



SOL S.p.A.

Half-yearly financial report of the SOL Group as at 30 June 2022

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SOLGROUP
a breath of life

TABLE OF CONTENTS

1. Administrative and controlling bodies
 2. Group structure
 3. Directors' Interim Report
 9. Condensed half-yearly consolidated financial statements as at 30 June 2022
 15. Notes to the financial statements
 59. Certification of the Condensed half-yearly consolidated financial statements pursuant to Article 154-bis of Italian Legislative Decree 58/98
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BOARD OF DIRECTORS

Chairman and Managing Director

ALDO FUMAGALLI ROMARIO

Deputy Chairman and Managing Director

MARCO ANNONI

Director with special powers

GIOVANNI ANNONI

Director with special powers

GIULIO FUMAGALLI ROMARIO

Directors

ALESSANDRA ANNONI

DUCCIO ALBERTI

CRISTINA GRIECO

(Independent)

ANNA GERVASONI

(Independent)

ANTONELLA MANSI

(Independent)

ELLI MELETI

(Independent)

ERWIN PAUL WALTER RAUHE

(Independent)

BOARD OF STATUTORY AUDITORS

Chairman

GIOVANNI MARIA

ALESSANDRO ANGELO GAREGNANI

Regular auditors

ALESSANDRO DANOVI

LIVIA MARTINELLI

Alternate Auditors

MARIA GABRIELLA DROVANDI

ALESSANDRO MANIAS

GENERAL MANAGERS

ANDREA MONTI

AUDITING COMPANY

DELOITTE & TOUCHE S.P.A.

Via Tortona n. 25

20144 Milan

Powers granted to the Directors

(CONSOB Communication No. 97001574 dated 20 February 1997)

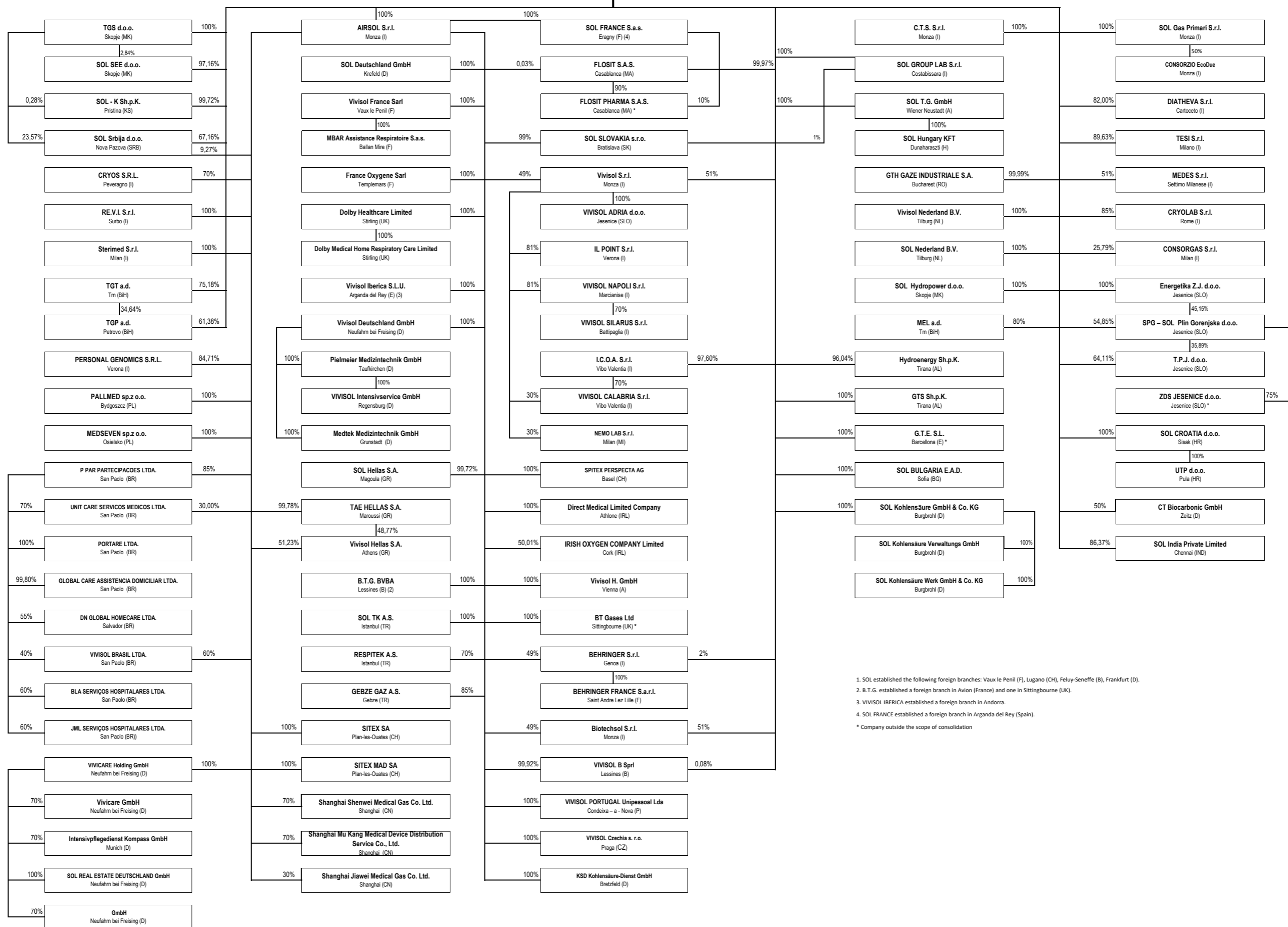
To the Chairman and Deputy Chairman: the legal representation of the Company in dealings with third parties and before the legal authorities; powers of ordinary management acting severally; powers of extraordinary management, acting jointly, it being understood that for the execution of the related acts 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 2022

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 2022

Directors' Interim Report

Introduction

This Half-yearly financial report as at 30 June 2022 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 2021, with the exception of those illustrated in the Notes to the financial statements.

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

General context

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

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 2022 started with a new wave of COVID-19 due to the OMICRON variant with, however, less severe effects on the population than in the previous two years.

In February, following Russia's invasion of Ukraine, a war began between the two countries that is still ongoing. The conflict helped to keep energy commodity prices at enormously higher levels until the first half of 2021.

The increase in energy commodity prices caused inflation to rise in all Western countries in the first half of 2022; the latter has reached levels not previously recorded in recent decades.

The spread of inflationary pressures prompted almost all central banks both to renew the monetary stimulus introduced during the pandemic and to start a phase of increasing official rates.

In this general context, the expansionary economic scenario recorded in the first half of 2022 could be characterised by a tendency for growth to slow down in the second half of the year.

Highlights of SOL Group results

Net sales achieved by the SOL Group in the first half of 2022 amounted to Euro 658.2 million, up by 21.7% when compared to Euro 541.0 million in the first half of 2021.

On a like-for-like basis, sales increased by 19.5%.

The gross operating margin was Euro 157.8 million, equating to 24.0% of sales, up by 13.5% when compared with the first half of 2021 (Euro 139.0 million, or 25.7% of sales).

The operating result came to Euro 92.8 million, equating to 14.1% of sales, up by 17.8 million compared to the figure for the same period of 2021 (Euro 78.8 million, or 14.6% of sales).

Net profit, net of estimated taxes, amounted to Euro 64.7 million, compared with Euro 50.4 million in the first half of 2021.

Cash flow amounted to Euro 128.7 million, up compared to the first half of 2021 (Euro 110.9 million).

Capital expenditure recorded in the financial statements totalled Euro 53.9 million (Euro 58.5 million in the same period of 2021).

The average number of staff employed as at 30 June 2022 totalled 5,235 (4,786 in the first half of 2021).

The Group's net financial indebtedness was equal to Euro 344.6 million (Euro 310.9 million as at 31 December 2021). Net of rental payables, net financial indebtedness was equal to Euro 289.6 million.

Operating performance and significant events during the half-year

In this context, the SOL Group achieved a significant increase in sales of 21.7% (19.5% on a like-for-like basis) compared to the first half of 2021.

The half-yearly result was positive both in Italy, where sales grew by 24.6%, and abroad, where there was an increase of 19.6%.

The Technical Gas Division achieved sales of Euro 364.3 million, up 35.9% compared to the first half of 2021.

The Technical Gas Division had to implement a vigorous action to recover the cost increase as a result of the very high increase in the prices of electricity and natural gas, raw materials in the production of technical gases. The effect of the price adjustment on growth is 25.0%.

The Home Care Service Division, in which the Group operates through Vivisol, achieved sales of Euro 293.9 million, up 7.7% on the first half of 2021.

The growth of the Home Care Service Division is due to the recovery of new patient prescriptions, after the slowdown in 2020 and 2021 caused by the effects of COVID-19, which had reduced the normal operations of hospitals and private outpatient clinics for patient visits.

Profit margins increased compared to the first half of 2021.

Compared to the first half of 2021, the Gross Operating Margin increased in absolute terms by 13.5% and the Operating Result by 17.8%.

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

Research activities, which have traditionally characterised, justified and supported the Group's development, continued during the first six months of 2022.

With regard to M&A activity, note that during the half-year period, the Brazilian subsidiary PPAR LTDA acquired 60% of BLA Servicos Hospitalares LTDA and JML Servicos Hospitalares LTDA, companies located in São Paulo (Brazil) and operating in the hospital business.

Note also that as from 1 June 2022, ISIMED Srl was merged by incorporation into the parent company VIVISOL Srl.

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 2022.

Main risks and uncertainties to which the SOL Group is exposed

Risks related to the general economic trend

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

The trend of the COVID-19 pandemic and the current war in Ukraine could cause a slowdown in various sectors of the economy in the countries where the SOL Group operates.

Risks relating to the Group's results

The SOL Group partially operates in sectors considerably regulated by economic cycles related to the trend in industrial production, such as the steel, metal working, engineering 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 interest rates and spreads than in the past.

Other financial risks

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

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

Credit risk

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

Positions amongst trade receivables (if individually significant) for which objective partial or total non-recoverability is ascertained, are subject to individual write-down. Provisions are made on a collective basis for receivables that are not

subject to individual write-down, taking into account the historic experience, the statistical data and, as a result of the introduction of the 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, Morocco, Poland, Czech Republic, India, Turkey, Brazil and China. 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 22.5 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 2022 was positive in the amount of Euro 3,520 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 non-significant companies, the effect on the Group's consolidated financial statements is not significant.

Interest rate risk

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

Some Group companies have entered into a number of Interest Rate Swap agreements linked to two floating rate medium-term loans with the aim of guaranteeing a fixed rate on said loans. The notional value as at 30 June 2022 was Euro 148,680 thousand and the positive fair value was equal to Euro 5,358 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 related to the environment and climate change

The products and the activities of the SOL Group are subject to increasingly complex and strict authorisation and environmental rules and regulations. This concerns manufacturing plants subject to regulations on atmospheric emissions, waste disposal and waste water disposal and the ban on land contamination.

High charges should be shouldered in order to observe such regulations.

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

Risks relating to IT management and data security

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

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

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

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

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

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

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

Tax risks

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

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

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

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

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

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

There are no subsequent events to report.

The ongoing war in Ukraine contributes to keeping energy commodity prices and - due to inflationary effects - investment and operating costs very high.

The SOL Group will continue with its investment and, where possible, acquisition programmes, with the aim of achieving good growth, consolidating the good performance of the first half-year and maintaining profitability at appreciable levels, with growth in absolute terms of operating margins.

