/06/2023	30/06/2022	Change
Purchase of materials	231,338	234,520	(3,182)
Services rendered	197,188	176,021	21,167
Change in inventories	(10,570)	(10,663)	93
Other costs	16,482	13,458	3,023
Total	434,438	413,336	21,102

The item "Purchase of materials" includes purchases of gas and materials, electricity, water, diesel and methane for production.

The item "Services rendered" includes costs of transports, maintenance, third-party services, consultancy and insurances.

The item "Other costs" includes rentals, taxes other than income tax, contingent liabilities and capital losses.

5. Payroll and related costs

Balance as at	30/06/2023	146,416
Balance as at	30/06/2022	124,753
Change		<u>21,663</u>

The breakdown of the item is as follows:

Description	30/06/2023	30/06/2022	Change
Wages and salaries	114,825	97,245	17,580
Social security charges	30,326	26,147	4,179
Employee severance indemnities	1,265	1,361	(97)
Total	146,416	124,753	21,663

6. Amortisation/depreciations, provisions and write-downs, non-recurring expenses

Balance as at	30/06/2023	74,694
Balance as at	30/06/2022	64,954
Change		<u>9,740</u>

The breakdown of the item is as follows:

Description	30/06/2023	30/06/2022	Change
Depreciation/amortisation	69,568	61,997	7,571
Provisions and write-downs	5,126	2,957	2,170
Total	74,694	64,954	9,740

The breakdown of the item "Amortisation and depreciation" of intangible and tangible fixed assets and rights of use by asset category is presented below:

Depreciation of tangible fixed assets and Rights of use

Description	30/06/2023	30/06/2022	Change
Land	211	153	58
Buildings	8,584	7,213	1,371
Plant and machinery	11,115	9,569	1,545
Industrial and commercial equipment	38,278	35,140	3,138
Other assets	8,133	7,026	1,107
Total	66,320	59,101	7,220

The increase in depreciation is linked to investments made during the period, amounting to Euro 82.0 million.

Amortisation of other intangible fixed assets

Description	30/06/2023	30/06/2022	Change
Costs of research, development and advertising	129	108	21
Patents and rights to use patents of others	78	96	(18)
Concessions, licences and trademarks	2,933	2,594	340
Other	108	99	9
Total	3,248	2,896	351

The breakdown of the item "Provisions and write-downs" is as follows:

Description	30/06/2023	30/06/2022	Change
Provisions for bad debts	3,704	2,671	1,033
Provisions for risks	1,422	286	1,136
Total	5,126	2,957	2,170

7. Financial income / (expenses)

Balance as at	30/06/2023	(6,196)
Balance as at	30/06/2022	(4,396)
Change		<u>(1,800)</u>

The breakdown of the item is as follows:

Description	30/06/2023	30/06/2022	Change
Financial income	2,515	927	1,589
Financial expense	(9,148)	(5,530)	(3,618)
Results from equity investments	437	207	230
Total	(6,196)	(4,396)	(1,800)

The breakdown of the item "Financial income" is as follows:

Description	30/06/2023	30/06/2022	Change
From long-term receivables	16	5	11
Interest on investment securities	-	7	(7)
Interests on securities not held as fixed assets	28	39	(11)
Interest on banks and postal accounts	384	42	343
Interest from customers	539	7	532
Exchange rate gains	1,110	427	683
Other financial income	439	400	38
Total	2,515	927	1,589

For further information on derivatives, see paragraph "Payables and other financial liabilities".

The breakdown of the item "Financial expense" is as follows:

Description	30/06/2023	30/06/2022	Change
Interest payable to banks	(121)	(58)	(63)
Supplier interest	(11)	(2)	(9)
Interest payable on loans	(3,654)	(2,318)	(1,336)
Interest on bonds	(1,758)	(1,585)	(173)
Exchange rate losses	(1,480)	(714)	(766)
Other financial expense	(2,125)	(853)	(1,272)
Total	(9,148)	(5,530)	(3,618)

The breakdown of the item "Results from equity investments" is as follows:

Description	30/06/2023	30/06/2022	Change
Revaluations of equity investments	459	284	175
Write-downs of equity investments	(22)	(77)	55
Total	437	207	230

The item "Revaluations of equity investments" refers to the measurement at equity of the associate Shanghai Jiawei Medical Gas Co. Ltd (Euro 121 thousand) and of the jointly controlled company CT Biocarbonic GmbH (Euro 338 thousand).

The item "Write-downs of equity investments" refers to the measurement at equity of the associate Consorgas Srl.

8. Income taxes

Balance as at	30/06/2023	29,365
Balance as at	30/06/2022	21,725
Change		<u>7,640</u>

The breakdown of the item is as follows:

Description	30/06/2023	30/06/2022	Change
Income taxes	27,724	18,902	8,822
Deferred tax liabilities	194	1,190	(996)
Deferred tax assets	1,447	1,633	(186)
Total	29,365	21,725	7,640

Balance sheet

9. Tangible fixed assets

Balance as at	30/06/2023	739,513
Balance as at	31/12/2022	694,164
Change		<u>45,349</u>

Breakdown of tangible fixed assets and rights of use

Changes in tangible fixed assets and rights of use, with reference to their historical cost, depreciation and net value are as follows:

Cost	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and advance payments	Total
Balance as at 01/01/2022	28,534	206,014	437,170	1,099,502	112,729	32,129	1,916,077
Increases	474	28,753	15,445	93,331	15,861	23,823	177,687
Revaluations	1,011	5,322	1,118	4,740	1,585		13,775
Write-downs			(520)	(7)			(527)
Other changes	(33)	12,202	27,208	7,732	6,150	(29,590)	23,668
Exchange differences	(77)	(463)	1,167	(3,833)	(412)	(89)	(3,705)
(Disposals)	(69)	(3,183)	(616)	(11,119)	(5,669)		(20,656)
Balance as at 31/12/2022	29,840	248,644	480,973	1,190,346	130,245	26,273	2,106,321
Increases	99	8,065	3,100	52,189	11,714	34,229	109,398
Revaluations	65	2,219	231	1,019	455		3,988
Write-downs							-
Other changes	763	1,606	16,916	802	1,452	(16,536)	5,002
Exchange differences	71	1,388	1,236	1,263	160	38	4,157
(Disposals)	(5)	(1,724)	(125)	(5,049)	(4,305)		(11,209)
Balance as at 30/06/2023	30,834	260,198	502,330	1,240,570	139,721	44,005	2,217,657

Accumulated depreciation	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and advance payments	Total
Balance as at 01/01/2022	3,652	104,136	303,125	809,247	80,588		1,300,748
Depreciation charges	339	15,138	19,206	72,597	15,017		122,297
Revaluations							-
Write-downs							-
Other changes	(6)	1,352	(7,507)	9,804	4,673		8,316
Exchange differences	(1)	(79)	342	(2,287)	(352)		(2,377)
(Disposals)	-	(1,670)	(526)	(9,189)	(5,443)		(16,829)
Balance as at 31/12/2022	3,984	118,877	314,640	880,172	94,483		1,412,157
Depreciation charges	211	8,584	11,115	38,278	8,133		66,320
Revaluations		29	97	487	77		689
Write-downs							-
Other changes		572	5,276	438	774		7,062
Exchange differences	11	322	622	861	159		1,975
(Disposals)		(1,657)	(97)	(4,081)	(4,224)		(10,059)
Balance as at 30/06/2023	4,206	126,727	331,653	916,156	99,401		1,478,143

Net value	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and advance payments	Total
Balance as at 01/01/2022	24,881	101,878	134,045	290,254	32,140	32,129	615,329
Increases	474	28,753	15,445	93,331	15,861	23,823	177,687
(Depreciations and write-downs)	(339)	(15,138)	(19,206)	(72,597)	(15,017)	-	(122,297)
Other changes	984	16,172	35,314	2,660	3,062	(29,590)	28,601
Exchange differences	(75)	(384)	825	(1,546)	(59)	(89)	(1,329)
(Disposals)	(69)	(1,513)	(89)	(1,930)	(226)	-	(3,827)
Balance as at 31/12/2022	25,856	129,767	166,333	310,173	35,761	26,273	694,164
Increases	99	8,065	3,100	52,189	11,714	34,229	109,398
(Depreciations and write-downs)	(211)	(8,584)	(11,115)	(38,278)	(8,133)	-	(66,320)
Other changes	828	3,224	11,773	895	1,056	(16,536)	1,240
Exchange differences	60	1,066	614	402	1	38	2,181
(Disposals)	(5)	(67)	(28)	(969)	(81)	-	(1,150)
Balance as at 30/06/2023	26,628	133,471	170,677	324,413	40,319	44,005	739,513

Analysis of tangible fixed assets

Changes in tangible fixed assets, with reference to their historical cost, depreciation and net value are as follows:

Cost	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and advance payments	Total
Balance as at 01/01/2022	25,826	151,911	437,076	1,099,225	84,264	32,129	1,830,431
Increases	349	9,534	15,445	93,219	8,549	23,823	150,919
Revaluations		175	1,032	4,740	579		6,527
Write-downs			(520)	(7)			(527)
Other changes	(26)	12,221	27,208	7,771	6,023	(29,590)	23,607
Exchange differences	(36)	(383)	1,167	(3,833)	(266)	(89)	(3,439)
(Disposals)	(69)	(1,919)	(616)	(10,922)	(1,263)		(14,788)
Balance as at 31/12/2022	26,045	171,539	480,793	1,190,194	97,886	26,273	1,992,730
Increases		2,593	3,100	52,189	6,458	34,229	98,570
Revaluations		44	204	1,010	122		1,379
Write-downs							-
Other changes	763	1,606	16,916	802	1,452	(16,536)	5,002
Exchange differences	50	722	1,236	1,263	181	38	3,490
(Disposals)		(138)	(125)	(5,049)	(1,065)		(6,378)
Balance as at 30/06/2023	26,858	176,364	502,123	1,240,409	105,034	44,005	2,094,794

Accumulated depreciation	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and advance payments	Total
Balance as at 01/01/2022	2,809	83,094	303,046	809,073	66,553		1,264,574
Depreciation charges	-	5,617	19,175	72,488	6,789		104,068
Revaluations							-
Write-downs							-
Other changes		1,391	(7,507)	9,831	4,760		8,475
Exchange differences		(18)	342	(2,287)	(257)		(2,219)
(Disposals)		(460)	(526)	(8,992)	(1,097)		(11,075)
Balance as at 31/12/2022	2,809	89,625	314,529	880,113	76,747		1,363,824
Depreciation charges	-	3,170	11,095	38,217	3,817		56,299
Revaluations		29	97	487	77		689
Write-downs							-
Other changes		572	5,276	438	774		7,062
Exchange differences		157	622	861	146		1,787
(Disposals)		(71)	(97)	(4,081)	(1,015)		(5,263)
Balance as at 30/06/2023	2,809	93,483	331,523	916,036	80,547		1,424,397

Net value	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and advance payments	Total
Balance as at 01/01/2022	23,017	68,817	134,030	290,152	17,711	32,129	565,857
Increases	349	9,534	15,445	93,219	8,549	23,823	150,919
(Depreciations and write-downs)	-	(5,617)	(19,175)	(72,488)	(6,789)	-	(104,068)
Other changes	(26)	11,005	35,228	2,673	1,842	(29,590)	21,132
Exchange differences	(36)	(366)	825	(1,546)	(9)	(89)	(1,220)
(Disposals)	(69)	(1,460)	(89)	(1,930)	(165)	-	(3,713)
Balance as at 31/12/2022	23,236	81,913	166,264	310,081	21,139	26,273	628,906
Increases	-	2,593	3,100	52,189	6,458	34,229	98,570
(Depreciations and write-downs)	-	(3,170)	(11,095)	(38,217)	(3,817)	-	(56,299)
Other changes	763	1,048	11,746	886	723	(16,536)	(1,369)
Exchange differences	50	564	614	402	35	38	1,704
(Disposals)	-	(67)	(28)	(969)	(51)	-	(1,115)
Balance as at 30/06/2023	24,050	82,881	170,601	324,373	24,488	44,005	670,397

The breakdown of major changes for the period relating to tangible fixed assets is shown below:

- Investments made during the period with regard to the item "Buildings" are mainly investments made by the parent company (Euro 582 thousand) and the subsidiary companies MEDSEVEN sp.oz.o. (Euro 296 thousand), Polar Ice Limited (Euro 401 thousand) and VIVISOL B Srl (Euro 415 thousand).
- Acquisitions made during the period under the item "Plant and machinery" were mainly due to the purchase of equipment at the factories of the Parent company (Euro 943 thousand) and by the subsidiaries G.T.S. Sh.p.K. (Euro 297 thousand), SOL France Sas (Euro 347 thousand), TAE HELLAS S.A. (Euro 465 thousand), TGS d.o.o. (Euro 250 thousand) and to a lesser extent to other investments at all other Group companies.
- The item "Industrial and commercial equipment" comprises commercial equipment (supplying devices, cylinders, base units, concentrators and medical appliances) as well as other small and sundry equipment. The increase recorded for the financial year was due to investments in commercial equipment in the form of cylinders, dispensing devices and tanks, made by companies in the technical gases sector in the amount of Euro 13,844 thousand (including Euro 4,166 by the parent company) and to investments made by companies operating in the home-care sector in the amount of Euro 38,305 thousand (including Euro 9,483 thousand by VIVISOL Srl) for base units and other medical appliances.
- The item "Other assets" includes motor vehicles and motor cars, electric office equipment, furniture and fixtures, EDP systems. The increase recorded for the period refers to investments made for motor vehicles, laboratory equipment, hardware, furniture and fixtures, including Euro 942 thousand by the Parent company, the subsidiaries Dolby Medical Home Respiratory Care Limited (Euro 1,793 thousand), Il Point Srl (Euro 274 thousand), SOL Bulgaria E.A.D. (Euro 426 thousand), SOL Gas Primari Srl (Euro 588 thousand), SOL Hungary KFT (Euro 265 thousand) and to a lesser extent to other investments carried out by all other Group companies.
- The item "Assets under construction" mainly refers to amounts relating to investments in progress made by the Parent Company (Euro 11,158 thousand) and by the subsidiaries SOL Gas Primari Srl (Euro 1,535 thousand), GTH GAZE INDUSTRIALE S.A. (Euro 3,487 thousand), SOL Kohlensaure Werk GmbH & Co. KG (Euro 1,622 thousand), SOL France Sas (Euro 1,480 thousand), VIVISOL Iberica S.L.U. (Euro 1,583 thousand), SOL India Private Limited (Euro 7,987 thousand), Dolby Medical Home Respiratory Care Limited (Euro 1,618 thousand), TAE HELLAS S.A. (Euro 5,214 thousand) and C.T.S. Srl (Euro 2,408 thousand).

Please note that the Mantua, Verona, Jesenice and Varna plants have mortgages and liens governed by medium-term mortgage agreements between financial institutions and several group companies.

As at 30 June 2023, mortgages amounted to Euro 67,450 thousand.

As at 30 June 2023, liens amounted to Euro 68,788 thousand.

Breakdown of rights of use

Changes in tangible fixed assets, with reference to their historical cost, depreciation and net value are as follows:

Cost	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and advance payments	Total
Balance as at 01/01/2022	2,708	54,103	94	276	28,465		85,647
Increases	125	19,218		112	7,312		26,768
Revaluations	1,011	5,146	86	-	1,006		7,249
Write-downs							-
Other changes	(8)	(19)		(39)	128		61
Exchange differences	(41)	(79)			(146)		(266)
(Disposals)	-	(1,264)		(197)	(4,407)		(5,868)
Balance as at 31/12/2022	3,795	77,106	180	151	32,358		113,590
Increases	99	5,472			5,256		10,828
Revaluations	65	2,175	27	9	333		2,609
Write-downs							-
Other changes							-
Exchange differences	21	666			(22)		666
(Disposals)	(5)	(1,586)			(3,240)		(4,831)
Balance as at 30/06/2023	3,975	83,834	207	160	34,686		122,863

Accumulated depreciation	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and advance payments	Total
Balance as at 01/01/2022	843	21,042	79	174	14,036		36,174
Depreciation charges	339	9,521	32	109	8,228		18,229
Revaluations							-
Write-downs							-
Other changes	(6)	(39)		(27)	(87)		(159)
Exchange differences	(1)	(61)			(95)		(158)
(Disposals)	-	(1,211)		(197)	(4,346)		(5,754)
Balance as at 31/12/2022	1,175	29,252	111	59	17,736		48,333
Depreciation charges	211	5,414	19	62	4,315		10,021
Revaluations							-
Write-downs							-
Other changes							-
Exchange differences	11	164			13		189
(Disposals)		(1,586)			(3,210)		(4,796)
Balance as at 30/06/2023	1,397	33,244	130	120	18,855		53,747

Net value	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and advance payments	Total
Balance as at 01/01/2022	1,864	33,062	15	102	14,429	-	49,472
Increases	125	19,218	-	112	7,312	-	26,768
(Depreciations and write-downs)	(339)	(9,521)	(32)	(109)	(8,228)	-	(18,229)
Other changes	1,009	5,167	86	(12)	1,220	-	7,469
Exchange differences	(40)	(18)	-	-	(51)	-	(109)
(Disposals)	-	(53)	-	-	(61)	-	(114)
Balance as at 31/12/2022	2,620	47,854	69	92	14,622	-	65,258
Increases	99	5,472	-	-	5,256	-	10,828
(Depreciations and write-downs)	(211)	(5,414)	(19)	(62)	(4,315)	-	(10,021)
Other changes	65	2,175	27	9	333	-	2,609
Exchange differences	10	502	-	-	(35)	-	478
(Disposals)	(5)	-	-	-	(30)	-	(35)
Balance as at 30/06/2023	2,578	50,590	77	40	15,832	-	69,116

10. Goodwill and consolidation differences

Balance as at 30/06/2023	224,194
Balance as at 31/12/2022	216,811
Change	<u>7,383</u>

The breakdown of the item is as follows:

Net value	Goodwill	Consolidation difference	Total
Balance as at 01/01/2022	10,352	159,960	170,313
Increases	-	34,277	34,277
Revaluations (Write-downs)	-	(104)	(104)
Other changes	12,683	-	12,683
Exchange differences	(154)	(204)	(358)
(Amortisation)	-	-	-
Balance as at 31/12/2022	22,881	193,929	216,811
Increases	-	7,442	7,442
Revaluations (Write-downs)	-	-	-
Other changes	(62)	(42)	(103)
Exchange differences	(53)	98	45
(Amortisation)	-	-	-
Balance as at 30/06/2023	22,766	201,428	224,194

The increase for the period in the item "Consolidation differences" is related to the acquisition of Swissgas Del Ecuador S.A. and the adjustment of the goodwill of WIP Weiterbildung in der Pflege GmbH acquired in the third quarter of 2022.

