KEDRION
BIOPHARMA

KEDRION GROUP
CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2022

KEDRION S.p.A.
Sole shareholder
Subject to the management and coordination of Kedrion Holding S.p.A.

Joint-stock Company
Share Capital 60,453,901.00 Euro fully paid up
Registered Office: Località i Conti - 55051 BARGA (LU)
Production workshop: Bolognana - 55027 GALLICANO (LU)
Sant'Antimo - 80029 SANT'ANTIMO (NA)
Fiscal code - VAT no. - Reg. Lucca Companies n. 01779530466 - REA Registration n. 170535

CONTENTS

LETTER OF **PAOLO MARCUCCI**

2022 was a momentous year in the history of Kedrion. A year of growth and challenges met. The most significant development has been the integration of UK-based Bio Products Laboratory (BPL), which has been possible thanks to the investment of private equity firm Permira, now our majority shareholder. This move, completed in September, has resulted in a stronger Kedrion, with annual sales of more than Euro 1.1 billion and nearly 4,800 employees worldwide.

When 2022 began, the plasma-derived sector was still affected by the pandemic and a drop in plasma donations. We concentrated on efficiency, along with increased donor fees, so in 2022 we achieved a 54% increase in volume over 2021, collected from Kedrion and BPL centers in the US. To secure an increasing amount of high-quality plasma, in December 2022 we acquired five collection centers in the Czech Republic, thus becoming once again a player in the European plasma space.

In the year 2022, Kedrion Group (without BPL Group) generated revenues of Euro 719.8 million, a 9% increase over 2021, while BPL Group generated revenues of Euro 458.2 million
The combined Group, that consolidates BPL in the last four months of the year, ended with revenues of Euro 886.7 million, up Euro 226.3 million (+34,3%) from 2021. Notable sales performances were realized in the US, in Turkey and Mexico. The US remains our most significant market, and it is expected to continue to be so.

Today's Kedrion has the crucial components to make a significant impact in the plasma derivative sector: an ample and reliable supply of plasma; critical fractionation capacity, including a network of manufacturing facilities with expansion potential; an impressive portfolio of products; and a global commercial team with a strong position in the US market - all leveraged by the resources and expertise of Permira together with the other shareholders in the pharmaceutical sphere.

Our future is promising. We can go forward on our historical path, offering traditional plasmaderivatives, while exploring the opportunity to establish ourselves in the orphan drug market with therapies for Factor X Deficiency and for Congenital Plasminogen Deficiency.

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In December 2022, we welcomed Ugo Di Francesco, the new CEO of the combined company. Ugo is an extraordinary leader and comes to this role with an outstanding record in growing companies in the pharmaceutical sector. The Marcucci Family has promoted and supported these remarkable changes and remains as the Kedrion largest minority shareholder; CDP and FSI have chosen to remain as investors, which for us is a great news.

My family founded Kedrion more than 20 years ago. We are proud to have built something that has helped so many people and we are proud of the many people who have helped us make this happen. The dedicated men and women of Kedrion and BPL will ensure that the name will continue to stand for the very best and most caring mission and traditions.

I look forward to carrying on in serving Kedrion as Chairman.

With gratitude and sincerity.

Paolo Marcucci
Chairman

LETTER FROM **UGO DI FRANCESCO**

I am pleased and honored to introduce myself as the CEO of today's Kedrion. I came on board as the year ended, but, of course, I had followed Kedrion's path for some time before that. The company often invokes the metaphor of a *bridge* to describe its mission to connect donors to patients, bring plasma to therapies and transform health challenges to a hopeful future. This seems especially meaningful to me as I write this because I feel that we are now standing at the end of a bridge. And that bridge was 2022.

At the beginning of the year, Kedrion - what we might now call the "legacy Kedrion" - was still under the continuing threat of the Covid-19 pandemic. Plasma donations were depressed throughout the sector, which brought on financial challenges as well as the prospect of product shortages. The need to grow capacity, expand markets, and enhance our portfolio was becoming clear. BPL was struggling with some of the same challenges, of course.
Thanks to the bold and visionary work of Paolo Marcucci and the Kedrion leadership and with the perceptive support of Permira, these challenges were met. With the joining of Kedrion and BPL, plasma supply was amplified, markets expanded and portfolios enriched.

And this is yet another way that the metaphor of a bridge is especially applicable to our activities in 2022. The people of these two legacy companies, Kedrion and BPL, with the robust support of Permira, set out to build a bridge between them. This can be appreciated most clearly in the initiation of the integration of collection centers of BPL Plasma with those of KEDPLASMA under the umbrella of the latter, while maintaining the deep respect and appreciation each company has for its donors. But all of the assets and qualities of the two companies have begun and continue to be integrated - bridged, if you will: the portfolios, the markets, the operating procedures, the leadership, the workforce.

A notable feature of this transition and integration is the emphasis on providing therapies in the rare disease and disorder space. Kedrion had made a sharp and insightful move at the end of 2021, acquiring the Canadian company, Prometic, along with its newly developed therapy to treat Congenital Plasminogen Deficiency. BPL came with its own therapy for the rare Hereditary Factor X Deficiency. Both companies have a long history with rare bleeding disorders, but these two “orphan drugs” help put today’s Kedrion on a path to prominence in the rare and orphan drug sector.

A bridge, somewhat paradoxically, is a symbol of both continuity and change. For while it carries us from one place or one circumstance to another, sometimes over “troubled waters”, we carry with us our most dear and important qualities and practices. To continue. While our “legacy” companies experienced notable transformations late in 2022, overcoming significant challenges, relinquishing historical autonomies and coming together to form a new entity, their basic and common missions, values, ethics, principled practices and commitment to their corporate families endure.

I want to emphasize just a few of these ethical principles that will carry us into the future: diversity, sustainability and a responsible commitment to the communities we serve. We have and will continue to seek the valuable input of people often poorly represented - especially in higher leadership positions - groups whose diverse perspectives will also broaden and enhance our talent pool. We will continually seek ways to minimize our impact on the precious environment which is home to all living things. We will respect and support the people who are our shareholders - patients and their families, donors, healthcare workers and our employees - as well as the communities where we work and in which they live. These are not boasts; I believe any company should practice such principles, but for one such as ours, whose mission is to provide help and relief to people suffering serious challenges, it is foundational.

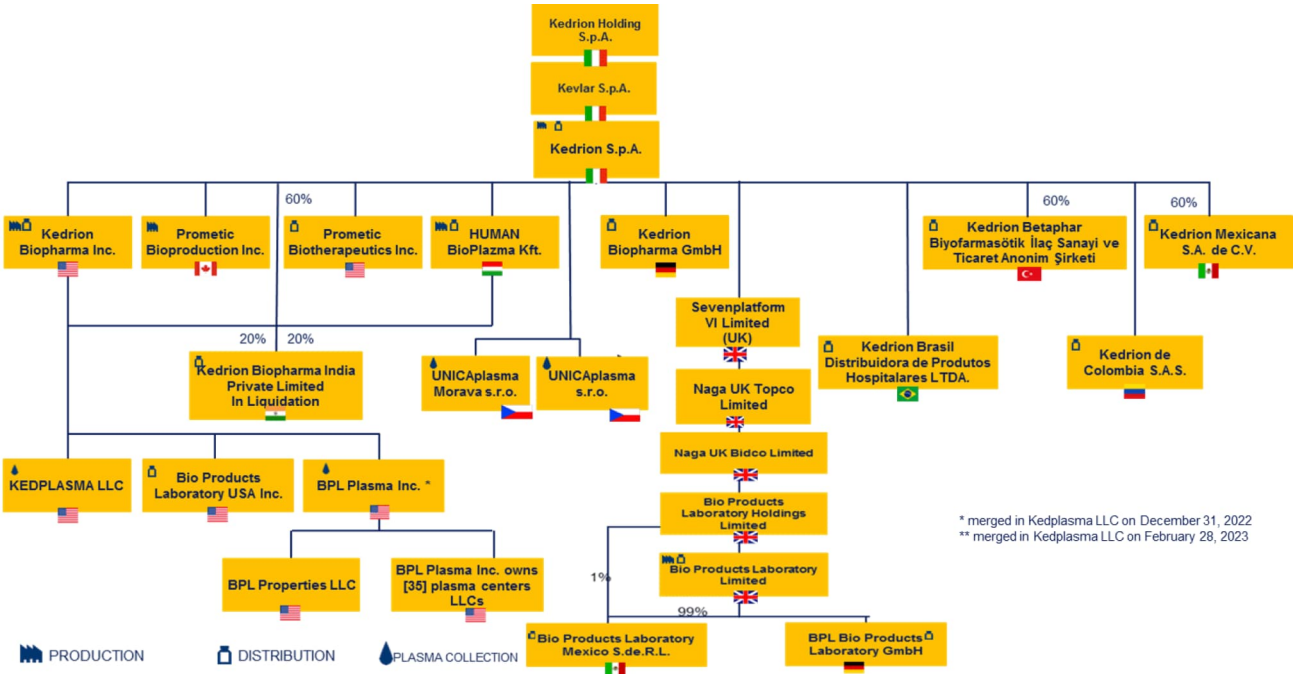
The name of Kedrion endures. The end of 2022 marked the closing of a chapter in the proud name of Kedrion. Thanks to the Marcucci Family and all the dedicated people who worked with them since they founded the company more than 20 years ago, the name is associated with the highest professional and ethical standards and an unrivaled commitment to helping people. That name has earned an enviable reputation in the plasma sector, and we are proud to continue under its banner. It is also important to understand that this is a different company. We retain the name of Kedrion, we retain its values and its dedication to patients, but this is a new company. That fact affords all of us the tremendous opportunity to build something special. Together.

Of course, crossing a bridge does not mark the end of a journey, but the beginning. Before us lie new paths to new horizons. With profound appreciation of the past and bright anticipation for the future, we set out with the Kedrion of today. With the firm foundation offered by Permira, we are bound to become a truly global company. And while we are determined and committed to significant growth, we do not aspire to be the *biggest* in the plasma sector; we do strive to be the *best*.

I look forward to joining with all of you who understand what a privilege it is to be working in a business whose primary objective is to help other people live better lives.

Ugo Di Francesco
CEO

1. GROUP STRUCTURE



2. CORPORATE BODIES AT THE DATE OF APPROVAL OF THE FINANCIAL STATEMENTS

BOARD OF DIRECTORS In office until the meeting to approve the financial statements at 31.12.2024	Paolo Marcucci	President of the Board of Directors
	Ugo Di Francesco	Director and Chief Executive Officer
	Federico Latini	Director
	Ulrike Becker	Director
	Evan Daniel Selig	Director
	Massimiliano Barberis	Director
	Massimo Perpoli	Secretary of the Board of Directors
BOARD OF STATUTORY AUDITORS In office until the meeting to approve the financial statements at 31.12.2024	Tommaso Di Tanno	Chairman and Statutory Auditor
	Stefano Massarotto	Statutory auditor
	Giuseppe Galeano	Statutory auditor
	Giancarlo Lapecorella	Alternate auditor
	Massimiliano Altomare	Alternate auditor
AUDIT COMPANY Appointed by the ordinary shareholders' meeting of 29 April 2022 until the shareholders' meeting to approve the financial statements at 31.12.2024	EY S.p.A.	

THE BOARD OF DIRECTORS OF THE COMPANY

1. Role and functions

Under Article 22.1 of the Articles of Association, the board of directors is vested with the broadest powers for the ordinary and extraordinary management of the Company, within the limits of the competences assigned by the Law and these Articles of Association, with the power to perform all acts deemed appropriate for the implementation of the corporate purpose, with the sole exclusion of those that the Articles of Association and/or the law reserve to the competence of the Shareholders.

2. **Composition**

The company is administered by a board of directors comprising 6 members.

3. **Delegations and powers**

The Board of Directors has delegated certain powers to individual directors, in particular:

to the Chief Executive Officer, the powers relating to ordinary administration useful for the achievement of the corporate purpose and other specific powers, and to the Chairman of the Board of Directors, the powers provided for in Article 2381, first paragraph, of the Italian Civil Code and the Company's Articles of Association.

3. AUDITORS' REPORT

3.1. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Kedrion S.p.A.

Consolidated financial statements as at December 31, 2022

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010
(Translation from the original Italian text)

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ey.com

Building a better working world

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010
(Translation from the original Italian text)

To the Shareholder of
Kedrion S.p.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Kedrion S.p.A. and its subsidiaries, ("Kedrion Group" or "Group"), which comprise the consolidated statement of financial position as at December 31, 2022, and the statement of profit or loss for the year, the profit/(loss) statement and other comprehensive income, the consolidated statement of changes in equity, the consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.
We are independent of Kedrion S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company

Kedrion S.p.A. or to cease operations, or have no realistic alternative but to do so.
The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion; the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern; if we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion; our conclusions are based on the audit evidence obtained up to the date of our auditor's report; however, future events or conditions may cause the Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements; we are responsible for the direction, supervision and performance of the group audit; we remain solely responsible for our audit opinion.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on compliance with other legal and regulatory requirements

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010

The Directors of Kedrion S.p.A. are responsible for the preparation of the Report on Operations of Kedrion Group as at December 31, 2022, including its consistency with the related consolidated financial statements and its compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations, with the consolidated financial statements of Kedrion Group as at December 31, 2022 and on its compliance with the applicable laws and regulations, and in order to assess whether it contains material misstatements.

In our opinion, the Report on Operations is consistent with the consolidated financial statements of Kedrion Group as at December 31, 2022 and comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Florence, April 13, 2023

EY S.p.A.
Signed by: Lapo Ercoli, Auditor

This report has been translated into the English language solely for the convenience of international readers.