The Chairman of the Board of Directors
Aldo Fumagalli Romario

Monza, 8 September 2022

Condensed half-yearly consolidated financial statements as at 30 June 2022

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	30/06/2022	%	30/06/2021	%
Net sales	1	658,244	100.0%	541,022	100.0%
Other revenues and income	2	26,441	4.0%	4,774	0.9%
Internal works and collections	3	11,158	1.7%	6,458	1.2%
Revenues		695,842	105.7%	552,254	102.1%
Purchase of materials		234,520	35.6%	135,578	25.1%
Services rendered		176,021	26.7%	153,871	28.4%
Change in inventories		(10,663)	-1.6%	(2,953)	-0.5%
Other costs		13,458	2.0%	11,255	2.1%
Total costs	4	413,336	62.8%	297,752	55.0%
Added value		282,506	42.9%	254,503	47.0%
Payroll and related costs	5	124,753	19.0%	115,552	21.4%
Gross operating margin		157,753	24.0%	138,951	25.7%
Depreciation/amortisation	6	61,997	9.4%	57,628	10.7%
Provisions and write-downs	6	2,957	0.4%	2,559	0.5%
Non-recurring (income)/expenses	6		0.0%	0	0.0%
Operating result		92,799	14.1%	78,763	14.6%
Financial income		927	0.1%	950	0.2%
Financial expense		(5,530)	-0.8%	(5,560)	-1.0%
Results from equity investments		207	0.0%	(914)	-0.2%
Total financial income/(expense)	7	(4,396)	-0.7%	(5,524)	-1.0%
Profit (Loss) before income taxes		88,403	13.4%	73,239	13.5%
Income taxes	8	21,725	3.3%	19,997	3.7%
Net result from business activities		66,678	10.1%	53,242	9.8%
Net result from discontinued operations			0.0%		0.0%
(Profit)/Loss pertaining to minority interests		(1,997)	-0.3%	(2,841)	-0.5%
Net Profit/(Loss)		64,681	9.8%	50,401	9.3%
Earnings per share		0.713		0.556	

(in thousands of Euro)

	2Q 2022	%	2Q 2021	%
Net sales	335,937	100.0%	274,849	100.0%
Other revenues and income	16,094	4.8%	2,115	0.8%
Internal works and collections	5,896	1.8%	3,740	1.4%
Revenues	357,928	106.5%	280,705	102.1%
Purchase of materials	121,641	36.2%	69,994	25.5%
Services rendered	90,848	27.0%	79,060	28.8%
Change in inventories	(4,309)	-1.3%	(2,490)	-0.9%
Other costs	6,996	2.1%	5,373	2.0%
Total costs	215,177	64.1%	151,938	55.3%
Added value	142,751	42.5%	128,767	46.9%
Payroll and related costs	64,501	19.2%	59,710	21.7%
Gross operating margin	78,250	23.3%	69,057	25.1%
Depreciation/amortisation	31,410	9.4%	29,045	10.6%
Provisions and write-downs	992	0.3%	845	0.3%
Non-recurring (income)/expenses		0.0%	0	0.0%
Operating result	45,847	13.6%	39,166	14.2%
Financial income	400	0.1%	208	0.1%
Financial expense	(2,920)	-0.9%	(2,650)	-1.0%
Results from equity investments	274	0.1%	(914)	-0.3%
Total financial income/(expense)	(2,246)	-0.7%	(3,356)	-1.2%
Profit (Loss) before income taxes	43,601	13.0%	35,810	13.0%
Income taxes	10,546	3.1%	10,654	3.9%
Net result from business activities	33,055	9.8%	25,155	9.2%
Net result from discontinued operations		0.0%		0.0%
(Profit)/Loss pertaining to minority interests	(937)	-0.3%	(1,486)	-0.5%
Net Profit/(Loss)	32,118	9.6%	23,669	8.6%
Earnings per share	0.354		0.261	

Consolidated statement of comprehensive income

(in thousands of Euro)

	30/06/2022	30/06/2021
Profit/(Loss) for the year (A)	66,678	53,242
Components that will never be reclassified to the Income Statement		
Actuarial gains/(losses)	1,972	442
Tax effect	(473)	(106)
Total components that will never be reclassified to the Income Statement (B1)	1,499	336
Components that may be reclassified to the Income Statement		
Profits / (losses) on cash flow hedging instruments	7,619	2,224
Profits/(losses) deriving from conversion of financial statements of foreign companies	1,907	1,908
Tax effect related to other profits (losses)	(1,823)	(528)
Total components that may be reclassified to the Income Statement (B2)	7,703	3,604
Total other profits/(losses) net of the tax effect (B1) + (B2) = (B)	9,202	3,940
Overall result for the period (A+B)	75,880	57,182
Attributable to:		
- shareholders of the parent company	73,775	54,233
- minority interest	2,105	2,949

Consolidated statement of financial position

(in thousands of Euro)

	Notes	30/06/2022	31/12/2021
Tangible fixed assets	9	623,740	615,329
Goodwill and consolidation differences	10	172,537	170,313
Other intangible fixed assets	11	27,490	22,752
Equity investments	12	13,000	12,704
Other financial assets	13	15,092	10,484
Deferred tax assets	14	19,330	21,031
NON-CURRENT ASSETS		871,190	852,612
Non-current assets held for sale			
Inventories	15	78,718	67,303
Trade receivables	16	404,190	340,023
Other current assets	17	52,062	36,197
Current financial assets	18	8,802	8,671
Cash and cash at bank	19	146,488	139,642
CURRENT ASSETS		690,260	591,835
TOTAL ASSETS		1,561,450	1,444,448
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		559,869	486,904
Retained earnings (accumulated loss)		704	845
Net Profit		64,681	89,549
Shareholders' equity - Group		746,212	698,257
Shareholders' equity - Minority interests		22,283	18,987
Profit pertaining to minority interests		1,997	4,208
Shareholders' equity - Minority interests		24,280	23,194
SHAREHOLDERS' EQUITY	20	770,492	721,452
Employee severance indemnities and benefits	21	16,324	18,696
Provision for deferred taxes	22	10,325	7,362
Provisions for risks and charges	23	2,805	3,070
Payables and other financial liabilities	24	421,563	378,471
NON-CURRENT LIABILITIES		451,018	407,598
Non-current liabilities held for sale			
Amounts due to banks		1,502	1,643
Trade accounts payable		168,338	150,290
Other financial liabilities		83,158	82,098
Tax payables		23,383	19,216
Other current liabilities		63,559	62,150
CURRENT LIABILITIES	25	339,940	315,398
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,561,450	1,444,448

Consolidated cash flow statement

(in thousands of Euro)

	Notes	30/06/2022	30/06/2021
CASH FLOWS GENERATED BY OPERATING ACTIVITIES			
Profit for the year		64,681	50,401
Minority interests in profit/loss		1,997	2,842
<i>Adjustments to items not affecting liquidity</i>			
Depreciation/amortisation	6	61,997	57,628
Interest on loans and on bonds	7	3,903	4,165
Employee severance indemnities and benefits accrued	5	1,361	177
Provisions/Use of provisions for risks and charges	22 - 23	2,699	1,113
Taxes for the period	8	18,902	17,595
<i>Cash flow before changes in nwc</i>		155,540	133,921
<i>Changes in current assets and liabilities</i>			
Inventories	15	(11,415)	(3,122)
Trade receivables	16	(63,353)	(14,235)
Other assets	14 - 17	(14,165)	(11,827)
Suppliers	25	17,909	5,955
Other liabilities		(1,283)	(3,592)
Tax payables		(1,400)	4,005
<i>Total changes in current assets and liabilities</i>		(73,707)	(22,816)
Other adjustments for non-monetary items		1,211	(4,529)
Taxes paid		(13,336)	(17,541)
<i>Cash flow generated by operating activities</i>		69,708	89,035
CASH FLOWS GENERATED BY INVESTMENT ACTIVITIES			
Acquisition of tangible fixed assets	9	(53,747)	(58,531)
Revaluations and other changes in tangible fixed assets	9	(11,328)	(6,534)
Increases in intangible assets		(7,749)	(5,177)
(Increase) decrease in long-term investments	13	(4,608)	(248)
(Increase) decrease of equity investments and business units		(3,752)	(52,970)
(Increase) decrease in current financial assets	18	(131)	455
<i>Total</i>		(81,315)	(123,005)
CASH FLOWS GENERATED BY FINANCING ACTIVITIES			
Repayment of loans		(22,534)	(25,537)
Raising of new loans		500	44
Redemption of bonds		(12,049)	(11,944)
Undertaking bonds		75,000	-
Change in leases		5,116	(1,563)
Raising (repayment) of shareholders' loans		0	0
Dividends paid	20	(24,235)	(22,843)
Interest on loans and on bonds paid		(3,614)	(4,276)
<i>Total</i>		18,184	(66,119)
Effect of exchange rate fluctuations	20	410	1,907
INCREASE (DECREASE) IN CASH IN HAND AND AT BANK		6,987	(98,182)
CASH IN HAND AND AT BANK AT BEGINNING OF YEAR	19	137,998	266,964
CASH IN HAND AND AT BANK AT END OF YEAR	19	144,985	168,782

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 31/12/2020	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

(in thousands of Euro)

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

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 2021, 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 2022, for which reference should be made to the following paragraph *"Accounting standards, amendments and interpretations of the IFRS applied as from 1 January 2022"*.

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 2022 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 Srl - 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		51.00%	51.00%
BEHRINGER Srl – Genoa	EUR	102,000	2.00%	49.00%	51.00%
BiotechSol Srl - Monza	EUR	110,000	51.00%	49.00%	100.00%
BLA SERVICOS HOSPITALARES LTDA - San Paolo	BRL	15,000,000		51.00%	51.00%

C.T.S. Srl – Monza	EUR	156,000	100.00%	100.00%
Cryolab Srl - Rome	EUR	509,021	85.00%	85.00%
CRYOS Srl - Peveragno	EUR	40,000		70.00%
DIATHEVA Srl - Cartoceto	EUR	260,000	82.00%	82.00%
Direct Medical Limited Company - Athlone	EUR	100		100.00%
DN GLOBAL HOMECARE LTDA. - Salvador	BRL	1,968,130		46.75%
Dolby Healthcare Limited - Stirling	GBP	300,100		100.00%
Dolby Medical Home Respiratory Care Limited - Stirling	GBP	15,100		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%
France Oxygene Sarl - Templemars	EUR	1,300,000		100.00%
GEBZE GAZ A.S. - Gebze	TRY	5,503,000		85.00%
GLOBAL CARE ASSISTENCIA DOMICILIAR LTDA. - San Paolo	BRL	10,736,528		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%
Intensivpflegedienst Kompass GmbH - Munich	EUR	25,000		70.00%
Irish Oxygen Company Limited - Cork	EUR	697,802		50.01%
JML SERVICOS HOSPITALARES LTDA - San Paolo	BRL	19,597,590		51.00%
KSD KOHLENSAURE-DIENST GmbH - Bretzfeld	EUR	30,000		100.00%
MBAR Assistance Respiratoire S.a.s. - Ballan Mire	EUR	7,622		100.00%
MEDES Srl - Settimo Milanese	EUR	10,400	51.00%	51.00%
MEDSEVEN sp.zo.o. - Osielsko	PLN	646,000		100.00%
Medtek Medizintechnik GmbH - Grunstadt	EUR	75,000		100.00%
MEL a.d. – Trn	BAM	2,005,830	80.00%	80.00%
P PAR PARTICIPACOES LTDA. - San Paolo	BRL	31,233,045		85.00%
PALLMED sp.zo.o. - Bydgoszcz	PLN	800,802		100.00%
Personal Genomics Srl - Verona	EUR	500,000		84.71%
Pielmeier Medizintechnik GmbH - Taufkirchen	EUR	25,000		100.00%
Portare Distribuidora de Produtos e Servicos Medico-Hospitalar Ltda - San Paolo	BRL	2,000,000		85.00%
RE.V.I. Srl - Surbo	EUR	52,000		100.00%
RESPITEK A.S. - Istanbul	TRY	4,390,000		70.00%
Shanghai Mu Kang Medical Device Distribution Service Co. Ltd - Shanghai	CNY	5,000,000		70.00%
Shanghai Shenwei Medical Gas Co. Ltd - Shanghai	CNY	10,000,000		70.00%
SITEX MAD Sa - Plan-les-Ouates	CHF	110,000		100.00%
SITEX SA - Plan-les-Ouates	CHF	400,000		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%
SOL France S.a.s. - Eragny	EUR	13,000,000		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%
SOL HUNGARY KFT - Dunaharaszti	HUF	50,020,000		100.00%
SOL Hydropower d.o.o. - Skopje	MKD	2,460,200	100.00%	100.00%