In March 2023, the subsidiary AIRSOL Srl purchased 50.01% of the shares of Swissgas Del Ecuador S.A., an Ecuadorian company operating in the technical gases sector. If the acquisition had occurred on 1 January 2023, Group revenues and profit would have been increased by Euro 1,451 thousand and Euro 241 thousand respectively for the six-month period ended 30 June 2023.

The result of the acquisitions on the assets and liabilities of the Group is set below:

	Values recorded during acquisition	Adjustments to fair value	Book values before acquisition
Tangible fixed assets	13,942		13,942
Intangible fixed assets	52		52
Long-term investments	480		480
Inventories	1,272		1,272
Trade and other receivables	3,738		3,738
Prepayments and accrued income	-		-
Cash and cash at bank	486		486
Minority interests	(4,862)		(4,862)
Suppliers	(2,907)		(2,907)
Other payables	(7,084)		(7,084)
Risk provisions	-		-
Employee severance indemnities	(253)		(253)
Accrued expenses and deferred income	-		-
Identifiable net assets and liabilities	4,864	-	4,864
Goodwill deriving from acquisition	7,437		
Amount paid	(12,301)		
Available funds acquired	486		
Net outlays of available funds	(11,815)		

The Group checks the recoverability of goodwill at least annually or more frequently if specific events or changed circumstances indicate the possibility of having suffered an impairment loss, at Cash Generating Unit level to which the Company's management charges said goodwill, in accordance with the matters anticipated by IAS 36 "Impairment of assets".

Impairment test

As provided by IAS 36 "Impairment of assets", the value of intangible assets with an indefinite useful life is not amortised, but instead subject to an impairment test at least once per year. The Group does not record intangible assets with an indefinite useful life other than goodwill.

IAS 36 also requires a company to assess at each reporting date the existence of indications of impairment in relation to any other asset.

The recoverability of the carrying amounts is tested by comparing the carrying amount of the asset with its fair value (for example, using market multiples obtained from comparable transactions) or its value in use, whichever is greater.

The methodology used to identify the recoverable amount (value in use) consists of discounting future cash flows generated by activities directly attributed to the entity to which the goodwill (CGU) is allocated, as well as the value expected from its divestment or transfer upon the end of its useful life. Value in use is calculated as the sum of the current value of expected future cash flows based on the forecasts issued for every CGU and approved by the Board of Directors of the Company.

In accordance with the provisions of IAS 36, in the first half of 2023, the short-term economic and scenario variables were analysed; confirming the overall trend of an increase in revenues and a marked improvement in margins, they did not show, also with respect to the 2023 budget, any specific internal or external impairment losses such as to require an impairment test during the first half of the year.

11. Other intangible fixed assets

Balance as at	30/06/2023	34,628
Balance as at	31/12/2022	26,550
Change		<u>8,077</u>

The breakdown of the item is as follows:

Net value	Costs of research, development and advertising	Patents and rights to use patents of others	Concessions, licences, trademarks and similar rights	Other	Assets under construction and advance payments	Total
Balance as at 01/01/2022	2,524	483	13,473	1,210	5,061	22,752
Increases	698	68	8,550	434	2,705	12,455
Revaluations (Write-downs)	-	-	80	-	-	80
Other changes	-	-	431	89	(2,586)	(2,067)
Exchange differences	-	-	(18)	1	3	(15)
(Amortisation)	(216)	(198)	(5,975)	(265)	-	(6,654)
Balance as at 31/12/2022	3,006	352	16,541	1,469	5,182	26,550
Increases	558	2	2,250	93	10,652	13,555
Revaluations (Write-downs)	-	-	5	-	-	5
Other changes	-	-	90	(68)	(2,272)	(2,249)
Exchange differences	-	-	5	-	8	14
(Amortisation)	(129)	(78)	(2,933)	(108)	-	(3,248)
Balance as at 30/06/2023	3,435	276	15,958	1,388	13,571	34,628

12. Equity investments

Balance as at	30/06/2023	21,371
Balance as at	31/12/2022	13,082
Change		<u>8,289</u>

The breakdown of the item is as follows:

Description	30/06/2023	31/12/2022	Delta
Flosit Pharma s.a.s.	465	450	15
GTE SI	25	23	2
ZDS JESENICE d.o.o.	8	8	(1)
CENTRO ORTOPEDICO FERRANTI Srl	2,130	-	2,130
Industrias Criogenica Del Peru S.A.C.	222	-	222
Non-consolidated subsidiary companies	2,849	481	2,368
CT Biocarbonic GmbH	5,852	5,514	338
Consorzio ECODUE	407	407	-
Jointly controlled companies	6,259	5,921	338
Consorgas Srl	34	13	22
Nemo Lab Srl	190	190	-
Nippon Sanso Shenwei Gases Co. Ltd	734	788	(54)
Shanghai Jiawei Medical Gas Co.	2,220	2,153	67
Shanghai ShenWei Gas Filling Co. Ltd	71	76	(5)
Associated companies	3,249	3,219	30
Other minority interests	9,013	3,461	5,552
Other companies	9,013	3,461	5,552
Total	21,371	13,082	8,289

Except for:

- Euro 2,824 thousand recognised as non-consolidated subsidiaries (in the portfolio of the subsidiary SPG – SOL Plin Gorenjska d.o.o. of Euro 8 thousand, SOL France S.a.s. of Euro 46 thousand and FLOSIT S.A. of Euro 419 thousand, AIRSOL Srl Euro 222 thousand, ITOP SpA Officine Ortopediche Euro 2,130 thousand),
- Euro 407 thousand recognised as jointly controlled companies (in the portfolio of the subsidiary SOL Gas Primari Srl)
- Euro 3,215 thousand recognised as subsidiaries (in the portfolio of the subsidiaries Shanghai Shenwei Medical Gas Co. Ltd of Euro 805 thousand, VIVISOL Srl of Euro 190 thousand and AIRSOL Srl of Euro 2,220 thousand)
- Euro 8,994 thousand recorded among the other equity investments (relevant to investments in local businesses by the subsidiary SOL Croatia d.o.o. of Euro 5,400 thousand, SOL Gas Primari Srl of Euro 2,729 thousand, SOL India Private Limited of Euro 206 thousand, France Oxygene Sarl of Euro 299 thousand, UTP d.o.o. of Euro 326 thousand, ITOP SICILIA Srl of Euro 11 thousand, ITOP SpA Officine Ortopediche of Euro 9 thousand, ITOP ORTOPEDIE ASSOCIATE Srl of Euro 1 thousand, T.G.S. A.D. of Euro 2 thousand, T.P.J. d.o.o. of Euro 2 thousand, ICOA Srl of Euro 8 thousand, Cryos Srl of Euro 1 thousand, and VIVISOL Silarus Srl of Euro 1 thousand),

all of the above investments are held by the parent company.

Non-consolidated subsidiaries and other minority interests are measured at fair value.

13. Other financial assets

Balance as at	30/06/2023	25,154
Balance as at	31/12/2022	22,015
Change		<u>3,139</u>

The breakdown of the item is as follows:

Description	30/06/2023	31/12/2022	Change
Amounts receivable from third parties	24,333	21,331	3,002
Securities	821	684	137
Total	25,154	22,015	3,139

The breakdown of the item "Amounts receivable from third parties" is as follows:

Description	30/06/2023	31/12/2022	Change
Guarantee deposits	16,767	12,372	4,395
Derivatives	6,370	7,771	(1,401)
Tax receivables	291	759	(469)
Other receivables	905	428	477
Total	24,333	21,331	3,002

The breakdown for the item "Securities" is as follows:

Company	30/06/2023	31/12/2022	Change
Cryos Srl	70	67	3
SOL Hellas S.A.	746	611	135
SOL T.G. GmbH	5	5	-
VIVISOL Srl	-	1	(1)
Total	821	684	137

The item Securities relating to SOL Hellas refers to government securities of Greece, with maturity exceeding 12 months issued in payment of receivables claimed by the subsidiary SOL Hellas from public bodies.

14. Deferred tax assets

Balance as at	30/06/2023	18,127
Balance as at	31/12/2022	18,557
Change		(430)

The breakdown of the item is as follows:

	Bad debts	Risk provisions	Internal profits	Prior losses	Other	Total
Balance as at 01/01/2022	1,118	274	774	2,576	16,288	21,031
Provisions/Uses	(36)	(127)	(35)	1,005	(3,052)	(2,245)
Other changes	(83)			43	(95)	(135)
Exchange differences				(104)	10	(94)
Balance as at 31/12/2022	999	148	740	3,520	13,151	18,557
Provisions/Uses			(20)	99	(1,526)	(1,447)
Other changes			-		900	900
Exchange differences				80	37	117
Balance as at 30/06/2023	999	148	720	3,698	12,562	18,127

Deferred tax assets were measured in the case of probable realisation and tax recoverability considering the limited time horizon based on the business plans of the companies.