4. MANAGEMENT REPORT

Dear Shareholders,

on 31 August 2022, the Kedrion Group integrated the BPL Group as part of the acquisition by the Permira Fund. Therefore, the economic data represented and commented on in these financial statements consolidate the BPL Group for the last 4 months of the financial year, while the comparative data represent the Kedrion Group for the period ended as at 31 December 2021 (pre-acquisition perimeter).
In the financial year ended 31 December 2022, turnover for the Kedrion Group amounted to Euro 886.7 million (Euro 660.4 million in 2021), an increase of 34.3% (+ Euro 226.3 million) compared to the previous year, mainly due to the contribution of the BPL Group amounting to Euro 183.2 million in September-December 2022. Net of the BPL Group's contribution, it was nonetheless a year of significant growth for the Group, which ultimately overcame the negative impacts caused by the Covid-19 pandemic, recording growth in sales of plasmaderivatives (+9.1%) and plasma (+8.9%), mainly due to the price increase generated by demand. The Group's internationalisation continued, accelerated by the integration of the BPL Group, with the export share standing at 89.4% in 2022. The United States consolidated its position as the Group's largest market with a 48.6% share of sales, followed by the Rest of the World with 27% (including the United Kingdom with 3.6%), the European Union with 13.8% and Italy with 10.6%.
EBITDA amounted to Euro 213.6 million, with an increase in profitability from 15.0% in the previous year to 24.0% in 2022, favoured by the extraordinary income on the BPL deal, recorded based on the accounting of the business combination, which offset the drop in profitability related to the ongoing high costs of the plasma raw material, not fully offset by price increases, the transaction costs and the generalised increase in costs due to inflationary dynamics and energy costs.
Adjusted EBITDA (calculated excluding the impact of non-recurring items, including the income from the business combination) amounted to Euro 145.6 million, reaching 16.4% as a percentage of sales, compared to 21.0% in 2021, due to the drop in profitability and the cost dynamics described above.
Lastly, Net Profit for the year amounted to Euro 123.4 million, up from Euro 11.6 million in FY2021, thanks to the extraordinary income from the business combination and the improvement in financial management, with exchange rate differences having a positive impact on the result for the period of Euro 62.2 million (Euro 10.8 million recorded in FY2021), net of non-recurring financial expenses related to the refinancing associated with the Permira transaction (Euro 23.2 million).

The Group's consolidated financial statements for the year ended 31 December 2022 comprise the statement of financial position, the statement of profit/(loss) for the year and other comprehensive income statement, the statement of cash flows, the statement of changes in equity and the related notes, prepared following IFRS as adopted by the European Union.

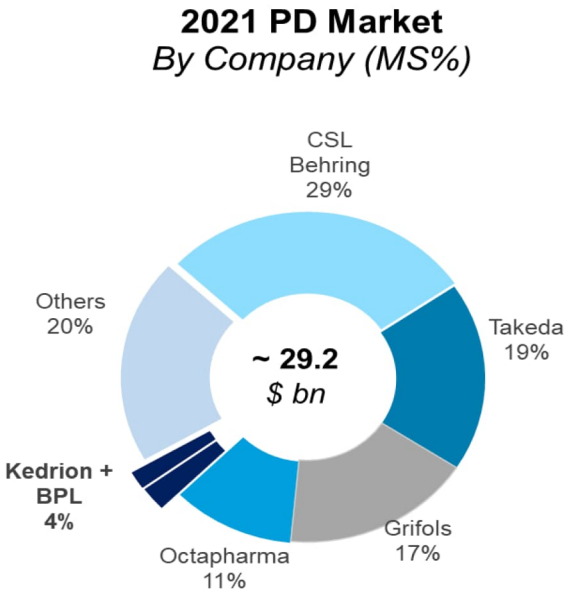
The consolidated statement of financial position presents a distinction between current and non-current assets and liabilities. The consolidated income statement is presented according to a classification of expenses by function, considered more representative than the so-called presentation by nature of the expense. The form chosen conforms to the internal reporting and business management methods. The cash flow statement has been prepared using the indirect method and is presented following IAS 7, classifying cash flows between operating, investing and financing activities.

4.1. SECTOR TREND

The Group's target market is biopharmaceutical products extracted from human plasma. This segment is part of the broader pharmaceutical sector. It is characterised by a wide range of products used to treat patients suffering from diseases such as immunodeficiencies, haemophilia, infectious diseases and other rare and severe conditions. The main customers are government agencies, National Health Services (awarded through tenders), private operators such as insurance companies, private pharmacies and clinics, wholesalers, distributors, agents, etc.

4.1.1. MARKET TRENDS FOR COMPETITORS

Over the last two decades, the sector has undergone a gradual consolidation phase that has led to the three leading plasmaderivative producers - CSL, Grifols and Takeda - holding a combined market share of around 65% in 2021, with the newly combined Kedrion Group and BPL in fifth position with a share of 4.0%.



4.1.2. WORLD MARKET TRENDS

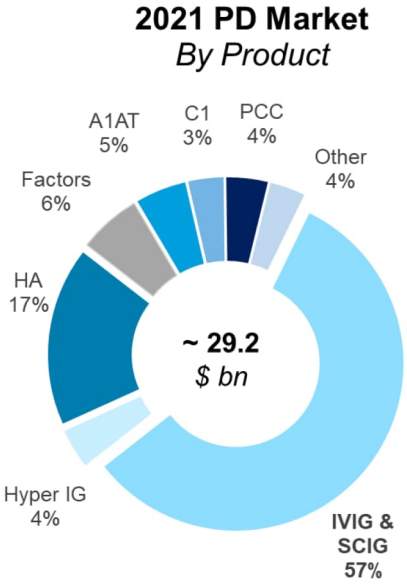
The global plasmaderivatives market reached USD 29.2 billion in 2021[1], with an average annual growth rate of 7.3% for the period 2018-2021 despite the effects of the COVID-19 pandemic on National Health Systems (i.e. difficulties in access to care, elective surgeries postponed, entire wards converted to COVID emergency rooms) and on plasma collection, hence the lower availability of finished product on the market.

4.1.3. MARKET PERFORMANCE PER PRODUCT

At the product level, the sector is dominated by standard immunoglobulin (including subcutaneous immunoglobulin), which, with about USD 17 billion, accounts for about 57% of the total market and is growing steadily thanks to the approval of new therapeutic indications, especially in the

[1] *Source: MRB 'The Worldwide Plasma Proteins Market 2021', February 2023 Report*.

neurological field, the increase in patients diagnosed with primary and secondary immunodeficiencies, and greater penetration in emerging countries.
The second most valuable product is albumin, which will reach around USD 5 billion in 2021, 17% of the total market, driven mainly by demand in China.
In third place is factor VIII, which accounts for about 3% of the market or USD 0.8 billion, shrinking due to the increase in the use of recombinant products and the launch of new therapies (Roche's Hemlibra, with sales of over USD 3 billion in 2021).

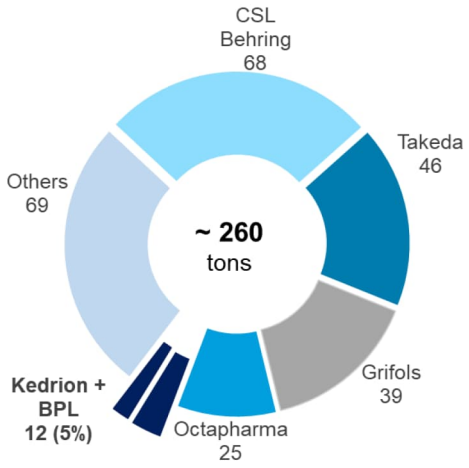


As shown in the tables below, the market shares[2] of the three main products reflect the global figures: CSL, Grifols, and Takeda together account for 59% of the global immunoglobulin market Kedrion and BPL reaching a fifth position with a 5% share. Similarly, the top three companies in the sector cover 57% of the albumin market, with Kedrion and BPL still in fifth position with 4%. Finally, the four major players, including Octapharma, account for 70% of the plasma-derived factor VIII market, with Kedrion and BPL in fifth position with an 8% share.

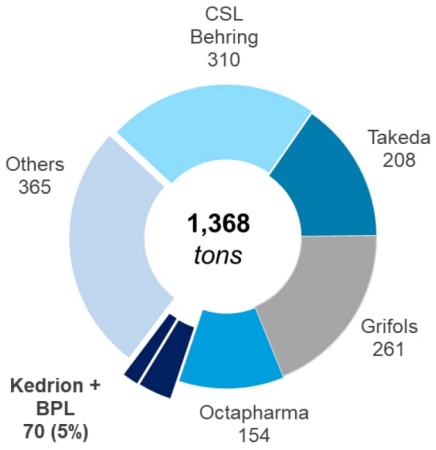
The situation in Anti-D immunoglobulins is different, where Kedrion, thanks to its 50% market share with RhoGAM in the US and its significant shares in Italy, Russia, Turkey, the Middle East and the rest of the World (not in Europe, a product not yet registered), is number two in the world after CSL, with a 32% share.

[2] *Source: MRB "The Worldwide Plasma Proteins Market 2021", February 2023 Report*

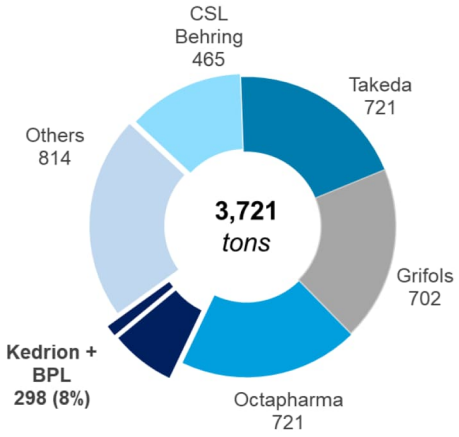
2021 IG Market
By Company (tons)



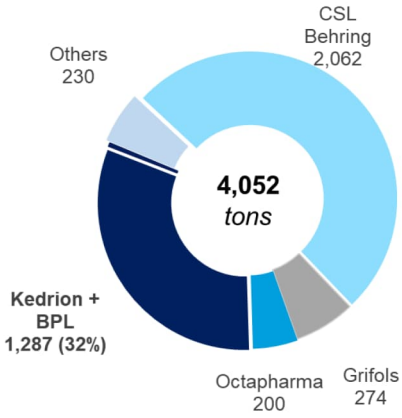
2021 HA Market
By Company (tons)



2021 pdFVIII Market
By Company (MM UI)



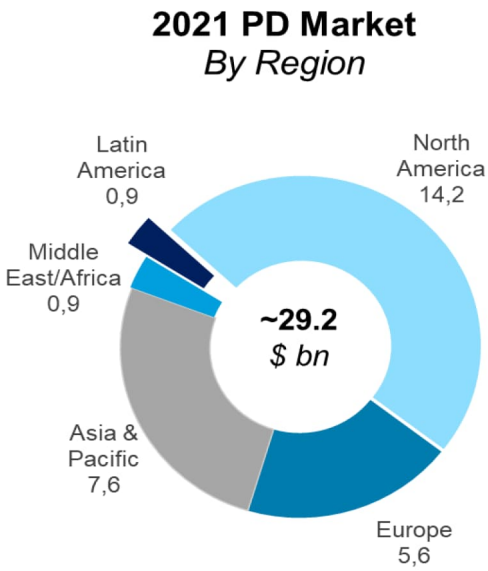
2021 AntiD Ig Market
By Company ('000 Units)



4.1.4. MARKET TREND FOR AREA

Geographically, 68% of the market is concentrated in North America and Europe, the historically most important markets, while the Asia Pacific region covers 26%.
North America, of which the United States accounts for approximately 96%, has reached USD 14.2 billion, Dollars[3], 50% of the entire plasmaderivatives market, growing steadily over the past decade in both volume and price.
With about 5.6 billion dollars, Europe has a share of 19%. It is a market characterised by greater control over health expenditure, the reimbursement price of drugs (generally paid by the National Health Systems), and different competitive dynamics and access to the United States. In contrast, Asia Pacific has had the highest growth rates in recent years thanks to the ageing of the population, the greater use of albumin (e..g. China) and the greater number of treatments supported by the local Health Systems, becoming the second-largest market in the world with a share of 26%.

[3] *Source: 2021 MRB USA*



The Italian plasmaderivatives market is divided between plasmaderivatives (PDM) produced by processing national plasma on behalf of the Regions within the national self-sufficiency programme and PDM produced from plasma owned by pharmaceutical companies - the commercial market.
The principles established by Law no. 219/2015 provide that the Regions, individually or in consortia, shall deliver the plasma collected at the Transfusion Services and the Associative Collection Units to the authorised companies. The contract with the companies, which act as service providers, is considered a 'tolling' mode and is a convention for producing PDMPs. The acquisition is carried out using a tender procedure following the regulations in force.

To this end, between 2015 and 2016, three new interregional agreements were established: the New Interregional Agreement for Plasma Production (NAIP), the Interregional Plasma/Plasmaderivatives Grouping (RIPP), and the Plasma Network (Planet), in addition to the already operating Lombardy-Piedmont-Sardinia Agreement (LPS).
Currently, the companies authorised to carry out national plasma processing, identified based on the Ministerial Decree of 5 December 2014, are CSL, Grifols, Kedrion, Octapharma and Takeda.