SOL India Private Limited - Chennai	INR	703,991,650	86.37%		86.37%
SOL Kohlensaure GmbH & Co. KG - Burgbrohl	EUR	20,000	100.00%		100.00%
SOL Kohlensaure Verwaltungs GmbH - Burgbrohl	EUR	25,000		100.00%	100.00%
SOL Kohlensaure Werk GmbH & Co. KG - Burgbrohl	EUR	10,000		100.00%	100.00%
SOL Nederland B.V. - Tilburg	EUR	2,295,000	100.00%		100.00%
SOL Real Estate Deutschland GmbH - Neufahrn bei Freising	EUR	25,000		100.00%	100.00%
SOL SEE d.o.o. - Skopje	MKD	497,554,300	97.16%	2.84%	100.00%
SOL Slovakia s.r.o. - Bratislava	EUR	75,000		100.00%	100.00%
SOL Srbija d.o.o. - Nova Pazova	RSD	317,193,834	67.16%	32.84%	100.00%
SOL T.G. GmbH - Wiener Neustadt	EUR	5,726,728	100.00%		100.00%
SOL TK A.S. - Istanbul	TRY	28,374,000		100.00%	100.00%
SOL-K Sh.p.K. - Pristina	EUR	2,010,000	99.72%	0.28%	100.00%
SPG – SOL Plin Gorenjska d.o.o. - Jesenice	EUR	8,220,664	54.85%	45.15%	100.00%
SPITEX PERSPECTA AG - Basel	CHF	100,000		100.00%	100.00%
Sterimed Srl - Milan	EUR	100,000		100.00%	100.00%
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. - San Paolo	BRL	2,084,000		89.50%	89.50%
Vivicare GmbH – Neufahrn bei Freising	EUR	25,000		70.00%	70.00%
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. - San Paolo	BRL	11,662,772		94.00%	94.00%
VIVISOL Calabria Srl - Vibo Valentia	EUR	10,400		98.32%	98.32%
VIVISOL Czechia s.r.o. - Praga	CZK	100,000		100.00%	100.00%
VIVISOL Deutschland GmbH - Neufahrn bei Freising	EUR	2,500,000		100.00%	100.00%
VIVISOL France Sarl - Vaux Le Penil	EUR	3,503,600		100.00%	100.00%
VIVISOL Heimbehandlungsgeräte GmbH - Vienna	EUR	726,728		100.00%	100.00%
VIVISOL Hellas S.A. - Athens	EUR	1,053,981		99.89%	99.89%
VIVISOL Iberica S.L.U. - Arganda del Rey	EUR	5,500,000		100.00%	100.00%
VIVISOL Intensivservice GmbH - Regensburg	EUR	40,000		100.00%	100.00%
VIVISOL Napoli Srl - Marcianise	EUR	98,800		81.00%	81.00%
VIVISOL Nederland B.V. - Tilburg	EUR	500,000	100.00%		100.00%
VIVISOL Portugal Unipessoal LDA - Condeixa-a-Nova	EUR	100,000		100.00%	100.00%
VIVISOL Silarus Srl - Battipaglia	EUR	18,200		56.70%	56.70%
VIVISOL Srl – Monza	EUR	2,600,000	51.00%	49.00%	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 - Sittingbourne	GBP 1	100.00%
FLOSIT PHARMA S.A.S. - 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 2022 and 31 December 2021 underwent the following changes:

- with the inclusion of BLA SERVICOS HOSPITALARES LTDA acquired in April 2022,
- with the inclusion of JML SERVICOS HOSPITALARES LTDA acquired in April 2022,
- with the exclusion of ISIMED Srl merged by incorporation into VIVISOL Srl,
- with the exclusion of SIGILSOL GASES PRIVATE LIMITED merged by incorporation into SOL India Private Limited,
- with the exclusion of VIVICARE HELLAS S.A. merged by incorporation into VIVISOL Hellas S.A.,
- with the increase in shareholdings in the Company UNIT CARE SERVICOS MEDICOS LTDA from 25.50% to 30%,
- with the increase in the shareholdings in the Company RE.V.I. Srl from 80 % to 100%,
- with the increase in the shareholdings in the Company Sterimed Srl from 80 % to 100%,

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%
NEMO LAB Srl - Milan	EUR 14,286	30.00%
Shanghai Jiawei Medical Gas Co. Ltd - Shanghai	CNY 1,000,000	30.00%

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

Accounting and consolidation principles

General principles

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

Use of 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.

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

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

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

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

Consolidation of foreign companies

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

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

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

Currency	Exchange rate on 30/06/2022	Average exchange rate 30/06/2022	Exchange rate on 31/12/2021	Average exchange rate 2021	Exchange rate on 30/06/2021	Average exchange rate 30/06/2021
Czech Koruna	Euro 0.04042	Euro 0.04059	Euro 0.04023	Euro 0.03900	Euro 0.03923	Euro 0.03868
Macedonian dinar	Euro 0.01633	Euro 0.01623	Euro 0.01623	Euro 0.01623	Euro 0.01625	Euro 0.01623
Serbian dinar	Euro 0.00856	Euro 0.00851	Euro 0.00850	Euro 0.00851	Euro 0.00851	Euro 0.00851
Moroccan dirham	Euro 0.09486	Euro 0.09431	Euro 0.09539	Euro 0.09411	Euro 0.09442	Euro 0.09302
Hungarian forint	Euro 0.00252	Euro 0.00267	Euro 0.00271	Euro 0.00279	Euro 0.00284	Euro 0.00279
Swiss franc	Euro 1.00402	Euro 0.96902	Euro 0.96796	Euro 0.92498	Euro 0.91075	Euro 0.91385
Croatian Kuna	Euro 0.13279	Euro 0.13260	Euro 0.13306	Euro 0.13283	Euro 0.13349	Euro 0.13244
Albanian lek	Euro 0.00843	Euro 0.00826	Euro 0.00828	Euro 0.00817	Euro 0.00816	Euro 0.00811
Bulgarian lev	Euro 0.51130	Euro 0.51130	Euro 0.51130	Euro 0.51130	Euro 0.51130	Euro 0.51130
Turkish Lira	Euro 0.05773	Euro 0.06160	Euro 0.06564	Euro 0.09513	Euro 0.09689	Euro 0.10512
Convertible mark	Euro 0.51129	Euro 0.51129	Euro 0.51129	Euro 0.51129	Euro 0.51129	Euro 0.51129
New Romanian leu	Euro 0.20217	Euro 0.20220	Euro 0.20206	Euro 0.20319	Euro 0.20292	Euro 0.20402
Brazilian real	Euro 0.18440	Euro 0.17993	Euro 0.15848	Euro 0.15679	Euro 0.16935	Euro 0.15404
Indian rupee	Euro 0.01218	Euro 0.01200	Euro 0.01187	Euro 0.01144	Euro 0.01132	Euro 0.01131
British pound	Euro 1.16523	Euro 1.18739	Euro 1.19008	Euro 1.16333	Euro 1.16543	Euro 1.15149
Yuan Renminbi	Euro 0.14363	Euro 0.14119	Euro 0.13899	Euro 0.13109	Euro -	Euro -
Polish Zloty	Euro 0.21320	Euro 0.21585	Euro 0.21754	Euro 0.21905	Euro 0.22123	Euro 0.22043

IAS 29 Hyperinflation

In consideration of the fact that inflation in Turkey reached very significant levels resulting in inflation indices exceeding 100% on a three-year cumulative basis as early as 31 March 2022, as reported by the International Monetary Fund, issuers are required to assess the impact of applying IAS 29 "Financial Reporting in Hyperinflationary Economies". Following the assessment performed by the Group, due to the line-by-line consolidation of three companies based in Turkey, no significant impacts were found to be reflected in this Consolidated half-yearly financial report as at 30 June 2022; the Group will reassess this analysis when preparing the 2022 Consolidated annual financial report.

Impairment test of non-financial assets following the war in Ukraine

With reference to the Russian-Ukrainian conflict, the following documents were issued during the first half of 2022:

- Public Statement - Implications of Russia's invasion of Ukraine on half-yearly financial reports issued by ESMA on 13 May 2022 and requiring issuers to provide adequate disclosure of impacts attributable to the conflict between Russia and Ukraine;
- Warning Notice No. 3/22 "Conflict in Ukraine - Call for the attention of the supervised entities on financial reporting and on the obligations related to compliance with the restrictive measures adopted by the European Union against Russia" issued by CONSOB on 19 May 2022 on reporting on the impacts attributable to the above-mentioned conflict;
- Discussion Paper 1/2022 "Impairment test of non-financial assets following the war in Ukraine" issued by the OIV on 13 June 2022 and related to the analysis to be carried out in order to assess whether or not the conditions are met to carry out a new impairment test when preparing the consolidated half-year financial statements.

Note in this regard that although the Group is not exposed in the regions affected by the conflict, considering the possible negative impact that the conflict itself could generate on the results of the activities, it nevertheless deemed it appropriate to carry out specific stress tests on the cash-generating units that showed coverage in sensitivity analysis of less than 10% (of the value subject to the test) by modifying the G-rate and the WACC. Analyses did not show any impairment losses such as to require further specific tests on the recoverability of the assets recognised in the Group's consolidated financial statements as at 30 June 2022.

Although the aforementioned Russian-Ukrainian conflict did not have a direct impact on the Group's operations, its indirect impacts such as inflationary trends (product and energy costs), consumer propensity and the impact on supply chains have been and will continue to be monitored by the Directors.

Accounting standards, amendments and interpretations of the IFRS applied as from 1 January 2022

The Group applied the following accounting standards, amendments and interpretations of the IFRS for the first time as from 1 January 2022:

- 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.

The adoption of these amendments had no impact on the consolidated financial statements of the Group

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 2022

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.

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 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.
- On 9 December 2021, the IASB published an amendment called “Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information” . The amendment is a transition option relating to comparative information on financial assets presented at the date of initial application of IFRS 17. The amendment is intended to avoid temporary accounting mismatches between financial assets and liabilities of insurance contracts, and thus to improve the usefulness of comparative information for financial statement readers. The amendments apply beginning on 1 January 2023, together with the application of IFRS 17. The directors do not expect a significant effect on the Group’s consolidated financial statements through the adoption of this amendment.
- On 30 January 2014, the IASB published IFRS 14 - Regulatory Deferral Accounts, which allows only those who adopt IFRS for the first time to continue to recognise amounts relating to Rate Regulation Activities in accordance with the previously adopted accounting standards. Since the Company/the Group is not a first-time adopter, this principle is not applicable.

