

KEDRION
B I O P H A R M A

KEDRION GROUP
CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2021



KEDRION S.P.A.

Joint-stock company

Fully paid-up share capital Euro 60,453,901,00

Registered office: Località Ai Conti - 55051 BARGA (LU) – frazione Castelvecchio Pascoli

Production facility: 55027 GALLICANO (LU) – frazione Bolognana

80029 SANT'ANTIMO (NA)

Tax Code – VAT No. – Reg. Of Companies of Lucca No, 01779530466 - Economic & Administrative Index No. 170535

KEDRION Group

Registered office in LOC, AI CONTI - 55051 CASTELVECCHIO PASCOLI (LU)

Fully paid-up share capital Euro 60,453,901

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(In thousands of Euro)	30,06,2021	31,12,2020
NON-CURRENT ASSETS		
Property, plant and equipment	306,519	298,592
Investment property	1,466	1,468
Goodwill	251,185	253,057
Right of use ⁽¹⁾	76,971	88,377
Definite life intangible assets	114,955	122,543
Investments in other companies	20	20
Other non-current financial assets	13,946	8,565
Deferred tax assets	8,124	10,413
Other non-current assets	1,002	1,048
TOTAL NON-CURRENT ASSETS	774,188	784,083
CURRENT ASSETS		
Inventories	305,456	283,832
Trade receivables	126,289	138,308
Contract asset	30,362	34,025
Current tax receivables	5,073	6,578
Other current assets	29,474	30,681
Other current financial assets	2,600	6,636
Cash and cash equivalents	73,583	100,592
TOTAL CURRENT ASSETS	572,837	600,652
TOTAL ASSETS	1,347,025	1,384,735

(In thousands of Euro)	30,06,2021	31,12,2020
SHAREHOLDERS' EQUITY		
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital	60,454	60,454
Reserves	397,199	392,176
Net income attributable to Equity holders of the Parent	7,547	5,222
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	465,200	457,852
EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		
Capital and reserves attributable to non-controlling interests	4,694	3,643
Net Income attributable to non-controlling interests	(459)	816
TOTAL EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	4,235	4,459
TOTAL SHAREHOLDERS' EQUITY	469,435	462,311
NON-CURRENT LIABILITIES		
Medium/long-term debt ⁽²⁾	693,119	592,412
Financial liabilities	0	109
Provisions for risks and charges	716	692
Liabilities for employee benefits	3,671	3,915
Other not-current liabilities	1,523	1,610
TOTAL NON-CURRENT LIABILITIES	699,029	598,738
CURRENT LIABILITIES		
Financial liabilities	10,048	103,271
Current portion of medium/long-term debt ⁽³⁾	10,313	18,801
Provisions for risks and charges	1,370	1,910
Trade payables	107,955	141,927
Contractual Liabilities	6,696	7,649
Current tax payables	5,682	8,413
Other current liabilities	36,497	41,715
TOTAL CURRENT LIABILITIES	178,561	323,686

TOTAL LIABILITIES	877,590	922,424
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,347,025	1,384,735

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STATEMENT OF PROFIT OR LOSS

(In thousands of Euro)	30,06,2021	30,06,2020
Revenues from sales and services	266,761	336,740
Cost of sales	199,871	249,650
GROSS MARGIN	66,890	87,090
Other income	35,315	24,976
General and administrative expenses	40,175	37,554
Sales and marketing expenses	20,094	20,729
Research and development costs	13,360	13,552
Other operating costs	4,402	3,533
OPERATING INCOME	24,174	36,698
Financial expenses ⁽⁴⁾	29,672	35,232
Financial income	16,038	11,702
INCOME BEFORE TAXES	10,540	13,168
Income taxes	3,452	2,478
NET INCOME/(LOSS) FOR THE PERIOD	7,088	10,690
Of which:		
Net Income attributable to Equity holders of the Parent	7,547	11,934
Net Income attributable to non-controlling interests	(459)	(1,244)

(1) IFRS 16 lease;

(2) Of which 73,591 related to IFRS 16 lease;

(3) Of which 7,109 related to IFRS 16 lease;

(4) Of which 2,189 related to IFRS 16 lease,

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Fully paid-up share capital Euro 60,453,901