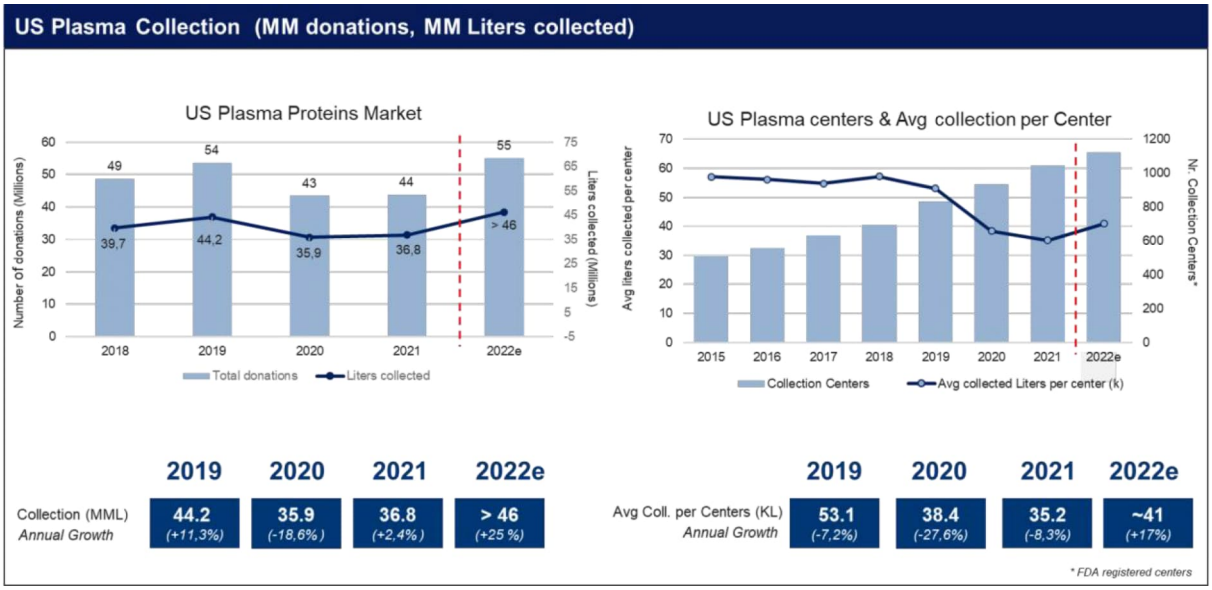
Following the entry into force of the new regulatory regime, three tenders were awarded: the first one, organised by the Veneto Region on behalf of the NAIP grouping[4], was awarded in March 2016 to CSL; the second one, organised by the Emilia-Romagna Region on behalf of the RIPP grouping[5], was awarded to a temporary association composed of Grifols and Kedrion with a contract signed in October 2019. The third one, tendered by the Tuscany Region on behalf of the PLANET[6] grouping, was awarded in July 2018 to a temporary association between Shire/Takeda Group companies. The fourth and last one, tendered by the Lombardy Region as lead partner of the Interregional Agreement between Lombardy, Piedmont and Sardinia, awarded to Kedrion in November 2020, was cancelled by a ruling of the Council of State in February 2022 and was re-tendered and re-tendered in December 2022 (currently underway: submission of bids in February 2023, expected to be awarded during 2023). In the meantime, Kedrion continues to provide plasma processing services for these regions under the previous agreement.
It should be noted that under Law 118 of 5 August 2022 (Competition Law), all European companies are now authorised to fractionate plasma collected in Italy, provided their production facilities are

[4] *Abruzzo, Basilicata, Friuli-Venezia Giulia, Liguria, Umbria, Valle d'Aosta, Veneto, Provincia Autonoma di Trento, Provincia Autonoma di Bolzano*
[5] *Emilia-Romagna, Puglia, Calabria, Sicilia*
[6] *Toscana, Campania, Lazio, Marche*

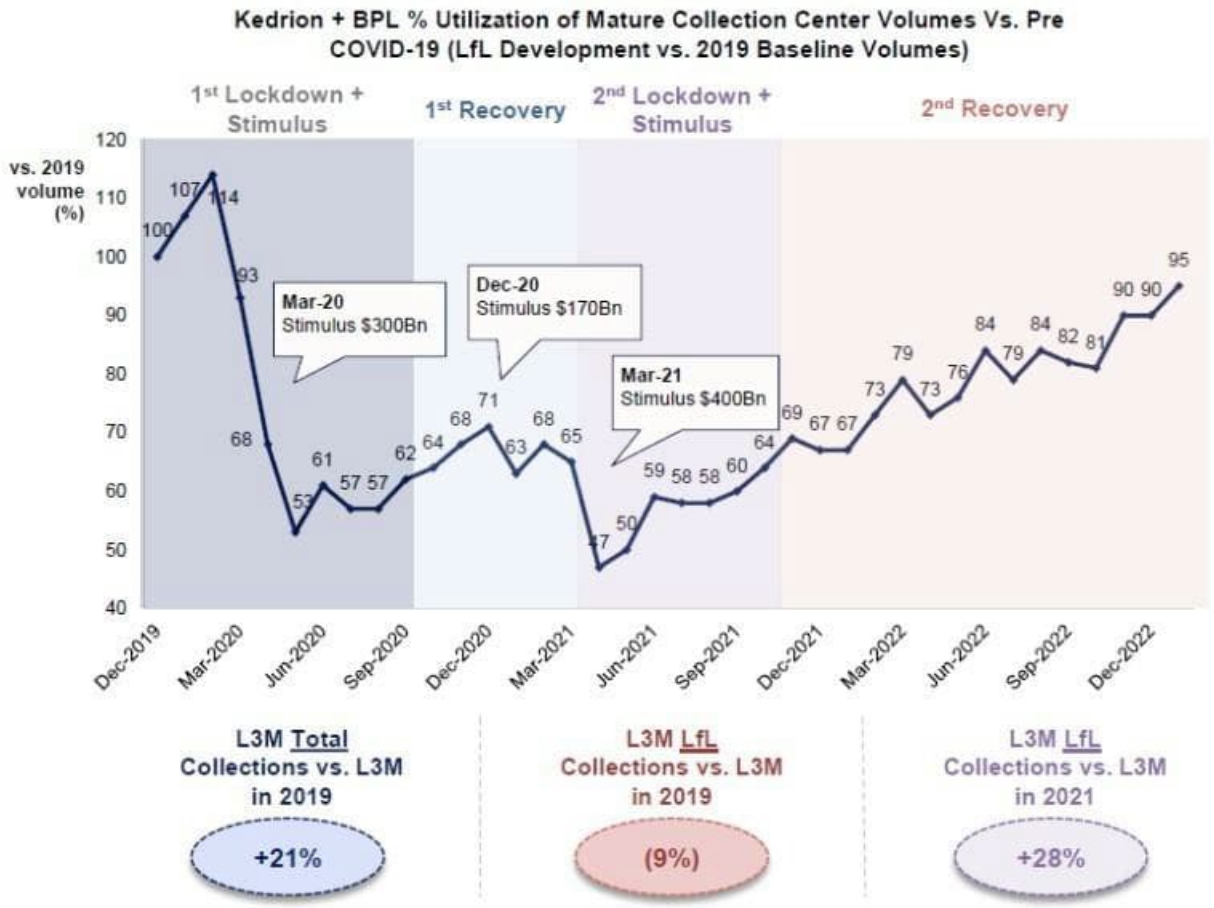
located in countries where plasma is collected voluntarily from unpaid donors. Therefore, other companies may ask to be authorised to process plasma from Italian donors in addition to the five mentioned above.

In 2022, approximately 843 thousands kilos of plasma were collected in Italy, a decrease of 2% compared to the previous year (862 thousands kilos of plasma collected in 2021)[7]. The collection level was also lower than in 2020 when the months of lockdown had negatively impacted health systems and donation centres. However, it should be noted that the Italian system reacted better than the United States and other European nations to the drop in donations due to the COVID-19 pandemic.

The global plasma collection market in 2019 reached about 69 million[8] liters collected between source and recovered plasma, with positive growth rates for about 15 years and a growth mainly driven by North American source plasma (c. 80% of total volumes).
The advent of the pandemic heavily impacted plasma collection worldwide. In the US, donations peaked at 44 million liters in 2019. Then there was a reduction in 2020 and 2021 of almost 20% (equivalent to about 10 million liters of plasma lost to the industry) due to the pandemic, measures to support the economy and household income, and the closure of the Mexican-US border for all Mexican donors. The emergency was substantially overcome in 2022, when donations reached pre-pandemic levels again, as depicted in the following graphs:



[7] *Source: National Blood Centre*
[8] *Source: MRB EU Parliament online roundtable*



Overall, from the pre-COVID 44.2 million liters of source plasma, collected in US (equal to 54 millions of liters), a collection of around 46 million liters is estimated for 2022, with a strong recovery compared to 2020 and 2021, although still lower than the amount of plasma needed to meet the final demand for the product, especially for immunoglobulins.

Immunoglobulin shortages eased during the year in European and emerging countries, where the product had been lacking for months in 2020 and 2021 due to reduced availability resulting from the contraction of plasma collection and the fact that all available resources were used for COVID.
With collecting volumes returning to pre-COVID levels by the end of 2022, this situation has gradually been resolved. An unbalance persists, given the long lead times for procurement, production, release and marketing (averaging between 6 and 9 months), with an inevitable impact on market prices, which increased globally in 2022 due to the continuing structural imbalance between supply and demand.

4.2. **GROUP ACTIVITIES**

Kedrion and BPL are leading international groups in plasma collection and developing, producing and distributing a wide range of human plasmaderivatives. Their life-saving products treat patients with haemophilia, immunodeficiencies, infectious diseases and other severe illnesses in about 100 countries worldwide.
The Group's global presence is articulated through an integrated business model that ensures the constant availability of raw materials thanks to 62 collection centres owned in the United States, 5 collection centres owned in the Czech Republic (acquired at the end of November 2022), 7 production plants and strict quality control over the entire production chain. The Group developed a fractionation capacity of about 2.2 million liters and a collection capacity of about 2.8 million in 2022.

The production facilities constantly follow the technological evolution aiming for excellence and are regularly maintained to ensure the highest safety standards at all production levels. The Bolognana (Lucca) plant is the only facility in Italy capable of producing the full range of blood products. At the same time, the one in Sant'Antimo (Naples) specialises in producing specific immunoglobulins and inactivated plasma viruses. The plant in Gödöllő (Budapest) was originally dedicated to supplies for the European and Asian markets and, following a major renovation that has more than doubled its capacity, since the end of 2012, it has also been producing intermediates for the Bolognana plant, where they are then taken to finished products. The US plant in Melville, acquired in 2011 and underwent extensive restructuring during 2016-2017, now fractionates plasma mainly for Kedrion's US market, while the new plant in Castelvecchio Pascoli (Lucca) will be dedicated to the purification of immunoglobulin 10% (KIg10).
As of 2021, the Canadian plant in Laval, Quebec, where the Ryplazim plasminogen acquired as part of the business combination with Liminal in 2021, also operates within the Group.
With the integration of BPL, the Elstree plant, the largest in the Group in terms of fractionation capacity, fully integrated from fractionation to purification to packaging, like the Bolognana plant, also became part of the Group.

The Group operates in three business segments:

- The main one concerns the production and sale of plasmaderivatives, i.e. proteins extracted from human plasma such as albumin, immunoglobulins - standard and specific - coagulation factors and human plasminogen;
- The collection, purchase and sale of plasma, in support of which the Group has a network of collection centres that primarily secure the supply of plasma needed to cover the needs of the plasmaderivatives segment, and then allocate the surplus to sale to third parties;
- Other activities include the contract manufacturing of intermediates and other products and the distribution of other non-plasma derived, including the recombinant factor VIII, which benefit from the strong positioning of the Kedrion distribution network.

The Group operates globally by segmenting its markets into four geographical macro-areas: ‘United States', 'Italy', 'European Union' and 'Rest of the World'.

4.3. SIGNIFICANT EVENTS DURING THE YEAR

4.3.1. DEAL PERMIRA AND INTEGRATION WITH BPL

In January 2022, funds managed by private equity firm Permira, backed by their co-investor Abu Dhabi Investment Authority (ADIA), entered into a partnership with the previous shareholders of Kedrion S.p.A. to acquire control of the Company and, at the same time, the British plasmaderivatives company Bio Products Laboratory (BPL). The combination of the two companies has created a global player in plasma-derived medicines, with an estimated annual turnover of Euro 1.1 billion and more than 4,000 employees worldwide.
Permira, in partnership with the Marcucci family, realised the deal to support the new unified entity in organic growth through the internationalisation of the existing portfolio and the development of new products while also supporting the search for growth opportunities through external lines, with the ultimate goal of creating a diversified entity specialising in rare diseases.

The transaction's closing occurred on 31 August 2022 after regulatory and antitrust approvals were obtained. The transaction was carried out through two corporate vehicles owned by the Permira fund, Kevlar S.p.A. in Italy and Sevenplatform VI Ltd in the UK, combining the entire Group under a holding company named Kedrion Holding S.p.A..
For further details on the deal's complex corporate and financial structure and its impact on the financial statements as at 31 December 2022, please refer to Note 6.2.5 on business combinations.

Following the deal's closing, the Group launched a profound reorganisation of its top management, starting with the new CEO Ugo Di Francesco, in line with the strategic objectives of the renewed shareholding structure and the changed dimensional and competitive profile of the combined Group. The new leadership has the task of completing the integration between Kedrion and BPL, aiming at increasing plasma collection capacity, production capacity, and cost efficiency in terms of lower cost per litre and lower cost for the indirect functions.
Moreover, immediately after the transaction, an integration programme was launched, entrusted to an Integration Management Office and with the support of qualified external consultants, aimed at realising the synergies expected from the aggregation of the two groups, to be achieved through:

- Integration of the plasma business into a single entity;
- Saturation of capacity at BPL's Elstree plant and reduction of production costs due to increased absorption of fixed structural costs;
- Increased fractionation of plasma collected at owned centres compared to plasma acquired from third parties;
- Increasing competitiveness and market share of immunoglobulins in the US;
- Leveraging the integrated commercial infrastructure between Kedrion and BPL to improve market presence and sales conditions and launch new products in markets where the Group is already present (e.g. Coagadex in Italy);
- Other initiatives aimed at optimising the organisation and increasing efficiency, strengthening the *procurement* function, optimising logistics at the Group level, and harmonising and digitalising business processes to take advantage of the best practices of the two groups.

Finally, at the same time as the closing on 31 August 2022, the new incoming partner put in place a *refinancing* process to reconfigure the entire financial structure of the Group resulting from the Permira transaction.
As a first step, on 17 August 2022, the parent company Kevlar S.p.A. entered into a bridge facility agreement ('bridge loan' below) with a total nominal value of USD 865 million with a pool of banks and GLAS USA LLC as an agent. This bridge loan consists of two facilities of USD 755.18 million and USD 109.2 million, respectively. On the same date, the parent company Kevlar S.p.A. also entered into an additional revolving credit facility agreement ('RCF' hereafter) with a ceiling of USD 175 million (unused as at 31 December 2022).
After obtaining the cash flows from the bridge loan, the parent company Kedrion S.p.A., having received the funds from the parent company Kevlar S.p.A. as an intercompany loan, proceeded with the closure of the pre-existing debt, specifically regarding:

- The bond loan in the amount of Euro 410 million;
- Two RCF lines totalling Euro 230 million;
- The financial debts of the acquired BPL Group totalling USD 102.8 million.

In conclusion, following the closing on 31 August 2022, the Group's corporate structure was changed entirely, both in terms of the entry of new shareholders belonging to the Permira Fund (indirectly through certain vehicle companies) and in terms of the structure of the Group itself through the integration of the BPL Group. At the same time, the debt structure was entirely changed, with the subscription of the bridge loan above (and of the undrawn RCF line) and the repayment of all financial debt outstanding as of 31 August 2022, except for short-term financial liabilities such as bank advances and to factoring companies.

4.3.2. SEGMENT: “PRODUCTION AND SALE OF PLASMADERIVATIVES”

STRATEGIC PROJECTS

At the end of December 2022, FDA approved the regulatory filing (PAS) authorising the Melville plant to produce bulk RhoGAM (Anti-D immunoglobulin).