Notes

Income statement

1. Net sales

Balance as at	30/06/2022	658,244
Balance as at	30/06/2021	541,022
Change		<u>117,221</u>

Revenues by type of business break down as follows:

Description	30/06/2022	30/06/2021	Change
Technical gases	364,341	268,179	96,162
Home-care	293,903	272,844	21,059
Total	658,244	541,022	117,221

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	30/06/2022	26,441
Balance as at	30/06/2021	4,774
Change		<u>21,667</u>

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

Description	30/06/2022	30/06/2021	Change
Capital gains on disposal	670	886	(216)
Extraordinary income	12,210	2,722	9,488
Grants received	815	600	215
Real estate rentals	217	214	3
Other	12,529	352	12,177
Total	26,441	4,774	21,667

3. Internal works and collections

Balance as at	30/06/2022	11,158
Balance as at	30/06/2021	6,458
Change		<u>4,699</u>

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

Description	30/06/2022	30/06/2021	Change
Transfers to assets	10,615	5,535	5,080
Time work	542	923	(381)
Total	11,158	6,458	4,699

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	30/06/2022	413,336
Balance as at	30/06/2021	297,752
Change		<u>115,585</u>

The breakdown of the item is as follows:

Description	30/06/2022	30/06/2021	Change
Purchase of materials	234,520	135,578	98,942
Services rendered	176,021	153,871	22,149
Change in inventories	(10,663)	(2,953)	(7,710)
Other costs	13,458	11,255	2,203
Total	413,336	297,752	115,585

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	30/06/2022	124,753
Balance as at	30/06/2021	115,552
Change		<u>9,201</u>

The breakdown of the item is as follows:

Description	30/06/2022	30/06/2021	Change
Wages and salaries	97,245	90,158	7,087
Social security charges	26,147	24,219	1,928
Employee severance indemnities	1,361	1,175	187
Total	124,753	115,552	9,201

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

Balance as at	30/06/2022	64,954
Balance as at	30/06/2021	60,187
Change		<u>4,767</u>

The breakdown of the item is as follows:

Description	30/06/2022	30/06/2021	Change
Depreciation/amortisation	61,997	57,628	4,369
Provisions and write-downs	2,957	2,559	397
Non-recurring (income)/expenses		0	0
Total	64,954	60,187	4,767

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	30/06/2022	30/06/2021	Change
Land	153	158	(5)
Buildings	7,213	6,463	749
Plant and machinery	9,569	8,881	688
Industrial and commercial equipment	35,140	33,019	2,121
Other assets	7,026	6,752	274
Total	59,101	55,273	3,828

The increase in depreciation is linked to investments made during the period, amounting to Euro 53.9 million.

Amortisation of other intangible fixed assets

Description	30/06/2022	30/06/2021	Change
Costs of research, development and advertising	108	91	17
Patents and rights to use patents of others	96	137	(41)
Concessions, licences and trademarks	2,594	1,978	615
Other	99	149	(50)
Total	2,896	2,355	542

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

Description	30/06/2022	30/06/2021	Change
Provisions for bad debts	2,671	2,547	124
Provisions for risks	286	12	274
Total	2,957	2,559	397

7. Financial income/(expenses)

Balance as at	30/06/2022	(4,396)
Balance as at	30/06/2021	(5,524)
Change		<u>1,128</u>

The breakdown of the item is as follows:

Description	30/06/2022	30/06/2021	Change
Financial income	927	950	(23)
Financial expense	(5,530)	(5,560)	30
Results from equity investments	207	(914)	1,121
Total	(4,396)	(5,524)	1,128

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

Description	30/06/2022	30/06/2021	Change
From long-term receivables	5	6	(2)
Interest on investment securities	7		7
Interests on securities not held as fixed assets	39	13	26
Interest on banks and postal accounts	42	38	3
Interest from customers	7	18	(12)
Exchange rate gains	427	704	(277)
Other financial income	400	169	231
Total	927	950	(23)

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 85 thousand.

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

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

Description	30/06/2022	30/06/2021	Change
Interest payable to banks	(58)	(44)	(14)
Supplier interest	(2)	0	(2)
Interest payable on loans	(2,318)	(2,724)	406
Interest on bonds	(1,585)	(1,441)	(144)
Exchange rate losses	(714)	(710)	(4)
Other financial expense	(853)	(641)	(212)
Total	(5,530)	(5,560)	30

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

Description	30/06/2022	30/06/2021	Change
Revaluations of equity investments	284		284
Write-downs of equity investments	(77)	(914)	837
Total	207	(914)	1,121

The item "Revaluations of equity investments" refers to the measurement at equity of the associate Shanghai Jiawei Medical Gas Co. Ltd (Euro 22 thousand) and of the jointly controlled company CT Biocarbonic GmbH (Euro 262 thousand).

The item "Write-downs of equity investments" refers to the measurement at equity of the associates Consorgas Srl (Euro 67 thousand) and of NEMO LAB Srl (Euro 10 thousand).

8. Income taxes

Balance as at	30/06/2022	21,725
Balance as at	30/06/2021	19,997
Change		<u>1,728</u>

The breakdown of the item is as follows:

Description	30/06/2022	30/06/2021	Change
Income taxes	18,902	17,595	1,307
Deferred tax liabilities	1,190	541	649
Deferred tax assets	1,633	1,861	(229)
Total	21,725	19,997	1,728

Balance sheet

9. Tangible fixed assets

Balance as at	30/06/2022	623,740
Balance as at	31/12/2021	615,329
Change		<u>8,411</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 01/01/2021	24,718	180,379	349,322	1,000,161	99,344	32,442	1,686,366
Increases	1,339	19,609	22,869	79,102	14,009	30,880	167,808
Revaluations	112	689	-	63	159		1,023
Write-downs				(54)	-		(54)
Other changes	2,421	8,376	65,020	27,291	4,905	(31,032)	76,981
Exchange differences	(52)	225	590	2,874	284	(160)	3,762
(Disposals)	(4)	(3,265)	(632)	(9,935)	(5,973)		(19,808)
Balance as at 31/12/2021	28,534	206,014	437,170	1,099,502	112,729	32,129	1,916,077
Increases	127	13,904	3,952	40,679	5,967	28,202	92,830
Revaluations	647	1,527	86		403		2,664
Write-downs							-
Other changes	(10)	2,697	(758)	1,304	551	(27,325)	(23,541)
Exchange differences	(43)	(181)	684	(1,195)	(19)	(42)	(796)
(Disposals)	(2)	(2,064)	(154)	(5,728)	(2,716)		(10,664)
Balance as at 30/06/2022	29,253	221,896	440,980	1,134,561	116,915	32,965	1,976,571

Accumulated depreciation	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and advance payments	Total
Balance as at 01/01/2021	3,362	89,609	239,697	730,562	68,562		1,131,792
Depreciation charges	313	13,419	18,530	67,560	13,801		113,623
Revaluations							-
Write-downs							-
Other changes		4,420	45,274	17,699	3,744		71,137
Exchange differences	(23)	52	245	1,731	215		2,220
(Disposals)		(3,364)	(621)	(8,305)	(5,734)		(18,025)
Balance as at 31/12/2021	3,652	104,136	303,125	809,247	80,588		1,300,748
Depreciation charges	153	7,201	9,569	35,140	7,039		59,102
Revaluations							-
Write-downs							-
Other changes		1,193	(287)	937	336		2,179
Exchange differences	(2)	59	324	(638)	(37)		(294)
(Disposals)	(2)	(1,010)	(142)	(5,264)	(2,486)		(8,904)
Balance as at 30/06/2022	3,801	111,578	312,590	839,422	85,440		1,352,831

Net value	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and advance payments	Total
Balance as at 01/01/2021	21,356	90,770	109,625	269,598	30,782	32,442	554,573
Increases	1,339	19,609	22,869	79,102	14,009	30,880	167,808
(Depreciations and write-downs)	(313)	(13,419)	(18,530)	(67,560)	(13,801)	-	(113,623)
Other changes	2,533	4,645	19,746	9,601	1,320	(31,032)	6,812
Exchange differences	(29)	173	346	1,144	69	(160)	1,542
(Disposals)	(4)	99	(10)	(1,630)	(238)	-	(1,784)
Balance as at 31/12/2021	24,881	101,878	134,045	290,254	32,140	32,129	615,329
Increases	127	13,904	3,952	40,679	5,967	28,202	92,830
(Depreciations and write-downs)	(153)	(7,201)	(9,569)	(35,140)	(7,039)	-	(59,102)
Other changes	638	3,031	(385)	367	618	(27,325)	(23,056)
Exchange differences	(41)	(240)	359	(557)	18	(42)	(502)
(Disposals)	-	(1,054)	(12)	(464)	(229)	-	(1,759)
Balance as at 30/06/2022	25,451	110,319	128,390	295,139	31,475	32,965	623,740

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 01/01/2021	22,066	131,016	349,228	999,959	74,703	32,442	1,609,414
Increases	1,318	14,047	22,869	79,023	6,193	30,880	154,329
Revaluations				63			63
Write-downs				(54)	-		(54)
Other changes	2,421	8,376	65,020	27,291	4,905	(31,032)	76,981
Exchange differences	22	88	590	2,874	294	(160)	3,708
(Disposals)		(1,617)	(632)	(9,931)	(1,831)		(14,010)
Balance as at 31/12/2021	25,826	151,911	437,076	1,099,225	84,263	32,129	1,830,431
Increases		5,880	3,952	40,679	2,359	28,202	81,073
Revaluations							-
Write-downs							-
Other changes	(10)	2,960	(758)	1,304	660	(27,325)	(23,170)
Exchange differences	(28)	(270)	684	(1,195)	37	(42)	(815)
(Disposals)		(1,345)	(154)	(5,728)	(452)		(7,679)
Balance as at 30/06/2022	25,788	159,135	440,800	1,134,285	86,867	32,965	1,879,840

Accumulated depreciation	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and advance payments	Total
Balance as at 01/01/2021	2,809	75,117	239,643	730,451	58,233		1,106,253
Depreciation charges	-	5,107	18,505	67,492	5,916		97,020
Revaluations							-
Write-downs							-
Other changes		4,420	45,274	17,699	3,744		71,137
Exchange differences		24	245	1,731	256		2,255
(Disposals)		(1,574)	(621)	(8,300)	(1,596)		(12,092)
Balance as at 31/12/2021	2,809	83,094	303,046	809,073	66,553		1,264,574
Depreciation charges	-	2,765	9,554	35,088	3,009		50,416
Revaluations							-
Write-downs							-
Other changes		1,202	(287)	937	340		2,192
Exchange differences		26	324	(638)	-		(289)
(Disposals)		(298)	(142)	(5,264)	(365)		(6,068)
Balance as at 30/06/2022	2,809	86,789	312,496	839,195	69,537		1,310,825

Net value	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and advance payments	Total
Balance as at 01/01/2021	19,257	55,900	109,585	269,508	16,470	32,442	503,161
Increases	1,318	14,047	22,869	79,023	6,193	30,880	154,329
(Depreciations and write-downs)	-	(5,107)	(18,505)	(67,492)	(5,916)	-	(97,020)
Other changes	2,421	3,956	19,746	9,600	1,161	(31,032)	5,852
Exchange differences	22	64	346	1,144	38	(160)	1,453
(Disposals)	-	(43)	(10)	(1,630)	(235)	-	(1,919)
Balance as at 31/12/2021	23,017	68,817	134,030	290,152	17,711	32,129	565,857
Increases	-	5,880	3,952	40,679	2,359	28,202	81,073
(Depreciations and write-downs)	-	(2,765)	(9,554)	(35,088)	(3,009)	-	(50,416)
Other changes	(10)	1,757	(471)	367	320	(27,325)	(25,362)
Exchange differences	(28)	(296)	359	(557)	37	(42)	(526)
(Disposals)	-	(1,047)	(12)	(464)	(88)	-	(1,611)
Balance as at 30/06/2022	22,979	72,346	128,304	295,090	17,331	32,965	569,015

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 688 thousand) and the subsidiary companies VIVISOL Deutschland GmbH (Euro 3,096 thousand), T.P.J. d.o.o. (Euro 580 thousand) and Il Point Srl (Euro 440 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 878 thousand) and by the subsidiaries SOL Gas Primari Srl (Euro 491 thousand), SOL France Sas (Euro 527 thousand), SOL Nederland B.V. (Euro 330 thousand), TAE HELLAS Sa (Euro 464 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 15,964 thousand (including Euro 7,915 by the parent company) and to investments made by companies operating in the home-care sector in the amount of Euro 24,715 thousand (including Euro 6,558 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 505 thousand by the parent company, the subsidiaries Il Point Srl (Euro 257 thousand), Dolby Medical Home Respiratory Care Limited (Euro 172 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 17,246 thousand) and by the subsidiaries SOL Gas Primari Srl (Euro 1.322 thousand), GTH GAZE INDUSTRIALE S.A. (Euro 3.288 thousand), SOL Kohlensaure Werk GmbH & Co. KG (Euro 1,134 thousand), SOL France Sas (Euro 1,332 thousand), Dolby Medical Home Respiratory Care Limited (Euro 1,590 thousand) and C.T.S. Srl (Euro 1,842 thousand).