Deferred tax assets of Euro 3,698 thousand is recognised against prior losses in that there exists the probability of obtaining, in future financial years, taxable income sufficient to absorb the tax losses carried forward.

15. Inventories

Balance as at	30/06/2023	94,159
Balance as at	31/12/2022	84,144
Change		<u>10,016</u>

The breakdown of the item is as follows:

Description	30/06/2023	31/12/2022	Change
Raw, subsidiary and consumable materials	5,826	5,652	174
Work in progress and semi-finished goods	3,043	2,821	222
Finished products and goods for resale	85,290	75,670	9,620
Total	94,159	84,144	10,016

16. Trade receivables

Balance as at	30/06/2023	436,093
Balance as at	31/12/2022	431,054
Change		<u>5,039</u>

The breakdown of the item is as follows:

Description	Within 12 months	Beyond 12 months	Allowance for doubtful accounts	30/06/2023	31/12/2022
Trade receivables	464,351		(28,259)	436,093	431,054
Total	464,351	-	(28,259)	436,093	431,054

The allowance for doubtful accounts changed as follows:

Description	31/12/2022	Provisions	Uses	Other changes	30/06/2023
Allowance for doubtful accounts	25,543	3,704	(862)	(126)	28,259
Total	25,543	3,704	(862)	(126)	28,259

The item Other changes refers to exchange rate differences of Euro 36 thousand, to the change in the Scope of Consolidation of Euro 174 thousand and to reversals of the fund of Euro 336 thousand.

17. Other current assets

Balance as at	30/06/2023	67,388
Balance as at	31/12/2022	64,377
Change		<u>3,011</u>

The breakdown of the item is as follows:

Description	30/06/2023	31/12/2022	Change
Amounts receivable from employees	871	830	41
Amounts receivable in respect of	10,709	18,741	(8,032)
VAT receivables	18,983	23,597	(4,614)
Other amounts receivable from the	6,047	3,850	2,197
Other receivables	10,977	4,641	6,336
Prepayments and accrued income	19,801	12,719	7,082
Total	67,388	64,377	3,011

"Prepayments and accrued income" represent the harmonising items for the period calculated on an accrual basis.

This item breaks down as follows:

Description	30/06/2023	31/12/2022	Change
Accrued income			
Interest	173	23	150
Other accrued income	1,588	1,140	447
Total accrued income	1,761	1,163	597
Prepayments			
Insurance premiums	1,925	1,006	919
Rents	508	667	(159)
Other prepayments	15,607	9,882	5,725
Total prepayments	18,040	11,555	6,485
Total prepayments and accrued	19,801	12,719	7,082

The item "Other prepayments" mainly comprises purchase invoices referring to maintenance agreements or other expenses.

18. Current financial assets

Balance as at	30/06/2023	11,943
Balance as at	31/12/2022	13,187
Change		<u>(1,244)</u>

The breakdown of the item is as follows:

Description	30/06/2023	31/12/2022	Change
Financial receivables from jointly controlled companies	200	200	-
Derivatives	4,526	5,225	(699)
Short-term time deposits	6,746	7,561	(815)
Other financial receivables	471	200	271
Total	11,943	13,187	(1,244)

The breakdown for the item "Short-term time deposits" is as follows:

Company	30/06/2023	31/12/2022	Change
BLA SERVICOS HOSPITALARES LTDA	-	221	(221)
DN GLOBAL HOMECARE LTDA	216	422	(207)
FLOSIT S.A.	855	644	212
GLOBAL CARE LTDA	393	700	(307)
JML SERVICOS HOSPITALARES LTDA	25	5	21
P PAR LTDA	545	-	545
Portare LDA	1	15	(14)
SOL India Private Limited	2,537	3,194	(657)
T.G.T. A.D.	1,825	2,336	(511)
UNIT CARE LTDA	124	20	104
VIVISOL Brasil SA	224	4	220
Total	6,746	7,561	(815)

19. Cash and cash at bank

Balance as at	30/06/2023	124,818
Balance as at	31/12/2022	134,642
Change		<u>(9,824)</u>

The breakdown for this item is as follows:

Description	30/06/2023	31/12/2022	Change
Bank and postal deposits	124,151	134,011	(9,860)
Cash and cash equivalents on hand	667	631	36
Total	124,818	134,642	(9,824)

20. Shareholders' equity

Balance as at	30/06/2023	915,076
Balance as at	31/12/2022	862,630
Change		<u>52,446</u>

The share capital of SOL S.p.A. as at 30 June 2023 comprised 90,700,000 ordinary shares with a par value of Euro 0.52 each, fully subscribed and paid up.

The breakdown of and changes in shareholders' equity at year-end are detailed below:

	31/12/2022	Transfer of result	Dividends paid	Translation differences	Other changes	Profit (loss)	30/06/2023
Pertaining to the Group:							
Share capital	47,164	-	-	-	-	-	47,164
Share premium reserve	63,335	-	-	-	-	-	63,335
Revaluation reserves	-	-	-	-	-	-	-
Legal reserve	10,459	-	-	-	-	-	10,459
Statutory reserves	-	-	-	-	-	-	-
Treasury share reserves	-	-	-	-	-	-	-
Other reserves	565,261	103,761	-	1,482	(3,633)	-	666,871
Profits/(Losses) carried forward	704	29,931	(29,931)	-	617	-	1,321
Net Profit	133,692	(133,692)	-	-	-	79,617	79,617
Shareholders' equity - Group	820,615	-	(29,931)	1,482	(3,016)	79,617	868,767
Minority interests:							
Shareholders' equity - Minority	38,134	3,882	(3,707)	(343)	4,606	-	42,572
Profit pertaining to minority	3,882	(3,882)	-	-	-	3,737	3,737
Shareholders' equity - Minority	42,015	-	(3,707)	(343)	4,606	3,737	46,309
SHAREHOLDERS' EQUITY	862,630	-	(33,638)	1,139	1,591	83,354	915,076

The item "Other reserves" mainly includes extraordinary reserves, the Cash Flow Hedge (CFH) reserve and unallocated profits.

The CFH reserve, gross of the tax effect, was positive and amounted to Euro 10,896 thousand as at 30 June 2023 (positive for Euro 12,994 thousand as at 31 December 2022). The change in the period is reported in the Consolidated Statement of Comprehensive Income.

For further information on derivatives, see paragraph "Payables and other financial liabilities".

21. Employee severance indemnities and benefits

Balance as at	30/06/2023	15,430
Balance as at	31/12/2022	15,143
Change		<u>287</u>

The provisions underwent the following changes:

Employee severance indemnities and benefits	30/06/2023	31/12/2022
Balance as at 1 January	15,143	18,696
Provisions	1,265	2,102
(Uses)	(739)	(1,531)
Financial expense	100	(16)
Other changes	(358)	(4,098)
Exchange differences	20	(9)
Balance at the end of the period	15,430	15,143

22. Provision for deferred taxes

Balance as at	30/06/2023	12,898
Balance as at	31/12/2022	12,163
Change		<u>736</u>

The item "Provision for deferred taxes" represents the net balance of deferred tax liabilities allocated in the consolidated financial statements as at 30 June 2023 with regard to tax items present in the financial statements of the Group companies (accelerated depreciation), and of deferred tax liabilities referring to the other consolidation entries; the item comprises:

	Capital gains	Accelerated depreciations/amortisation	Leasing	Other minor	Total
Balance as at 01/01/2022	32	2,290	11	5,029	7,362
Provisions/Uses	(7)	1,877	(100)	747	2,517
Other changes			(2)	2,497	2,495
Exchange differences		(180)	4	(34)	(210)
Balance as at 31/12/2022	24	3,987	(87)	8,238	12,163
Provisions/Uses		541	(102)	(245)	194
Other changes				394	394
Exchange differences		137	(4)	15	147
Balance as at 30/06/2023	24	4,665	(193)	8,402	12,898

23. Provisions for risks and charges

Balance as at	30/06/2023	4,944
Balance as at	31/12/2022	3,309
Change		<u>1,634</u>

The breakdown of the item is as follows:

	30/06/2023	31/12/2022	Change
Other minor provisions	4,944	3,309	1,634
Total other provisions	4,944	3,309	1,634
Total	4,944	3,309	1,634

Provisions for risks and charges are allocated exclusively in the presence of a current obligation assessable in a reliable way, as a result of past events, which may be legal, contractual or derive from declarations or behaviour of the company such as to create in third parties a reasonable expectation that the company is responsible or assumes the responsibility of fulfilling an obligation. If the financial effect of time is significant, the liability is discounted, the discounting effect is recorded under financial expense.