With this regulatory milestone, the strategic project to fully internalise the production of RhoGAM from third-party supplier OCD to Kedrion Biopharma Inc. in its Melville, NY facility (already authorised to carry out the inflating and packaging of the product) is concluded.
Thanks to the completion of the project, the US plant in Melville will be able to increase its activity levels and production efficiency, reducing unabsorbed costs.
Non-recurring costs caused by the extension of the FDA approval timeframe until the end of 2022 for the new RhoGAM line remained in the income statement for the year: on the one hand, the extended timeframe had forced the subsidiary Kedrion Biopharma Inc. to extend the contract with the current supplier of the finished product until the end of 2023 against the payment of a '*extension fee*', to avoid the risk of discontinuity in the product; on the other hand, these timeframes did not allow for the absorption of the costs of the production structure that the subsidiary had already equipped itself with in 2022, in line with previous plans. Therefore, these phenomena led to non-recurring costs for the year of Euro 9.7 million.

During the year, the validation process for the production process continued at the new plant for the purification of immunoglobulin 10% (KIg10) using the chromatographic method in Castelvecchio Pascoli (LU), and clinical trials continued with a view to commercial authorisation of the new product. During the previous year, activities were completed in connection with the clinical trial for the PID (primary immunodeficiencies) indication in the adult population in the United States (so-called 'PID'). 'CARES10') and the final study report was obtained, with no significant adverse reactions recorded. In addition, the enrolment and treatment of paediatric patients within the paediatric PID study in Italy, Hungary, Slovakia, Russia and Portugal started in April 2021 (so-called PID study). 'KIDCARES10') for registration of this claim in the USA and Europe. Due to the Russian-Ukrainian conflict, patient enrolment in Russia was stopped in 2022, and the study is being reconfigured with part of the patients to be enrolled in the US to meet FDA requirements. By the end of 2022, 13 out of 20 patients had been enrolled.
Currently, production for clinical trials is carried out at the Godollo plant (purification phase), and technology transfer is being completed at the Castelvecchio industrial plant; validation activities have continued as planned, and batches of PPQ will be produced at Castelvecchio Pascoli in the coming months, with a view to regulatory approval expected in the US in 2025.
The timeline for expected approval in the US has slipped by about 12 months compared to previous forecasts (which envisaged project completion by the end of 2024) due to some comments received from the FDA that necessitated corrective activities implemented during 2021. In addition, a 'pre-BLA meeting' with FDA was held in August 2022. Again, no critical remarks emerged, but further additions were requested on the validation strategy and viral safety part.
Project costs charged to the financial year that have not yet been balanced in production and related revenues amount to Euro 4.2 million, while total investments in 2022 amount to Euro 14.6 million.

The extended completion schedules of the 'RhoGAM' project (regulatory approval in late 2022) and the 'KIg10' project have prevented the complete saturation of the US plant in Melville. Management is firmly committed to seeking efficiencies to increase commercial yields and reduce production costs, to compensate for the lack of complete absorption of plant fixed costs. The 'Global Albumin 25%' project, which will reduce lead times and increase yields of the product Kedbumin, i.e. albumin purified in Bolognana from Melville's intermediate, goes in this direction. The regulatory file (PAS) was submitted in November 2022; approval is expected by May 2023.

BPL ALBUMIN APPROVAL IN CHINA

After the first regulatory approval by the Chinese authority CDE (Centre for Drug Evaluation) in 2022, the first batches of Albuminex produced at Elstree were released by the National Institut for Food and Drug Control (NIFDC). Now regular shipments of the product to China (the world's largest albumin market in terms of volume and value) are planned.

PRICE TREND

Plasma-derived sales prices in this financial year confirmed the historically upward trend for immunoglobulin, supported by the steady increase in demand over supply increases by fractionators, heavily impacted by the reduction in plasma collection caused by Covid-19 in the previous two financial years. The structural imbalance between supply and demand, especially in the European and RoW markets, has generated areas of opportunity that the Group has been able to seize thanks to its distribution network, implementing a product allocation on the markets with the highest growth rates, as evidenced by the 17% price increase of immunoglobulin in these markets. In the US market (the most important), the price increased about 2% (in USD currency; about +15% in EUR due to currency dynamics), despite significantly lower than the pre-pandemic growth rate (6-7%).
The price of albumin remained broadly stable in the US (+0.3% approx. in USD currency; +13% approx. in Euro currency), while it grew by about 15% in the European and RoW markets, in line with the strategy of reallocation to higher-priced and higher-margin markets (-10% in volumes sold compared to the previous year).
The price of plasma factor VIII decreased slightly in the US (about -1% in USD currency; about +11% in Euro currency) in line with the more volume-oriented sales strategy (+11%), while the reduction continued in the European and RoW markets by about 13%, as a result of the competitive dynamics created by the gradual introduction of Hemlibra, the mix between different countries where the product is sold, some contingent factors such as the tender won in Poland, and unfavourable currency dynamics in some key countries, such as Turkey.

4.3.3. SEGMENT: “COLLECTION AND SALE OF PLASMA”

COVID-19 AND PLASMA AVAILABILITY

The Plasma segment was characterised during the year by increased volumes available to the Group, reflecting the gradual overcoming of the effects of the Covid-19 pandemic. By the end of 2022, the 62 owned centres (including 33 owned by Kedplasma LLC and 29 owned by BPL Plasma Inc) had collected 2.1 million liters, with an increase of about 54%, compared to the 1.4 million liters in 2021 (considering Kedrion and BPL). Thanks to careful inventory management, purchases of plasma from third parties were reduced, supplying Elstree's production needs with surplus plasma from Kedplasma and avoiding production stoppages. In contrast, sales to third parties remained unchanged, generating segment sales of Euro 46.8 million compared to Euro 47.0 million in 2021.

DISPOSALS AND PURCHASES/GOODWILL OF OWNED COLLECTION CENTRES

Kedrion SpA acquired at the end of November 2022 two companies in the Czech Republic, UNICAplasma s.r.o. and UNICAplasma Morava s.r.o., which own and operate five plasma collection centres in the country. The business combination is described in Note 6.2.5. The five centres currently have an annual collection capacity of about 70,000 liters.
The acquisition marks Kedrion's return to the plasma collection business in Europe, in line with its strategic objective of expanding its network of centres, diversifying supply flows and lowering overall collection costs.

On the US side:

- Four in-house developed centres were opened, continuing the programme to open and start up plasma collection centres independently;
- A centre was purchased in Rocky Mountain, NC, as described in Note 6.2.5 on business combinations;
- On 31 August 2022, a centre located in Westmoreland, TX, was sold to Proesis Bio for Euro 7.3 million, generating proceeds of about Euro 4.0 million (last year, the sale of 7 centres had resulted in proceeds of about Euro 24.7 million).

At the end of 2022, the combined Kedrion and BPL Group had 62 centres of its own, compared to 57 at the end of the previous year (on a like-for-like basis).

PRICE TREND

During the financial year, plasma sales prices were characterised by significant growth, averaging 15% (in USD currency) for standard plasma.

4.3.4. FINANCIAL MANAGEMENT

EXCHANGE RATE TRENDS

The exchange rate trend (particularly of the US dollar, which went from 1.1326 as at 31 December 2021 to 1.0666 as at 31 December 2022 after touching parity around the end of August 2022) and the Group's financial exposure in US dollars following the refinancing of debt as part of the Permira transaction, generated a positive impact on the income statement for realised and unrealised exchange rate differences of Euro 62.2 million (Euro 10.8 million in 2021), while the Group's and non-controlling interests' equity decreased by Euro 27.1 million as a result of the change in the translation reserve due to the relative weakening of the US dollar from 31 August 2022, on the date of consolidation of the BPL Group whose assets are denominated in USD.

4.4. REPORT ON OPERATIONS

	Year ended 31 December				
(in thousands of Euro)	2022	% total revenue	2021	% total revenue	Change 2022/2021
Revenue	886,669	100.0%	660,384	100.0%	34.3%
Cost of sales	688,887	77.7%	516,380	78.2%	33.4%
GROSS MARGIN (*)	**197,782**	**22.3%**	**144,004**	**21.8%**	**37.3%**
Other revenues	23,086	2.6%	68,233	10.3%%	(66.2%)
Gain on bargain purchase	188,075	21.2%	18,099	2.7%	939.1%
General and administrative expenses	176,930	20.0%	98,949	15.0%	74.7%
Sales and marketing expenses	66,450	7.5%	50,305	7.6%	32.1%
Research and development expenses	25,819	2.9%	22,659	3.4%	(13.9%)
Other operating costs	10,753	1.2%	8,355	1.3%	28.7%
EBIT (**)	**128,991**	**14.5%**	**50,058**	**7.6%**	**157.7%**
Financial expenses	44,130	5.0%	41,804	6.3%	5.6%
Financial income	2,966	0.3%	806	0.1%	268.0%
Financial expenses for refinancing	23,166	2.6%	0	0	0
Net foreign exchange gain	62,244	7.0%	10,835	1.6%	474.5%
FINANCIAL MANAGEMENT	2,086	0.2%	30,163	4.6%	(93.1%)

RESULT BEFORE TAXES	**126,905**	**14.3%**	**19,895**	**3.0%**	**537.9%**
Income taxes	3,474	0.4%	8,282	1.3%	(58.1%)
NET PROFIT FOR THE PERIOD	**123,431**	**13.9%**	**11,613**	**1.8%**	**962.9%**
Net profit attributable to non-controlling interests	5,270	0.6%	(2,210)	(0.3%)	
NET PROFIT ATTRIBUTABLE TO THE GROUP	**118,161**	**13.3%**	**13,823**	**2.1%**	**754.8%**

(*) Gross Margin: the difference between revenues and cost of sales.
(**) EBIT: is the difference between revenues, cost of sales and operating costs net of other income.

4.4.1. REVENUE

REVENUE	**Year ended 31 December**				
(in thousands of Euro)	**2022**	**% total revenue**	**2021**	**% total revenue**	**Change 2022/2021**
Plasmaderivatives	821,647	92.7%	595,989	90.2%	37.9%
Plasma	46,785	5.3%	46,961	7.1%	(0.4%)
Other	18,237	2.1%	17,433	2.6%	4.6%
TOTAL	**886,669**	**100.0%**	**660,384**	**100.0%**	**34.3%**

The breakdown of turnover by business segment and geographical area is detailed in the tables below:

SEGMENT: "PRODUCTION AND SALE OF PLASMADERIVATIVES"

Revenues from the production and sale of the plasmaderivatives segment as at 31 December 2022 amounted to Euro 821.6 million (92.7% of the total), up 37.9% compared to the previous year; the increase in the relative weight of this segment from 90.2% to 92.7% of the total is due both to endogenous growth factors of the existing structure (+9.1% on a like-for-like basis) and to the inclusion of BPL in the consolidation scope for the last 4 months of the period, which originated the rest.
First among all products in order of importance were confirmed standard immunoglobulin, which grew by 55% (14% like-for-like) thanks to the inclusion of Gammaplex (a BPL product) in the portfolio and the significant increase in average price (determined in the USA by excess demand over supply, in the rest of the world by focusing on the most profitable sales markets through appropriate product allocation logics), and albumin thanks to the price-volume-geographical mix, followed by anti-rabies immunoglobulin, which in the US market grew by 64% (thanks to the gradual exit of a competing product from the market).
2022 is also the launch year for Ryplazim, the latest product acquired in the Kedrion Group's plasmaderivatives portfolio: sales started in January, and operators and patients have very well received the product. In addition to Ryplazim, worth mentioning is the growing penetration of the other orphan drug: Coagadex (Factor X), developed and approved by BPL in previous years, whose sales in the last 4 months of 2022 amounted to Euro 22.100 thousand.
Within the segment, the US plasmaderivatives market, with the acquisition of BPL, further increases its strategic relevance from 41% to 56% of total turnover with a growth of 70% (the BPL Group is

very focused on the US market, despite which growth on a like-for-like basis without BPL still marks a remarkable 15%). The Rest of the World, with 34% growth, ranks second in terms of importance, reaching 28% of total sales (27% like for like) due to both the Group's growing engagement in emerging markets (such as Turkey) considered to have high potential, and the development of the plasma processing services business outside Italy.
Europe follows this with 15% of the global turnover, where the traditional markets (Germany, Austria and Poland) confirm their importance for the Group; finally, Italy, which, as better specified in the geographical breakdown of revenues, confirms the downward trend due to the lower volumes of plasma processing for the National Health System.
As mentioned above, in 2022, the plasma processing account service segment for foreign customers confirms the growth trend started in 2021 by tripling its turnover to Euro 19.9 million, while the traditional processing account service for the Italian Health System while confirming its relevance with 7% of the segment's turnover, confirms its progressive decline.

SEGMENT: "COLLECTION AND SALE OF PLASMA"

Proceeds from this segment as at 31 December 2022 amounted to Euro 46.8 million, broadly in line with FY 2021; surplus plasma made available by the resumption of the post-Covid collection was used intra-group to feed the Elstree plant, avoiding the need to purchase plasma from third parties.

SEGMENT: "OTHER ACTIVITIES"

Revenues from this segment, mainly related to selling non-plasma derived products, amounted to Euro 18.2 million as at 31 December 2022, up 4.6% compared to 2021 (+2.7% on a like-for-like basis).
The main non-plasma-derived product is Nuwiq (recombinant factor VIII), which is distributed exclusively in Italy thanks to a 10-year agreement with Octapharma; sales of this product during the year ended Euro 11.1 million, down by about 4% compared to 2021, due to the switch of some patients to different treatment regimens and the increasing competitive pressure on the Hemlibra market. It is worth mentioning that, thanks to the agreement closed with Pharmacosmos, 2022 was also the year in which Monoferric (iron for intravenous administration) was launched on the Italian market: sales began in May 2022, and the product is confirming the expected growth trend with a good response from the market.

