



SOL S.p.A.

Half-yearly financial report of the SOL Group as at 30 June 2021

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SOLGROUP
a breath of life

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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

MARIA CRISTINA ANNONI

MARIA ANTONELLA BOCCARDO

(Independent)

SUSANNA DORIGONI

(Independent)

ANNA GERVASONI

(Independent)

PRISCA FUMAGALLI ROMARIO

ANTONELLA MANSI

(Independent)

ERWIN PAUL WALTER RAUHE

(Independent)

GENERAL MANAGERS

GIULIO MARIO BOTTES

ANDREA MONTI

BOARD OF STATUTORY AUDITORS

Chairman

GIOVANNI MARIA

ALESSANDRO ANGELO GAREGNANI

Regular auditors

ALESSANDRO DANOVI

LIVIA MARTINELLI

Alternate Auditors

MARIA GABRIELLA DROVANDI

ALESSANDRO MANIAS

AUDITING COMPANY

DELOITTE & TOUCHE S.P.A.

Via Tortona n. 25

20144 Milan

Powers granted to the Directors

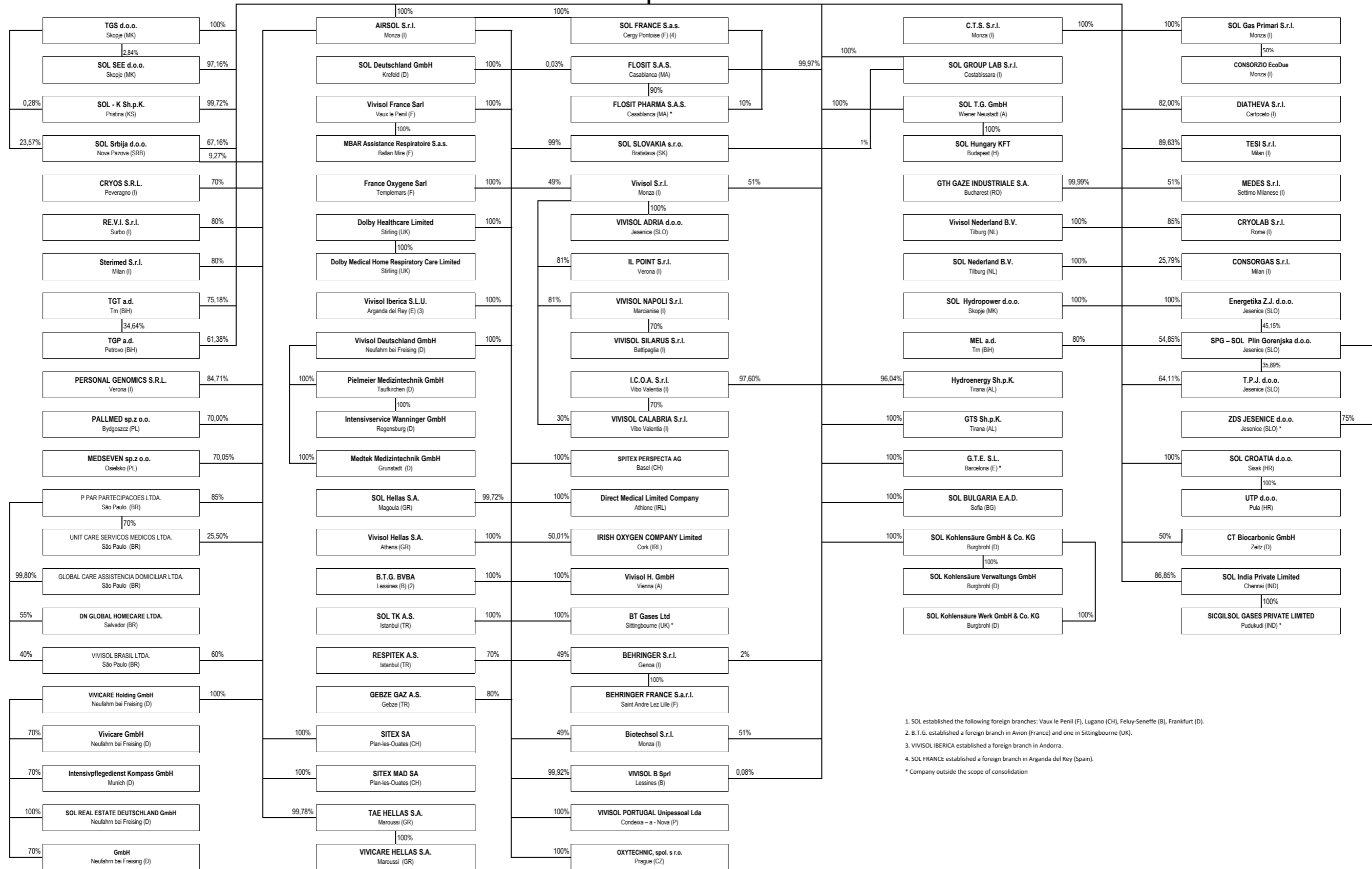
(CONSOB Communication No. 97001574 dated 20 February 1997)

To the Chairman and Deputy Chairman: the legal representation of the Company in dealings with third parties and before the legal authorities; powers of ordinary management acting severally; powers of extraordinary management, acting jointly, it being understood that for the execution of the related acts the signature of one of the two with the written authorisation of the other is sufficient; exception is made for certain specific acts of particular importance reserved for the competence of the Board.

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

Structure of the SOL Group as at 30 June 2021

SOL S.P.A. (1)



1. SOL established the following foreign branches: Vaux le Penil (F), Lugano (CH), Feluy-Seneffe (B), Frankfurt (D).
 2. B.T.G. established a foreign branch in Avion (France) and one in Sittingbourne (UK).
 3. VIVISOL IBERICA established a foreign branch in Andorra.
 4. SOL FRANCE established a foreign branch in Arganda del Rey (Spain).
 * Company outside the scope of consolidation

Half-yearly financial report of the SOL Group as at 30 June 2021

Directors' Interim Report

Introduction

This Half-yearly financial report as at 30 June 2021 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 2020, 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 and Brazil.

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.

The first half of 2021 was characterised by the persistent spread of the COVID-19 pandemic across most of the world, especially in the first months of the year, with a tendency to slow down in the last months of the half-year as the number of people vaccinated increased.

However, in this context, there was also a strong recovery of many industrial activities that, in contrast, had suffered a sharp slowdown during 2020, especially in the second quarter, due to lockdowns in several countries following the first wave of the pandemic spread.

The scenario of economic recovery, also favoured by the stimulus measures adopted by the tax policies of advanced countries, was accompanied by significant increases in raw materials, both energy and metal and chemical, with consequent increases in production costs and, in the final months of the half-year period, also in inflation.

The positive economic recovery scenario is expected to continue in the second half of 2021.

Highlights of SOL Group results

Net sales achieved by the SOL Group in the first half of 2021 amounted to Euro 541.0 million, up by 14.7% when compared to Euro 471.8 million in the first half of 2020.

On a like-for-like basis, sales increased by 11.4%.

The gross operating margin was Euro 139.0 million, equating to 25.7% of sales, up by 15.5% when compared with the first half of 2020 (Euro 120.3 million, or 25.5% of sales).

The operating result came to Euro 78.8 million, equating to 14.6% of sales, up by 26.4 million compared to the figure for the same period of 2020 (Euro 62.3 million, or 13.2% of sales).

Net profit, net of estimated taxes, amounted to Euro 50.4 million, compared with Euro 38.3 million in the first half of 2020.

Cash flow amounted to Euro 110.9 million, up compared to the first half of 2020 (Euro 95.0 million).

Capital expenditure recorded in the financial statements totalled Euro 58.5 million (Euro 52.0 million in the same period of 2020).

The average number of staff employed as at 30 June 2021 totalled 4,786 (4,372 in the first half of 2020).

The Group's net financial indebtedness was equal to Euro 306.2 million (Euro 250.3 million as at 31 December 2020). Net of rental payables, net financial indebtedness was equal to Euro 256.3 million.

Operating performance and significant events during the half-year

In this context, the Sol Group achieved a strong increase in sales of 14.7% (11.4% on a like-for-like basis) compared to the first half of 2020.

The half-yearly result was positive both in Italy, where sales grew by 11.2%, and abroad, where there was an increase of 17.3%.

The Technical Gas Division achieved sales of Euro 268.2 million, up 30.3% compared to the first half of 2020.

Growth benefited from the recovery of industrial activities, as well as good performance in the hydroelectric power and biotechnology sectors. The contribution of the demand for medicinal oxygen and hospital services was also significant, especially in the first quarter.

Sales from the expansion of the scope, following the consolidation of the Indian companies (SOL India and SICGILSOL GASES) and the acquisition of a new company in Greece (TAE Hellas) also contributed to this increase.

The Home Care Service Division, in which the Group operates through Vivisol, achieved sales of Euro 272.8 million, up 2.6% on the first half of 2020.

The development of sales was affected for almost the entire first half of the year by the persistent reduced activity of hospitals and laboratories due to the pandemic: hospitals and laboratories are, in fact, the normal area that feeds the growth in the number of new patients who have to be cared for at their homes.

Profit margins increased compared to the first half of 2020.

Compared to the first half of 2020, the Gross Operating Margin increased in absolute terms by 15.5%; and the Operating Result by 26.4%, while also significantly improving as a percentage of sales.

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

Research activities, which have traditionally characterised, justified and supported the Group's development, continued during the first six months of 2021.

In January 2021, the parent company SOL Spa increased its shareholding in the company SOL India to 86.85%, thereby strengthening the presence of the SOL group in the Indian market.

In February 2021, AIRSOL Srl acquired a 99.78% stake in AIR LIQUIDE HELLAS, (now TAE Hellas). The acquired company is one of the leaders in the Greek market for technical gases and, in turn, also controls 100% of the share capital of Vivicare Hellas, an operator in the Greek home care market.

With this acquisition, the SOL Group is consolidating its presence in South-Eastern Europe.

In May 2021, AIRSOL Srl acquired 100% of Oxytechnic Spol, based in Prague (Czech Republic), which operates in the respiratory home-care service sector. With this acquisition, the SOL Group entered a new European market in the home-care service sector.

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 2021.

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.

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 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 bank 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 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 new 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, Croatia, Serbia, Albania, North Macedonia, Bulgaria, Hungary, Romania, the UK, Poland, Czech Republic, India, Turkey and Brazil. 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, as much as possible, fixed price purchase contracts or with a variation measured over a longer time period. Moreover, long-term 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 32.0 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 2021 was positive in the amount of Euro 1,570 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.

Since these are small companies, the effect on the Group's consolidated financial statements is not significant.

Interest rate risk

The interest rate risk is handled by the Parent Company by means of the centralisation of the majority of the medium/long-term debt and an adequate division of the loans between fixed rate and floating rate favouring, when possible and convenient, medium/long-term debt with fixed rates, also by operating 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 2021 was Euro 175,704 thousand and the negative fair value was equal to Euro 3,231 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.

Risks relating to the environment

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.

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 exposes 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.

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.

Vulnerability analyses and audits on the security of 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. However, given the considerable uncertainty surrounding this issue, there can be no assurance that the conclusion of this dispute will not have a negative outcome and, therefore, have an impact on the Group's profitability.

It should be noted that, also on the basis of the studies carried out with the Group's tax consultants, no provision has been made, as the risk is considered only possible.

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

The shareholding structure of SOL S.p.A. consists of a controlling shareholder, Gas and Technologies World B.V., (in turn controlled by Stichting Airvision, a Dutch foundation), which 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

In July 2021, the subsidiary AIRSOL Srl acquired the remaining 30% of the shares of the Polish companies Pallmed Sp.z.o.o. and Medseven Sp.z.o.o. from the other minority shareholders, bringing its shareholding to 100%.