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

As at 30 June 2022, mortgages amounted to Euro 67,450 thousand.

As at 30 June 2022, 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 01/01/2021	2,652	49,362	94	202	24,641		76,952
Increases	22	5,562		79	7,816		13,479
Revaluations	112	689	-	-	159		960
Write-downs							-
Other changes							-
Exchange differences	(74)	138			(10)		54
(Disposals)	(4)	(1,648)		(4)	(4,142)		(5,798)
Balance as at 31/12/2021	2,708	54,103	94	276	28,465		85,647
Increases	127	8,024			3,607		11,758
Revaluations	647	1,527	86		403		2,664
Write-downs							-
Other changes		(263)			(109)		(371)
Exchange differences	(15)	89			(55)		19
(Disposals)	(2)	(719)			(2,263)		(2,984)
Balance as at 30/06/2022	3,465	62,762	180	276	30,048		96,731

Accumulated depreciation	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and advance payments	Total
Balance as at 01/01/2021	553	14,492	54	111	10,329		25,540
Depreciation charges	313	8,311	25	68	7,886		16,603
Revaluations							-
Write-downs							-
Other changes							-
Exchange differences	(23)	28			(41)		(35)
(Disposals)		(1,790)		(4)	(4,139)		(5,933)
Balance as at 31/12/2021	843	21,042	79	174	14,036		36,174
Depreciation charges	153	4,436	15	53	4,030		8,686
Revaluations							-
Write-downs							-
Other changes		(9)			(4)		(13)
Exchange differences	(2)	33			(36)		(5)
(Disposals)	(2)	(712)			(2,122)		(2,836)
Balance as at 30/06/2022	993	24,789	94	227	15,903		42,006

Net value	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and advance payments	Total
Balance as at 01/01/2021	2,099	34,870	40	91	14,312	-	51,412
Increases	22	5,562	-	79	7,816	-	13,479
(Depreciations and write-downs)	(313)	(8,311)	(25)	(68)	(7,886)	-	(16,603)
Other changes	112	689	-	-	159	-	960
Exchange differences	(51)	110	-	-	31	-	89
(Disposals)	(4)	142	-	-	(3)	-	135
Balance as at 31/12/2021	1,864	33,062	15	102	14,429	-	49,472
Increases	127	8,024	-	-	3,607	-	11,758
(Depreciations and write-downs)	(153)	(4,436)	(15)	(53)	(4,030)	-	(8,686)
Other changes	647	1,274	86	-	299	-	2,306
Exchange differences	(13)	56	-	-	(19)	-	24
(Disposals)	-	(7)	-	-	(142)	-	(148)
Balance as at 30/06/2022	2,472	37,973	86	49	14,145	-	54,725

10. Goodwill and consolidation differences

Balance as at	30/06/2022	172,537
Balance as at	31/12/2021	170,313
Change		<u>2,224</u>

The breakdown of the item is as follows:

Net value	Goodwill	Consolidation difference	Total
Balance as at 01/01/2021	10,006	129,862	139,868
Increases	-	29,786	29,786
Revaluations (Write-downs)	-	-	-
Other changes	154	-	154
Exchange differences	192	313	504
(Amortisation)	-	-	-
Balance as at 31/12/2021	10,352	159,960	170,313
Increases	-	2,116	2,116
Revaluations (Write-downs)	-	-	-
Other changes	-	-	-
Exchange differences	(61)	170	109
(Amortisation)	-	-	-
Balance as at 30/06/2022	10,291	162,246	172,537

The increase for the period in the item "Consolidation Differences" is related to the acquisition of BLA SERVICOS HOSPITALARES LTDA and JML SERVICOS HOSPITALARES LTDA and the adjustment of the goodwill of ISIMED Srl acquired in the last quarter of 2021 and merged by incorporation into VIVISOL Srl during this half-year.

In April 2022, the subsidiary P PAR PARTICIPACOES LTDA acquired 60% of BLA SERVICOS HOSPITALARES LTDA, a company governed by Brazilian law active in the hospital sector. If the acquisition had occurred on 1 January 2022, Group revenues and profit would have been increased by Euro 601 thousand and Euro 204 thousand respectively for the six-month period ended 30 June 2022.

In April 2022, the subsidiary P PAR PARTICIPACOES LTDA acquired 60% of JML SERVICOS HOSPITALARES LTDA, a company governed by Brazilian law active in the hospital sector. If the acquisition had occurred on 1 January 2022, Group revenues would have increased by Euro 188 thousand and Group profit would have decreased by Euro 224 thousand for the six-month period ended 30 June 2022.

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	2,439		2,439
Intangible fixed assets	4		4
Long-term investments	-		-
Inventories	-		-
Trade and other receivables	815		815
Prepayments and accrued income	1		1
Cash and cash at bank	-		-
Minority interests	(1,038)		(1,038)
Suppliers	(139)		(139)
Other payables	(524)		(524)
Risk provisions	-		-
Employee severance indemnities	-		-
Accrued expenses and deferred income	-		-
Identifiable net assets and liabilities	1,557	-	1,557
Goodwill deriving from acquisition	2,108		
Amount paid	(3,664)		
Available funds acquired	-		
Net outlays of available funds	(3,664)		

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 2022, 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 2022 budget, any specific internal or external impairment losses such as to require an impairment test during the first half of the year.

11. Other intangible fixed assets

Balance as at	30/06/2022	27,490
Balance as at	31/12/2021	22,752
Change		<u>4,739</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 01/01/2021	2,611	735	10,349	533	4,378	18,606
Increases	571	24	6,911	803	3,210	11,519
Revaluations (Write-downs)	-	-	-	(18)	-	(18)
Other changes	(454)	-	994	272	(2,527)	(1,715)
Exchange differences	-	-	32	-	-	33
(Amortisation)	(204)	(276)	(4,812)	(381)	-	(5,674)
Balance as at 31/12/2021	2,524	483	13,473	1,211	5,061	22,752
Increases	302	6	4,776	78	4,362	9,524
Revaluations (Write-downs)	-	-	-	-	-	-
Other changes	-	-	3	(22)	(1,897)	(1,916)
Exchange differences	-	-	14	1	11	26
(Amortisation)	(108)	(96)	(2,594)	(99)	-	(2,896)
Balance as at 30/06/2022	2,719	393	15,673	1,168	7,538	27,490

12. Equity investments

Balance as at	30/06/2022	13,000
Balance as at	31/12/2021	12,704
Change		<u>296</u>

The breakdown of the item is as follows:

Description	30/06/2022	31/12/2021	Delta
BT Gases Ltd	1	1	-
Flosit Pharma s.a.s.	473	476	(3)
GTE SI	23	21	2
ZDS JESENICE d.o.o.	8	8	(1)
Non-consolidated subsidiary companies	505	506	(1)
CT Biocarbonic GmbH	5,423	5,161	263
Consorzio ECODUE	405	405	-
Jointly controlled companies	5,828	5,566	263
Consorgas Srl	13	79	(66)
Nemo Lab Srl	190	200	(10)
Shanghai Jiawei Medical Gas Co. Ltd	2,087	2,015	72
Associated companies	2,290	2,294	(4)
Other minority interests	4,377	4,339	38
Other companies	4,377	4,339	38
Total	13,000	12,704	296

Except for:

- Euro 485 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, FLOSIT S.A. of Euro 427 thousand and AIRSOL Srl Euro 1 thousand)
- Euro 405 thousand recognised as jointly controlled companies (in the portfolio of the subsidiary SOL Gas Primari Srl)
- Euro 2,215 thousand recognised as subsidiaries (in the portfolio of the subsidiary VIVISOL Srl. of Euro 190 thousand and AIRSOL Srl Euro 2,087 thousand)
- Euro 4,358 thousand recognised as other minority interests (relating to investments in local companies by the subsidiaries SOL Gas Primari Srl of Euro 2,707 thousand, Shanghai Shenwei Medical Gas Co. Ltd of Euro 912 thousand, SOL India Private Limited of Euro 379 thousand, UTP d.o.o. of Euro 346 thousand, ICOA Srl of Euro 8 thousand, T.G.S. A.D. of Euro 2 thousand, T.P.J. d.o.o. of Euro 2 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	30/06/2022	15,092
Balance as at	31/12/2021	10,484
Change		<u>4,608</u>

The breakdown of the item is as follows:

Description	30/06/2022	31/12/2021	Change
Amounts receivable from third parties	14,012	9,406	4,605
Securities	1,080	1,077	3
Total	15,092	10,484	4,608

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

Description	30/06/2022	31/12/2021	Change
Guarantee deposits	5,944	4,910	1,034
Derivatives	5,327	1,509	3,818
Tax receivables	2,592	2,889	(297)
Other receivables	149	99	50
Total	14,012	9,406	4,605

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

Company	30/06/2022	31/12/2021	Change
Cryos Srl	64	61	3
ISIMED Srl	-	1	(1)
SOL Hellas S.A.	1,009	1,009	-
SOL T.G. GmbH	6	6	-
VIVISOL Srl	1	-	1
Total	1,080	1,077	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	30/06/2022	19,330
Balance as at	31/12/2021	21,031
Change		<u><u>(1,700)</u></u>

The breakdown of the above item is as follows:

	Bad debts	Risk provisions	Internal profits	Prior losses	Other	Total
Balance as at 01/01/2021	1,263	156	853	1,371	18,053	21,695
Provisions/Uses	(144)	118	(78)	1,181	(2,641)	(1,564)
Other changes					872	872
Exchange differences				23	4	27
Balance as at 31/12/2021	1,118	274	774	2,576	16,288	21,031
Provisions/Uses	(3)		(18)	407	(2,019)	(1,633)
Other changes					(63)	(63)
Exchange differences				(5)	-	(5)
Balance as at 30/06/2022	1,115	274	757	2,978	14,206	19,330

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 2,978 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	30/06/2022	78,718
Balance as at	31/12/2021	67,303
Change		<u>11,415</u>

The breakdown of the item is as follows:

Description	30/06/2022	31/12/2021	Change
Raw, subsidiary and consumable materials	8,818	6,336	2,482
Work in progress and semi-finished goods	2,202	1,913	289
Finished products and goods for resale	67,698	59,054	8,644
Total	78,718	67,303	11,415

16. Trade receivables

Balance as at	30/06/2022	404,190
Balance as at	31/12/2021	340,023
Change		<u>64,167</u>

The breakdown of the item is as follows:

Description	Within 12 months	Beyond 12 months	Allowance for doubtful accounts	30/06/2022	31/12/2021
Trade receivables	429,918		(25,728)	404,190	340,023
Total	429,918	-	(25,728)	404,190	340,023

The allowance for doubtful accounts changed as follows:

Description	31/12/2021	Provisions	Uses	Other changes	30/06/2022
Allowance for doubtful accounts	25,935	2,671	(3,227)	350	25,728
Total	25,935	2,671	(3,227)	350	25,728

The item Other changes refers to exchange rate differences of Euro 5 thousand, to the change in the Scope of Consolidation of Euro 411 thousand and to reversals of the fund of Euro 766 thousand.