The geographical breakdown of revenues is shown below:

REVENUE	**Year ended 31 December**				
(in thousands of Euro)	**2022**	**% total revenue**	**2021**	**% total revenue**	**Change 2022/2021**
USA	431,177	48.6%	283,718	43.0%	52.0%
Italy	94,186	10.6%	110,139	16.7%	-14.5%
European Union	122,162	13.8%	103,632	15.7%	17.9%
Rest of the World	239,144	27.0%	162,894	24.7%	46.8%
TOTAL	**886,669**	**100.0%**	**660,384**	**100.0%**	**34.3%**

USA

This market remains the primary market for the Group, with Euro 431.2 million and almost 50% of the turnover (up from 43% due to the consolidation of BPL, which has strong penetration in this geography). In this area, all plasmaderivatives in 2022 show a positive growth trend; however, normal immunoglobulin remains the main driver of growth, confirming its supremacy both in absolute terms

(about 70% of sales) and in terms of growth, amounting to 7.9% (9% on a like-for-like basis); this is followed by Anti-Rabies immunoglobulin, which stands at 8.2% of total sales with a growth of about 64%, and Anti-D immunoglobulin, which, with 8.3% growth, is in third place and 6.3% of total sales.

ITALY

As at 31 December 2022, the Italian market, with sales of Euro 94.2 million (10.6% of total revenues), decreased by 14.5% compared to the previous year. The result in this market is mainly realised through the sale of finished products and the processing account service for the National Health System; sales of finished products are substantially in line with last year, while the drop in revenues from the processing account service for the National Health System continues (-22%) based on the tenders awarded.

EUROPEAN UNION

Revenues in the other countries of the European Union amounted to Euro 122.2 million as at 31 December 2022, or 13.8% of the total, and increased by 17.9% compared to 2021 also due to the entry of BPL (15.3% on a like-for-like basis).
In the plasmaderivatives segment, the strategy of efficient allocation of products to higher-margin geographies continued; in fact, a growth of 11.2% (8.4% like-for-like) was recorded, led by normal immunoglobulin (+18.3% over the previous year), which accounted for about 70% of the segment's turnover. The Group's presence in the historical markets (Germany, Austria, Poland, Portugal, France and Greece), which comprise 84.2% of total sales, is further strengthened. In addition, the growing presence in Romania is also worth mentioning.
Finally, it is worth mentioning the contribution that the international labour account will make to this area in 2022, thanks to the contract closed in France with LFB at the end of the previous year.

REST OF THE WORLD

Revenues for this geographic area as at 31 December 2022 amounted to Euro 239.2 million, growing by 46.8% due to the inclusion of BPL in the consolidation scope (+25.3% on a like-for-like basis), from 24.7% to 27.0% of the total.
In this area, the plasmaderivatives segment grew by 28.4%, mainly due to normal immunoglobulin (+27%), albumin (+59.3%) and anti-D immunoglobulin (+31.3%).
The main markets served are, with 57% of total sales, Mexico, Turkey (where the group is investing to consolidate its presence given the strategic potential of this geographical area), Israel and, with the entry of BPL, the UK.
Lastly, not to be forgotten is the contribution of toll manufacturing for third parties, which, thanks to the agreements concluded in 2022, amounted to 13.7 million euros, reaching 5.7% of area turnover.

4.4.2. OPERATING COSTS

The raw material, i.e. plasma, remained at high-cost levels in 2022, after significant increases in the years 2020 and 2021 due to the effects of the Covid-19 pandemic and despite the consolidation of the recovery trend in donations that started in the second half of 2021. In 2022, efforts focused on re-establishing a stable donor base, and due to competition in the segment with other operators, collection costs increased, showing a trend that started to reverse since the second half of the year, after peaking in the middle of the year. In addition, the average collection cost for normal standard plasma in the US has increased about 3% compared to the previous year, with a positive leverage effect due to the recovery of the collection volumes which partially mitigated the increase of donor fees (13%). The BPL Group benefited from a lower funding cost dynamic thanks to different strategic positioning. The raw material selling price to third parties also increased significantly (+15% year-on-year), more than offsetting the increase in collection costs.
In addition to the continued development of the in-house collection, which is less expensive than plasma purchased from third parties, the Group, to cope with the cost dynamics of raw material in the US, started penetration in Europe by acquiring five centres in the Czech Republic.

The increase in average raw material costs was partially offset by higher selling prices of finished products, especially normal immunoglobulin, due to price growth in the US and product allocation to the most profitable ex-US markets (Germany and Mexico, above all).
In addition, the inflationary dynamics on production costs (wages and materials in US, UK and Canadian plants, utilities and materials in European plants, especially energy costs in Italy) triggered by the post-Covid recovery and macroeconomic policy, as well as international tensions related to the Russian-Ukrainian conflict, exacerbated the impact of high raw material costs.
Finally, although decreasing due to the increasing utilisation of the Melville plant, both for the fractionation plant and the new RhoGAM filling and packaging line, there are still unabsorbed plant costs in the income statement due to the lack of total saturation of production capacity, linked to the timing of the KIg10 and RhoGAM projects.
Balancing these opposing effects led to a slight improvement in the Gross Margin from 21.8% in 2021 to 22.3% in 2022.
Overall, other operating costs (Opex) increased year-on-year by Euro 87.3 million, mainly due to the consolidation of the BPL Group, transaction costs related to the Permira deal, and the average increase in the cost of utilities.
The increase in operating costs was, however, more than offset by the increase in other income and the extraordinary income generated by the acquisition of BPL (a total of +Euro 116.5 million compared to the previous year, which had included the income generated by the Ryplazim deal), increasing the operating profit (EBIT) from 7.6% in 2021 to 15.0% in 2022.

4.4.3. ALTERNATIVE PERFORMANCE INDICATORS

In this management report, in addition to the conventional indicators provided by IFRS, some alternative performance indicators used by the management of the Kedrion Group to monitor and evaluate its operating performance are presented. However, since they are not identified as an accounting measure under IFRS, they should not be considered alternative measures for evaluating the Group's performance.
As the composition of the alternative performance indicators (EBITDA, Adjusted EBITDA, Adjusted Gross Margin, Net Invested Capital, Net Working Capital, Net Financial Debt) is not regulated by the relevant accounting standards, the determination criteria applied by the Group may not be homogeneous with those adopted by other entities and therefore may not be comparable.

It should be noted that, since the Company is no longer an Entity of Public Interest pursuant to Legislative Decree 39/2010 following the extinction, in 2022, of the listed bond, the non-recurring items identified by the management were not determined according to the provisions of Consob resolution no. 15519 of July 27, 2006 and the Net Financial Debt was not determined in accordance with the provisions of the ESMA Guidelines of May 5, 2021 and Consob communication no. DEM/6064293 dated 28-7-2006.

ADJUSTED EBITDA ED EBITDA

EBITDA 2022 amounted to Euro 213.6 million, or 24.0% of sales, up in profitability from 15.0% in the previous year and up in absolute value from Euro 99.0 million in 2021, mainly due to the extraordinary income generated by the BPL deal, which together with the substantial stability of the marginality on plasmaderivatives, allowed to offset the higher costs related to the collection of raw material and the increase in operating costs. Under non-recurring items, following the definition shown below, an extraordinary net income of approximately Euro 68.1 million was identified, related to non-recurring operating items with an impact on EBITDA, of which Euro 135.0 million was attributable to the Permira deal (Euro 188.1 million of bargain purchase income net of transaction costs and other adjustments related to the business combination, totalling Euro 53 million).
Adjusted EBITDA (calculated excluding the impact of these non-recurring management items) reaches Euro 145.6 million or 16.4% of sales, down as profitability from 21.0% in 2021, with an increase in the absolute value of Euro 6.6 million or approximately 4.8%.

The breakdown of the non-recurring items identified by the management is reported in the paragraph 4.12 of the Management Report.

Depreciation and amortisation amounted to Euro 85.4 million and the operating profit (EBIT) amount to Euro 128.9 million, or 14.5% of sales.

	Year ended 31 December				
(in thousands of Euro)	2022	% on total revenues	2021	% on total revenues	Change 2022/2021
Operating profit	128,991	14.5%	50,058	7.6%	165.7%
+ Amortisation and depreciation	85,440	10%	49,407	7.5%	64.8%
- Grant on investments	(789)	(0.1%)	(486)	(0.1%)	62.5%
EBITDA (*)	**213,641**	**24%**	**98,979**	**15.0%**	**115.8%**
Non-recurring management items (**)	(68,050)	(7.7%)	40,010	6.1%	-
ADJUSTED EBITDA (***)	**145,591**	**16.4%**	**138,989**	**21.0%**	**4.8%**

(*) EBITDA is the operating profit before depreciation, amortisation and plant grants.
(**) Non-recurring operating items include non-recurring costs and revenues from ordinary operations, including costs related to acquisitions, goodwill costs of new plants and plasma centre goodwill, as well as other contingent assets and liabilities
(***) Adjusted EBITDA is EBITDA before non-recurring operating items.
Thus, EBITDA and adjusted EBITDA represent a measure used by the company's management to monitor and evaluate its operating performance. EBITDA is not identified as an accounting measure under IFRS and should not be considered an alternative measure for assessing the Group's performance. As the composition of EBITDA is not regulated by the relevant accounting standards, the determination criteria applied by the Group may not be homogeneous with those adopted by others and therefore not comparable.

ADJUSTED GROSS MARGIN

Analysis of Adjusted Gross Margin by business segment for the years ended 31 December

	ADJUSTED GROSS MARGIN BY SEGMENT (*)			
(in thousands of Euro)	Production and sale of plasmaderivatives	Collection and sale of plasma	Other activities	TOTAL
YEAR ENDING 31.12.2022	**209,775**	**25,112**	**5,759**	**240,646**
% of total revenues of the business sector (**)	*25.5%*	*7.4%*	*31.6%*	*27.1%*
% of total Adjusted gross margin	*87.2%*	*10.4%*	*2.4%*	*100.0%*
YEAR ENDING 31.12.2021	**187,801**	**10,400**	**5,531**	**203,732**
% of total revenues of the business sector (**)	*31.5%*	*5.5%*	*31.7%*	*30.9%*

% of total Adjusted gross margin	*92.2%*	*5.1%*	*2.7%*	*100.0%*

(*) Segment Adjusted Gross Margin is represented by segment revenues minus production costs allocated to segments, not considering the non-recurring items related to the cost of goods sold, such as non-absorbed costs resulting from plant restructuring or the acquisition/opening of new plasma centres. The breakdown of the non recurring items identified by the management is reported in the paragraph 4.12 of the Management Report. Under segment costs, the Group recognises direct and indirect production costs related to the business segment, including production depreciation and amortisation and all other costs that make up the cost of sales. Commercial costs, general and administrative costs, research and development costs and other operating costs are not allocated to segments. The segment margin thus defined is a measure used by the Group's management to monitor and evaluate the Group's operating performance and is not identified as an accounting measure under IFRS and, therefore, should not be considered an alternative measure for evaluating the Group's performance. Since the relevant accounting standards do not regulate the composition of the segment margin, the determination criteria applied by the Group may not be homogeneous with those adopted by others and, therefore, may not be comparable.
(**) Calculated based on segment revenues before intersegment eliminations.

PRODUCTION AND SALE OF PLASMADERIVATIVES

The adjusted gross margin for this segment amounted to Euro 209.8 million, or 25.5% of total segment revenue, representing 87.2% of the Group's total adjusted gross margin.
The decrease in the margin from 31.5% in 2021 to 25.5% in the current year is mainly attributable to the increase in the cost of raw materials, which was not fully reflected in prices, and inflationary dynamics on some cost categories, including energy costs.

COLLECTION AND SALE OF PLASMA

The Adjusted Gross Margin of the plasma segment increased from 5.5% of the segment's total revenue in the financial year 2021 to 7.4% in 2022, while the segment's percentage weight in the Group total increased by 10.4%.

OTHER ACTIVITIES

The Adjusted Gross Margin of this last residual segment increased to 31.6% of total segment revenue for the year ended 31 December 2022, in line with the previous year. The start of distribution of the Monoferric product on the Italian market is worth noting.
The weight of this segment in terms of margin drops from 2.7% to 2.4%.

4.4.4. FINANCIAL MANAGEMENT

Financial expenses totalled Euro 67.3 million in this financial year 2022, compared to Euro 41.8 million in 2021, and included financial expenses related to the refinancing transaction in the amount of Euro 23.2 million referring to the premium paid for the early redemption of the Bond and the release of the amortised cost, in addition to interests arising from the new loan granted by the parent company Kevlar S.p.A. in the amount of Euro 16.9 million and interests on the bonds granted to the Group, up to the date of early redemption of the Bond.

Financial income increased to Euro 2.9 million in this financial year 2022 compared to Euro 0.8 million in 2021 and is mainly attributable to the impact of the application in the subsidiary Kedrion Betaphar of IAS 29 related to the hyperinflationary economies.

The net exchange rate gains increased in this financial year 2022 to Euro 62.2 million compared to Euro 10.8 million in 2021. The change is mainly due to currency fluctuations that affected the new loan taken out with the parent company Kevlar in the amount of Euro 50.8 million, and exchange rate differences arising from inter-company items.
For more details, see note 4.3.4.

Financial operations (excluding exchange rate losses and gains) as a percentage of sales was 7.3%, up slightly from 6.2% in 2021.

4.5. STATEMENT OF FINANCIAL POSITION

The reclassification of the balance sheet based on financial criteria is as follows:

(in thousands of Euro)	31.12.2022		31.12.2021	
LOANS				
Net working capital (*)	508,893	27.5%	273,297	24.3%
Fixed assets and other assets	1,410,282	76.3%	863,078	76.8%
Short-term liabilities	(32,251)	(1.7%)	(16,444)	(1.5%)
Long-term liabilities (**)	(37,508)	(2%)	4,308	0.4%
NET INVESTED CAPITAL	**1,849,416**	**100%**	**1,124,239**	**100%**
RESOURCES				
Net financial debt (***)	882,255	47.7%	640,103	56.9%
Equity	967,161	52.3%	484,136	43.1%
TOTAL FUNDING SOURCES	**1,849,416**	**100%**	**1,124,239**	**100%**

(*) Net working capital is calculated as current assets less current liabilities, excluding overdrafts and loans due within one year and financial assets and liabilities. Net working capital is not identified as an accounting measure under either Italian GAAP or IFRS adopted by the European Union. The determination criteria applied by the Group may not be consistent with those adopted by other groups and, therefore, the balance obtained by the Group may not be comparable with that determined by the latter.
(**) The item includes deferred tax assets/(liabilities) recognised in the Group's statement of financial position.
(***) Net debt is calculated as the sum of overdrafts and loans due within one year and non-current financial liabilities less cash and cash equivalents, current and non-current financial assets and the fair value of derivative financial instruments. Net financial debt is not identified as an accounting measure under either Italian GAAP or IFRS adopted by the European Union. The determination criteria applied by the Group may not be consistent with those adopted by other groups and, therefore, the balance obtained by the Group may not be comparable with that determined by the latter.