The provisions underwent the following changes:

Description	31/12/2022	Provisions	Uses	Other changes	30/06/2023
Other minor provisions	3,309	1,422	(35)	247	4,944
Total	3,309	1,422	(35)	247	4,944

24. Payables and other financial liabilities

Balance as at	30/06/2023	458,516
Balance as at	31/12/2022	454,496
Change		<u>4,021</u>

The breakdown of the item is as follows:

	30/06/2023	31/12/2022	Change
Bonds	160,827	172,764	(11,937)
Amounts due to other lenders	227,275	214,490	12,785
Lease liabilities	50,698	47,732	2,966
Derivatives	-	-	-
Other	19,715	19,509	206
Total	458,516	454,496	4,021

The item "Bonds" refers:

- to the issue of two bonds subscribed by two American institutional investors.
The original amount of these issues totals US\$95 million converted to Euro 75,011 thousand by means of two cross currency swap (CCS) contracts for a duration equal to the original bond loans (12 years).
- to the issue of a bond subscribed by three American institutional investors.
The original amount of this issue was Euro 40 million.
- to the issue of a bond subscribed by two American institutional investors.
The original amount of this issue was Euro 70 million.
- to the issue of a bond subscribed by five American institutional investors.
The original amount of this issue was Euro 75 million.

The item "Amounts due to other lenders" for the most part comprises medium- and long-term loans granted by credit institutions. Some of these loans are backed by liens on movable assets and mortgages on real property, as already mentioned in the notes regarding tangible fixed assets.

The item "Others" includes Euro 18 million in payables to SIMEST Spa for the repurchase of shares in the companies Bhoruka Specialty Gases Private Limited and Green ASU Plant Private Limited.

The detailed breakdown of the item "Bonds", "Amounts due to other lenders", "Lease liabilities" and "Derivatives" is as follows (with values expressed in thousands of Euro):

Lending institution	Amount	Long-term portion	Short-term portion	Interest rate	Maturity	Original amount
CREDEM	11	-	11	Fixed 0.85%	21/01/2023	Euro 500,000
PRODUBANCO	16	-	16	Fixed 8.91%	31/07/2023	Euro 92,030
Unicredit Bulbank	500	-	500	Fixed 4.50%	11/10/2023	Euro 8,000,000
Unicredit	5	-	5	Floating 1.00%	30/11/2023	Euro 27,000
PSA	2	-	2	Fixed 3.99%	31/12/2023	Euro 18,850
INTERNACIONAL	387	-	387	Floating 6.79%	08/01/2024	Euro 1,840,604
Intesa San Paolo *	3,750	-	3,750	Floating 5.81%	31/03/2024	Euro 30,000,000
Mediocredito Italiano	1,481	-	1,481	Floating 5.25%	31/03/2024	Euro 20,000,000
Unicredit *	1,250	-	1,250	Floating 5.03%	31/05/2024	Euro 10,000,000
BNL	54	4	50	Floating 5.15%	22/07/2024	Euro 200,000
PRODUBANCO	314	23	291	Fixed 8.91%	29/07/2024	Euro 460,151
INTERNACIONAL	195	82	113	Fixed 8.92%	06/02/2025	Euro 230,075
Monte Paschi Siena	1,667	834	833	Fixed 4.21%	15/06/2025	Euro 10,000,000
Intesa San Paolo *	7,500	3,750	3,750	Fixed 1.44%	30/06/2025	Euro 30,000,000

Credito Valtellinese	3,181	1,915	1,266	Floating	3.13%	05/07/2025	Euro	10,000,000
Credito Valtellinese	1,590	957	633	Floating	3.13%	05/07/2025	Euro	5,000,000
Intesa San Paolo	85	45	40	Fixed	1.00%	13/07/2025	Euro	200,000
BNL	477	265	212	Floating	4.44%	01/09/2025	Euro	900,000
UBI Banca	6,400	3,907	2,493	Fixed	1.00%	14/09/2025	Euro	20,000,000
PRODUBANCO	259	158	101	Fixed	8.91%	15/10/2025	Euro	276,091
HDFC	1,491	1,491	-	Fixed	9.50%	17/11/2025	Euro	1,387,356
Banca IMI *	2,203	1,495	708	Fixed	6.50%	01/26/2026	Euro	7,000,000
PRODUBANCO	2,849	1,796	1,053	Floating	7.46%	02/03/2026	Euro	8,282,717
PRODUBANCO	414	299	115	Fixed	8.91%	30/03/2026	Euro	414,136
Unicredit	397	256	141	Floating	2.50%	31/03/2026	Euro	500,000
PRODUBANCO	655	428	227	Fixed	5.25%	31/03/2026	Euro	920,302
PRODUBANCO	644	526	118	Fixed	8.91%	12/06/2026	Euro	644,211
BCC Carate	3,844	2,576	1,268	Floating	4.81%	13/06/2026	Euro	10,000,000
Intesa San Paolo *	15,000	10,000	5,000	Fixed	1.10%	30/06/2026	Euro	40,000,000
Bank of Ireland	82	49	33	Floating	4.28%	30/09/2026	Euro	290,000
BNL - BNP Paribas *	12,000	9,000	3,000	Fixed	1.69%	25/11/2026	Euro	30,000,000
BCC Roma	65	46	19	Fixed	1.50%	25/11/2026	Euro	100,000
CARIGE	139	103	36	Fixed	1.55%	30/04/2027	Euro	180,000
UBI Banca *	20,637	15,601	5,036	Fixed	1.60%	26/06/2027	Euro	40,000,000
Mediobanca	25,000	20,000	5,000	Fixed	1.66%	28/01/2028	Euro	40,000,000
BCC Roma	1,055	961	94	Floating	3.71%	31/05/2028	Euro	1,500,000
Bank of Ireland	509	418	91	Floating	3.87%	12/06/2028	Euro	600,000
UBI Banca	552	455	97	Floating	2.00%	24/09/2028	Euro	1,000,000
Invitalia	7,871	6,563	1,308	Fixed	0.11%	30/06/2029	Euro	12,643,000
Banco BPM	35,246	29,377	5,869	Fixed	1.90%	30/06/2029	Euro	50,000,000
BNL - BNP Paribas *	32,465	27,474	4,991	Fixed	1.73%	31/12/2029	Euro	40,000,000
BNL - BNP Paribas *	20,265	17,046	3,219	Fixed	1.00%	06/05/2030	Euro	30,000,000
BCC Carate	4,190	3,647	543	Fixed	1.00%	17/12/2030	Euro	5,000,000
Unicredit * / SIMEST	17,946	17,956	(10)	Floating	6.00%	30/06/2031	Euro	18,000,000
Banca di Caraglio	150	134	16	Floating	2.00%	30/11/2031	Euro	250,000
BCC Carate *	9,991	9,993	(2)	Floating	4.00%	06/10/2032	Euro	10,000,000
Banco BPM *	39,842	37,645	2,197	Floating	6.00%	31/12/2032	Euro	40,000,000
Lease liabilities	70,067	50,698	19,369					
Total amounts due to other lenders	354,693	277,973	76,720					
Bonds	172,752	160,828	11,924					
Total	527,445	438,801	88,644					

Covenants

The loan agreements marked by an asterisk (*) contain financial restrictions (covenants) that envisage the maintenance of certain ratios between net financial indebtedness and shareholders' equity, between net financial indebtedness and cash-flow, and between net financial indebtedness and EBITDA referable to the consolidated financial statements.

To date, these parameters have been observed.

Derivatives

Some loan agreements were covered by derivative contracts, as defined below:

1. The loan agreement outstanding with BNL – BNP Paribas, the residual debt of which amounts to Euro 32,465 thousand, was hedged by a fixed rate of 1.45% against a floating 6-month Euribor rate.
The fair value as at 30 June 2023, calculated by the same bank, was positive for Euro 3,297 thousand (positive for Euro 3,605 thousand as at 31 December 2022).
2. The bond whose residual debt amounts to Euro 4,794 thousand was hedged by a CCS contract entered into with Intesa San Paolo on 15 June 2012.
The fair value as at 30 June 2023, calculated by the same bank, was positive for Euro 661 thousand (positive for Euro 1,529 thousand as at 31 December 2022).
3. The bond whose residual debt amounts to Euro 5,414 thousand was hedged by a CCS contract entered into with Intesa San Paolo on 29 May 2013.
The fair value as at 30 June 2023, calculated by the same bank, was positive for Euro 951 thousand (positive for Euro 1,614 thousand as at 31 December 2022).
4. The loan outstanding with Unicredit Bulbank whose residual debt amounts to Euro 500 thousand was hedged by a fixed rate of 2.40% against a floating 3-month Euribor rate.
The fair value as at 30 June 2023, calculated by the same bank, was positive for Euro 2 thousand (negative for Euro 2 thousand as at 31 December 2022).
5. The loan agreement outstanding with Intesa San Paolo, the residual debt of which amounts to Euro 7,500 thousand, was hedged by a fixed rate of 0.44% against a floating 6-month Euribor rate.
The fair value as at 30 June 2023, calculated by the same bank, was positive for Euro 318 thousand (positive for Euro 390 thousand as at 31 December 2022).
6. The loan agreement outstanding with Banca Popolare di Bergamo, the residual debt of which amounts to Euro 6,400 thousand, was hedged by a fixed rate of 0.10% against a floating 3-month Euribor rate.
The fair value as at 30 June 2023, calculated by the same bank, was positive for Euro 324 thousand (positive for Euro 332 thousand as at 31 December 2022).
7. The loan agreement outstanding with Intesa San Paolo, the residual debt of which amounts to Euro 15,000 thousand, was hedged by a fixed rate of 0.10% against a floating 6-month Euribor rate.
The fair value as at 30 June 2023, calculated by the same bank, was positive for Euro 927 thousand (positive for Euro 1,069 thousand as at 31 December 2022).
8. The loan agreement outstanding with BNL – BNP Paribas, the residual debt of which amounts to Euro 12,000 thousand, was hedged by a fixed rate of 0.535% against a floating 6-month Euribor rate.
The fair value as at 30 June 2023, calculated by the same bank, was positive for Euro 634 thousand (positive for Euro 685 thousand as at 31 December 2022).
9. The loan agreement outstanding with Mediobanca, the residual debt of which amounts to Euro 25,000 thousand, was hedged by a fixed rate of 0.759% against a floating 6-month Euribor rate.
The fair value as at 30 June 2023, calculated by the same bank, was positive for Euro 1,774 thousand (positive for Euro 1,618 thousand as at 31 December 2022).
10. The loan agreement outstanding with BNL – BNP Paribas, the residual debt of which amounts to Euro 20,265 thousand, was hedged by a fixed rate of -0.13% against a floating 6-month Euribor rate.
The fair value as at 30 June 2023, calculated by the same bank, was positive for Euro 2,008 thousand (positive for Euro 2,154 thousand as at 31 December 2022).