In August 2021, the subsidiary AIRSOL Srl completed the purchase of stakes equal to 70% in Shanghai Shenwei Medical Gas co. Ltd, 70% in Shanghai Mu Kang Medical Device Distribution Service co. Ltd and 30% in Shanghai Jiawei Medical Gas co. Ltd, active in the Chinese market in the field of medical gases and health services.

With these acquisitions, the SOL Group entered the dynamic Chinese market for industrial gases, the second largest in the world.

In the current economic context, we expect that mass vaccinations will lead to a gradual return to normality with the consequent consolidation of the positive trend in industrial activities and the return to normal operation of hospitals and laboratories.

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, despite the very high ongoing increase in the costs of electricity, transport and raw materials."

The Chairman of the Board of Directors
Aldo Fumagalli Romario

Monza, 9 September 2021

Condensed half-yearly consolidated financial statements as at 30 June 2021

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	30/06/2021	%	30/06/2020	%
Net sales	1	541,022	100.0%	471,803	100.0%
Other revenues and income	2	4,774	0.9%	4,373	0.9%
Internal works and collections	3	6,458	1.2%	6,491	1.4%
Revenues		552,254	102.1%	482,667	102.3%
Purchase of materials		135,578	25.1%	123,783	26.2%
Services rendered		153,871	28.4%	133,714	28.3%
Change in inventories		(2,953)	-0.5%	(13,877)	-2.9%
Other costs		11,255	2.1%	11,958	2.5%
Total costs	4	297,752	55.0%	255,578	54.2%
Added value		254,503	47.0%	227,090	48.1%
Payroll and related costs	5	115,552	21.4%	106,810	22.6%
Gross operating margin		138,951	25.7%	120,280	25.5%
Depreciation/amortisation	6	57,628	10.7%	54,636	11.6%
Provisions and write-downs	6	2,559	0.5%	3,348	0.7%
Non-recurring (income)/expenses	6	0	0.0%		0.0%
Operating result		78,763	14.6%	62,296	13.2%
Financial income		950	0.2%	1,116	0.2%
Financial expense		(5,560)	-1.0%	(5,960)	-1.3%
Results from equity investments		(914)	-0.2%	(97)	0.0%
Total financial income/(expense)	7	(5,524)	-1.0%	(4,941)	-1.0%
Profit (Loss) before income taxes		73,239	13.5%	57,355	12.2%
Income taxes	8	19,997	3.7%	17,029	3.6%
Net result from business activities		53,242	9.8%	40,326	8.5%
Net result from discontinued operations			0.0%		0.0%
(Profit)/Loss pertaining to minority interests		(2,841)	-0.5%	(2,052)	-0.4%
Net Profit/(Loss)		50,401	9.3%	38,274	8.1%
Earnings per share		0.556		0.422	

(in thousands of Euro)

	2Q 2021	%	2Q 2020	%
Net sales	274,849	100.0%	236,210	100.0%
Other revenues and income	2,115	0.8%	2,188	0.9%
Internal works and collections	3,740	1.4%	2,894	1.2%
Revenues	280,705	102.1%	241,292	102.2%
Purchase of materials	69,994	25.5%	61,156	25.9%
Services rendered	79,060	28.8%	65,355	27.7%
Change in inventories	(2,490)	-0.9%	(7,649)	-3.2%
Other costs	5,373	2.0%	6,135	2.6%
Total costs	151,938	55.3%	124,997	52.9%
Added value	128,767	46.9%	116,294	49.2%
Payroll and related costs	59,710	21.7%	54,190	22.9%
Gross operating margin	69,057	25.1%	62,104	26.3%
Depreciation/amortisation	29,045	10.6%	27,372	11.6%
Provisions and write-downs	845	0.3%	1,407	0.6%
Non-recurring (income)/expenses	0	0.0%		0.0%
Operating result	39,166	14.2%	33,325	14.1%
Financial income	208	0.1%	302	0.1%
Financial expense	(2,650)	-1.0%	(2,977)	-1.3%
Results from equity investments	(914)	-0.3%	(22)	0.0%
Total financial income/(expense)	(3,356)	-1.2%	(2,697)	-1.1%
Profit (Loss) before income taxes	35,810	13.0%	30,628	13.0%
Income taxes	10,654	3.9%	8,943	3.8%
Net result from business activities	25,155	9.2%	21,685	9.2%
Net result from discontinued operations		0.0%		0.0%
(Profit)/Loss pertaining to minority interests	(1,486)	-0.5%	(1,029)	-0.4%
Net Profit/(Loss)	23,669	8.6%	20,656	8.7%
Earnings per share	0.261		0.228	

Consolidated statement of comprehensive income

(in thousands of Euro)

	30/06/2021	30/06/2020
Profit/(Loss) for the year (A)	53,242	40,326
Components that will never be reclassified to the Income Statement		
Actuarial gains/(losses)	442	44
Tax effect	(106)	(11)
Total components that will never be reclassified to the Income Statement (B1)	336	33
Components that may be reclassified to the Income Statement		
Profits / (losses) on cash flow hedging instruments	2,224	192
Profits/(losses) deriving from conversion of financial statements of foreign companies	1,908	(5,167)
Tax effect related to other profits (losses)	(528)	(40)
Total components that may be reclassified to the Income Statement (B2)	3,604	(5,015)
Total other profits/(losses) net of the tax effect (B1) + (B2) = (B)	3,940	(4,982)
Overall result for the period (A+B)	57,182	35,344
Attributable to:		
- shareholders of the parent company	54,233	33,739
- minority interest	2,949	1,605

Consolidated statement of financial position

(in thousands of Euro)

	Notes	30/06/2021	31/12/2020
Tangible fixed assets	9	583,625	554,573
Goodwill and consolidation differences	10	165,010	139,868
Other intangible fixed assets	11	21,844	18,606
Equity investments	12	8,867	9,433
Other financial assets	13	7,184	6,736
Deferred tax assets	14	22,417	21,695
NON-CURRENT ASSETS		808,947	750,912
Non-current assets held for sale			
Inventories	15	68,080	63,301
Trade receivables	16	325,833	297,949
Other current assets	17	40,151	25,485
Current financial assets	18	6,994	7,449
Cash and cash at bank	19	170,104	269,181
CURRENT ASSETS		611,161	663,365
TOTAL ASSETS		1,420,108	1,414,277
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		491,729	408,351
Retained earnings (accumulated loss)		3,682	3,317
Net Profit		50,401	103,047
Shareholders' equity - Group		666,770	635,674
Shareholders' equity - Minority interests		21,419	21,987
Profit pertaining to minority interests		2,841	5,187
Shareholders' equity - Minority interests		24,260	27,174
SHAREHOLDERS' EQUITY	20	691,030	662,848
Employee severance indemnities and benefits	21	18,458	18,536
Provision for deferred taxes	22	5,378	4,261
Provisions for risks and charges	23	2,342	1,076
Payables and other financial liabilities	24	404,691	446,551
NON-CURRENT LIABILITIES		430,869	470,425
Non-current liabilities held for sale			
Amounts due to banks		1,321	2,216
Trade accounts payable		134,553	122,222
Other financial liabilities		79,732	78,368
Tax payables		26,182	22,124
Other current liabilities		56,420	56,075
CURRENT LIABILITIES	25	298,210	281,004
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,420,108	1,414,277

Consolidated cash flow statement

(in thousands of Euro)

	30/06/2021	30/06/2020
CASH FLOWS GENERATED BY OPERATING ACTIVITIES		
Profit for the year	50,401	38,274
Minority interests in profit/loss	2,842	2,052
<i>Adjustments to items not affecting liquidity</i>		
Depreciation/amortisation	57,628	54,636
Financial expense	4,165	3,990
Employee severance indemnities and benefits accrued	177	1,186
Provisions/Use of provisions for risks and charges	1,113	(13)
Total	116,326	100,125
<i>Changes in current assets and liabilities</i>		
Inventories	(3,122)	(13,367)
Receivables	(22,032)	(8,546)
Prepayments and accrued income	(4,030)	(2,287)
Suppliers	5,955	4,919
Other payables	(7,512)	(3,849)
Interests paid	(4,276)	(4,019)
Accrued expenses and deferred income	3,920	3,924
Tax payables	4,059	1,125
Total	(27,038)	(22,100)
<i>Cash flow generated by operating activities</i>	89,288	78,025
CASH FLOWS GENERATED BY INVESTMENT ACTIVITIES		
Acquisition of tangible fixed assets	(58,531)	(51,966)
Revaluations and other changes in tangible fixed assets	(7,463)	(3,581)
Net book value of assets sold	929	1,343
Increases in intangible assets	(5,177)	(2,815)
(Increase) decrease in long-term investments	(248)	(438)
(Increase) decrease of equity investments in non-consolidated subsidiary companies		
(Increase) decrease of equity investments and business units	(52,056)	751
(Increase) decrease in current financial assets	455	24
Total	(122,091)	(56,682)
CASH FLOWS GENERATED BY FINANCING ACTIVITIES		
Repayment of loans	(25,537)	(19,043)
Raising of new loans	44	30,000
Redemption of bonds	(11,944)	(11,946)
Undertaking bonds	-	-
Raising (repayment) of leases	(1,563)	(1,758)
Raising (repayment) of shareholders' loans	-	137
Dividends paid	(22,843)	(18,181)
Employee severance indemnities and benefits paid	(1,253)	(1,470)
Other changes in shareholders' equity		
- translation differences and other changes	649	(5,705)
- changes in shareholders' equity – minority interests	(2,932)	61
Total	(65,379)	(27,905)
INCREASE (DECREASE) IN CASH IN HAND AND AT BANK	(98,182)	(6,562)
CASH IN HAND AND AT BANK AT BEGINNING OF YEAR	266,964	167,981
CASH IN HAND AND AT BANK AT END OF YEAR	168,782	161,419

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 31/12/2019	47,164	63,335	10,459	390,268	49,338	560,563	19,356	579,919
Allocation of 2019 profit	-	-	-	33,465	(33,465)	-	-	-
Dividend distribution	-	-	-	-	(15,873)	(15,873)	(2,308)	(18,181)
Other consolidation changes	-	-	-	(1,170)	-	(1,170)	508	(662)
Profit (loss) for the financial year	-	-	-	(4,535)	38,274	33,739	1,605	35,344
Balance as at 30/06/2020	47,164	63,335	10,459	418,027	38,274	577,259	19,161	596,420

(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 31/12/2020	47,164	63,335	10,459	411,669	103,047	635,674	27,174	662,848
Allocation of 2020 profit	-	-	-	87,174	(87,174)	-	-	-
Dividend distribution	-	-	-	-	(15,873)	(15,873)	(2,889)	(18,762)
Other consolidation changes	-	-	-	(7,264)	-	(7,264)	(2,974)	(10,238)
Profit (loss) for the financial year	-	-	-	3,832	50,401	54,233	2,949	57,182
Balance as at 30/06/2021	47,164	63,335	10,459	495,412	50,401	666,770	24,260	691,030

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 2020, 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 2021, for which reference should be made to the following paragraph "Accounting standards, amendments and interpretations of the IFRS applied as from 1 January 2021".