Details of the evolution of loans are shown in the table below:

(in thousands of Euro)	31.12.2022	31.12.2021
Trade receivables / contractual assets	193,324	167,250
Inventories	538,539	266,438
Trade payables	(210,924)	(148,157)
Contractual liabilities	0	(6,253)
Other current assets / (liabilities)	(12,046)	(5,981)
NET WORKING CAPITAL	**508,893**	**273,297**
Tangible fixed assets	561,962	323,615
Goodwill	289,692	269,889
Other intangible fixed assets	403,725	162,133
Rights of use	153,789	106,476

Other non-current assets	1,114	945
FIXED ASSETS AND OTHER ASSETS	**1,410,282**	**863,078**
Liabilities for employee benefits	(3,587)	(3,707)
Provisions for risks and charges	(3,703)	(778)
Deferred tax liabilities and deferred tax assets	(27,077)	11,792
Other non-current liabilities	(3,141)	(2,999)
NON-CURRENT LIABILITIES	**(37,508)**	**4,308**
Provision for risks and charges	(32,251)	(16,444)
CURRENT LIABILITIES	**(32,251)**	**(16,444)**
TOTAL NET INVESTED CAPITAL	**1,849,416**	**1,124,219**

4.5.1. INVESTMENTS

In 2022, the Group made investments for a total value of Euro 72.6 million, which mainly concerned the following:

- **Plant in Melville (NY, USA)** for a total amount of Euro 3.6 million relating mainly to the new fractionation and purification line for the production of the speciality RhoGAM and improvements on other buildings and existing plants;
- **Plant in Bolognana (LU, Italy)** for a total amount of Euro 6.9 million, referring mainly to works and improvements on existing buildings and plants;
- **Santa Antimo (NA, Italy)** for a total amount of Euro 2.1 million relating to urban compliance investments on certain buildings and interventions and improvements on existing buildings and plants;
- **Gödöllő plant (Hungary)** for a total amount of Euro 2.8 million referring to works and improvements on existing plants;
- **Laval (Canada)** plant for a total amount of Euro 2.3 million related to works and improvements on existing plants;
- **Factory in Castelvecchio Pascoli (LU, Italy)** for a total amount of Euro 14.9 million referred to the KIg10 project for the registration of the new immunoglobulin 10% for the US and European markets as well as interventions and improvements on the new production department of the same immunoglobulin 10%;
- **Elstree (UK)** plant for a total amount of Euro 13.3 million related to works and improvements on existing plants and development of a new filling line (line 4);
- **Plasma collection centres** (**US)** for a total net amount of Euro 16.4 million deriving, purchase of an Immunotek centre for Euro 3.4 million, from the opening of 4 centres and development of additional Stough centres for 7.6 million, from down payments of Euro 3.2 million for new Immunotek centres and finally interventions on existing plasma collection centres and development of new centres ex BPL perimeter for a total amount of Euro 2.4 million;
- **Other Investments** totalling Euro 10.3 million, which mainly refer to IT hardware and software investments (Euro 4.2 million) and other investments (Euro 6.1 million) mainly related to commercial rights for Euro 0.9 million, research and development projects for Euro 4.4 million, and improvements made in the offices of the various locations.

Considering the investments described above, the invested capital rises to Euro 1,853.3 million.

4.5.2. NET WORKING CAPITAL

Net working capital increased from Euro 273.3 million in 2021 to Euro 508.9 million in this financial year, with the percentage of turnover increasing from 41.4% in 2021 to 57.4% in 2022. The increase over the previous year is mainly generated by the increase in inventory (+ Euro 272.1 million) due to the contribution of the BPL Group (Euro 206.2 million).
BPL's contribution to the increase in trade receivables (Euro 26.1 million) was Euro 34.8 million.
BPL's contribution to the increase in trade payables (Euro 62.8 million) was Euro 48.1 million.

Other current liabilities, net of other current assets, increased by Euro 6.1 million due to the contribution of BPL.

4.5.3. FINANCIAL POSITION

On 31 August 2022, following the Permira Deal, the Kedrion Group extinguished its entire existing debt through the issuance of a loan in the amount of Euro 769.9 million by the parent company Kevlar S.p.A., the Permira's vehicle company for the acquisition of the Group.

The following table shows the data on loans granted to the Group and outstanding as at 31 December 2022:

Description	Expiry	Rate as at 31.12.2022	Residual 31.12.2022	Next year's quota	Share within 5 years	Share over 5 years
Kevlar loan	31/08/2029	6.70%	769,994	0	0	769,994
Total medium/long-term bank loans			**769,994**	**0**	**0**	**769,994**

As shown in the table below, as at 31 December 2022, the net financial position amounted to Euro 882.3 million, including the IFRS16 lease effect, and Euro 720.1 million, excluding the IFRS16 effect.

	31.12.2022		31.12.2021	
(In thousands of Euro)	Reported	Reported (net of IFRS 16)	Reported	Reported (net of IFRS 16)
Lease liabilities – short term	18.357	2.437	12.725	3.041
Medium-/long-term loans to banks and other lenders – current portion	0	0	199.516	199.516
Payables to banks and other lenders	79.504	79.504	50.052	50.052
Financial indebtedness - current	**97.861**	**81.941**	**262.293**	**252.609**
Lease liabilities – long term	148.703	2.507	107.449	4.980
Medium-/long-term loans to banks and other lenders – non-current portion	769.994	769.994	412.032	412.032
Financial indebtedness – non-current	**918.697**	**772.501**	**519.481**	**417.012**

GROSS FINANCIAL INDEBTEDENESS	**1.016.558**	**854.442**	**781.774**	**669.621**
Cash and cash equivalents	(123.037)	(123.037)	(134.200)	(134.200)
Current financial assets	(4.389)	(4.389)	(1.016)	(1.016)
Current financial assets	(6.877)	(6.877)	(6.455)	(6.455)
NET FINANCIAL INDEBTEDENESS (*)	**882.255**	**720.139**	**640.103**	**527.950**

(*) Net debt is calculated as the sum of overdrafts and loans due within one year and non-current financial liabilities less cash and cash equivalents, current and non-current financial assets and the fair value of derivative financial instruments. Net financial debt is not identified as an accounting measure under either Italian GAAP or IFRS adopted by the European Union. The determination criteria applied by the Group may not be consistent with those adopted by other groups and, therefore, the balance obtained by the Group may not be comparable with that determined by the latter.

4.5.4. FINANCIAL INDICATORS

	31.12.2022	31.12.2021
Short-term ratio *Short-term debt and current portion of long-term loans/Net financial debt*	11.1%	41.0%
Long-term ratio *Long-term debt/net financial debt*	104.1%	81.2%
Net financial debt / equity ratio	0.91x	1.32x
Net financial debt / total sources of finance ratio	47.7%	56.9%
Leverage Ratio *Adjusted net financial debt/EBITDA*	6.06x	4.20x
Net Interest Cover Ratio *Adjusted EBITDA/Net financial management*	2.26x	4.03x
ROE	12.8%	2.4%
ROI	11.5%	3.3%
ROA	78.9%	60.4%
ROS	14.5%	5.5%

Concerning balance sheet ratios, there was an apparent reduction in the weight of short-term debt compared to long-term debt as a result of the refinancing within the Permira transaction and the taking out of the long-term loan to the parent company Kevlar S.p.A., with which the pre-existing medium-long and short-term debts were extinguished.
The debt-to-equity ratio decreased due to the increased capitalisation resulting from the capital increases paid in by Kevlar. However, simultaneously, the Leverage Ratio and the Net Interest Cover Ratio worsened due mainly to the reduction in adjusted EBITDA, for the above reasons, while remaining within a range of good financial strength.
As per the last indicators, there was a significant improvement in the ROE (return on investment in the company's capital) and ROI (return on invested capital) indicators, which can be broken down into ROS, which represents the profitability of sales, and ROA, which expresses the return on assets.

The cash flows are summarised in the table below:

- In the financial year 2022, cash absorption at the operating level amounted to Euro 64.3 million, compared to cash generation of Euro 74.2 million in 2021, mainly due to transaction costs, other non-recurring costs, and raw material and energy cost dynamics that negatively impacted operating margins.
- Also, during the year 2022, in addition to the average level of investments required to carry out periodic maintenance to ensure the highest safety standards in the production plants, some important strategic projects continued (KIg10 and RhoGAM insourcing) and increasing the level of self-sufficiency in raw materials by completing the opening or acquisition of five additional collection centres and continuing with plans to purchase or develop more centres. In addition, significant investments continued on the BPL plant in Elstree, including the new filling line. Cash flow absorption from these projects and the other investment activities detailed above, net of the sale of a plasma centre and other tangible assets, amounted to Euro 39.9 million, compared to Euro 53.3 million in the previous year, due to the net investments incurred (Euro 85.8 million) net of the proceeds realised from the acquisition of BPL as part of the Permira transaction.
- Financing activities generated a total of Euro 93.5 million in cash (Euro 13.2 million in the previous year), mainly due to capital contributions by the parent company Kevlar (+Euro 29.2 million) and the new loan to Kevlar, net of the repayment of all pre-existing medium/long-term debt, including the bond issued in 2021, for a total net amount of Euro 55.7 million.

The cash flow statement is prepared using the indirect method and is presented following IAS 7, classifying cash flows between operating, investing and financing activities. The flow of financial income and expenses paid and received is reported under financing activities, not under operating activities.

	Year ended 31 December	
(in thousands of Euro)	**2022**	**2021**
Net cash flow generated / (absorbed) from operating activities	(64,334)	74,205
Net cash flow absorbed from investing activities	(39,852)	(53,311)
Net cash flow from generated from financing activities	93,464	13,172
OVERALL CASH FLOW	**(10,722)**	**34,066**
Cash and cash equivalents at the beginning of the year	134,186	100,584
Net effect of foreign currency translation on cash and cash equivalents	(427)	(464)
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	**123,037**	**134,186**

4.6. MAIN RISKS AND UNCERTAINTIES TO WHICH THE GROUP IS EXPOSED

4.6.1. OPERATIONAL AND BUSINESS RISKS

Possible risks to which the Group may be exposed in the typical course of business include both the specific characteristics of the sector and normal uncertainties relating to the macroeconomic environment, trends and regulations:

- **Risks related to the high degree of regulation in the sector**

The Group operates in a highly regulated industry and requires governmental approvals to carry out its activities. The Group's inability to obtain such authorisations for new products or to maintain such authorisations for existing products could harm its business.

- **Risks related to international operations**
  The Group's international operations expose it to risks inherent in international activities, any of which could affect the Group's operating results.
- **Risks related to the entry of new players into the Italian market**
  The presence of competitors operating in the Italian market could reduce the Group's access to Italian plasma and its fractionation activities on behalf of Italian regional authorities.
- **Risks related to the type of process and product and compliance with Good Manufacturing Practice (GMP) requirements**
  Plasma and plasmaderivatives are fragile products, and manufacturing processes are complex. Therefore, any improper handling of plasma and plasmaderivatives or failure to comply with GMP could harm the Group's business.
- **Risks related to the operation of establishments and collection centres**
  Any interruption in the normal operation of the Group's production facilities, shipping or distribution channels or plasma collection centres may adversely affect its business.
- **Risks related to price pressure from competition and imbalances between supply and demand**
  The Group operates in a highly competitive industry with increasing price pressure. In addition, fluctuations in the supply of or demand for plasma and plasmaderivatives may affect the Group's activities.
- **Risks related to the development of new production processes and alternative products to plasmaderivatives**
  Technological changes in the production of plasmaderivatives and the development of alternative products could make the Group's production processes and products uneconomic.
  To date, the only plasmaderivatives that face strong competition from alternative products are coagulation factors and, in particular, FVIII: although recombinant FVIII has been on the market since the late 1980s, the plasma-derived product has maintained a significant market share due to its better efficacy on certain categories of patients and its lower cost. In recent years, the release of a new product (Hemlibra) that is based on a new technology (monoclonal antibody) and has further improved patients' quality of life by facilitating home therapy, as well as the recent approval of gene therapies, make the FVIII market scenario even more uncertain for years to come. Based on the technological and production developments, similar events could occur for the other Group products in the long term.
- **IT security risks, data management and dissemination**
  Today, information technology (IT) is one of the main enablers for achieving corporate business objectives. Therefore, the IT risk is related to the significant degree of dependence of the Group companies and their related operational processes on the IT component. Specifically, this means the risk of suffering an economic, reputational and market share loss deriving from the possibility that a given threat, whether accidental or intentional, exploits a vulnerability both implicit in the technology itself and deriving from the automation of corporate business processes, causing an event capable of compromising the security of corporate information assets in terms of confidentiality, integrity and availability. The Group has developed policies, operating procedures and technical security measures to ensure adequate protection of company data and information. In addition, disaster recovery solutions were implemented for the most important IT systems.
- **Environmental and sustainability risks**
  The main risks that may arise from climate change and the transition to a low-carbon energy model are improper management of energy and emission sources and risks related to regulatory/regulatory changes associated with the fight against climate change.
- **Risks related to energy prices**
  The Group's business is subject to fluctuations in the prices of energy products needed in the production cycle. Although energy prices fell during 2022, and the downward trend is still ongoing due to uncertainties related to future forecasts, which are highly dependent on the global

economic and financial situation and the Russian-Ukrainian conflict, the Group closely monitors the risk of a new increase in energy prices, due to the negative impact it would have on its business, results of operations and financial position.

- **Risks related to the global supply chain and shortages of critical raw materials**
  The Group's integrated, international industrial structure requires the movement of plasma and intermediate products from the US to Europe and the distribution of finished products to more than 100 countries. Although the effects of the Covid-19 pandemic have subsided, persistent international tensions, mainly linked to the Russian-Ukrainian conflict, have impacted the global transport situation, in terms of prices and longer routes, particularly for the distribution chain of finished goods. A potential risk linked to international tensions remains on the supply chain and the availability of critical raw materials, which could slow down production volume.
- **Credit market risks**
  Progressive interest rate hikes by central banks to contain the inflationary drive that started after the end of the pandemic have increased the cost of access to financial credit (both for private and public finances) and created tensions in the banking system that could generate a credit crunch. Although the Group has a significant debt linked to the ongoing development process and working capital management, the fixed rates during the recent refinancing linked to the transaction with Permira mitigate the risk of debt cost growth, while the risks related to the debt sustainability of the countries in which the Group operates in cooperation with the public health system remain. In addition, the credit crunch resulting from the recent tensions in the banking system could have knock-on effects on the Group's suppliers. Concerning the latter, Management is closely monitoring the development of its suppliers.