The Group, where possible, applies hedge accounting, verifying compliance with the requirements of IAS 39.

From 1 January 2018, the Group decided to continue to use the hedge accounting rules set out in IAS 39 and not IFRS 9 for all hedges already designated in hedge accounting at 31 December 2017 and for new hedges designated in subsequent periods.

Derivative instruments that qualify as hedges pursuant to IFRS 9 and IAS 39 comprise transactions put in place to hedge the fluctuations in cash flows (Cash Flow Hedge - CFH) and to hedge the fair value of the hedged element (Fair Value Hedge - FVH).

The contract numbered 1. was assessed at fair value hedge, while contracts numbered from 2. to 11. were assessed at cash flow hedge.

Hierarchical levels of fair value measurement

As regards the financial instruments recorded in the statement of financial position at fair value, the IFRS 7 requires that such values be classified on the basis of a hierarchical level that reflects the importance of the inputs used when determining the fair value.

The levels are broken down as follows:

- Level 1 – prices recorded on an active market for measured assets or liabilities;
- Level 2 – inputs other than the prices set forth above, which are directly (prices) or indirectly (derived from the prices) observable on the market;
- Level 3 – inputs that are based on observable market figures.

The following table shows the fair value as at 30 June 2023 of financial instruments by hierarchical level of fair value measurement:

Payables and other financial	Notes	Level 1	Level 2	Level 3	Total
Negative measurement					
Total negative measurement		-	-	-	-
Positive measurement					
Intesa San Paolo		-	318	-	318
Intesa San Paolo		-	927	-	927
Banca Popolare di Bergamo		-	324	-	324
BNL - BNP Paribas		-	634	-	634
Mediobanca		-	1,774	-	1,774
BNL - BNP Paribas		-	2,008	-	2,008
BNL - BNP Paribas		-	3,297	-	3,297
Intesa San Paolo		-	951	-	951
Unicredit		-	2	-	2
Intesa San Paolo		-	661	-	661
Total positive measurement		-	10,896	-	10,896
Overall total		-	10,896	-	10,896

25. Current liabilities

Balance as at	30/06/2023	390,524
Balance as at	31/12/2022	370,842
Change		<u>19,682</u>

This item breaks down as follows:

Description	30/06/2023	31/12/2022	Change
Amounts due to banks	15,370	6,860	8,510
Trade accounts payable	169,348	175,114	(5,766)
Other financial liabilities	90,697	84,814	5,883
Tax payables	32,873	32,552	321
Other current liabilities	82,235	71,502	10,733
Total	390,524	370,842	19,682

The item "Other financial liabilities" represents the short-term portions of the following items "Bonds", "Due to other lenders", "Lease liabilities" and "Derivatives", for which reference is made to the breakdown reported previously in the section "Payables and other financial liabilities".

The breakdown of the item "Tax payables" comprises:

Description	30/06/2023	31/12/2022	Change
Income tax payables	17,671	15,399	2,272
VAT payables	11,540	13,031	(1,491)
Other tax payables	3,662	4,122	(460)
Total	32,873	32,552	321

"Other current liabilities" comprise:

Description	30/06/2023	31/12/2022	Change
Amounts due to social security institutions	9,176	9,846	(670)
Amounts due to employees	15,385	15,056	329
Amounts due to shareholders for dividends	2,548	73	2,475
Guarantee deposits payable	1,653	1,862	(208)
Other payables	2,628	1,308	1,320
Accrued expenses and deferred income	50,846	43,358	7,488
Total	82,235	71,502	10,733

The breakdown of the item "Accrued expenses and deferred income" is as follows:

Description	30/06/2023	31/12/2022	Change
Accrued expenses			
Interest payable on loans	1,618	1,220	398
Other	20,087	13,904	6,183
Total accrued expenses	21,706	15,124	6,581
Deferred income			
Sink funds granted	951	998	(48)
Rentals receivable	50	45	5
Other	28,140	27,191	950
Total deferred income	29,140	28,234	907
Total accrued expenses and deferred income	50,846	43,358	7,488

Breakdown of revenues by type of business

(in thousands of Euro)	30/06/2023							30/06/2022						
	Technical gas sector	%	Home-care service sector	%	Write-downs	Consolidated figures	%	Technical gas sector	%	Home-care service sector	%	Write-downs	Consolidated figures	%
Technical gas sector	414,077	100.0%			(16,600)	397,477	54.0%	382,242	100.0%			(17,902)	364,341	55.4%
Home-care service sector			339,017	100.0%	(761)	338,257	46.0%			294,641	100.0%	(738)	293,903	44.6%
Net sales	414,077	100.0%	339,017	100.0%	(17,360)	735,733	100.0%	382,242	100.0%	294,641	100.0%	(18,639)	658,244	100.0%
Other revenues and income	17,200	4.2%	7,463	2.2%	(429)	24,235	3.3%	24,174	6.3%	2,625	0.9%	(358)	26,441	4.0%
Internal works and collections	2,570	0.6%	11,074	3.3%	850	14,495	2.0%	2,665	0.7%	7,582	2.6%	910	11,158	1.7%
Revenues	433,847	104.8%	357,555	105.5%	(16,939)	774,463	105.3%	409,082	107.0%	304,848	103.5%	(18,088)	695,842	105.7%
Purchase of materials	153,130	37.0%	88,914	26.2%	(10,707)	231,338	31.4%	172,990	45.3%	72,605	24.6%	(11,075)	234,520	35.6%
Services rendered	109,280	26.4%	93,406	27.6%	(5,499)	197,188	26.8%	99,187	25.9%	83,192	28.2%	(6,358)	176,021	26.7%
Change in inventories	(4,223)	-1.0%	(6,347)	-1.9%		(10,570)	-1.4%	(4,912)	-1.3%	(5,751)	-2.0%		(10,663)	-1.6%
Other costs	8,144	2.0%	9,036	2.7%	(699)	16,482	2.2%	6,100	1.6%	7,969	2.7%	(610)	13,458	2.0%
Total costs	266,332	64.3%	185,010	54.6%	(16,904)	434,438	59.0%	273,365	71.5%	158,015	53.6%	(18,043)	413,336	62.8%
Added value	167,516	40.5%	172,545	50.9%	(36)	340,025	46.2%	135,717	35.5%	146,833	49.8%	(44)	282,506	42.9%
Payroll and related costs	60,247	14.5%	86,169	25.4%		146,416	19.9%	54,623	14.3%	70,130	23.8%		124,753	19.0%
Gross operating margin	107,268	25.9%	86,376	25.5%	(36)	193,609	26.3%	81,093	21.2%	76,703	26.0%	(44)	157,753	24.0%
Depreciation/amortisation	33,291	8.0%	35,969	10.6%	308	69,568	9.5%	29,881	7.8%	31,806	10.8%	310	61,997	9.4%
Provisions and write-downs	4,373	1.1%	754	0.2%		5,126	0.7%	2,349	0.6%	608	0.2%		2,957	0.4%
Non-recurring (income)/expenses		0.0%		0.0%			0.0%		0.0%		0.0%			0.0%
Operating result	69,605	16.8%	49,653	14.6%	(344)	118,914	16.2%	48,864	12.8%	44,289	15.0%	(354)	92,799	14.1%
Financial income	29,593	7.1%	3,160	0.9%	(30,238)	2,515	0.3%	26,709	7.0%	1,029	0.3%	(26,811)	927	0.1%
Financial expense	(8,634)	-2.1%	(4,925)	-1.5%	4,410	(9,148)	-1.2%	(4,873)	-1.3%	(1,879)	-0.6%	1,222	(5,530)	-0.8%
Results from equity investments	316	0.1%	121	0.0%		437	0.1%	195	0.1%	12	0.0%		207	0.0%
Total financial income/(expense)	21,276	5.1%	(1,644)	-0.5%	(25,829)	(6,196)	-0.8%	22,032	5.8%	(839)	-0.3%	(25,590)	(4,396)	-0.7%
Profit (Loss) before income taxes	90,881	21.9%	48,009	14.2%	(26,172)	112,718	15.3%	70,896	18.5%	43,451	14.7%	(25,944)	88,403	13.4%
Income taxes	15,392	3.7%	13,971	4.1%	2	29,365	4.0%	9,728	2.5%	11,996	4.1%	1	21,725	3.3%
Net result from business activities	75,489	18.2%	34,039	10.0%	(26,174)	83,353	11.3%	61,168	16.0%	31,455	10.7%	(25,945)	66,678	10.1%
Net result from discontinued operations		0.0%		0.0%			0.0%		0.0%		0.0%			0.0%
(Profit)/Loss pertaining to minority interests	(2,196)	-0.5%	(1,566)	-0.5%	25	(3,737)	-0.5%	(589)	-0.2%	(1,432)	-0.5%	24	(1,997)	-0.3%
Net Profit/(Loss)	73,293	17.7%	32,473	9.6%	(26,149)	79,616	10.8%	60,580	15.8%	30,023	10.2%	(25,922)	64,681	9.8%
Other information														
	30/06/2023							30/06/2022						
Total assets	1,401,490		952,010		(556,112)	1,797,387		1,225,807		822,646		(487,003)	1,561,450	
Total liabilities	768,489		363,835		(250,012)	882,312		706,977		275,033		(191,052)	790,958	
Investments	38,845		43,189			82,034		25,701		28,153			53,854	