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 2021 of the SOL SpA 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	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	70.00%	70.00%	
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	100.00%	100.00%	
BEHRINGER Srl – Genoa	EUR	102,000	2.00%	49.00%	51.00%
BiotechSol S.r.l. - Monza	EUR	110,000	51.00%	49.00%	100.00%
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		70.00%	70.00%
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	3,585,000		80.00%	80.00%
GLOBAL CARE ASSISTENCIA DOMICILIAR LTDA. - São Paulo	BRL	10,736,528		84.83%	84.83%
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		81.00%	81.00%
Intensivpflegedienst Kompass GmbH - Munich	EUR	25,000		70.00%	70.00%
Intensivservice Wanninger GmbH - Regensburg	EUR	40,000		100.00%	100.00%
Irish Oxygen Company Limited - Cork	EUR	697,802		50.01%	50.01%
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. - Osiesko	PLN	646,000		70.05%	70.05%
Medtek Medizintechnik GmbH - Grunstadt	EUR	75,000		100.00%	100.00%
MEL a.d. – Trn	BAM	2,005,830	80.00%		80.00%
OXYTECHNIC spol. s.r.o. - Prague	CZK	100,000		100.00%	100.00%
P PAR PARTICIPACOES LTDA. - São Paulo	BRL	17,273,174		85.00%	85.00%
PALLMED sp.zo.o. - Bydgoszcz	PLN	800,802		70.00%	70.00%
Personal Genomics Srl - Verona	EUR	500,000		84.71%	84.71%
Pielmeier Medizintechnik GmbH - Taufkirchen	EUR	25,000		100.00%	100.00%
RE.V.I. Srl - Surbo	EUR	52,000		80.00%	80.00%
RESPITEK A.S. - Istanbul	TRY	4,390,000		70.00%	70.00%
SICGILSOL GASES PRIVATE LIMITED - Pudukudi	INR	140,000,000		86.85%	86.85%
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. (former KISIKANA) - Sisak	HRK	30,771,300		100.00%	100.00%
SOL Deutschland GmbH - Krefeld	EUR	7,000,000		100.00%	100.00%
SOL France S.a.s. - Cergy Pontoise	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 - Budapest	HUF	50,010,000		100.00%	100.00%
Sol Hydropower d.o.o. - Skopje	MKD	2,460,200	100.00%		100.00%
SOL India Private Limited - Chennai	INR	729,705,940	86.85%		86.85%
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	24,874,000		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%
SPILEX PERSPECTA AG - Basel	CHF	100,000		100.00%	100.00%
Sterimed Srl - Milan	EUR	100,000		80.00%	80.00%
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	HRK	17,543,800		100.00%	100.00%
UNIT CARE SERVICOS MEDICOS LTDA. - São Paulo	BRL	2,084,000		85.00%	85.00%
Vivicare GmbH – Neufahrn bei Freising	EUR	25,000		70.00%	70.00%
VIVICARE HELLAS S.A. - Maroussi	EUR	4,458,600		99.78%	99.78%
Vivicare Holding GmbH - Neufahrn bei Freising	EUR	25,000		100.00%	100.00%
VIVISOL Adria d.o.o. - Jesenice	EUR	7,500		100.00%	100.00%
VIVISOL B Sprl - Lessines	EUR	162,500	0.08%	99.92%	100.00%
VIVISOL Brasil Ltda. - São Paulo	BRL	11,662,772		94.00%	94.00%
VIVISOL Calabria Srl - Vibo Valentia	EUR	10,400		98.32%	98.32%
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	540,000		100.00%	100.00%
VIVISOL Iberica S.L.U. - Arganda del Rey	EUR	5,500,000		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%	100.00%

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 companies:

Company Name and Registered Office	Share capital	Ownership percentage
BT GASES Ltd - Harrietshame	GBP 1	100.00%
FLOSIT PHARMA S.A. - Casablanca	MAD 5,000,000	100.00%
GTE SI - Barcelona	EUR 12,020	100.00%
ZDS JESENICE d.o.o. - Jesenice	EUR 10,000	75.00%

BT GASES Ltd, 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.

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

The scope of consolidation between 30 June 2021 and 31 December 2020 underwent the following changes:

- with the inclusion of the company TAE Hellas S.A. acquired in February 2021,
- with the inclusion of the company VIVICARE Hellas S.A. acquired in February 2021,
- with the inclusion of the company OXYTECHNIC spol. s.r.o. acquired in May 2021,
- with the inclusion of the company ALLERSHAUSEN CARE GmbH established in December 2020,
- with the inclusion of the Company SOL Real Estate Deutschland GmbH established in December 2020,
- with the increase in shareholdings in the company GLOBAL CARE ASSISTENCIA DOMICILIAR LTDA from 84.58% to 84.83%,
- with the increase in shareholdings in the company SOL India Private Limited from 60.82% to 86.85%,
- with the increase in shareholdings in the company SICGILSOL GASES PRIVATE LIMITED from 60.82% to 86.85%,

d) 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%

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 estimated values

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.

In making the estimates and assumptions in these interim financial statements, the impact, including potential impact, of the COVID-19 pandemic has been taken into account.

Should the results that will make up the final balances differ from said estimates, they will be changed in the period in which they will vary.

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		Average		Exchange rate		Average	
		30/06/2021		30/06/2021		31/12/2020		2020
Czech Koruna	Euro	0.03868	Euro	0.03923	Euro	-	Euro	-
Macedonian dinar	Euro	0.01623	Euro	0.01625	Euro	0.01625	Euro	0.01622
Serbian dinar	Euro	0.00851	Euro	0.00851	Euro	0.00852	Euro	0.00850
Moroccan dirham	Euro	0.09302	Euro	0.09442	Euro	0.09158	Euro	0.09239
Hungarian forint	Euro	0.00279	Euro	0.00284	Euro	0.00275	Euro	0.00285
Swiss franc	Euro	0.91385	Euro	0.91075	Euro	0.92575	Euro	0.93414
Croatian Kuna	Euro	0.13244	Euro	0.13349	Euro	0.13242	Euro	0.13265
Albanian lek	Euro	0.00811	Euro	0.00816	Euro	0.00808	Euro	0.00808
Bulgarian lev	Euro	0.51130	Euro	0.51130	Euro	0.51130	Euro	0.51130
Turkish Lira	Euro	0.00851	Euro	0.00851	Euro	0.10973	Euro	0.12415
Convertible mark	Euro	0.51129	Euro	0.51129	Euro	0.51129	Euro	0.51129
New Romanian leu	Euro	0.20402	Euro	0.20292	Euro	0.20541	Euro	0.20668
Brazilian real	Euro	0.15404	Euro	0.16935	Euro	0.15690	Euro	0.16966
Indian rupee	Euro	0.01131	Euro	0.01132	Euro	0.01115	Euro	0.01181
British pound	Euro	1.15149	Euro	1.16543	Euro	1.11231	Euro	1.12397
Polish Zloty	Euro	0.22043	Euro	0.22123	Euro	0.21931	Euro	0.22507

Accounting standards, amendments and interpretations of the IFRS applied as from 1 January 2021

The Group applied the following accounting standards, amendments and interpretations of the IFRS for the first time as from 1 January 2021:

- On 28 May 2020, the IASB published an amendment called “**Covid-19 Related Rent Concessions (Amendment to IFRS 16)**”. The document envisages the option for lessees to recognise the reductions in Covid-19 Related Rents without having to assess, through the analysis of the contracts, whether the definition of lease modification of IFRS 16 is observed. Therefore, lessees applying this option will be able to recognise the effects of rent reductions directly in the income statement on the effective date of the reduction. This amendment applies to financial statements beginning on or after 1 June 2020. The adoption of this amendment had no impact on the consolidated financial statements of the Group.
- On 28 May 2020, the IASB published an amendment called “**Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)**”. The amendments allow the temporary exemption from applying IFRS 9 to be extended until 1 January 2023 for insurance companies. The adoption of this amendment had no impact on the consolidated financial statements of the Group.
- On 27 August 2020, the IASB published, in the light of the interbank interest rate reform such as IBOR, the Interest Rate Benchmark Reform-Phase 2 document that contains amendments to the following standards:
 - IFRS 9 Financial Instruments;
 - IAS 39 Financial Instruments: Recognition and Measurement;
 - IFRS 7 Financial Instruments: Disclosures;
 - IFRS 4 Insurance Contracts;
 - IFRS 16 Leases.All amendments became effective on 1 January 2021. The adoption of this amendment had no impact on the consolidated financial statements of the Group.
- On 31 March 2021, the IASB published an amendment called “**Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)**” by which it extends by one year the period of application of the amendment to IFRS 16, issued in 2020, relating to the accounting for facilities granted, due to Covid-19, to lessees. The amendments will apply beginning on 1 April 2021, early application is permitted. On 30 August 2021, the European Union endorsed the amendment to IFRS 16 in question, which extends the terms of application of the practical expedient provided for following the renegotiation of lease contracts due to the pandemic. The directors do not expect a significant effect on the Group’s consolidated financial statements through the adoption of this amendment.

IFRS and IFRIC accounting standards, amendments and interpretations approved by the European Union, not yet mandatory and not adopted in advance by the company as at 30 June 2021

On 14 May 2020, the IASB published the following amendments called:

- **Amendments to IFRS 3 Business Combinations:** the purpose of the amendments is to update the reference in IFRS 3 to the Conceptual Framework in the revised version, without changing the requirements.
- **Amendments to IAS 16 Property, Plant and Equipment:** the purpose of the amendments is not to allow the deduction of the amount received from the sale of goods produced during the testing phase of the asset from the cost of tangible assets. These sales revenues and related costs will therefore be recognised in the income statement.
- **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets:** the amendment clarifies that all costs directly attributable to the contract must be taken into account when estimating the possible onerousness of a contract. Accordingly, the assessment of whether a contract is onerous includes not only incremental costs (such as the cost of direct material used in processing), but also all costs that the enterprise cannot avoid because it has entered into the contract (such as, for example, the share of depreciation of machinery used for the performance of the contract).
- **Annual Improvements 2018-2020:** amendments were made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and to Illustrative Examples of IFRS 16 Leases.

All amendments will be effective beginning on 1 January 2022. The directors do not expect a significant effect on the Group’s consolidated financial statements through the adoption of these amendments.

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”. The purpose of the document is to clarify how to classify debts and other short or long term liabilities. The amendments are effective beginning on 1 January 2023; 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 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 apply beginning on 1 January 2023, but earlier application is permitted. The directors do not expect a significant effect on the Group’s consolidated financial statements through the adoption of these amendments.
- 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 apply beginning on 1 January 2023, 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	30/06/2021	541,022
Balance as at	30/06/2020	471,803
Change		<u>69,220</u>

Revenues by type of business break down as follows:

Description	30/06/2021	30/06/2020	Change
Technical gases	268,179	205,849	62,329
Home-care	272,844	265,953	6,891
Total	541,022	471,803	69,220

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	30/06/2021	4,774
Balance as at	30/06/2020	4,373
Change		<u>401</u>

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

Description	30/06/2021	30/06/2020	Change
Capital gains on disposal	886	534	352
Extraordinary income	2,722	2,793	(71)
Grants received	600	390	210
Real estate rentals	214	177	37
Other	352	479	(127)
Total	4,774	4,373	401

3. Internal works and collections

Balance as at	30/06/2021	6,458
Balance as at	30/06/2020	6,491
Change		<u>(33)</u>

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

Description	30/06/2021	30/06/2020	Change
Transfers to assets	5,535	6,073	(538)
Time work	923	418	505
Total	6,458	6,491	(33)

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	30/06/2021	297,752
Balance as at	30/06/2020	255,578
	Change	<u>42,174</u>

The breakdown of the item is as follows:

Description	30/06/2021	30/06/2020	Change
Purchase of materials	135,578	123,783	11,796
Services rendered	153,871	133,714	20,157
Change in inventories	(2,953)	(13,877)	10,924
Other costs	11,255	11,958	(703)
Total	297,752	255,578	42,174

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	30/06/2021	115,552
Balance as at	30/06/2020	106,810
	Change	<u>8,742</u>

The breakdown of the item is as follows:

Description	30/06/2021	30/06/2020	Change
Wages and salaries	90,158	82,568	7,590
Social security charges	24,219	23,055	1,164
Employee severance indemnities	1,175	1,186	(11)
Pension costs			0
Total	115,552	106,810	8,742

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

Balance as at	30/06/2021	60,187
Balance as at	30/06/2020	57,984
	Change	<u>2,203</u>

The breakdown of the item is as follows:

Description	30/06/2021	30/06/2020	Change
Depreciation/amortisation	57,628	54,636	2,991
Provisions and write-downs	2,559	3,348	(788)
Non-recurring (income)/expenses	-	-	-
Total	60,187	57,984	2,203

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	30/06/2021	30/06/2020	Change
Land	158	146	12
Buildings	6,463	5,992	471
Plant and machinery	8,881	7,877	1,003
Industrial and commercial equipment	33,019	32,369	650
Other assets	6,752	5,995	757
Total	55,273	52,379	2,894

The increase in depreciation is linked to investments made during the period, amounting to Euro 58.5 million.