4.6.2. FOREIGN EXCHANGE RATE RISK

The Group operates internationally and is therefore exposed to the exchange rate risk arising from the different currencies in which it operates. Exposure to foreign exchange risk arises from commercial and financial transactions in currencies other than the accounting currency. The main currencies that generate currency risk are the US dollar, the British pound, the Hungarian forint, the rouble, the Turkish lira and the Mexican peso. The sensitivity analysis assessed the Group's exposure to exchange rate risk by assuming reasonably possible changes in the above exchange rates against the Euro. The following tables show the impact on Profit before tax due to changes in the fair value of current assets and liabilities, the Bridge loan, with all other variables held constant. In addition to current assets and liabilities of a commercial nature, items of a financial nature have been included, represented mainly by balances of intra-group financial receivables and payables in currencies other than the accounting currency.

as of 31/12/2022		
CCY	FX variation %	Impact on profit before taxes (in thousand of Euro)
USD	revaluation 10%	(48.485)
	devaluation 10%	36.425
GBP	revaluation 10%	(1.753)
	devaluation 10%	2.143
HUF	revaluation 10%	2.202
	devaluation 10%	(1.801)
RUB	revaluation 10%	939
	devaluation 10%	(769)
TRY	revaluation 10%	1.379
	devaluation 10%	(1.128)
MXN	revaluation 10%	2.014
	devaluation 10%	(1.881)

4.6.3. INTEREST RATE RISK

The Permira transaction Group has an outstanding bridge loan of USD 865.0 million at a fixed rate fully drawn and an RCF for an equivalent of Euro 175.0 million at a floating rate, currently not drawn, both for Kevlar S.p.A., maturing respectively as at in August 2029 and March 2029. As described above, this financial structure is reflected, at the Kedrion Group level, in an intercompany fixed-rate loan to Kevlar, for USD 821.3 million as at 31 December 2022.

As at 31 December 2022, the company was hedged against interest rate risk for 100% of its total long-term exposure. The interest rate risk to which the Group is exposed is, therefore, limited to short-term loans, the rates of which are defined for each use based on the market conditions at the specific time.

The Group monitors financial market conditions on interest rates to further assess hedging opportunities to reduce risk exposure further.

4.6.4. LIQUIDITY RISK

The Parent Company manages liquidity risk by closely controlling the elements that make up the net operating working capital and maintains an adequate level of cash and cash equivalents and funds obtainable through financing made available by various banking institutions. As of 31 December 2022, the Group controlled by Kedrion Holding S.p.A. had cash and cash equivalents of Euro 163.7 million, of which Euro 123.0 million related to the Kedrion Group, and available and undrawn credit lines of which for Euro 175.0 million for RCF line provided by a pool of banks and Euro 11.0 million for short term credit line.

To make the management of cash flows more efficient, avoid the dispersion of liquidity, and minimise financial expenses, the Group has also adopted systems of concentration and centralised management of the liquidity of the main Group companies (cash pooling) Kedrion S.p.A. accounts.

4.6.5. CREDIT RISK

The majority of the Group's European receivables are due from hospitals and other public entities, whose solvency is considered reasonably certain and on which the Group has never recognised any

losses on receivables, except for the waiver of interest on arrears. Similarly, receivables from US customers, given the very short payment terms and the financial solidity demonstrated by the customers themselves, are considered reasonably certain and solvent. The residual receivables are mainly from foreign customers (Middle East, Asia, Africa and South America) with established relationships and long-term collaborations. In addition, all loans are constantly monitored by a recently implemented dedicated central structure capable of preventing exposures that are not in line with the Group's policies, such as unauthorised shipments in the presence of overdue positions or excess commercial credit lines granted. The Group considers its credit risk management policies to be adequate with the degree of risk of insolvency of its customers.

4.7. DIVIDEND POLICY

Under Article 27.1 of Kedrion S.p.A.'s Articles of Association, the net profit for the year, less an amount corresponding to 5% thereof, allocated to the legal reserve until it reaches one-fifth of the share capital, is allocated as decided by the shareholders' meeting.

4.8. PERSONAL DATA PROCESSING

Kedrion has adopted a Privacy data System to ensure compliance with EU Regulation 2016/679 – *General Data Protection Regulation* (hereinafter also 'GDPR') and Legislative Decree 196/2003 as last amended by Legislative Decree 101/2018.

Kedrion intends to pursue a multi-business growth strategy that integrates the protection of personal data through the incorporation of Data Protection into the continuous improvement plan that the Company sets out with its management system.

The Company-which is required to comply with the regulations on the protection and security of information, particularly personal data-is constantly committed to the concrete implementation of the principles of lawfulness, fairness, transparency, purpose limitation and storage, data minimization, accuracy, integrity and confidentiality, declining their implications in relation to the different activities carried out.

For this purpose, the Company adopts and implements organizational, process and/or technical measures to ensure full compliance with the general principles on the processing of personal data and in particular:

- has appointed a Data Protection Officer (DPO) and implemented an internal governance to preside over sensitive areas from the perspective of personal data processing;
- has prepared the Register of Processing Activities to census the personal data processed by the Company, which is kept updated;
- has adopted organizational, process and/or technical measures capable of ensuring compliance with the maximum retention periods for personal data processed (so-called data retention);
- has adopted organizational, process and/or technical measures functional to cope with any Data Breach and, when the conditions are met, to make timely notifications to the Supervisory Authority and communications to the interested parties;
- prepared a risk assessment and drafted Data Privacy Impact Assessment (DPIA) on the areas most at risk from a data and personal protection perspective and in line with the principle of accountability.

4.9. ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL UNDER LEGISLATIVE DECREE NO. 231/2001

Since 2004 Kedrion S.p.A. implemented an Organization, Management and Control Model pursuant to Article 6 of Legislative Decree 231/2001 (hereinafter also "Model 231") in order to prevent the risk of committing the offenses set forth in the same Decree and a Code of Ethical Conduct that forms an integral part of Model 231.

Kedrion S.p.A. keeps updated the 231 Risk Mapping, i.e., the mapping of company areas exposed to "crime risk."

Kedrion has made available tools to report any violations, including anonymously; these tools have been implemented in compliance with Law No. 179 of 2017 so-called "Whistleblowing."

The effective implementation of the 231 Model adopted by Kedrion requires that all recipients of the 231 Model, in the performance of their activities, follow correct and transparent behaviors in line with the Decree and with the control principals provided by the 231 Model itself and with the Ethical-Social Values represented in Kedrion's Code of Ethical Conduct. In addition, the effective adoption and implementation of Model 231 required Kedrion itself to:

- Integrate Model 231 with the pre-existing internal control system, also in order to better monitor and supervise all company processes and functions, and to prevent any conduct that does not comply with the Laws and therefore also with Legislative Decree 231/2001;
- Spread to anyone operating in the name and on behalf of Kedrion:
  - Full awareness of the scope and effects of Legislative Decree No. 231/2001;
  - Behaviors always appropriate to Kedrion's ethical policy aimed at disapproving any conduct, by anyone engaged in, prohibited by the provisions of the Law and contrary to Kedrion's Ethical-Social Values represented by its Code of Ethical Conduct.

The aims, principles and contents of the Model 231 are disseminated to the addressees of the Model 231 through training courses and continuous communication and information with the Supervisory Board. In addition, the commitment to comply with Model 231 by third parties having contractual relations with the company provides for the signing of a termination clause to be activated in the event of a violation of Model 231 by the third party.

It should be noted that the Board of Directors of Kedrion S.p.A. has established, in implementation of Legislative Decree 231/2001, the Supervisory Board, which has been assigned the powers and responsibilities necessary to carry out the activities entrusted to it by the decree regarding the functioning, effectiveness, adequacy and compliance of the Organization, Management and Control Model adopted by the same Board of Directors.

Kedrion maintains a special Communication System with the Supervisory Board that allows anyone (employees and third parties), through specifically dedicated channels and in a manner regulated by procedure to:

- Formulate questions or doubts about the principles contained in Kedrion's Code of Ethical Conduct and Model 231;
- Formulating in advance questions or doubts concerning the activity carried out or about to be carried out for Kedrion and therefore the behaviors that in the performance of the same could foreshadow, even if only hypothetically, an unlawful act and the occurrence of the offenses contemplated by Legislative Decree 231/2001;
- Indicate alleged or suspected violations of the ethical principles contemplated by Kedrion's Code of Ethical Conduct and the safeguards provided for in Model 231;
- Indicate any other information related to the elements and contents of Model 231.

4.10. PARENT COMPANY AND CONSOLIDATED SUBSIDIARIES/ASSOCIATES

4.10.1. KEDRION S.P.A. (ITALY)

Kedrion is a pharmaceutical company active in producing and selling plasmaderivatives.
In 2022, the company realised a turnover of Euro 309.6 million (Euro 297.0 million in 2021), with an increase in revenue of 4.3%, due to the increase in export sales of both products and international contract work services, which offset the reduction in contract work revenues to the National Health System.
The turnover as at 31 December 2022 for the Italian market decreased by 14.5% compared to the previous year, with a turnover of Euro 94.2 million, corresponding to 30.4% of total revenues, achieved through the sale of finished products on the commercial market and the processing service for the National Health System. Compared to the previous year, the decrease is mainly due to the decrease in the revenues of toll manufacturing for the National Health System.
The increase in operating costs was mainly due to some provisions that became necessary in connection with provisions for risks and charges, as well as transaction-related costs, and resulted, together with the decrease in gross margin due mainly to the increase in raw material costs and energy costs, in a decrease in EBITDA to Euro (18.7) million (positive Euro 12.7 million in the previous year). In contrast, EBT decreased to Euro (21.4) million (positive Euro 29.8 million in 2021). Finally, the net loss amounted to Euro 17.7 million after receiving dividends of Euro 1.5 million (compared to a profit of Euro 30.3 million in 2021 after receiving dividends of Euro 33.1 million) due to the recognition of current income tax net of deferred tax assets for the period.

4.10.2. KEDRION BIOPHARMA INC GROUP (USA)

The sub-group that is headed by 100%-owned Kedrion Biopharma Inc, is owner of the Melville production facility with a fractionation capacity of about 1 million liters acquired under a framework agreement in 2011 with Grifols that allowed the group to enter the most critical market in the sector, and to distribute the Group's products in the US market.

Its subsidiaries Kedplasma Llc and BPL Plasma Inc, acquired on 30 September 2022 as part of the US sub-group reorganisation envisaged in the Permira deal structure, own more than 60 plasma collection centres in the United States.
In connection with the above transaction, Kedrion Biopharma acquired control of the US company Bio Products Laboratory USA Inc., which is the commercial entity for the BPL Group in the US market and BPL Properties LLC, owner of 8 plasma centres of which 4 leased to third parties and 4 leased to BPL Plasma Inc..

In 2022, the Kedrion Biopharma Inc. sub-group realised a total turnover towards third parties of Euro 500.2 million (Euro 348.9 million in 2021), closing with a net loss of Euro 30.7 million (compared to a loss of Euro 12.3 million in 2021).

The breakdown is as follows:

- Kedrion Biopharma Inc. realised in 2022 a turnover of Euro 294.1 million, reporting a profit of Euro 8.5 million (recording a turnover of Euro 257.2 million and a net profit of Euro 12.1 million in 2021). The turnover in 2022 is mainly related to the standard immunoglobulin (62%), which remains the main driver of development, anti-rabies immunoglobulin (12%), anti-D immunoglobulin (10%) and albumin (8%), since 2022 the company has sold Ryplazim in the U.S. market (2% of total sales);
- Kedplasma LLC realised a turnover of Euro 269.9 million in 2022, reporting a loss of Euro 43.2 million (turnover of Euro 177.5 million and a loss of Euro 23.4 million in 2021);
- BPL Plasma Inc and BPL Properties LLC jointly realised a turnover of Euro 65.9 million in 2022 reporting a profit of Euro 3.2 million;

- Bio Products Laboratory USA Inc. realised a profit of Euro 0.8 million in 2022.

4.10.3. HUMAN BIOPLAZMA KFT. (HUNGARY)

Kedrion S.p.A. acquired 100% of the shares of HUMAN BioPlazma Kft. on 31 December 2007, thus increasing its overall production capacity through its plant located in Gödöllő near Budapest, with a capacity of about 350 thousand liters.

In 2022, the company realised a turnover of Euro 61.3 million (Euro 66.2 million in 2021), closing with a net loss of Euro 0.5 million (compared to a loss of Euro 4.8 million in 2021).

4.10.4. KEDRION BIOPHARMA GMBH (GERMANY)

This German-registered company, owned by Kedrion S.p.A., was established in June 2008. Today, the company distributes the group's products in the main northern European markets, particularly Germany, Austria, Poland and Portugal.

During the financial year 2022, the Company generated a turnover of Euro 88.7 million (Euro 70.5 million in 2021), including the turnover recorded by the *branches* trade in the Austrian, Portuguese and Polish markets.
Net profit amounted to Euro 4.3 million (Euro 3.2 million in 2021).

4.10.5. KEDRION MEXICANA S.A. DE C.V. (MEXICO)

This Mexican-registered company was incorporated in June 2008 to distribute Kedrion products in Mexico. Kedrion S.p.A. holds 60% of the share capital, while the remaining 40% is held by a local partner, Medici Pharma, S.A.P.I. de CV.
Sales in 2022 grew to Euro 48.7 million (Euro 40.7 million in 2021), bringing net profit to Euro 5.2 million, compared to Euro 2.1 million the previous year.

4.10.6. KEDRION BETAPHAR BIYOFARMASÖTIK İLAÇ SANAYI VE TİCARET ANONIM ŞIRKETI (TURKEY)

Kedrion S.p.A. acquired in November 2012 a stake in the capital of this company based in Ankara, Turkey, and currently holds 60% of it.
The company distributes the group's products in Turkey.
In 2022, the company realised a turnover of Euro 42.0 million (Euro 34.5 million in 2021), closing with a net profit of Euro 8.0 million (compared to a loss of Euro 7.6 million in 2021).