17. Other current assets

Balance as at	30/06/2022	52,062
Balance as at	31/12/2021	36,197
Change		<u>15,866</u>

The breakdown of the item is as follows:

Description	30/06/2022	31/12/2021	Change
Amounts receivable from employees	872	813	58
Amounts receivable in respect of	15,711	8,246	7,465
VAT receivables	17,296	11,642	5,654
Other amounts receivable from the	1,138	1,478	(340)
Other receivables	2,630	3,023	(393)
Prepayments and accrued income	14,416	10,994	3,422
Total	52,062	36,197	15,866

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

This item breaks down as follows:

Description	30/06/2022	31/12/2021	Change
Accrued income			
Interest	8	44	(36)
Other accrued income	1,149	772	377
Total accrued income	1,157	816	341
Prepayments			
Insurance premiums	1,522	782	739
Rents	443	519	(76)
Other prepayments	11,294	8,876	2,417
Total prepayments	13,258	10,178	3,080
Total prepayments and accrued	14,416	10,994	3,422

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

18. Current financial assets

Balance as at	30/06/2022	8,802
Balance as at	31/12/2021	8,671
Change		<u>131</u>

The breakdown of the item is as follows:

Description	30/06/2022	31/12/2021	Change
Subscribed capital unpaid	10		10
Financial receivables from jointly controlled companies	100	350	(250)
Derivatives	3,599	1,443	2,155
Short-term time deposits	4,987	6,834	(1,847)
Other financial receivables	107	44	63
Total	8,802	8,671	131

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

Company	30/06/2022	31/12/2021	Change
BLA SERVICOS HOSPITALARES LTDA	6	-	6
DN GLOBAL HOMECARE LTDA	552	326	226
FLOSIT S.A.	483	2,140	(1,657)
GLOBAL CARE LTDA	852	896	(44)
Portare LDA	2	2	-
SICGILSOL GASES PRIVATE LIMITED	-	68	(68)
SOL India Private Limited	429	496	(67)
T.G.T. A.D.	2,314	2,008	306
UNIT CARE LTDA	347	893	(546)
VIVISOL Brasil SA	1	5	(4)
Total	4,987	6,834	(1,847)

19. Cash and cash at bank

Balance as at	30/06/2022	146,488
Balance as at	31/12/2021	139,642
Change		<u>6,846</u>

The breakdown for this item is as follows:

Description	30/06/2022	31/12/2021	Change
Bank and postal deposits	145,736	139,140	6,596
Cash and cash equivalents on hand	751	501	250
Total	146,488	139,642	6,846

20. Shareholders' equity

Balance as at	30/06/2022	770,492
Balance as at	31/12/2021	721,452
Change		<u>49,040</u>

The share capital of SOL S.p.A. as at 30 June 2022 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:

	31/12/2021	Transfer of result	Dividends paid	Translation differences	Other changes	Profit (loss)	30/06/2022
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	486,904	67,781	-	(12)	5,195	-	559,869
Profits/(Losses) carried forward	845	21,768	(21,768)	-	(142)	-	704
Net Profit	89,549	(89,549)	-	-	-	64,681	64,681
Shareholders' equity - Group	698,257	-	(21,768)	(12)	5,054	64,681	746,212
Minority interests:							
Shareholders' equity - Minority	18,987	4,208	(2,467)	422	1,134	-	22,283
Profit pertaining to minority	4,208	(4,208)	-	-	-	1,997	1,997
Shareholders' equity - Minority	23,194	-	(2,467)	422	1,134	1,997	24,280
SHAREHOLDERS' EQUITY	721,452	-	(24,235)	410	6,187	66,678	770,492

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 8,897 thousand as at 30 June 2022 (positive for Euro 1,278 thousand as at 31 December 2021). 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	30/06/2022	16,324
Balance as at	31/12/2021	18,696
Change		<u>(2,372)</u>

The provisions underwent the following changes:

Employee severance indemnities and benefits	30/06/2022	31/12/2021
Balance as at 1 January	18,696	18,536
Provisions	1,361	2,364
(Uses)	(968)	(1,047)
Financial expense	(141)	(25)
Other changes	(2,616)	(1,122)
Exchange differences	(8)	(11)
Balance at the end of the period	16,324	18,696

22. Provision for deferred taxes

Balance as at	30/06/2022	10,325
Balance as at	31/12/2021	7,362
Change		<u>2,964</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 2022 with regard to tax items present in the financial statements of the Group companies (accelerated depreciation), and of deferred tax liabilities referring to the other consolidation entries; the item comprises:

	Capital gains	Accelerated depreciations/amortisation	Leasing	Other minor	Total
Balance as at 01/01/2021	22	960	31	3,248	4,261
Provisions/Uses	9	1,255	(25)	295	1,534
Other changes				1,434	1,434
Exchange differences		76	5	52	133
Balance as at 31/12/2021	32	2,290	11	5,029	7,362
Provisions/Uses		902	(20)	308	1,190
Other changes			-	1,824	1,824
Exchange differences		(59)	-	8	(51)
Balance as at 30/06/2022	32	3,133	(9)	7,169	10,325

23. Provisions for risks and charges

Balance as at	30/06/2022	2,805
Balance as at	31/12/2021	3,070
Change		<u>(265)</u>

The breakdown of the item is as follows:

	30/06/2022	31/12/2021	Change
Other minor provisions	2,805	3,070	(265)
Total other provisions	2,805	3,070	(265)
Total	2,805	3,070	(265)

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	31/12/2021	Provisions	Uses	Other changes	30/06/2022
Other minor provisions	3,070	286	(538)	(13)	2,805
Total	3,070	286	(538)	(13)	2,805

24. Payables and other financial liabilities

Balance as at	30/06/2022	421,563
Balance as at	31/12/2021	378,471
Change		<u>43,093</u>

The breakdown of the item is as follows:

	30/06/2022	31/12/2021	Change
Bonds	172,752	109,796	62,956
Amounts due to other lenders	208,882	231,577	(22,694)
Lease liabilities	38,724	34,573	4,151
Derivatives	4	1,135	(1,131)
Other	1,201	1,390	(189)
Total	421,563	378,471	43,093

The item "Bonds" refers:

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

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

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

Lending institution	Amount	Long-term portion	Short-term portion	Interest rate	Maturity	Original amount		
BPM	53	-	53	Floating	3.00%	31/10/2022	Euro	300,000
MISE	152	-	152	Fixed	0.17%	31/12/2022	Euro	289,820
Unicredit	195	-	195	Floating	0.59%	31/12/2022	Euro	5,200,000
Banca Chianti	105	-	105	Fixed	4.64%	08/06/2023	Euro	300,000
Mediobanca *	1,071	-	1,071	Fixed	2.90%	20/06/2023	Euro	15,000,000
Unicredit Bulbank	1,500	500	1,000	Fixed	4.50%	11/10/2023	Euro	8,000,000
Unicredit	15	4	11	Floating	1.00%	30/11/2023	Euro	27,000
Intesa San Paolo*	7,500	3,750	3,750	Floating	2.07%	31/03/2024	Euro	30,000,000
Mediocredito Italiano	2,963	1,482	1,481	Floating	1.40%	31/03/2024	Euro	20,000,000
Banca Chianti	185	85	100	Fixed	2.95%	28/04/2024	Euro	250,000
Unicredit *	2,500	1,250	1,250	Floating	1.20%	31/05/2024	Euro	10,000,000
BNL	104	54	50	Floating	2.00%	22/07/2024	Euro	200,000
Banca Chianti	245	161	84	Fixed	2.68%	28/04/2025	Euro	300,000
Monte Paschi Siena	2,500	1,667	833	Fixed	4.21%	15/06/2025	Euro	10,000,000
Intesa San Paolo*	11,250	7,500	3,750	Fixed	1.44%	30/06/2025	Euro	30,000,000
Credito Valtellinese	4,439	3,181	1,258	Floating	0.60%	05/07/2025	Euro	10,000,000
Credito Valtellinese	2,219	1,590	629	Floating	0.60%	05/07/2025	Euro	5,000,000
Intesa San Paolo	125	85	40	Fixed	1.00%	13/07/2025	Euro	200,000
BNL	731	506	225	Floating	1.55%	01/09/2025	Euro	900,000
UBI Banca	8,921	6,384	2,537	Fixed	1.00%	14/09/2025	Euro	20,000,000
Banca IMI *	2,762	2,086	676	Fixed	6.50%	26/01/2026	Euro	7,000,000
Unicredit	500	397	103	Floating	2.50%	31/03/2026	Euro	500,000
BCC Carate	5,100	3,844	1,256	Floating	1.00%	13/06/2026	Euro	10,000,000
Intesa San Paolo *	20,000	15,000	5,000	Fixed	1.10%	30/06/2026	Euro	40,000,000
BNL - BNP Paribas *	15,000	12,000	3,000	Fixed	1.69%	25/11/2026	Euro	30,000,000
Unicredit Bosnia	1,047	842	205	Floating	3.80%	31/12/2026	Euro	2,000,000
CARIGE	174	139	35	Fixed	1.55%	30/04/2027	Euro	180,000
UBI Banca *	25,594	20,637	4,957	Fixed	1.60%	26/06/2027	Euro	40,000,000
Mediobanca	30,000	25,000	5,000	Fixed	1.66%	28/01/2028	Euro	40,000,000
UBI Banca	650	552	98	Floating	2.20%	24/09/2028	Euro	1,000,000
Invitalia	9,177	7,870	1,307	Fixed	0.11%	30/06/2029	Euro	12,643,000
Banco BPM	41,113	35,247	5,866	Fixed	1.90%	30/06/2029	Euro	50,000,000
BNL - BNP Paribas *	37,454	32,465	4,989	Floating	1.73%	31/12/2029	Euro	40,000,000
BNL - BNP Paribas *	23,483	20,266	3,217	Fixed	1.32%	06/05/2030	Euro	30,000,000
BCC Carate	4,728	4,190	538	Fixed	0.85%	17/12/2030	Euro	5,000,000
Banca di Caraglio	165	149	16	Floating	1.80%	30/11/2031	Euro	250,000
Derivatives	47	4	43					-
Lease liabilities	54,998	38,724	16,274					
Total amounts due to other lenders	318,765	247,611	71,154					
Bonds	184,683	172,751	11,932					
Total	503,448	420,362	83,086					

Covenants

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

To date, these parameters have been observed.

Derivatives

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

1. The loan agreement outstanding with Mediobanca whose residual debt amounts to Euro 1,071 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 2022, calculated by the same bank, was negative for Euro 19 thousand (negative for Euro 55 thousand as at 31 December 2021).
2. The loan agreement outstanding with BNL – BNP Paribas, the residual debt of which amounts to Euro 37,454 thousand, was hedged by a fixed rate of 1.45% against a floating 6-month Euribor rate.
The fair value as at 30 June 2022, calculated by the same bank, was positive for Euro 2,201 thousand (negative for Euro 351 thousand as at 31 December 2021).
3. The bond whose residual debt amounts to Euro 9,588 thousand was hedged by a CCS contract entered into with Intesa San Paolo on 15 June 2012.
The fair value as at 30 June 2022, calculated by the same bank, was positive for Euro 1,726 thousand (positive for Euro 1,407 thousand as at 31 December 2021).
4. The bond whose residual debt amounts to Euro 8,121 thousand was hedged by a CCS contract entered into with Intesa San Paolo on 29 May 2013.
The fair value as at 30 June 2022, calculated by the same bank, was positive for Euro 1,794 thousand (positive for Euro 1,478 thousand as at 31 December 2021).
5. The loan outstanding with Unicredit Bulbank whose residual debt amounts to Euro 1,500 thousand was hedged by a fixed rate of 2.40% against a floating 3-month Euribor rate.
The fair value as at 30 June 2022, calculated by the same bank, was negative for Euro 28 thousand (negative for Euro 67 thousand as at 31 December 2021).
6. The loan agreement outstanding with Intesa San Paolo, the residual debt of which amounts to Euro 11,250 thousand, was hedged by a fixed rate of 0.44% against a floating 6-month Euribor rate.
The fair value as at 30 June 2022, calculated by the same bank, was negative for Euro 170 thousand (negative for Euro 178 thousand as at 31 December 2021).
7. The loan agreement outstanding with Banca Popolare di Bergamo, the residual debt of which amounts to Euro 8,921 thousand, was hedged by a fixed rate of 0.10% against a floating 3-month Euribor rate.
The fair value as at 30 June 2022, calculated by the same bank, was negative for Euro 144 thousand (negative for Euro 95 thousand as at 31 December 2021).
8. The loan agreement outstanding with Intesa San Paolo, the residual debt of which amounts to Euro 20,000 thousand, was hedged by a fixed rate of 0.10% against a floating 6-month Euribor rate.
The fair value as at 30 June 2022, calculated by the same bank, was positive for Euro 601 thousand (negative for Euro 145 thousand as at 31 December 2021).
9. The loan agreement outstanding with BNL – BNP Paribas, the residual debt of which amounts to Euro 15,000 thousand, was hedged by a fixed rate of 0.535% against a floating 6-month Euribor rate.
The fair value as at 30 June 2022, calculated by the same bank, was negative for Euro 291 thousand (negative for Euro 278 thousand as at 31 December 2021).