Amortisation of other intangible fixed assets

Description	30/06/2021	30/06/2020	Change
Costs of research, development and advertising	91	95	(4)
Patents and rights to use patents of others	137	123	14
Concessions, licences and trademarks	1,978	1,914	64
Other	149	125	23
Total	2,355	2,257	98

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

Description	30/06/2021	30/06/2020	Change
Provisions for bad debts	2,547	3,317	(770)
Provisions for risks	12	31	(18)
Total	2,559	3,348	(788)

Non-recurring (income)/expenses

Description	30/06/2021	30/06/2020	Change
Non-recurring income	0	0	0
Non-recurring expenses	0	0	0
Total	0	0	0

7. Financial income / (expenses)

Balance as at	30/06/2021	(5,524)
Balance as at	30/06/2020	(4,941)
Change		<u>(583)</u>

The breakdown of the item is as follows:

Description	30/06/2021	30/06/2020	Change
Financial income	950	1,116	(166)
Financial expense	(5,560)	(5,960)	400
Results from equity investments	(914)	(97)	(817)
Total	(5,524)	(4,941)	(583)

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

Description	30/06/2021	30/06/2020	Change
From long-term receivables	6	77	(70)
Interest on investment securities	-	2	(2)
Interests on securities not held as fixed assets	13	7	7
Interest on banks and postal accounts	38	41	(3)
Interest from customers	18	407	(389)
Exchange rate gains	704	439	265
Other financial income	169	143	26
Total	950	1,116	(166)

The item "Other financial income" includes the positive change in mark to market derivatives to hedge the fair value of the hedged item (Fair Value Hedge - FVH), equal to Euro 48 thousand.

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

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

Description	30/06/2021	30/06/2020	Change
Interest payable to banks	(44)	(48)	4
Interest payable on loans	(2,724)	(2,871)	147
Interest on bonds	(1,441)	(1,119)	(322)
Exchange rate losses	(710)	(1,114)	404
Other financial expense	(641)	(808)	167
Total	(5,560)	(5,960)	400

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

Description	30/06/2021	30/06/2020	Change
Revaluations of equity investments	0	164	(164)
Write-downs of equity investments	(914)	(261)	(653)
Total	(914)	(97)	(817)

The item "Write-downs of investments" refers to the measurement at equity of the associate Consorgas Srl (Euro 167 thousand), of the jointly-controlled company CT Biocarbone GmbH (Euro 107 thousand) and to the write-down of a minor company owned by the subsidiary SOL Gas Primari (Euro 640 thousand).

8. Income taxes

Balance as	30/06/2021	19,997
Balance as	30/06/2020	17,029
Change		<u>2,968</u>

The breakdown of the item is as follows:

Description	30/06/2021	30/06/2020	Change
Income taxes	17,595	16,956	639
Deferred tax liabilities	541	98	443
Deferred tax assets	1,861	(25)	1,886
Total	19,997	17,029	2,968

Balance sheet

9. Tangible fixed assets

Balance as at	30/06/2021	583,625
Balance as at	31/12/2020	554,573
Change		<u>29,052</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 01/01/2020	23,572	155,809	324,658	962,594	88,074	26,335	1,581,042
Increases	684	11,207	6,989	79,899	14,838	27,505	141,122
Revaluations	185	4,637	17	(163)	100		4,776
Write-downs				(188)			(188)
Other changes	408	10,191	19,201	(18,571)	621	(20,889)	(9,039)
Exchange differences	(131)	(593)	(594)	(4,230)	(813)	(509)	(6,869)
(Disposals)		(872)	(949)	(19,182)	(3,475)		(24,478)
Balance as at 31/12/2020	24,718	180,379	349,322	1,000,161	99,344	32,442	1,686,366
Increases		7,200	3,970	34,895	6,985	34,328	87,377
Revaluations		(1,013)		-	22		(991)
Write-downs				-			-
Other changes	876	6,976	56,545	22,390	2,476	(21,423)	67,838
Exchange differences	12	258	255	2,513	294	60	3,393
(Disposals)	893	(1,567)	(358)	(4,254)	(3,393)		(8,679)
Balance as at 30/06/2021	26,498	192,233	409,734	1,055,704	105,729	45,406	1,835,305

Accumulated depreciation	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and advance payments	Total
Balance as at 01/01/2020	2,869	70,723	211,003	703,493	58,830		1,046,918
Depreciation charges	303	12,902	16,603	63,416	12,641		105,865
Revaluations							-
Write-downs							-
Other changes	205	7,013	13,102	(16,495)	830		4,655
Exchange differences	(14)	(211)	(216)	(2,502)	(486)		(3,429)
(Disposals)		(819)	(797)	(17,349)	(3,252)		(22,217)
Balance as at 31/12/2020	3,362	89,609	239,697	730,562	68,562		1,131,792
Depreciation charges	158	6,463	8,881	33,019	6,752		55,273
Revaluations							-
Write-downs							-
Other changes		4,820	47,515	15,755	2,378		70,467
Exchange differences	(5)	77	117	1,487	203		1,880
(Disposals)		(646)	(349)	(3,495)	(3,242)		(7,733)
Balance as at 30/06/2021	3,515	100,323	295,860	777,329	74,653		1,251,680

Net value	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and advance payments	Total
Balance as at 01/01/2020	20,703	85,086	113,655	259,101	29,244	26,335	534,124
Increases	684	11,207	6,989	79,899	14,838	27,505	141,122
(Depreciations and write-downs)	(303)	(12,902)	(16,603)	(63,416)	(12,641)	-	(105,865)
Other changes	388	7,815	6,116	(2,426)	(110)	(20,889)	(9,106)
Exchange differences	(117)	(382)	(378)	(1,727)	(327)	(509)	(3,441)
(Disposals)	-	(53)	(153)	(1,832)	(223)	-	(2,261)
Balance as at 31/12/2020	21,356	90,770	109,625	269,598	30,782	32,442	554,573
Increases	-	7,200	3,970	34,895	6,985	34,328	87,377
(Depreciations and write-downs)	(158)	(6,463)	(8,881)	(33,019)	(6,752)	-	(55,273)
Other changes	876	1,143	9,030	6,634	121	(21,423)	(3,620)
Exchange differences	16	181	138	1,027	91	60	1,513
(Disposals)	893	(920)	(9)	(759)	(151)	-	(946)
Balance as at 30/06/2021	22,983	91,910	113,874	278,375	31,076	45,406	583,625

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 01/01/2020	21,038	114,866	324,581	962,344	69,623	26,335	1,518,787
Increases	665	6,300	6,989	79,714	6,004	27,505	127,178
Revaluations	-	-	-	-	-	-	-
Write-downs	-	-	-	(188)	-	-	(188)
Other changes	408	10,108	19,201	(18,571)	621	(20,889)	(9,122)
Exchange differences	(45)	(188)	(594)	(4,230)	(664)	(509)	(6,229)
(Disposals)	-	(69)	(949)	(19,110)	(882)	-	(21,011)
Balance as at 31/12/2020	22,066	131,016	349,228	999,959	74,703	32,442	1,609,414
Increases	-	4,336	3,970	34,895	2,426	34,328	79,954
Revaluations	-	-	-	-	-	-	-
Write-downs	-	-	-	-	-	-	-
Other changes	880	6,976	56,545	22,390	2,476	(21,423)	67,843
Exchange differences	27	108	255	2,513	261	60	3,225
(Disposals)	-	(23)	(358)	(4,250)	(758)	-	(5,389)
Balance as at 30/06/2021	22,972	142,414	409,640	1,055,507	79,108	45,406	1,755,047

Accumulated depreciation	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and advance payments	Total
Balance as at 01/01/2020	2,604	63,470	210,975	703,405	53,076		1,033,530
Depreciation charges	-	4,780	16,578	63,321	5,434		90,113
Revaluations							-
Write-downs							-
Other changes	205	6,954	13,102	(16,495)	830		4,596
Exchange differences		(71)	(216)	(2,502)	(424)		(3,213)
(Disposals)		(16)	(797)	(17,277)	(684)		(18,774)
Balance as at 31/12/2020	2,809	75,117	239,643	730,451	58,233		1,106,253
Depreciation charges	-	2,404	8,868	32,992	2,839		47,103
Revaluations							-
Write-downs							-
Other changes		4,820	47,515	15,755	2,378		70,467
Exchange differences		34	117	1,487	204		1,841
(Disposals)		(1)	(349)	(3,491)	(620)		(4,460)
Balance as at 30/06/2021	2,809	82,373	295,794	777,195	63,034		1,221,204

Net value	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and advance payments	Total
Balance as at 01/01/2020	18,434	51,395	113,606	258,939	16,548	26,335	485,257
Increases	665	6,300	6,989	79,714	6,004	27,505	127,178
(Depreciations and write-downs)	-	(4,780)	(16,578)	(63,321)	(5,434)	-	(90,113)
Other changes	204	3,153	6,099	(2,264)	(209)	(20,889)	(13,907)
Exchange differences	(45)	(117)	(378)	(1,727)	(240)	(509)	(3,016)
(Disposals)	-	(53)	(153)	(1,832)	(199)	-	(2,237)
Balance as at 31/12/2020	19,257	55,900	109,585	269,508	16,470	32,442	503,161
Increases	-	4,336	3,970	34,895	2,426	34,328	79,954
(Depreciations and write-downs)	-	(2,404)	(8,868)	(32,992)	(2,839)	-	(47,103)
Other changes	880	2,156	9,030	6,634	99	(21,423)	(2,625)
Exchange differences	27	75	138	1,027	57	60	1,383
(Disposals)	-	(22)	(9)	(759)	(138)	-	(929)
Balance as at 30/06/2021	20,164	60,040	113,846	278,312	16,074	45,406	533,842

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 575 thousand) and the subsidiary companies SOL Real Estate Deutschland GmbH (Euro 2,454 thousand) and Il Point Srl (Euro 446 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 1,784 thousand) and by the subsidiaries SOL Gas Primari Srl (Euro 220 thousand), Personal Genomics Srl (Euro 476 thousand), SOL France Sas (Euro 584 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 11,276 thousand (including Euro 3,830 by the parent company) and to investments made by companies operating in the home-care sector in the amount of Euro 23,619 thousand (including Euro 6,041 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 205 thousand by the parent company, the subsidiaries Il Point Srl (Euro 400 thousand), VIVISOL B Sprl (Euro 197 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 14,403 thousand) and by the subsidiaries SOL Gas Primari Srl (Euro 11.388 thousand), GTH GAZE INDUSTRIALE S.A. (Euro 3.176 thousand), SOL Deutschland GmbH (Euro 994 thousand), SOL France Sas (Euro 1.219 thousand), PALLMED sp.zo.o. (Euro 1.942 thousand), SOL Hungary KFT (Euro 3.140 miliaria), and C.T.S. Srl (Euro 2.789 miliaria).