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(In thousands of Euro)	30,06,2021	30,06,2020
NET INCOME FOR THE PERIOD	7,088	10,690
OTHER COMPREHENSIVE INCOME/(LOSS)		
Items of other comprehensive income that will subsequently be reclassified to profit or loss (net of taxes)		
Net income/(losses) on cash flow hedges	518	60
Income taxes	(124)	(14)
Exchange differences on translation of foreign operations	6,360	(3,569)
Total items of other comprehensive income that will subsequently be reclassified to profit or loss (net of taxes)	6,754	(3,523)
Items of other comprehensive income that will not subsequently be reclassified to profit or loss		
Net actuarial gains/(losses) from defined benefit plans	124	198
Income taxes	(30)	(50)
Total items of other comprehensive income that will not subsequently be reclassified to profit or loss (net of taxes)	94	148
TOTAL ITEMS OF OTHER COMPREHENSIVE INCOME (NET OF TAXES)	6,848	(3,375)
TOTAL COMPREHENSIVE INCOME/(LOSS) (NET OF TAXES)	13,936	7,315
Attributable to:		
Equity holders of the Parent	14,566	9,324
Non-controlling interests	(630)	(2,009)

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STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in thousands of Euro)	Share capital	Legal reserve	Share premium reserve	Other reserves	Cash flow hedge reserve	Foreign currency translation reserve	TFR (employee severance indemnity) reserve (IAS 19)	Income for the period attributable to Equity holders of the Parent	Total Equity attributable to non-controlling interests	Total Shareholders' Equity
BALANCE AS AT 01.01.2021	60,454	9,499	77,903	322,854	(394)	(16,837)	(849)	5,222	457,852	462,311
Allocation of profit for the year	0	722	0	(2,718)	0	0	0	1,996	0	0
Distribution of dividends	0	0	0	0	0	0	0	(7,218)	0	(7,218)
Purchase of a minority share in Kedrion Brasil	0	0	0	0	0	0	0	0	406	406
Exchange differences	0	0	0	0	0	6,531	0	0	(171)	6,360
Comprehensive income for the year	0	0	0	0	394	0	94	7,547	(459)	7,576
BALANCE AS AT 30.06.2021	60,454	10,221	77,903	320,136	0	(10,306)	(755)	7,547	465,200	469,435

KEDRION S,p,A,

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STATEMENT OF CASH FLOW

(In thousands of Euro)	30/06/2021	30/06/2020
NET INCOME/(LOSS) (BEFORE TAXES) FOR THE PERIOD	10,540	12,240
Adjustments to reconcile net profit with cash flow generated / (absorbed) by operating activities		
Amortization and depreciation	22,473	22,515
Financial expenses	29,672	35,232
Financial income	(16,038)	(11,702)
Provisions for employee benefits	143	(1,830)
Payment of employee benefits	(161)	(75)
Net change in provisions for risks and charges	(516)	51
Net change in other non-current assets and liabilities	(41)	(395)
Net changes in operating assets and liabilities		
Trade receivables	16,954	32,099
Inventories	(21,624)	(26,166)
Trade payables	(38,452)	(38,344)
Other current assets and liabilities	(6,561)	(19,886)
Other cash flow from operating activities		
Income taxes paid	(3,392)	(720)
NET CASH FLOW GENERATED BY OPERATING ACTIVITIES (A)	(7,003)	3,019
Investments in tangible assets	(15,637)	(14,089)
Disposal of tangible assets	2,581	5
Goodwill	(4,479)	(11,352)
Disposal of Goodwill	10,106	0
Investments in intangible assets	(7,944)	(6,140)
Disposal of intangible assets	11,519	0
NET CASH FLOW ABSORBED BY INVESTMENT ACTIVITIES (B)	(3,854)	(31,576)

Distribution of dividends	(8,767)	(711)
New Bond	410,000	0
Bond repurchase	(150,000)	0
New medium/long-term loans	0	10,000
Repayment of medium/long-term debt	(129,948)	(7,834)
Interest collected	691	189
Interest paid	(10,789)	(6,486)
Change in non-current financial assets	(9,365)	983
Net change in short-term financial assets and liabilities	(117,478)	(11,478)
NET CASH FLOW GENERATED/(ABSORBED) BY FINANCING ACTIVITIES (C)	(15,656)	(15,337)
Net cash flow generated by operating activities (A)	(7,003)	3,019
Net cash flow absorbed by investment activities (B)	(3,854)	(31,576)
Net cash flow generated/(absorbed) by financing activities (C)	(15,656)	(15,337)
TOTAL NET CASH FLOW D=(A+B+C)	(26,513)	(43,894)
Cash and cash equivalents at the beginning of the period (E)	100,575	121,451
Net effect of conversion of foreign currencies on cash and cash equivalents (F)	(615)	525
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD G =(D+E+F)	73,447	78,082
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD:		
Cash and cash equivalents:	100,592	121,468
Current account overdrafts and cash equivalents payable on demand	(17)	(17)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	100,575	121,451
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD:		
Cash and cash equivalents	73,583	78,172
Current account overdrafts and cash equivalents payable on demand	(136)	(90)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD:	73,447	78,082

Castelvecchio Pascoli, September 10th 2021

On behalf of the Board of Directors
The Chairman
Paolo Marcucci