10. The loan agreement outstanding with Mediobanca, the residual debt of which amounts to Euro 30,000 thousand, was hedged by a fixed rate of 0.759% against a floating 6-month Euribor rate.
The fair value as at 30 June 2022, calculated by the same bank, was negative for Euro 669 thousand (negative for Euro 560 thousand as at 31 December 2021).
11. The loan agreement outstanding with BNL – BNP Paribas, the residual debt of which amounts to Euro 23,483 thousand, was hedged by a fixed rate of -0.13% against a floating 6-month Euribor rate.
The fair value as at 30 June 2022, calculated by the same bank, was positive for Euro 1,329 thousand (positive for Euro 67 thousand as at 31 December 2021).

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 30 June 2022 by hierarchical level of fair value measurement:

Payables and other financial liabilities	Notes	Level 1	Level 2	Level 3	Total
Negative measurement					
Mediobanca		-	(19)	-	(19)
Unicredit		-	(28)	-	(28)
Total negative measurement		-	(47)	-	(47)
Positive measurement					
Intesa San Paolo		-	601	-	601
Intesa San Paolo		-	170	-	170
Banca Popolare di Bergamo		-	144	-	144
BNL - BNP Paribas		-	291	-	291
Mediobanca		-	669	-	669
BNL - BNP Paribas		-	1,329	-	1,329
BNL - BNP Paribas		-	2,201	-	2,201
Intesa San Paolo		-	1,726	-	1,726
Intesa San Paolo		-	1,794	-	1,794
Total positive measurement		-	8,925	-	8,925
Overall total		-	8,878	-	8,878

25. Current liabilities

Balance as at	30/06/2022	339,940
Balance as at	31/12/2021	315,398
Change		<u>24,542</u>

This item breaks down as follows:

Description	30/06/2022	31/12/2021	Change
Amounts due to banks	1,502	1,643	(141)
Trade accounts payable	168,338	150,290	18,048
Other financial liabilities	83,158	82,098	1,060
Tax payables	23,383	19,216	4,166
Other current liabilities	63,559	62,150	1,409
Total	339,940	315,398	24,542

The item "Other financial liabilities" represents the short-term portions of the following items "Bonds", "Due to other lenders", "Lease liabilities" and "Derivatives" 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	30/06/2022	31/12/2021	Change
Income tax payables	10,771	7,185	3,585
VAT payables	8,490	6,101	2,389
Other tax payables	4,122	5,930	(1,808)
Total	23,383	19,216	4,166

"Other current liabilities" comprise:

Description	30/06/2022	31/12/2021	Change
Amounts due to social security institutions	7,934	8,678	(744)
Amounts due to employees	14,128	15,432	(1,304)
Amounts due to shareholders for dividends	1,623	34	1,589
Guarantee deposits payable	1,941	1,903	38
Other payables	787	3,262	(2,475)
Accrued expenses and deferred income	37,146	32,841	4,304
Total	63,559	62,150	1,409

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

Description	30/06/2022	31/12/2021	Change
Accrued expenses			
Interest payable on loans	1,054	765	289
Other	9,099	7,597	1,502
Total accrued expenses	10,152	8,362	1,790
Deferred income			
Sink funds granted	599	591	8
Rentals receivable	36	44	(8)
Other	26,358	23,844	2,514
Total deferred income	26,993	24,479	2,514
Total accrued expenses and deferred income	37,146	32,841	4,304

Breakdown of revenues by type of business

(in thousands of Euro)	30/06/2022						30/06/2021							
	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	382,242	100.0%			(17,902)	364,341	55.4%	283,949	100.0%			(15,770)	268,179	49.6%
Home-care service sector			294,641	100.0%	(738)	293,903	44.6%			273,578	100.0%	(734)	272,844	50.4%
Net sales	382,242	100.0%	294,641	100.0%	(18,639)	658,244	100.0%	283,949	100.0%	273,578	100.0%	(16,504)	541,022	100.0%
Other revenues and income	24,174	6.3%	2,625	0.9%	(358)	26,441	4.0%	2,852	1.0%	2,203	0.8%	(281)	4,774	0.9%
Internal works and collections	2,665	0.7%	7,582	2.6%	910	11,158	1.7%	1,652	0.6%	3,725	1.4%	1,081	6,458	1.2%
Revenues	409,082	107.0%	304,848	103.5%	(18,088)	695,842	105.7%	288,452	101.6%	279,506	102.2%	(15,704)	552,254	102.1%
Purchase of materials	172,990	45.3%	72,605	24.6%	(11,075)	234,520	35.6%	83,465	29.4%	60,887	22.3%	(8,774)	135,578	25.1%
Services rendered	99,187	25.9%	83,192	28.2%	(6,358)	176,021	26.7%	89,845	31.6%	70,353	25.7%	(6,327)	153,871	28.4%
Change in inventories	(4,912)	-1.3%	(5,751)	-2.0%		(10,663)	-1.6%	(1,983)	-0.7%	(970)	-0.4%		(2,953)	-0.5%
Other costs	6,100	1.6%	7,969	2.7%	(610)	13,458	2.0%	5,711	2.0%	6,142	2.2%	(599)	11,255	2.1%
Total costs	273,365	71.5%	158,015	53.6%	(18,043)	413,336	62.8%	177,039	62.3%	136,413	49.9%	(15,700)	297,752	55.0%
Added value	135,717	35.5%	146,833	49.8%	(44)	282,506	42.9%	111,414	39.2%	143,093	52.3%	(4)	254,503	47.0%
Payroll and related costs	54,623	14.3%	70,130	23.8%		124,753	19.0%	51,851	18.3%	63,701	23.3%		115,552	21.4%
Gross operating margin	81,093	21.2%	76,703	26.0%	(44)	157,753	24.0%	59,563	21.0%	79,392	29.0%	(4)	138,951	25.7%
Depreciation/amortisation	29,881	7.8%	31,806	10.8%	310	61,997	9.4%	28,314	10.0%	29,371	10.7%	(57)	57,628	10.7%
Provisions and write-downs	2,349	0.6%	608	0.2%		2,957	0.4%	1,719	0.6%	840	0.3%		2,559	0.5%
Non-recurring (income)/expenses		0.0%		0.0%			0.0%	-	0.0%		0.0%		-	0.0%
Operating result	48,864	12.8%	44,289	15.0%	(354)	92,799	14.1%	29,529	10.4%	49,181	18.0%	54	78,763	14.6%
Financial income	26,709	7.0%	1,029	0.3%	(26,811)	927	0.1%	23,409	8.2%	1,407	0.5%	(23,867)	950	0.2%
Financial expense	(4,873)	-1.3%	(1,879)	-0.6%	1,222	(5,530)	-0.8%	(5,166)	-1.8%	(1,270)	-0.5%	876	(5,560)	-1.0%
Results from equity investments	195	0.1%	12	0.0%		207	0.0%	(914)	-0.3%		0.0%		(914)	-0.2%
Total financial income/(expense)	22,032	5.8%	(839)	-0.3%	(25,590)	(4,396)	-0.7%	17,330	6.1%	137	0.1%	(22,991)	(5,524)	-1.0%
Profit (Loss) before income taxes	70,896	18.5%	43,451	14.7%	(25,944)	88,403	13.4%	46,859	16.5%	49,318	18.0%	(22,937)	73,239	13.5%
Income taxes	9,728	2.5%	11,996	4.1%	1	21,725	3.3%	6,710	2.4%	13,275	4.9%	12	19,997	3.7%
Net result from business activities	61,168	16.0%	31,455	10.7%	(25,945)	66,678	10.1%	40,149	14.1%	36,043	13.2%	(22,949)	53,242	9.8%
Net result from discontinued operations		0.0%		0.0%			0.0%		0.0%		0.0%			0.0%
(Profit)/Loss pertaining to minority interests	(589)	-0.2%	(1,432)	-0.5%	24	(1,997)	-0.3%	(789)	-0.3%	(2,077)	-0.8%	25	(2,841)	-0.5%
Net Profit/(Loss)	60,580	15.8%	30,023	10.2%	(25,922)	64,681	9.8%	39,360	13.9%	33,965	12.4%	(22,924)	50,401	9.3%

Other information

	30/06/2022				30/06/2021			
Total assets	1,225,807	822,646	(487,003)	1,561,450	1,106,138	781,273	(467,302)	1,420,108
Total liabilities	706,977	275,033	(191,052)	790,958	649,809	259,502	(180,232)	729,079
Investments	25,701	28,153		53,854	28,312	30,219		58,531

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)

	30/06/2022	%	30/06/2021	%
Net sales	382,242	100.0%	283,949	100.0%
Other revenues and income	24,174	6.3%	2,852	1.0%
Internal works and collections	2,665	0.7%	1,652	0.6%
Revenues	409,082	107.0%	288,452	101.6%
Purchase of materials	172,990	45.3%	83,465	29.4%
Services rendered	99,187	25.9%	89,845	31.6%
Change in inventories	(4,912)	-1.3%	(1,983)	-0.7%
Other costs	6,100	1.6%	5,711	2.0%
Total costs	273,365	71.5%	177,039	62.3%
Added value	135,717	35.5%	111,414	39.2%
Payroll and related costs	54,623	14.3%	51,851	18.3%
Gross operating margin	81,093	21.2%	59,563	21.0%
Depreciation/amortisation	29,881	7.8%	28,314	10.0%
Provisions and write-downs	2,349	0.6%	1,719	0.6%
Non-recurring (income)/expenses		0.0%	0	0.0%
Operating result	48,864	12.8%	29,529	10.4%
Financial income	26,709	7.0%	23,409	8.2%
Financial expense	(4,873)	-1.3%	(5,166)	-1.8%
Results from equity investments	195	0.1%	(914)	-0.3%
Total financial income/(expense)	22,032	5.8%	17,330	6.1%
Profit (Loss) before income taxes	70,896	18.5%	46,859	16.5%
Income taxes	9,728	2.5%	6,710	2.4%
Net result from business activities	61,168	16.0%	40,149	14.1%
Net result from discontinued operations		0.0%		0.0%
(Profit)/Loss pertaining to minority interests	(589)	-0.2%	(789)	-0.3%
Net Profit/(Loss)	60,580	15.8%	39,360	13.9%

Sales in the Technical Gas Sector registered a 34.6% increase.

Gross operating margin increased by 36.1% compared to the previous year.

Operating result increased by 65.5% compared to the previous year.