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 2021, mortgages amounted to Euro 67,450 thousand.

As at 30 June 2021, 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 01/01/2020	2,534	40,944	77	250	18,450		62,256
Increases	19	4,906		186	8,833		13,944
Revaluations	185	4,637	17	(163)	100		4,776
Write-downs							-
Other changes		83					83
Exchange differences	(86)	(405)			(149)		(640)
(Disposals)		(802)		(72)	(2,593)		(3,467)
Balance as at 31/12/2020	2,652	49,362	94	202	24,641		76,952
Increases		2,864			4,559		7,423
Revaluations		(1,013)			22		(991)
Write-downs							-
Other changes	(4)						(4)
Exchange differences	(15)	150			33		168
(Disposals)	893	(1,544)		(4)	(2,635)		(3,290)
Balance as at 30/06/2021	3,526	49,820	94	197	26,621		80,258

Accumulated depreciation	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and advance payments	Total
Balance as at 01/01/2020	264	7,253	29	88	5,754		13,388
Depreciation charges	303	8,122	25	95	7,206		15,751
Revaluations							-
Write-downs							-
Other changes		58					58
Exchange differences	(14)	(139)			(62)		(215)
(Disposals)		(802)		(72)	(2,569)		(3,443)
Balance as at 31/12/2020	553	14,492	54	111	10,329		25,540
Depreciation charges	158	4,059	12	27	3,912		8,169
Revaluations							-
Write-downs							-
Other changes							-
Exchange differences	(5)	44			(1)		38
(Disposals)		(646)		(4)	(2,622)		(3,272)
Balance as at 30/06/2021	707	17,950	67	134	11,619		30,475

Net value	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and advance payments	Total
Balance as at 01/01/2020	2,270	33,691	48	162	12,696	-	48,867
Increases	19	4,906	-	186	8,833	-	13,944
(Depreciations and write-downs)	(303)	(8,122)	(25)	(95)	(7,206)	-	(15,751)
Other changes	185	4,661	17	(163)	100	-	4,800
Exchange differences	(72)	(266)	-	-	(87)	-	(424)
(Disposals)	-	-	-	-	(24)	-	(24)
Balance as at 31/12/2020	2,099	34,870	40	91	14,312	-	51,412
Increases	-	2,864	-	-	4,559	-	7,423
(Depreciations and write-downs)	(158)	(4,059)	(12)	(27)	(3,912)	-	(8,169)
Other changes	(4)	(1,013)	-	-	22	-	(995)
Exchange differences	(10)	106	-	-	34	-	130
(Disposals)	893	(898)	-	-	(12)	-	(17)
Balance as at 30/06/2021	2,819	31,870	28	63	15,002	-	49,783

10. Goodwill and consolidation differences

Balance as at 30/06/2021	165,010
Balance as at 31/12/2020	139,868
Change	<u>25,142</u>

The breakdown of the item is as follows:

Net value	Goodwill	Consolidation difference	Total
Balance as at 01/01/2020	9,962	124,877	134,838
Increases	200	-	200
Revaluations (Write-downs)	-	-	-
Other changes	-	4,985	4,985
Exchange differences (Amortisation)	(155)	-	(155)
	-	-	-
Balance as at 31/12/2020	10,006	129,862	139,868
Increases	-	24,783	24,783
Revaluations (Write-downs)	-	-	-
Other changes	154	-	154
Exchange differences (Amortisation)	131	73	204
	-	-	-
Balance as at 30/06/2021	10,292	154,719	165,010

The increase for the period in the item “Consolidation differences” concerns the purchase of the companies TAE Hellas S.A. and OXYTECHNIC spol. s.r.o.

In February 2021, the subsidiary AIRSOL Srl purchased 100% of the shares of TAE Hellas S.A., a Greek company operating in the technical gases sector. If the acquisition had occurred on 1 January 2021, Group revenues would have increased by Euro 3,151 thousand and Group profit would have decreased by Euro 69 thousand for the six-month period ended 30 June 2021.

In May 2021, the subsidiary AIRSOL Srl purchased 100% of the shares of OXYTECHNIC spol. s.r.o., a Czech company operating in the home-care sector. If the acquisition had occurred on 1 January 2021, Group revenues would have increased by Euro 116 thousand and Group profit would have decreased by Euro 27 thousand for the six-month period ended 30 June 2021.

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	19,260		19,260
Intangible fixed assets	775		775
Long-term investments	199		199
Inventories	1,658		1,658
Trade and other receivables	13,649		13,649
Prepayments and accrued income	3,562		3,562
Cash and cash at bank	2,190		2,190
Minority interests	(65)		(65)
Suppliers	(6,377)		(6,377)
Other payables	(2,445)		(2,445)
Risk provisions	(1,270)		(1,270)
Employee severance indemnities	(999)		(999)
Accrued expenses and deferred income	(108)		(108)
Identifiable net assets and liabilities	30,029	-	30,029
Goodwill deriving from acquisition	24,783		
Amount paid	(54,813)		
Available funds acquired	2,190		
Net outlays of available funds	(52,622)		

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 2021, 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 2021 budget, any specific internal or external impairment losses such as to require an impairment test during the first half of the year, despite the emergence of COVID-19.

11. Other intangible fixed assets

Balance as at	30/06/2021	21,844
Balance as at	31/12/2020	<u>18,606</u>
Change		<u><u>3,238</u></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 01/01/2020	2,507	484	9,556	703	3,823	17,072
Increases	293	574	5,074	126	2,632	8,700
Revaluations (Write-downs)	-	-	-	-	-	-
Other changes	-	(23)	129	(19)	(2,070)	(1,983)
Exchange differences	-	-	(54)	-	(8)	(62)
(Amortisation)	(189)	(300)	(4,356)	(276)	-	(5,122)
Balance as at 31/12/2020	2,611	735	10,349	533	4,378	18,606
Increases	194	4	1,689	566	4,675	7,128
Revaluations (Write-downs)	-	-	-	-	-	-
Other changes	-	-	130	192	(1,883)	(1,561)
Exchange differences	-	-	23	-	4	26
(Amortisation)	(91)	(137)	(1,978)	(149)	-	(2,355)
Balance as at 30/06/2021	2,714	602	10,213	1,142	7,173	21,844

12. Equity investments

Balance as at 30/06/2021	8,867
Balance as at 31/12/2020	9,433
Change	<u>(566)</u>

The breakdown of the item is as follows:

Description	30/06/2021	31/12/2020	Delta
GTE SI	21	23	(2)
Flosit Pharma	471	458	13
ZDS JESENICE d.o.o.	8	8	(1)
BT Gases Ltd	1	-	1
Non-consolidated subsidiary companies	501	489	12
CT Biocarbonic GmbH	5,027	5,134	(107)
Consorzio ECODUE	403	403	(1)
Jointly controlled companies	5,430	5,537	(108)
Consorgas Srl	79	246	(167)
Associated companies	79	246	(167)
Other minority interests	2,857	3,160	(303)
Other companies	2,857	3,160	(303)
Total	8,867	9,433	(566)

Except for Euro 479 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 425 thousand), for Euro 403 thousand recognised as jointly controlled companies (in the portfolio of the subsidiary SOL Gas Primari Srl) and for Euro 2,838 thousand recognised as other minority interests (relating to investments in local companies by the subsidiaries SICGILSOL GASES PRIVATE LIMITED of Euro 404 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, SOL Gas Primari Srl of Euro 2,420 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 30/06/2021	7,184
Balance as at 31/12/2020	6,736
Change	<u>447</u>

The breakdown of the item is as follows:

Description	30/06/2021	31/12/2020	Change
Amounts receivable from third parties	6,024	5,580	444
Securities	1,159	1,156	3
Total	7,184	6,736	447

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

Description	30/06/2021	31/12/2020	Change
Guarantee deposits	4,422	4,367	54
Derivatives	877	563	314
Tax receivables	530	345	185
Other receivables	196	304	(108)
Total	6,024	5,580	444

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

Company	30/06/2021	31/12/2020	Change
SOL T.G. GmbH	6	6	-
SOL Hellas S.A.	1,096	1,096	-
Cryos Srl	57	55	3
Total	1,159	1,156	3

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	30/06/2021	22,417
Balance as at	31/12/2020	21,695
Change		<u>722</u>

The breakdown of the above item is as follows:

	Bad debts	Risk provisions	Internal profits	Prior losses	Other	Total
Balance as at 01/01/2020	1,244	147	916	1,100	3,502	6,909
Provisions/Uses	87	(59)	(64)	(95)	11,841	11,710
Other changes	(69)	69		391	2,730	3,121
Exchange differences				(24)	(19)	(43)
Balance as at 31/12/2020	1,263	156	853	1,371	18,053	21,695
Provisions/Uses			(37)	(69)	(1,755)	(1,861)
Other changes					2,572	2,572
Exchange differences				5	5	11
Balance as at 30/06/2021	1,263	156	815	1,307	18,876	22,417

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 1,307 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	30/06/2021	68,080
Balance as at	31/12/2020	63,301
Change		<u>4,779</u>

The breakdown of the item is as follows:

Description	30/06/2021	31/12/2020	Change
Raw, subsidiary and consumable materials	5,984	4,105	1,879
Work in progress and semi-finished goods	1,803	1,497	306
Finished products and goods for resale	60,294	57,700	2,594
Total	68,080	63,301	4,779

16. Trade receivables

Balance as at	30/06/2021	325,833
Balance as at	31/12/2020	297,949
Change		<u>27,884</u>

The breakdown of the item is as follows:

Description	Within 12 months	Beyond 12 months	Allowance for doubtful accounts	30/06/2021	31/12/2020
Trade receivables	353,979		(28,147)	325,833	297,949
Total	353,979	-	(28,147)	325,833	297,949

The allowance for doubtful accounts changed as follows:

Description	31/12/2020	Provisions	Uses	Other changes	30/06/2021
Allowance for doubtful accounts	21,540	2,547	(466)	4,526	28,147
Total	21,540	2,547	(466)	4,526	28,147

The item Other changes refers to exchange rate differences of Euro 34 thousand, to the change in the Scope of Consolidation of Euro 5,128 thousand and to reversals of the fund of Euro 636 thousand.