Breakdown of revenues by type of business: Technical gas sector

The income statement of the Technical Gas Sector is shown below:

(in thousands of Euro)

	30/06/2023	%	30/06/2022	%
Net sales	414,077	100.0%	382,242	100.0%
Other revenues and income	17,200	4.2%	24,174	6.3%
Internal works and collections	2,570	0.6%	2,665	0.7%
Revenues	433,847	104.8%	409,082	107.0%
Purchase of materials	153,130	37.0%	172,990	45.3%
Services rendered	109,280	26.4%	99,187	25.9%
Change in inventories	(4,223)	-1.0%	(4,912)	-1.3%
Other costs	8,144	2.0%	6,100	1.6%
Total costs	266,332	64.3%	273,365	71.5%
Added value	167,516	40.5%	135,717	35.5%
Payroll and related costs	60,247	14.5%	54,623	14.3%
Gross operating margin	107,268	25.9%	81,093	21.2%
Depreciation/amortisation	33,291	8.0%	29,881	7.8%
Provisions and write-downs	4,373	1.1%	2,349	0.6%
Non-recurring (income)/expenses		0.0%		0.0%
Operating result	69,605	16.8%	48,864	12.8%
Financial income	29,593	7.1%	26,709	7.0%
Financial expense	(8,634)	-2.1%	(4,873)	-1.3%
Results from equity investments	316	0.1%	195	0.1%
Total financial income/(expense)	21,276	5.1%	22,032	5.8%
Profit (Loss) before income taxes	90,881	21.9%	70,896	18.5%
Income taxes	15,392	3.7%	9,728	2.5%
Net result from business activities	75,489	18.2%	61,168	16.0%
Net result from discontinued operations		0.0%		0.0%
(Profit)/Loss pertaining to minority interests	(2,196)	-0.5%	(589)	-0.2%
Net Profit/(Loss)	73,293	17.7%	60,580	15.8%

Sales in the Technical Gas Sector reported a 8.3% increase.

Gross operating margin increased by 32.3% compared to the previous year.

Operating result increased by 42.4% compared to the previous year.

The quarterly income statement of the Technical Gas Sector is shown below:

(in thousands of Euro)

	2Q 2023	%	2Q 2022	%
Net sales	206,028	100.0%	194,895	100.0%
Other revenues and income	7,354	3.6%	14,861	7.6%
Internal works and collections	1,199	0.6%	1,431	0.7%
Revenues	214,581	104.2%	211,187	108.4%
Purchase of materials	75,952	36.9%	90,353	46.4%
Services rendered	54,937	26.7%	51,615	26.5%
Change in inventories	(4,003)	-1.9%	(1,787)	-0.9%
Other costs	4,698	2.3%	3,148	1.6%
Total costs	131,584	63.9%	143,328	73.5%
Added value	82,997	40.3%	67,859	34.8%
Payroll and related costs	31,819	15.4%	28,898	14.8%
Gross operating margin	51,177	24.8%	38,962	20.0%
Depreciation/amortisation	17,048	8.3%	15,277	7.8%
Provisions and write-downs	2,516	1.2%	811	0.4%
Non-recurring (income)/expenses		0.0%		0.0%
Operating result	31,614	15.3%	22,874	11.7%
Financial income	26,954	13.1%	25,765	13.2%
Financial expense	(4,124)	-2.0%	(2,506)	-1.3%
Results from equity investments	316	0.2%	262	0.1%
Total financial income/(expense)	23,147	11.2%	23,521	12.1%
Profit (Loss) before income taxes	54,761	26.6%	46,395	23.8%
Income taxes	8,051	3.9%	4,426	2.3%
Net result from business activities	46,710	22.7%	41,969	21.5%
Net result from discontinued operations		0.0%		0.0%
(Profit)/Loss pertaining to minority interests	(970)	-0.5%	(191)	-0.1%
Net Profit/(Loss)	45,739	22.2%	41,779	21.4%

The statement of financial position of the Technical Gas sector is presented below:

(in thousands of Euro)

	30/06/2023	31/12/2022
Tangible fixed assets	481,934	456,541
Goodwill and consolidation differences	57,730	58,036
Other intangible fixed assets	16,667	15,105
Equity investments	205,698	200,127
Other financial assets	15,097	16,129
Deferred tax assets	12,279	12,895
NON-CURRENT ASSETS	789,404	758,833
Non-current assets held for sale	0	0
Inventories	44,880	40,917
Trade receivables	289,462	292,464
Other current assets	45,495	41,617
Current financial assets	147,202	117,623
Cash and cash at bank	85,047	82,807
CURRENT ASSETS	612,086	575,427
TOTAL ASSETS	1,401,490	1,334,261
Share capital	47,164	47,164
Share premium reserve	63,335	63,335
Legal reserve	10,459	10,459
Reserve for treasury shares in portfolio	0	0
Other reserves	404,545	331,807
Retained earnings (accumulated loss)	0	2,837
Net Profit	73,293	95,333
Shareholders' equity - Group	598,797	550,934
Shareholders' equity - Minority interests	32,009	27,555
Profit pertaining to minority interests	2,196	910
Shareholders' equity - Minority interests	34,205	28,465
SHAREHOLDERS' EQUITY	633,002	579,399
Employee severance indemnities and benefits	10,504	10,383
Provision for deferred taxes	7,366	6,968
Provisions for risks and charges	3,499	2,313
Payables and other financial liabilities	419,161	416,938
NON-CURRENT LIABILITIES	440,530	436,601
Non-current liabilities held for sale		
Amounts due to banks	13,957	5,528
Trade accounts payable	105,513	115,509
Other financial liabilities	152,875	151,378
Tax payables	20,064	13,890
Other current liabilities	35,550	31,956
CURRENT LIABILITIES	327,959	318,260
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,401,490	1,334,261

Breakdown of revenues by type of business: Home-care Service sector

The income statement of the Home-care Service sector is shown below:

(in thousands of Euro)

	30/06/2023	%	30/06/2022	%
Net sales	339,017	100.0%	294,641	100.0%
Other revenues and income	7,463	2.2%	2,625	0.9%
Internal works and collections	11,074	3.3%	7,582	2.6%
Revenues	357,555	105.5%	304,848	103.5%
Purchase of materials	88,914	26.2%	72,605	24.6%
Services rendered	93,406	27.6%	83,192	28.2%
Change in inventories	(6,347)	-1.9%	(5,751)	-2.0%
Other costs	9,036	2.7%	7,969	2.7%
Total costs	185,010	54.6%	158,015	53.6%
Added value	172,545	50.9%	146,833	49.8%
Payroll and related costs	86,169	25.4%	70,130	23.8%
Gross operating margin	86,376	25.5%	76,703	26.0%
Depreciation/amortisation	35,969	10.6%	31,806	10.8%
Provisions and write-downs	754	0.2%	608	0.2%
Non-recurring (income)/expenses		0.0%		0.0%
Operating result	49,653	14.6%	44,289	15.0%
Financial income	3,160	0.9%	1,029	0.3%
Financial expense	(4,925)	-1.5%	(1,879)	-0.6%
Results from equity investments	121	0.0%	12	0.0%
Total financial income/(expense)	(1,644)	-0.5%	(839)	-0.3%
Profit (Loss) before income taxes	48,009	14.2%	43,451	14.7%
Income taxes	13,971	4.1%	11,996	4.1%
Net result from business activities	34,039	10.0%	31,455	10.7%
Net result from discontinued operations		0.0%		0.0%
(Profit)/Loss pertaining to minority interests	(1,566)	-0.5%	(1,432)	-0.5%
Net Profit/(Loss)	32,473	9.6%	30,023	10.2%

Sales in the Home-care service sector registered an increase of 15.1%.

Gross operating margin increased by 12.6% compared to the previous year.

Operating result increased by 12.1 % compared to the previous year.