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

(in thousands of Euro)

	2Q 2022	%	2Q 2021	%
Net sales	194,895	100.0%	144,239	100.0%
Other revenues and income	14,861	7.6%	1,508	1.0%
Internal works and collections	1,431	0.7%	973	0.7%
Revenues	211,187	108.4%	146,720	101.7%
Purchase of materials	90,353	46.4%	42,619	29.5%
Services rendered	51,615	26.5%	46,235	32.1%
Change in inventories	(1,787)	-0.9%	(560)	-0.4%
Other costs	3,148	1.6%	2,841	2.0%
Total costs	143,328	73.5%	91,136	63.2%
Added value	67,859	34.8%	55,584	38.5%
Payroll and related costs	28,898	14.8%	27,445	19.0%
Gross operating margin	38,962	20.0%	28,139	19.5%
Depreciation/amortisation	15,277	7.8%	14,422	10.0%
Provisions and write-downs	811	0.4%	574	0.4%
Non-recurring (income)/expenses		0.0%	0	0.0%
Operating result	22,874	11.7%	13,143	9.1%
Financial income	25,765	13.2%	22,816	15.8%
Financial expense	(2,506)	-1.3%	(2,476)	-1.7%
Results from equity investments	262	0.1%	(914)	-0.6%
Total financial income/(expense)	23,521	12.1%	19,426	13.5%
Profit (Loss) before income taxes	46,395	23.8%	32,569	22.6%
Income taxes	4,426	2.3%	3,542	2.5%
Net result from business activities	41,969	21.5%	29,028	20.1%
Net result from discontinued operations		0.0%		0.0%
(Profit)/Loss pertaining to minority interests	(191)	-0.1%	(319)	-0.2%
Net Profit/(Loss)	41,779	21.4%	28,708	19.9%

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

(in thousands of Euro)

	30/06/2022	31/12/2021
Tangible fixed assets	410,055	411,126
Goodwill and consolidation differences	29,610	29,477
Other intangible fixed assets	16,253	13,072
Equity investments	200,131	199,898
Other financial assets	13,452	8,842
Deferred tax assets	13,376	14,901
NON-CURRENT ASSETS	682,877	677,316
Non-current assets held for sale	0	0
Inventories	37,006	31,133
Trade receivables	269,559	213,765
Other current assets	40,850	26,719
Current financial assets	109,381	101,408
Cash and cash at bank	86,134	79,507
CURRENT ASSETS	542,930	452,532
TOTAL ASSETS	1,225,807	1,129,848
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	321,694	291,611
Retained earnings (accumulated loss)	2,837	2,727
Net Profit	60,579	43,162
Shareholders' equity - Group	506,068	458,459
Shareholders' equity - Minority interests	12,173	11,254
Profit pertaining to minority interests	589	1,353
Shareholders' equity - Minority interests	12,762	12,608
SHAREHOLDERS' EQUITY	518,830	471,067
Employee severance indemnities and benefits	11,347	13,875
Provision for deferred taxes	6,016	4,170
Provisions for risks and charges	1,737	1,557
Payables and other financial liabilities	394,054	354,131
NON-CURRENT LIABILITIES	413,154	373,734
Non-current liabilities held for sale		
Amounts due to banks	1,065	1,230
Trade accounts payable	120,382	100,916
Other financial liabilities	132,741	148,268
Tax payables	11,788	7,583
Other current liabilities	27,847	27,051
CURRENT LIABILITIES	293,822	285,048
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,225,807	1,129,848

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)

	30/06/2022	%	30/06/2021	%
Net sales	294,641	100.0%	273,578	100.0%
Other revenues and income	2,625	0.9%	2,203	0.8%
Internal works and collections	7,582	2.6%	3,725	1.4%
Revenues	304,848	103.5%	279,506	102.2%
Purchase of materials	72,605	24.6%	60,887	22.3%
Services rendered	83,192	28.2%	70,353	25.7%
Change in inventories	(5,751)	-2.0%	(970)	-0.4%
Other costs	7,969	2.7%	6,142	2.2%
Total costs	158,015	53.6%	136,413	49.9%
Added value	146,833	49.8%	143,093	52.3%
Payroll and related costs	70,130	23.8%	63,701	23.3%
Gross operating margin	76,703	26.0%	79,392	29.0%
Depreciation/amortisation	31,806	10.8%	29,371	10.7%
Provisions and write-downs	608	0.2%	840	0.3%
Non-recurring (income)/expenses		0.0%		0.0%
Operating result	44,289	15.0%	49,181	18.0%
Financial income	1,029	0.3%	1,407	0.5%
Financial expense	(1,879)	-0.6%	(1,270)	-0.5%
Results from equity investments	12	0.0%		0.0%
Total financial income/(expense)	(839)	-0.3%	137	0.1%
Profit (Loss) before income taxes	43,451	14.7%	49,318	18.0%
Income taxes	11,996	4.1%	13,275	4.9%
Net result from business activities	31,455	10.7%	36,043	13.2%
Net result from discontinued operations		0.0%		0.0%
(Profit)/Loss pertaining to minority interests	(1,432)	-0.5%	(2,077)	-0.8%
Net Profit/(Loss)	30,023	10.2%	33,965	12.4%

Sales in the Home-care service sector registered an increase of 7.7%.

Gross operating margin decreased by 3.4% compared to the previous year.

Operating result decreased by 9.9% compared to the previous year.

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

(in thousands of Euro)

	2Q 2022	%	2Q 2021	%
Net sales	150,665	100.0%	139,032	100.0%
Other revenues and income	1,448	1.0%	749	0.5%
Internal works and collections	4,015	2.7%	2,092	1.5%
Revenues	156,128	103.6%	141,873	102.0%
Purchase of materials	37,141	24.7%	31,816	22.9%
Services rendered	42,416	28.2%	35,972	25.9%
Change in inventories	(2,521)	-1.7%	(1,930)	-1.4%
Other costs	4,156	2.8%	2,829	2.0%
Total costs	81,192	53.9%	68,687	49.4%
Added value	74,936	49.7%	73,186	52.6%
Payroll and related costs	35,603	23.6%	32,266	23.2%
Gross operating margin	39,332	26.1%	40,920	29.4%
Depreciation/amortisation	15,980	10.6%	14,652	10.5%
Provisions and write-downs	181	0.1%	272	0.2%
Non-recurring (income)/expenses		0.0%		0.0%
Operating result	23,171	15.4%	25,997	18.7%
Financial income	849	0.6%	893	0.6%
Financial expense	(1,039)	-0.7%	(684)	-0.5%
Results from equity investments	12	0.0%		0.0%
Total financial income/(expense)	(178)	-0.1%	209	0.2%
Profit (Loss) before income taxes	22,993	15.3%	26,206	18.8%
Income taxes	6,124	4.1%	7,107	5.1%
Net result from business activities	16,870	11.2%	19,099	13.7%
Net result from discontinued operations		0.0%		0.0%
(Profit)/Loss pertaining to minority interests	(769)	-0.5%	(1,192)	-0.9%
Net Profit/(Loss)	16,100	10.7%	17,907	12.9%

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

(in thousands of Euro)

	30/06/2022	31/12/2021
Tangible fixed assets	201,133	191,297
Goodwill and consolidation differences	107,622	105,530
Other intangible fixed assets	11,237	9,679
Equity investments	156,762	153,131
Other financial assets	3,090	2,952
Deferred tax assets	5,843	6,017
NON-CURRENT ASSETS	485,687	468,606
Non-current assets held for sale	0	0
Inventories	41,712	36,169
Trade receivables	149,622	139,562
Other current assets	12,930	10,156
Current financial assets	72,342	88,121
Cash and cash at bank	60,354	60,135
CURRENT ASSETS	336,959	334,143
TOTAL ASSETS	822,646	802,749
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	451,257	407,157
Retained earnings (accumulated loss)	24,577	24,577
Net Profit	30,023	69,853
Shareholders' equity - Group	536,091	531,821
Shareholders' equity - Minority interests	10,091	7,712
Profit pertaining to minority interests	1,432	2,880
Shareholders' equity - Minority interests	11,523	10,591
SHAREHOLDERS' EQUITY	547,614	542,412
Employee severance indemnities and benefits	4,976	4,820
Provision for deferred taxes	4,283	3,165
Provisions for risks and charges	1,068	1,513
Payables and other financial liabilities	125,079	121,849
NON-CURRENT LIABILITIES	135,407	131,347
Non-current liabilities held for sale		
Amounts due to banks	438	413
Trade accounts payable	62,648	62,374
Other financial liabilities	26,993	18,468
Tax payables	11,595	11,633
Other current liabilities	37,952	36,102
CURRENT LIABILITIES	139,627	128,990
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	822,646	802,749

Information by geographic area

The breakdown of revenues by geographic area is presented below:

Description	30/06/2022	30/06/2021	Change
Italy	286,148	231,692	54,456
Abroad	372,096	309,330	62,766
Total	658,244	541,022	117,221

The breakdown of investments by geographic area is presented below:

Description	30/06/2022	30/06/2021	Change
Italy	18,965	20,019	(1,054)
Other countries	34,889	38,512	(3,623)
Total	53,854	58,531	(4,677)

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 2022 amounted to Euro 154.9 million.

As at 30 June 2022, receivable and payable transactions between Group companies came to Euro 460.4 million, of which Euro 297.1 million of a financial nature and Euro 163.3 million of a trade nature.

The breakdown of intercompany financial receivables is as follows:

- Financial receivables granted by SOL S.p.A. Euro 191.5 million
- Financial receivables granted by AIRSOL BV Euro 27.6 million
- Financial receivables granted by other companies Euro 78.0 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 22 thousand
- Purchases from CT Biocarbonic GmbH Euro 1,892 thousand
- Financial receivables from CT Biocarbonic GmbH Euro 100 thousand
- Trade receivables from CT Biocarbonic GmbH Euro 5 thousand
- Amounts due to CT Biocarbonic GmbH Euro 449 thousand
- Sales and services to ZDS JESENICE d.o.o. Euro 1,875 thousand
- Purchases from ZDS JESENICE d.o.o. Euro 4,183 thousand
- Trade receivables from ZDS JESENICE d.o.o. Euro 1,018 thousand
- Amounts due to ZDS JESENICE d.o.o. Euro 1,040 thousand

• Trade receivables from Consorgas Srl	Euro	3 thousand
• Financial receivables from Consorgas Srl	Euro	35 thousand
• Amounts due to Consorgas	Euro	6 thousand
• Sales and services to Consorzio Ecodue	Euro	63 thousand
• Purchases from Consorzio Ecodue	Euro	126 thousand
• Trade receivables from Consorzio Ecodue	Euro	38 thousand
• Amounts due to Consorzio Ecodue	Euro	75 thousand.

Commitments, guarantees and potential liabilities

The Sol Group obtained sureties totalling Euro 85,487 thousand.

Net financial position

(in thousands of Euro)

	30/06/2022	31/12/2021
A. Cash and cash equivalents	146,488	139,642
B. Cash equivalents	4,987	6,834
C. Other current financial assets	3,814	1,882
D. Liquidity (A + B + C)	155,288	148,357
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	(18,946)	(18,393)
F. Current portion of non-current financial debt	(66,769)	(66,113)
G. Current borrowing (E + F)	(85,714)	(84,506)
H. Net current borrowing (G - D)	69,574	63,851
I. Non-current financial debt (excluding the current portion and debt instruments)	(414,041)	(373,503)
J. Debt instruments	(4)	(1,135)
K. Trade payables and other non-current debts	(100)	(100)
L. Non-current borrowing (I + J + K)	(414,145)	(374,738)
M. Total net borrowing (H + L)	(344,571)	(310,887)

Letter E "Current financial debt" includes Euro 16,274 related to the short-term portion arising from the application of IFRS 16, while letter I "Non-current financial debt" includes Euro 38,724 related to the long-term portion.

After deduction of lease portions, net indebtedness amounted to Euro 289,573 thousand (Euro 261,025 as at 31 December 2021).

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 2022.

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 2022, as defined by the Communication itself.

The Chairman of the Board of Directors

Aldo Fumagalli Romario

Monza, 8 September 2022

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 2022.

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, 8 September 2022

The Managing directors

Manager in charge of drawing up company accounting documents

(Aldo Fumagalli Romario)

(Marco Filippi)

(Marco Annoni)