17. Other current assets

Balance as at	30/06/2021	40,151
Balance as at	31/12/2020	25,485
Change		<u>14,666</u>

The breakdown of the item is as follows:

Description	30/06/2021	31/12/2020	Change
Amounts receivable from	858	867	(9)
Amounts receivable in respect of	3,313	2,762	551
VAT receivables	20,610	14,074	6,536
Other amounts receivable from the	763	320	443
Other receivables	531	977	(447)
Prepayments and accrued income	14,076	6,485	7,591
Total	40,151	25,485	14,666

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

This item breaks down as follows:

Description	30/06/2021	31/12/2020	Change
Accrued income			
Interest	26	16	9
Other accrued income	1,013	191	822
Total accrued income	1,038	207	831
Prepayments			
Insurance premiums	1,681	716	965
Rents	246	358	(112)
Other prepayments	11,111	5,204	5,907
Total prepayments	13,038	6,278	6,760
Total prepayments and accrued	14,076	6,485	7,591

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

18. Current financial assets

Balance as at	30/06/2021	6,994
Balance as at	31/12/2020	7,449
Change		<u>(456)</u>

The breakdown of the item is as follows:

Description	30/06/2021	31/12/2020	Change
Financial receivables from jointly controlled companies	678	800	(122)
Derivatives	693	343	350
Short-term time deposits	5,587	6,300	(713)
Other financial receivables	36	6	29
Total	6,994	7,449	(456)

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

Company	30/06/2021	31/12/2020	Change
DN GLOBAL HOMECARE LTDA	328	158	170
FLOSIT S.A.	1,429	2,563	(1,134)
GLOBAL CARE LTDA	556	447	110
SICGILSOL GASES PRIVATE LIMITED	65	61	4
SOL India Private Limited	473	644	(171)
T.G.T. A.D.	2,008	1,854	153
UNIT CARE LTDA	727	570	157
VIVISOL Brasil SA	-	2	(2)
VIVISOL Portugal Lda	1	1	-
Total	5,587	6,300	(713)

19. Cash and cash at bank

Balance as at	30/06/2021	170,104
Balance as at	31/12/2020	269,181
Change		<u>(99,077)</u>

The breakdown for this item is as follows:

Description	30/06/2021	31/12/2020	Change
Bank and postal deposits	169,555	268,710	(99,154)
Cash and cash equivalents on hand	548	471	77
Total	170,104	269,181	(99,077)

20. Shareholders' equity

Balance as at	30/06/2021	691,030
Balance as at	31/12/2020	662,848
Change		<u>28,182</u>

The share capital of SOL S.p.A. as at 30 June 2021 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:

	31/12/2020	Transfer of result	Dividends paid	Translation differences	Other changes	Profit (loss)	30/06/2021
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	408,351	82,984	-	1,799	(1,406)	-	491,729
Profits/(Losses) carried forward	3,317	20,063	(19,954)	-	256	-	3,682
Net Profit	103,047	(103,047)	-	-	-	50,401	50,401
Shareholders' equity - Group	635,674	-	(19,954)	1,799	(1,150)	50,401	666,770
Minority interests:							
Shareholders' equity - Minority	21,987	5,178	(2,889)	108	(2,965)	-	21,419
Profit pertaining to minority	5,187	(5,187)	-	-	-	2,841	2,841
Shareholders' equity	27,174	(9)	(2,889)	108	(2,965)	2,841	24,260
SHAREHOLDERS' EQUITY	662,848	(9)	(22,843)	1,907	(4,116)	53,242	691,030

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 negative and amounted to Euro 1,569 thousand as at 30 June 2021 (positive for Euro 3,793 thousand as at 31 December 2020). 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	30/06/2021	18,458
Balance as at	31/12/2020	18,536
Change		<u>(78)</u>

The provisions underwent the following changes:

Employee severance indemnities and benefits	30/06/2021	31/12/2020
Balance as at 1 January	18,536	17,308
Provisions	1,175	2,399
(Uses)	(396)	(1,016)
Financial expense	(18)	(2)
Other changes	(843)	(124)
Exchange differences	3	(30)
Balance at the end of the period	18,458	18,536

22. Provision for deferred taxes

Balance as at	30/06/2021	5,378
Balance as at	31/12/2020	4,261
Change		<u>1,117</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 2021 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/a mortisation	Leasing	Other minor	Total
Balance as at 01/01/2020	57	727	66	2,627	3,477
Provisions/Uses	(35)	254	(40)	(295)	(115)
Other changes			-	958	958
Exchange differences		(21)	5	(42)	(58)
Balance as at 31/12/2020	22	960	31	3,248	4,261
Provisions/Uses		552	(7)	(4)	541
Other changes				523	523
Exchange differences		38	1	13	52
Balance as at 30/06/2021	22	1,550	25	3,780	5,378

23. Provisions for risks and charges

Balance as at	30/06/2021	2,342
Balance as at	31/12/2020	1,076
Change		<u>1,266</u>

The breakdown of the item is as follows:

	30/06/2021	31/12/2020	Change
Other minor provisions	2,342	1,076	1,266
Total other provisions	2,342	1,076	1,266
Total	2,342	1,076	1,266

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	31/12/2020	Provisions	Uses	Other changes	30/06/2021
Other minor provisions	1,076	12	(27)	1,280	2,342
Total	1,076	12	(27)	1,280	2,342

The item Other changes refers to exchange rate differences of Euro 26 thousand, to the change in the Scope of Consolidation of Euro 1,270 thousand and to reversals of the fund of Euro 16 thousand.

24. Payables and other financial liabilities

Balance as at	30/06/2021	404,691
Balance as at	31/12/2020	446,551

Change

(41,859)

The breakdown of the item is as follows:

	30/06/2021	31/12/2020	Change
Bonds	109,789	121,732	(11,944)
Mortgages	257,073	283,730	(26,657)
Leasing	34,372	36,488	(2,116)
Derivatives	2,258	3,509	(1,251)
Other	1,200	1,091	108
Total	404,691	446,551	(41,859)

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.

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. Furthermore, the same item also includes the lease liability amounting to Euro 50,244 thousand, deriving from the application of accounting standard IFRS 16 to assets that are the subject matter of a finance lease.

It also includes financial liabilities for derivatives.

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

Lending institution	Amount	Long-term portion	Short-term portion	Interest rate	Maturity	Original amount
Banca di Caraglio	3	-	3	Floating 1.80%	06/11/2021	Euro 50,000
Intesa San Paolo	27	-	27	Fixed 2.00%	30/05/2022	Euro 140,000
MISE	37	-	37	Fixed 17.00%	31/12/2022	Euro 289,820
Unicredit	584	195	389	Floating 0.59%	31/12/2022	Euro 5,200,000
Mediobanca *	2,143	1,072	1,071	Fixed 2.90%	20/06/2023	Euro 15,000,000
Unicredit Bulbank	2,500	1,500	1,000	Fixed 4.50%	11/10/2023	Euro 8,000,000
Unicredit	26	15	11	Floating 1.00%	30/11/2023	Euro 27,000
Intesa San Paolo*	11,250	7,500	3,750	Floating 1.92%	31/03/2024	Euro 30,000,000
Mediocredito Italiano	4,444	2,963	1,481	Floating 1.25%	31/03/2024	Euro 20,000,000
Unicredit *	3,750	2,500	1,250	Floating 1.20%	31/05/2024	Euro 10,000,000
Monte Paschi Siena	3,333	2,500	833	Fixed 4.21%	15/06/2025	Euro 10,000,000
Intesa San Paolo*	15,000	11,250	3,750	Fixed 1.44%	30/06/2025	Euro 30,000,000
Credito Valtellinese	5,689	4,439	1,250	Floating 0.60%	05/07/2025	Euro 10,000,000
Credito Valtellinese	2,844	2,219	625	Floating 0.60%	05/07/2025	Euro 5,000,000
Intesa San Paolo	164	124	40	Fixed 1.00%	13/07/2025	Euro 200,000
UBI Banca	11,421	8,899	2,522	Fixed 1.00%	14/09/2025	Euro 20,000,000
Banca IMI *	3,377	2,745	632	Fixed 6.50%	26/01/2026	Euro 7,000,000
BCC Carate	6,343	5,100	1,243	Floating 1.00%	13/06/2026	Euro 10,000,000
Intesa San Paolo*	25,000	20,000	5,000	Fixed 1.10%	30/06/2026	Euro 40,000,000
UBI Banca	746	650	96	Floating 2.20%	24/09/2026	Euro 1,000,000
BNL - BNP Paribas *	18,000	15,000	3,000	Fixed 1.69%	25/11/2026	Euro 30,000,000
Unicredit Bosnia	1,245	1,048	197	Floating 3.80%	31/12/2026	Euro 2,000,000
UBI Banca *	30,473	25,594	4,879	Fixed 1.60%	26/06/2027	Euro 40,000,000
Mediobanca	35,000	30,000	5,000	Fixed 1.66%	28/01/2028	Euro 40,000,000
Invitalia	5,503	4,818	685	Fixed 0.11%	30/06/2029	Euro 12,643,000
Banco BPM	46,977	41,113	5,864	Fixed 1.90%	30/06/2029	Euro 49,875,000

BNL - BNP Paribas *	39,942	37,454	2,488	Floating	1.73%	31/12/2029	Euro	40,000,000
BNL - BNP Paribas *	26,699	23,482	3,217	Fixed	1.32%	06/05/2030	Euro	30,000,000
BCC Carate	4,995	4,728	267	Fixed	0.85%	17/12/2030	Euro	5,000,000
Banca di Caraglio	181	165	16	Floating	1.80%	30/11/2031	Euro	250,000
Derivatives	3,231	2,258	973					-
Lease liabilities	50,244	34,372	15,872					
Total amounts due to other lenders	361,171	293,703	67,468					
Bonds	121,726	109,789	11,937					
Total	482,896	403,492	79,405					

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:

- The loan agreement outstanding with Mediobanca whose residual debt amounts to Euro 2,143 thousand was hedged by an IRS agreement entered into on 19 May 2010, which anticipates the payment of a fixed rate of 2.9% against a floating 6-month Euribor rate.
The fair value as at 30 June 2021, calculated by the same bank, was negative for Euro 92 thousand (negative for Euro 139 thousand as at 31 December 2020).
- The loan agreement outstanding with BNL – BNP Paribas, the residual debt of which amounts to Euro 39,942 thousand, was hedged by a fixed rate of 1.45% against a floating 6-month Euribor rate.
The fair value as at 30 June 2021, calculated by the same bank, was negative for Euro 827 thousand (negative for Euro 1,366 thousand as at 31 December 2020).
- The bond whose residual debt amounts to Euro 14,383 thousand was hedged by a CCS contract entered into with Intesa San Paolo on 15 June 2012.
The fair value as at 30 June 2021, calculated by the same bank, was positive for Euro 657 thousand (positive for Euro 218 thousand as at 31 December 2020).
- The bond whose residual debt amounts to Euro 10,828 thousand was hedged by a CCS contract entered into with Intesa San Paolo on 29 May 2013.
The fair value as at 30 June 2021, calculated by the same bank, was positive for Euro 913 thousand (positive for Euro 688 thousand as at 31 December 2020).
- The loan outstanding with Unicredit Bulbank whose residual debt amounts to Euro 2,500 thousand was hedged by a fixed rate of 2.40% against a floating 3-month Euribor rate.
The fair value as at 30 June 2021, calculated by the same bank, was negative for Euro 104 thousand (negative for Euro 148 thousand as at 31 December 2020).
- 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 0.44% against a floating 6-month Euribor rate.
The fair value as at 30 June 2021, calculated by the same bank, was negative for Euro 287 thousand (negative for Euro 401 thousand as at 31 December 2020).
- The loan agreement outstanding with Banca Popolare di Bergamo, the residual debt of which amounts to Euro 11,421 thousand, was hedged by a fixed rate of 0.10% against a floating 3-month Euribor rate.
The fair value as at 30 June 2021, calculated by the same bank, was negative for Euro 162 thousand (negative for Euro 221 thousand as at 31 December 2020).