The income statement of the Home-care Service sector is shown below:

(in thousands of Euro)

	2Q 2023	%	2Q 2022	%
Net sales	172,666	100.0%	150,665	100.0%
Other revenues and income	5,841	3.4%	1,448	1.0%
Internal works and collections	7,412	4.3%	4,015	2.7%
Revenues	185,919	107.7%	156,128	103.6%
Purchase of materials	42,334	24.5%	37,141	24.7%
Services rendered	48,416	28.0%	42,416	28.2%
Change in inventories	1,287	0.7%	(2,521)	-1.7%
Other costs	4,545	2.6%	4,156	2.8%
Total costs	96,582	55.9%	81,192	53.9%
Added value	89,338	51.7%	74,936	49.7%
Payroll and related costs	44,105	25.5%	35,603	23.6%
Gross operating margin	45,233	26.2%	39,332	26.1%
Depreciation/amortisation	18,255	10.6%	15,980	10.6%
Provisions and write-downs	261	0.2%	181	0.1%
Non-recurring (income)/expenses		0.0%		0.0%
Operating result	26,717	15.5%	23,171	15.4%
Financial income	2,498	1.4%	849	0.6%
Financial expense	(2,642)	-1.5%	(1,039)	-0.7%
Results from equity investments	39	0.0%	12	0.0%
Total financial income/(expense)	(106)	-0.1%	(178)	-0.1%
Profit (Loss) before income taxes	26,612	15.4%	22,993	15.3%
Income taxes	7,079	4.1%	6,124	4.1%
Net result from business activities	19,532	11.3%	16,870	11.2%
Net result from discontinued operations		0.0%		0.0%
(Profit)/Loss pertaining to minority interests	(775)	-0.4%	(769)	-0.5%
Net Profit/(Loss)	18,758	10.9%	16,100	10.7%

The statement of financial position of the Home-care Service sector is presented below:

(in thousands of Euro)

	30/06/2023	31/12/2022
Tangible fixed assets	245,687	225,387
Goodwill and consolidation differences	120,440	120,187
Other intangible fixed assets	17,961	11,445
Equity investments	179,776	162,825
Other financial assets	11,644	7,474
Deferred tax assets	5,735	5,547
NON-CURRENT ASSETS	581,243	532,865
Non-current assets held for sale	0	0
Inventories	49,280	43,227
Trade receivables	165,380	157,898
Other current assets	27,537	23,553
Current financial assets	88,803	90,183
Cash and cash at bank	39,766	51,812
CURRENT ASSETS	370,766	366,673
TOTAL ASSETS	952,010	899,538
Share capital	7,750	7,750
Share premium reserve	20,934	20,934
Legal reserve	1,550	1,550
Reserve for treasury shares in portfolio	0	0
Other reserves	488,783	449,292
Retained earnings (accumulated loss)	24,577	24,577
Net Profit	32,473	64,524
Shareholders' equity - Group	576,067	568,627
Shareholders' equity - Minority interests	10,542	10,559
Profit pertaining to minority interests	1,566	2,995
Shareholders' equity - Minority interests	12,108	13,555
SHAREHOLDERS' EQUITY	588,175	582,181
Employee severance indemnities and benefits	4,926	4,760
Provision for deferred taxes	5,505	5,168
Provisions for risks and charges	1,444	1,004
Payables and other financial liabilities	150,975	134,228
NON-CURRENT LIABILITIES	162,851	145,161
Non-current liabilities held for sale		
Amounts due to banks	1,413	1,332
Trade accounts payable	82,549	77,625
Other financial liabilities	51,636	32,981
Tax payables	12,809	18,662
Other current liabilities	52,577	41,595
CURRENT LIABILITIES	200,984	172,195
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	952,010	899,538

Information by geographic area

The breakdown of revenues by geographic area is presented below:

Description	30/06/2023	30/06/2022	Change
Italy	298,457	283,152	15,305
Abroad	437,277	375,091	62,185
Total	735,733	658,244	77,490

The breakdown of investments by geographic area is presented below:

Description	30/06/2023	30/06/2022	Change
Italy	20,406	18,965	1,441
Other countries	61,627	34,889	26,738
Total	82,034	53,854	28,180

Intra-group transactions and transactions with related parties

The Parent Company SOL S.p.A. is controlled by Gas and Technologies World B.V., in turn controlled by Stichting AIRVISION; the Group has not entered into any transaction with the latter.

Intra-group transactions

All the intra-group transactions fall within the ordinary operations of the Group, they are conducted on an arms' length basis, and there were no atypical or unusual transactions or transactions causing potential conflicts of interest.

Intra-group sales and services carried out during the first half of 2023 amounted to Euro 158.2 million.

As at 30 June 2023, receivable and payable transactions between Group companies came to Euro 563.2 million, of which Euro 370.3 million of a financial nature and Euro 192.9 million of a trade nature.

The breakdown of intercompany financial receivables is as follows:

- Financial receivables granted by SOL S.p.A. Euro 220.5 million
- Financial receivables granted by AIRSOL BV Euro 34.1 million
- Financial receivables granted by other companies Euro 115.7 million.

The transactions of the SOL Group with non-consolidated subsidiary companies, jointly controlled companies and associated companies comprised:

- Purchases from CT Biocarbonic GmbH Euro 2,121 thousand
- Amounts due to CT Biocarbonic GmbH Euro 448 thousand
- Sales and services to ZDS JESENICE d.o.o. Euro 3,283 thousand
- Purchases from ZDS JESENICE d.o.o. Euro 4,693 thousand
- Trade receivables from ZDS JESENICE d.o.o. Euro 1,394 thousand
- Amounts due to ZDS JESENICE d.o.o. Euro 915 thousand
- Trade receivables from Consorgas Srl Euro 3 thousand
- Financial receivables from Consorgas Srl Euro 35 thousand
- Amounts due to Consorgas Euro 6 thousand

• Sales and services to Consorzio Ecodue	Euro	67 thousand
• Purchases from Consorzio Ecodue	Euro	298 thousand
• Trade receivables from Consorzio Ecodue	Euro	82 thousand
• Amounts due to Consorzio Ecodue	Euro	123 thousand
• Sales and services to Shanghai Jiawei Medical Gas Co. Ltd	Euro	109 thousand.

Commitments, guarantees and potential liabilities

The Sol Group obtained sureties totalling Euro 89,422 thousand.

Net financial position

(in thousands of Euro)

	30/06/2023	31/12/2022
A. Cash and cash equivalents	124,818	134,642
B. Cash equivalents	6,746	7,561
C. Other current financial assets	5,370	5,648
D. Liquidity (A + B + C)	136,934	147,851
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	(38,410)	(26,503)
F. Current portion of non-current financial debt	(69,276)	(66,391)
G. Current borrowing (E + F)	(107,686)	(92,894)
H. Net current borrowing (G - D)	29,248	54,957
I. Non-current financial debt (excluding the current portion and debt instruments)	(431,802)	(426,604)
J. Debt instruments	0	0
K. Trade payables and other non-current debts	(18,000)	(18,100)
L. Non-current borrowing (I + J + K)	(449,802)	(444,704)
M. Total net borrowing (H + L)	(420,554)	(389,747)

Letter E "Current financial debt" includes Euro 19,369 thousand related to the short-term portion arising from the application of IFRS 16, while letter I "Non-current financial debt" includes Euro 50,698 thousand related to the long-term portion.

After deduction of lease portions, net indebtedness amounted to Euro 350,487 thousand (Euro 323,684 thousand as at 31 December 2022).

Non-recurring significant events and transactions

Pursuant to Consob communication no. DEM/6064296 of 28 July 2006, the SOL Group did not carry out non-recurring significant transactions during the first half of 2023.

Transactions deriving from atypical and/or unusual operations

Pursuant to Consob communication no. DEM/6064296 of 28 July 2006, the SOL Group did not carry out atypical and/or unusual operations in the first half of 2023, as defined by the Communication itself.

The Chairman of the Board of Directors

Mr. Aldo Fumagalli Romario

Monza, 7 September 2023

Certification of the Condensed half-yearly consolidated financial statements pursuant to Article 154-bis of Italian Legislative Decree 58/98

The undersigned Aldo Fumagalli Romario and Marco Annoni, as Managing directors, and Marco Filippi, as Manager in charge of drawing up company accounting documents for SOL S.p.A., certify, also considering the provisions of Article 154-bis, paragraphs 3 and 4, of Italian Legislative Decree no. 58 of 24 February 1998:

- the adequacy in relation to the characteristics of the business and
- actual application

of the administrative and accounting procedures for preparing the condensed half-yearly consolidated financial statements during the first half of 2023.

We also certify that:

1. The condensed half-yearly consolidated financial statements:
 - a) were prepared in accordance with the International Financial Reporting Standards recognised by the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - b) correspond to the results of the accounting books and records;
 - c) give a true and fair view of the financial position, the results of the operations and of the cash flows of the issuer and of the consolidated companies.
2. The directors' interim report refers to the important events that took place during the first six months of the financial period and their impact on the condensed half-yearly consolidated financial statements, together with a description of the main risks and uncertainties for the six remaining months of the financial period. The directors' interim report also includes a reliable analysis of information on significant transactions with related parties.

Monza, 7 September 2023

The Managing directors

Manager in charge of drawing up company accounting documents

(Aldo Fumagalli Romario)

(Marco Filippi)

(Marco Annoni)