8. The loan agreement outstanding with Intesa San Paolo, the residual debt of which amounts to Euro 25,000 thousand, was hedged by a fixed rate of 0.10% against a floating 6-month Euribor rate.
The fair value as at 30 June 2021, calculated by the same bank, was negative for Euro 319 thousand (negative for Euro 488 thousand as at 31 December 2020).
9. The loan agreement outstanding with BNL – BNP Paribas, the residual debt of which amounts to Euro 18,000 thousand, was hedged by a fixed rate of 0.535% against a floating 6-month Euribor rate.
The fair value as at 30 June 2021, calculated by the same bank, was negative for Euro 440 thousand (negative for Euro 595 thousand as at 31 December 2020).
10. The loan agreement outstanding with Mediobanca, the residual debt of which amounts to Euro 35,000 thousand, was hedged by a fixed rate of 0.759% against a floating 6-month Euribor rate.
The fair value as at 30 June 2021, calculated by the same bank, was negative for Euro 843 thousand (negative for Euro 1.066 thousand as at 31 December 2020).
11. The loan agreement outstanding with BNL – BNP Paribas, the residual debt of which amounts to Euro 26,699 thousand, was hedged by a fixed rate of -0.13% against a floating 6-month Euribor rate.
The fair value as at 30 June 2021, calculated by the same bank, was negative for Euro 157 thousand (negative for Euro 392 thousand as at 31 December 2020).

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 assets and liabilities at fair value as at 31 December 2021, by hierarchical level of fair value measurement:

Payables and other financial	Notes	Level 1	Level 2	Level 3	Total
Negative measurement					
Mediobanca		-	(92)	-	(92)
Intesa San Paolo		-	(287)	-	(287)
BNL - BNP Paribas		-	(827)	-	(827)
Banca Popolare di Bergamo		-	(162)	-	(162)
Intesa San Paolo		-	(319)	-	(319)
BNL - BNP Paribas		-	(440)	-	(440)
Mediobanca		-	(843)	-	(843)
Unicredit		-	(104)	-	(104)
BNL - BNP Paribas		-	(157)	-	(157)
Total negative measurement		-	(3,231)	-	(3,231)
Positive measurement					
Intesa San Paolo		-	657	-	657
Intesa San Paolo		-	913	-	913
Total positive measurement		-	1,570	-	1,570
Overall total		-	(1,661)	-	(1,661)

25. Current liabilities

Balance as at	30/06/2021	298,210
Balance as at	31/12/2020	281,004
Change		<u>17,205</u>

This item breaks down as follows:

Description	30/06/2021	31/12/2020	Change
Amounts due to banks	1,321	2,216	(895)
Trade accounts payable	134,553	122,222	12,332
Other financial liabilities	79,732	78,368	1,365
Tax payables	26,182	22,124	4,059
Other current liabilities	56,420	56,075	345
Total	298,210	281,004	17,205

The item "Other financial liabilities" represents the short-term portions of the amounts due to other lenders, 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	30/06/2021	31/12/2020	Change
Income tax payables	10,682	10,628	54
VAT payables	11,255	5,358	5,897
Other tax payables	4,245	6,138	(1,892)
Total	26,182	22,124	4,059

"Other current liabilities" comprise:

Description	30/06/2021	31/12/2020	Change
Amounts due to social security institutions	7,211	7,804	(593)
Amounts due to employees	14,474	13,803	671
Amounts due to shareholders for dividends	617	22	595
Amounts due for the purchase of equity	-	1,857	(1,857)
Guarantee deposits payable	365	207	158
Other payables	6,210	8,754	(2,544)
Accrued expenses and deferred income	27,542	23,626	3,916
Total	56,420	56,075	345

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

Description	30/06/2021	31/12/2020	Change
Accrued expenses			
Interest payable on loans	825	936	(111)
Other	6,275	5,186	1,089
Total accrued expenses	7,100	6,122	979
Deferred income			
Sink funds granted	494	532	(37)
Rentals receivable	37	37	-
Other	19,910	16,936	2,974
Total deferred income	20,442	17,505	2,937
Total accrued expenses and deferred	27,542	23,626	3,916

Breakdown of revenues by type of business

(in thousands of Euro)	30/06/2021							30/06/2020						
	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	283,949	100.0%			(15,770)	268,179	49.6%	221,447	100.0%			(15,597)	205,849	43.6%
Home-care service sector			273,578	100.0%	(734)	272,844	50.4%			266,588	100.0%	(635)	265,953	56.4%
Net sales	283,949	100.0%	273,578	100.0%	(16,504)	541,022	100.0%	221,447	100.0%	266,588	100.0%	(16,232)	471,803	100.0%
Other revenues and income	2,852	1.0%	2,203	0.8%	(281)	4,774	0.9%	2,266	1.0%	2,390	0.9%	(282)	4,373	0.9%
Internal works and collections	1,652	0.6%	3,725	1.4%	1,081	6,458	1.2%	1,239	0.6%	3,980	1.5%	1,273	6,491	1.4%
Revenues	288,452	101.6%	279,506	102.2%	(15,704)	552,254	102.1%	224,951	101.6%	272,957	102.4%	(15,241)	482,667	102.3%
Purchase of materials	83,465	29.4%	60,887	22.3%	(8,774)	135,578	25.1%	63,201	28.5%	69,364	26.0%	(8,782)	123,783	26.2%
Services rendered	89,845	31.6%	70,353	25.7%	(6,327)	153,871	28.4%	72,611	32.8%	66,974	25.1%	(5,871)	133,714	28.3%
Change in inventories	(1,983)	-0.7%	(970)	-0.4%		(2,953)	-0.5%	(5,785)	-2.6%	(8,092)	-3.0%		(13,877)	-2.9%
Other costs	5,711	2.0%	6,142	2.2%	(599)	11,255	2.1%	5,812	2.6%	6,728	2.5%	(582)	11,958	2.5%
Total costs	177,039	62.3%	136,413	49.9%	(15,700)	297,752	55.0%	135,839	61.3%	134,974	50.6%	(15,235)	255,578	54.2%
Added value	111,414	39.2%	143,093	52.3%	(4)	254,503	47.0%	89,113	40.2%	137,983	51.8%	(7)	227,090	48.1%
Payroll and related costs	51,851	18.3%	63,701	23.3%		115,552	21.4%	46,798	21.1%	60,012	22.5%		106,810	22.6%
Gross operating margin	59,563	21.0%	79,392	29.0%	(4)	138,951	25.7%	42,315	19.1%	77,971	29.2%	(7)	120,280	25.5%
Depreciation/amortisation	28,314	10.0%	29,371	10.7%	(57)	57,628	10.7%	26,908	12.2%	27,781	10.4%	(53)	54,636	11.6%
Provisions and write-downs	1,719	0.6%	840	0.3%		2,559	0.5%	1,606	0.7%	1,594	0.6%	148	3,348	0.7%
Non-recurring (income)/expenses	-	0.0%		0.0%		-	0.0%		0.0%		0.0%		-	0.0%
Operating result	29,529	10.4%	49,181	18.0%	54	78,763	14.6%	13,801	6.2%	48,596	18.2%	(102)	62,296	13.2%
Financial income	23,409	8.2%	1,407	0.5%	(23,867)	950	0.2%	16,553	7.5%	1,675	0.6%	(17,112)	1,116	0.2%
Financial expense	(5,166)	-1.8%	(1,270)	-0.5%	876	(5,560)	-1.0%	(5,342)	-2.4%	(1,102)	-0.4%	484	(5,960)	-1.3%
Results from equity investments	(914)	-0.3%		0.0%		(914)	-0.2%	(97)	0.0%		0.0%		(97)	0.0%
Total financial income/(expense)	17,330	6.1%	137	0.1%	(22,991)	(5,524)	-1.0%	11,114	5.0%	573	0.2%	(16,628)	(4,941)	-1.0%
Profit (Loss) before income taxes	46,859	16.5%	49,318	18.0%	(22,937)	73,239	13.5%	24,915	11.3%	49,170	18.4%	(16,730)	57,355	12.2%
Income taxes	6,710	2.4%	13,275	4.9%	12	19,997	3.7%	3,838	1.7%	13,180	4.9%	11	17,029	3.6%
Net result from business activities	40,149	14.1%	36,043	13.2%	(22,949)	53,242	9.8%	21,077	9.5%	35,990	13.5%	(16,741)	40,326	8.5%
Net result from discontinued operations (Profit)/Loss pertaining to minority interests		0.0%		0.0%			0.0%		0.0%		0.0%			0.0%
	(789)	-0.3%	(2,077)	-0.8%	25	(2,841)	-0.5%	(350)	-0.2%	(1,728)	-0.6%	25	(2,052)	-0.4%
Net Profit/(Loss)	39,360	13.9%	33,965	12.4%	(22,924)	50,401	9.3%	20,727	9.4%	34,262	12.9%	(16,716)	38,274	8.1%
Other information	30/06/2021							30/06/2020						
Total assets	1,106,138		781,273		(467,302)	1,420,108		993,700		646,458		(365,910)	1,274,249	
Total liabilities	649,809		259,502		(180,232)	729,079		604,696		182,657		(109,525)	677,828	
Investments	28,312		30,219			58,531		26,548		25,418			51,966	

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)

	30/06/2021	%	30/06/2020	%
Net sales	283,949	100.0%	221,447	100.0%
Other revenues and income	2,852	1.0%	2,266	1.0%
Internal works and collections	1,652	0.6%	1,239	0.6%
Revenues	288,452	101.6%	224,951	101.6%
Purchase of materials	83,465	29.4%	63,201	28.5%
Services rendered	89,845	31.6%	72,611	32.8%
Change in inventories	(1,983)	-0.7%	(5,785)	-2.6%
Other costs	5,711	2.0%	5,812	2.6%
Total costs	177,039	62.3%	135,839	61.3%
Added value	111,414	39.2%	89,113	40.2%
Payroll and related costs	51,851	18.3%	46,798	21.1%
Gross operating margin	59,563	21.0%	42,315	19.1%
Depreciation/amortisation	28,314	10.0%	26,908	12.2%
Provisions and write-downs	1,719	0.6%	1,606	0.7%
Non-recurring (income)/expenses	0	0.0%		0.0%
Operating result	29,529	10.4%	13,801	6.2%
Financial income	23,409	8.2%	16,553	7.5%
Financial expense	(5,166)	-1.8%	(5,342)	-2.4%
Results from equity investments	(914)	-0.3%	(97)	0.0%
Total financial income/(expense)	17,330	6.1%	11,114	5.0%
Profit (Loss) before income taxes	46,859	16.5%	24,915	11.3%
Income taxes	6,710	2.4%	3,838	1.7%
Net result from business activities	40,149	14.1%	21,077	9.5%
Net result from discontinued operations		0.0%		0.0%
(Profit)/Loss pertaining to minority interests	(789)	-0.3%	(350)	-0.2%
Net Profit/(Loss)	39,360	13.9%	20,727	9.4%

Sales in the Technical Gas Sector registered a 28.2% increase.

Gross operating margin increased by 40.8% compared to the previous year.

Operating result increased by 114.0% compared to the previous year.

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

(in thousands of Euro)

	2Q 2021	%	2Q 2020	%
Net sales	144,239	100.0%	109,234	100.0%
Other revenues and income	1,508	1.0%	1,396	1.3%
Internal works and collections	973	0.7%	650	0.6%
Revenues	146,720	101.7%	111,279	101.9%
Purchase of materials	42,619	29.5%	32,479	29.7%
Services rendered	46,235	32.1%	35,857	32.8%
Change in inventories	(560)	-0.4%	(4,597)	-4.2%
Other costs	2,841	2.0%	3,028	2.8%
Total costs	91,136	63.2%	66,767	61.1%
Added value	55,584	38.5%	44,512	40.7%
Payroll and related costs	27,445	19.0%	24,214	22.2%
Gross operating margin	28,139	19.5%	20,298	18.6%
Depreciation/amortisation	14,422	10.0%	13,590	12.4%
Provisions and write-downs	574	0.4%	504	0.5%
Non-recurring (income)/expenses	0	0.0%		0.0%
Operating result	13,143	9.1%	6,205	5.7%
Financial income	22,816	15.8%	15,996	14.6%
Financial expense	(2,476)	-1.7%	(2,646)	-2.4%
Results from equity investments	(914)	-0.6%	(22)	0.0%
Total financial income/(expense)	19,426	13.5%	13,328	12.2%
Profit (Loss) before income taxes	32,569	22.6%	19,533	17.9%
Income taxes	3,542	2.5%	1,763	1.6%
Net result from business activities	29,028	20.1%	17,770	16.3%
Net result from discontinued operations		0.0%		0.0%
(Profit)/Loss pertaining to minority interests	(319)	-0.2%	(313)	-0.3%
Net Profit/(Loss)	28,708	19.9%	17,456	16.0%

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

(in thousands of Euro)

	30/06/2021	31/12/2020
Tangible fixed assets	405,509	384,039
Goodwill and consolidation differences	29,237	28,809
Other intangible fixed assets	13,095	11,670
Equity investments	198,275	198,518
Other financial assets	5,615	4,639
Deferred tax assets	16,367	14,531
NON-CURRENT ASSETS	668,099	642,207
Non-current assets held for sale	0	0
Inventories	31,169	27,626
Trade receivables	199,631	179,502
Other current assets	25,985	19,427
Current financial assets	96,225	38,992
Cash and cash at bank	85,029	185,946
CURRENT ASSETS	438,039	451,494
TOTAL ASSETS	1,106,138	1,093,701
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	283,842	232,381
Retained earnings (accumulated loss)	2,727	2,659
Net Profit	39,360	42,893
Shareholders' equity - Group	446,887	398,891
Shareholders' equity - Minority interests	8,653	11,297
Profit pertaining to minority interests	789	1,158
Shareholders' equity - Minority interests	9,442	12,455
SHAREHOLDERS' EQUITY	456,329	411,346
Employee severance indemnities and benefits	13,806	13,340
Provision for deferred taxes	3,379	2,880
Provisions for risks and charges	1,502	223
Payables and other financial liabilities	382,214	419,951
NON-CURRENT LIABILITIES	400,901	436,394
Non-current liabilities held for sale		
Amounts due to banks	946	2,126
Trade accounts payable	86,836	78,126
Other financial liabilities	131,620	139,496
Tax payables	7,841	6,788
Other current liabilities	21,665	19,425
CURRENT LIABILITIES	248,908	245,961
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,106,138	1,093,701

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)

	30/06/2021	%	30/06/2020	%
Net sales	273,578	100.0%	266,588	100.0%
Other revenues and income	2,203	0.8%	2,390	0.9%
Internal works and collections	3,725	1.4%	3,980	1.5%
Revenues	279,506	102.2%	272,957	102.4%
Purchase of materials	60,887	22.3%	69,364	26.0%
Services rendered	70,353	25.7%	66,974	25.1%
Change in inventories	(970)	-0.4%	(8,092)	-3.0%
Other costs	6,142	2.2%	6,728	2.5%
Total costs	136,413	49.9%	134,974	50.6%
Added value	143,093	52.3%	137,983	51.8%
Payroll and related costs	63,701	23.3%	60,012	22.5%
Gross operating margin	79,392	29.0%	77,971	29.2%
Depreciation/amortisation	29,371	10.7%	27,781	10.4%
Provisions and write-downs	840	0.3%	1,594	0.6%
Non-recurring (income)/expenses		0.0%		0.0%
Operating result	49,181	18.0%	48,596	18.2%
Financial income	1,407	0.5%	1,675	0.6%
Financial expense	(1,270)	-0.5%	(1,102)	-0.4%
Results from equity investments		0.0%		0.0%
Total financial income/(expense)	137	0.1%	573	0.2%
Profit (Loss) before income taxes	49,318	18.0%	49,170	18.4%
Income taxes	13,275	4.9%	13,180	4.9%
Net result from business activities	36,043	13.2%	35,990	13.5%
Net result from discontinued operations		0.0%		0.0%
(Profit)/Loss pertaining to minority interests	(2,077)	-0.8%	(1,728)	-0.6%
Net Profit/(Loss)	33,965	12.4%	34,262	12.9%

Sales in the Home-care service sector registered an increase of 2.6%.

Gross operating margin increased by 1.8% compared to the previous year.

Operating result increased by 1.2% compared to the previous year.

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

(in thousands of Euro)

	2Q 2021	%	2Q 2020	%
Net sales	139,032	100.0%	135,028	100.0%
Other revenues and income	749	0.5%	934	0.7%
Internal works and collections	2,092	1.5%	1,633	1.2%
Revenues	141,873	102.0%	137,594	101.9%
Purchase of materials	31,816	22.9%	33,005	24.4%
Services rendered	35,972	25.9%	32,448	24.0%
Change in inventories	(1,930)	-1.4%	(3,052)	-2.3%
Other costs	2,829	2.0%	3,408	2.5%
Total costs	68,687	49.4%	65,808	48.7%
Added value	73,186	52.6%	71,786	53.2%
Payroll and related costs	32,266	23.2%	29,976	22.2%
Gross operating margin	40,920	29.4%	41,810	31.0%
Depreciation/amortisation	14,652	10.5%	13,809	10.2%
Provisions and write-downs	272	0.2%	755	0.6%
Non-recurring (income)/expenses		0.0%		0.0%
Operating result	25,997	18.7%	27,246	20.2%
Financial income	893	0.6%	1,174	0.9%
Financial expense	(684)	-0.5%	(571)	-0.4%
Results from equity investments		0.0%		0.0%
Total financial income/(expense)	209	0.2%	603	0.4%
Profit (Loss) before income taxes	26,206	18.8%	27,849	20.6%
Income taxes	7,107	5.1%	7,174	5.3%
Net result from business activities	19,099	13.7%	20,675	15.3%
Net result from discontinued operations		0.0%		0.0%
(Profit)/Loss pertaining to minority interests	(1,192)	-0.9%	(740)	-0.5%
Net Profit/(Loss)	17,907	12.9%	19,934	14.8%

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

(in thousands of Euro)

	30/06/2021	31/12/2020
Tangible fixed assets	178,518	170,991
Goodwill and consolidation differences	102,440	101,937
Other intangible fixed assets	8,749	6,935
Equity investments	130,681	76,057
Other financial assets	3,328	2,847
Deferred tax assets	5,936	7,037
NON-CURRENT ASSETS	429,652	365,805
Non-current assets held for sale	0	0
Inventories	36,911	35,675
Trade receivables	140,329	137,817
Other current assets	15,730	6,706
Current financial assets	73,579	80,890
Cash and cash at bank	85,072	83,111
CURRENT ASSETS	351,621	344,199
TOTAL ASSETS	781,273	710,004
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	418,172	361,561
Retained earnings (accumulated loss)	24,577	24,577
Net Profit	33,965	76,784
Shareholders' equity - Group	506,948	493,156
Shareholders' equity - Minority interests	12,745	10,669
Profit pertaining to minority interests	2,077	4,055
Shareholders' equity - Minority interests	14,823	14,723
SHAREHOLDERS' EQUITY	521,771	507,880
Employee severance indemnities and benefits	4,651	5,196
Provision for deferred taxes	1,972	1,354
Provisions for risks and charges	840	853
Payables and other financial liabilities	121,258	65,866
NON-CURRENT LIABILITIES	128,721	73,270
Non-current liabilities held for sale		
Amounts due to banks	375	90
Trade accounts payable	61,797	62,735
Other financial liabilities	13,713	12,778
Tax payables	18,341	15,335
Other current liabilities	36,555	37,917
CURRENT LIABILITIES	130,781	128,855
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	781,273	710,004

Information by geographic area

The breakdown of revenues by geographic area is presented below:

Description	30/06/2021	30/06/2020	Change
Italy	231,692	206,906	24,787
Abroad	309,330	264,897	44,433
Total	541,022	471,803	69,220

The breakdown of investments by geographic area is presented below:

Description	30/06/2021	30/06/2020	Change
Italy	20,019	19,986	33
Other countries	38,512	31,980	6,532
Total	58,531	51,966	6,565

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.

Intragroup sales and services carried out during the first half of 2021 amounted to Euro 92.9 million.

As at 30 June 2021, receivable and payable transactions between Group companies came to Euro 354.4 million, of which Euro 261.6 million of a financial nature and Euro 92.8 million of a trade nature.

The breakdown of intercompany financial receivables is as follows:

- Financial receivables granted by SOL S.p.A. Euro 161.1 million
- Financial receivables granted by AIRSOL BV Euro 25.6 million
- Financial receivables granted by other companies Euro 74.9 million.

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

- Sales and services to CT Biocarbonic GmbH Euro 25 thousand
- Purchases from CT Biocarbonic GmbH Euro 1,341 thousand
- Financial receivables from CT Biocarbonic GmbH Euro 500 thousand
- Trade receivables from CT Biocarbonic GmbH Euro 8 thousand
- Amounts due to CT Biocarbonic GmbH Euro 381 thousand
- Sales and services to ZDS JESENICE d.o.o. Euro 1,069 thousand
- Purchases from ZDS JESENICE d.o.o. Euro 1,439 thousand
- Trade receivables from ZDS JESENICE d.o.o. Euro 449 thousand
- Amounts due to ZDS JESENICE d.o.o. Euro 312 thousand

• Trade receivables from Consorgas Srl	Euro	3 thousand
• Financial receivables from Consorgas Srl	Euro	35 thousand
• Amounts due to Consorgas Srl	Euro	115 thousand
• Sales and services to Consorzio Ecodue	Euro	62 thousand
• Purchases from Consorzio Ecodue	Euro	115 thousand
• Trade receivables from Consorzio Ecodue	Euro	38 thousand
• Amounts due to Consorzio Ecodue	Euro	67 thousand.

Commitments, guarantees and potential liabilities

The Sol Group obtained sureties totalling Euro 82,281 thousand.

Net financial position

(in thousands of Euro)

	30/06/2021	31/12/2020
a Cash	548	471
b Banks	169,555	268,710
c Securities held for trading		
d Liquidity (a) + (b) + (c)	170,104	269,181
e Securities	5,587	6,300
e Other short-term financial assets *	755	366
e Current financial receivables due from Group companies	678	800
e Current financial receivables	7,020	7,466
f Short-term amounts due to banks	(1,321)	(2,216)
g Loans – long-term portion	(50,623)	(49,459)
g Lease – short term portion	(15,872)	(15,319)
g Bonds – short term portion	(11,937)	(11,937)
h Amounts due to shareholders for loans	(224)	(224)
h Amounts due to Group companies	0	0
h Amounts due to Shareholders for the purchase of equity	0	(1,857)
h Other short-term financial liabilities *	(1,902)	(2,365)
i Current borrowing (f) + (g) + (h)	(81,879)	(83,378)
j Net current borrowing (d) + (e) + (i)	95,244	193,269
k Long-term amounts due to banks		
l Bonds issued	(109,789)	(121,732)
m Investment securities	1,159	1,156
m Other long-term financial assets	1,029	831
m Loans – long-term portion	(257,073)	(283,730)
m Lease – long-term portion	(34,372)	(36,488)
m Amounts due to Shareholders for the purchase of equity	0	0
m Other long-term financial liabilities	(2,371)	(3,562)
n Non-current borrowing (k) + (l) + (m)	(401,417)	(443,525)
o Net borrowing (j) + (n)	(306,173)	(250,257)

* Includes the fair value of derivative financial instruments

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 2021.

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 2021, as defined by the Communication itself.

The Chairman of the Board of Directors

Aldo Fumagalli Romario

Monza, 9 September 2021

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 2021.

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, 9 September 2021

The Managing directors

Manager in charge of drawing up company accounting documents

(Aldo Fumagalli Romario)

(Marco Filippi)

(Marco Annoni)