4.10.7. KEDRION BRASIL DISTRIBUIDORA DE PRODUTOS HOSPITALARES LTDA (BRAZIL)

Kedrion S.p.A. acquired in November 2013 a stake in the capital of this company registered at the Chamber of Commerce of the State of Goias in Brazil and currently holds 100% of it, to consolidate Kedrion's presence in Latin America.
In 2022, it realised a turnover of approximately Euro 1.6 million (compared to Euro 1.9 million in the previous year), closing the year with a profit of Euro 0.1 million.

4.10.8. KEDRION BIOPHARMA INDIA PRIVATE LIMITED (INDIA)

On 6 December 2013, this company was incorporated in India, with Kedrion S.p.A. holding 60%, HUMAN BioPlazma Kft. holding 20%, and Kedrion Biopharma Inc. holding the remaining 20%.

The company is currently undergoing liquidation.
Turnover for the financial year 2022 amounted to Euro 0.5 million (Euro 0.8 million in 2021) with a loss of Euro 0.6 million (profit of Euro 4.1 million in 2021 due to the waiver on trade receivables made by the parent company Kedrion S.p.A. in order to recapitalize the company in view of the liquidation process).

4.10.9. KEDRION DE COLOMBIA S.A.S. (COLOMBIA)

Kedrion De Colombia was established in Colombia with headquarters in Bogotá in 2015 to consolidate Kedrion's presence in Latin America.

In the financial year 2022, it realised a turnover of Euro 3.0 million (Euro 2.5 million in the previous year). However, it closed the year with a loss of Euro 0.2 million (Euro 0.3 million in the previous year).

4.10.10. PROMETIC BIOPRODUCTION INC (CANADA)

Prometic Bioproduction Inc. is headquartered in Laval, Québec (Canada) and was acquired by Kedrion SpA on 9 July 2021, as part of the Ryplazim transaction concluded with Liminal Biosciences. The company owns the FDA-approved production facility for the plasminogen 'Ryplazim'.
The company's first sales were to Prometic BioTherapeutics in January 2022.

Turnover for the financial year 2022 amounted to Euro 6.6 million, with a loss of Euro 4.9 million, due to fixed structural costs not yet fully offset by appropriate levels of production and sales.

4.10.11. PROMETIC BIOTHERAPEUTICS INC (USA)

Prometic Biotherapeuthics Inc. is headquartered in Fort Lee, NJ (USA) and was acquired by Kedrion SpA on 15 October 2021, as part of the Ryplazim transaction completed with Liminal Biosciences. The company owns the commercial licence, the Orphan Drug designation and the intellectual property of Ryplazim.

The company's first sales were to Kedrion Biopharma Inc. in January 2022.
Turnover in the financial year 2022 amounted to Euro 9.6 million, closing with a loss of Euro 0.3 million.

4.10.12. UNICA PLASMA (CZECH REPUBLIC)

Unica Plasma s.r.o, and Unica Plasma Morava s.r.o, 100% owned by Kedrion S.p.A., are based in Brno and Štefánikova in the Czech Republic. The companies, acquired by Kedrion S.p.A. on 30 November 2022, own and operate five plasma collection centres in the country.

Turnover for December 2022 amounted to a total of Euro 0.6 million and broke even.

4.10.13. SEVENPLATFORM GROUP (BPL) (UK)

The British company Sevenplatform VI Limited was set up as a vehicle to acquire the BPL Group, a transaction that was completed on 31 August 2022, and therefore controls the following companies:

- The three holding companies of the BPL Group: Naga UK Topco Limited, Naga UK Bidco Limited and Bio Products Laboratory Holdings Limited;

- The British company Bio Production Laboratory Limited, owner of the business licences under which the BPL Group operates in the markets where it is present. The company it is also owner of the production plant based in Elstree, vertically integrated (as the production plant in Bolognana) which has a production capability of about 1.1 million liters
- The two trading companies: Bio Products Laboratory Mexico S.de.R.L. (Mexico) and BPL Bio Products Laboratory GmbH (Germany).

In the period September - December 2022, the Group Sevenplatform realised a turnover of Euro 173.6 million, reporting a profit of Euro 168.5 million, mainly due to the proceeds of the good deal as better described in the section regarding the business combinations.

In the 12 months period ended as of December 31, 2022, the BPL Group realised a total turnover of USD 428.5 million (USD 516.5 million in the same period of 2021). The decrease of about 7% compared to the previous year is mainly due to some delays for the purification process that limited the effective production capacity of the plant in the second half of 2022, with particular reference to the flagship product, namely immunoglobulin 10% (Gammaplex).
BPL Group sales come mainly from standard immunoglobulins (Gammaplex accounts for the 69% of the total sales), Factor X (orphan drug Coagadex accounts for the 14% of the total sales), and albumin (accounts for the 10% of the total sales). The United States accounts for about 80% of sales, followed by the United Kingdom (9%).

4.10.14. SHAREHOLDING STRUCTURE

The company is wholly owned by Kevlar S.p.A., which in turn is wholly owned by Kedrion Holding S.p.A..

Permira Fund and the former shareholders of Kedrion S.p.A set up the parent company Kedrion Holding S.p.A... Therefore, the Kedrion Group is ultimately controlled by the following entities:

- Permira VII Investment Platform Limited[9] 63.5%
- Sestant S.p.A. 16.4%
- CDP Equity S.p.A. 13.2%
- FSI S.G.R S.p.A.[10] 6.6%
- Refin S.r.l. 0.2%
- PIPS S.r.l. 0.1%

4.11. SUBSEQUENT MAIN EVENTS

In line with the corporate integration and simplification program, the merger of BPL Plasma Inc. into Kedplasma LLC was executed on 31 December 2022, effective for accounting purposes from 01/01/2023. The corporate integration is preparatory to harmonising software systems functional to plasma collection and other synergies foreseen in the deal plan.
On 28 February 2023, the 35 limited liability companies that were part of the BPL Plasma Group, then merged into Kedplasma through a merger at the end of 2022, were merged by incorporation into Kedplasma LLC. Although substantially non-operational and fiscally transparent, these companies were merged to simplify the corporate chain. Registration and de-registration activities to reflect the new post-merger configuration in the various US states are ongoing at the date.

[9] Permira Fund VII
[10] On behalf of the "FSI I" restricted closed-end securities investment fund.

On 24 March 2023, the Board of Kedrion Betaphar approved the establishment of a new wholly-owned subsidiary to take over BPL's business in the Turkish market (Factor 8Y, Zenalb, Replenine, Coagadex and Optivate).

On 6 April 2023, the Board of Kedrion SpA approved the merger by incorporating Unica Plasma s.r.o. and Unica Plasma Morava s.r.o. to rationalise and simplify the corporate structure in the Czech Republic.

There are no other subsequent events and or impact on the 2022 on Financial Statements.

4.11.1. PERFORMANCE IN THE FIRST TWO MONTHS AND BUSINESS OUTLOOK

The goal for the year 2023 is to continue international development through growth in all business segments, with an expected increase in turnover of around +26%. The plasmaderivatives segment remains the driving force, with standard immunoglobulin as the driver of development due to expected price increases in the US and major European and RoW markets in the face of a continuing structural imbalance between product supply and demand. In particular, significant growth in turnover is expected in the US and other important markets such as the UK, Germany, Turkey and Mexico. In contrast, for Italy, turnover is expected to remain stable after the contraction in previous years due to lower available volumes of national plasma processed on behalf of the regions following the awarding of tenders for the processing of Italian plasma. Sales of Kedrab (hyperimmune anti-rabies immunoglobulin), Ryplazim (plasminogen) and the international work account (e.g. Portugal) are also expected to grow. Finally, albumin sales in China are expected to accelerate starting in 2022.
The plasma segment is expected to consolidate the upward collection trend in its centres, forecasting significant growth in volumes collected and plasma sales to third parties.
In terms of economic performance, an increase in margins and EBITDA is expected, thanks to the increase in sales and the decrease in plasma collection costs, as well as the efficiency and synergy measures already undertaken in previous years and strengthened following the integration with the BPL Group.
In the first two months of the financial year 2023, consolidated sales amounted to approximately Euro 173.4 million, 13% higher than the budget projections for the period, up from Euro 65.6 million realised in the corresponding period of the previous year (perimeter before BPL acquisition), mainly due to increased sales of plasma and plasmaderivatives (immunoglobulins and albumin) in the US and other major markets, as well as the processing account. It should be noted that, in the first months of 2023, sales of Ryplazim are aligned to forecast figures, thanks to the accumulated product stock in 2022. However, some production difficulties related to inflating and to filling and finishing carried out by a third party will cause a slowdown in sales in the middle months of the year, with a recovery in volumes sold expected in the second half of the year, as the interventions are completed that will allow the supplier to resume regular service on behalf of PBP.

4.12. **NON-RECURRING ITEMS**

Below we summarise the non-recurring revenues and expenses determined for management purposes as outlined in the definition.
In connection with the financial year 2022, non-recurring income and expenses and other non-ordinary items were identified for a total net value of Euro 62.7 million, of which Euro 68.1 million affected EBITDA. These relate mainly to:

- **Costs related to the COVID-19 pandemic** (Euro 7.6 million), which mainly include the additional costs of plasma collection in owned centres (in terms of higher cost per litre collected due to both the drop in donations and the increase in 'donor fees' to compensate for the drop in donations) in the amount of Euro 5.7 million and extraordinary sanitisation costs in the amount of Euro 1.9 million;

- **Costs related to the RhoGAM** new production line include the '*extension fees*' paid to the supplier for the extension of the supply contract, in line with the timing of the completion of the insourcing project, and the unabsorbed costs of the production facility. Non-recurring costs for the year amounted to Euro 9.7 million, of which Euro 0.1 million was related to depreciation;
- **Ryplazim launch and start-up costs** include launch and production Goodwill costs at the Laval plant of Euro 8.5 million;
- **Plant improvement projects** (Euro 8.5 million, of which Euro 2.1 million related to depreciation) arise from the lack of saturation of the Melville plant and the US logistics hub, whose capacity has been increased through improvement projects but is not yet fully reflected in the volumes processed and stored;
- **Other start-up costs** (Euro 11.4 million, of which Euro 8.2 million related to depreciation) refer both to the KIg10 project (Euro 4.2 million, of which Euro 3.1 million related to depreciation) for the construction of a dedicated plant for the production of the new generation immunoglobulin at 10% and the costs necessary for the registration of the product itself, and to the higher plasma collection costs incurred in the newly opened or acquired centres not yet fully operational (Euro 7.2 million);
- **Legal settlements and litigations** for a total net amount of Euro 16.9 million mainly represent costs incurred/settled during the year for lawsuits and commercial disputes;
- **Non-recurring charges to employees** totalling Euro 5.7 million related to the efficiency and rightsizing plan;
- **Strategic initiatives and transformations** refer to operations to revise the corporate structure and projects to improve efficiency and increase yields/production capacity for a total of Euro 1.4 million;
- **Disposed of assets** relate to business lines no longer in use and companies in the process of liquidation for Euro 0.7 million;
- **Net contingencies** for a balance of Euro 1.9 million are mainly due to: (i) out-of-period expenses (Euro -4.9 million), net of (ii) sales tax refunds from previous years (Euro +1.1 million) and (iii) out-of-period income (Euro 1.9 million);
- **Permira transaction costs** (Euro 40.6 million) refer to consulting and other non-recurring expenses incurred to support the deal, manage the integration between the two groups, and implement the synergy plan;
- **Fair value adjustments related to the Business Combination** (Euro 12.4 million) mainly refer to adjustments on inventories due to the harmonisation and integration of accounting policies between the two groups, for the purpose of the fair value valuation required by the Business Combination;
- **Gain on BPL bargain purchase** (Euro -188.1 million) derives from the Purchase Price Allocation to support the acquisition of the BPL Group, which was a bargain purchase as defined by IFRS 3, and therefore generated extraordinary income recognised in the income statement at the acquisition date, calculated as the positive difference between the fair value of the net assets acquired and the price paid (refer to the paragraph 6.2.5 of the Explanatory Notes).

The following table shows the effects of the income and expenses identified above on the different lines of the 2022 P&L:

Effects of non recurring items identified by the management for the year ended 31.12.2022

(in thousands of Euro)	Cost of sales	Other revenues	General and admini-strative expenses	Comm. and marketing expenses	Research and develop-ment expenses	Other operating costs	TOTAL	Of which effect on EBITDA	of which D&A
Covid-19	7,381	-	261	-	-	-	**7,643**	**7,643**	

Ryplazim launch costs	3,732	421	1,074	2,397	881	-	**8,506**	**8,506**	
Rhogam line-related costs	7,977	-	-	1,297	426	-	**9,700**	**9,588**	**113**
Plant improvement projects	8,518	-	-	-	-	-	**8,518**	**6,417**	**2,101**
Other start-up costs	678	-	-	-	10,688	-	**11,367**	**8,220**	**3,147**
Legal settlements and litigation	285	(2,256)	16,965	1,562	381	-	**16,937**	**16,937**	
Non-recurring charges to employees	-	(799)	6,509	-	-	-	**5,710**	**5,710**	
Strategic and transformational initiatives	246	-	710	-	489	-	**1,444**	**1,444**	
Discontinued operations	142	-	475	30	-	29	**677**	**677**	
Net contingencies	1,516	(3,916)	3,862	332	36	27	**1,858**	**1,858**	
Transaction costs	-	-	40,579	58	-	-	**40,637**	**40,637**	
Fair value adjustments relating to the Business Combination	12,389	-	-	-	-	-	**12,389**	**12,389**	
Gain on BPL bargain purchase	-	(188,075)	-	-	-	-	**(188,075)**	**(188,075)**	
TOTAL	**42,865**	**(194,624)**	**70,435**	**5,675**	**12,902**	**57**	**(62,690)**	**(68,050)**	**5,360**

4.13. RELATED-PARTY TRANSACTIONS

During 2022, Group companies had various types of transactions with other companies of the same Group and with other related parties identified based on the principles established by IAS 24 and detailed in the notes to the financial statements.
The conditions under which these transactions were carried out are considered consistent with current market conditions. However, there can be no assurance that if such transactions had been concluded between or with third parties, they would have negotiated or executed such transactions on the same terms and conditions.

4.14. RECONCILIATION OF THE RESULT FOR THE YEAR AND EQUITY OF THE GROUP WITH THE ANALOGOUS VALUES OF THE PARENT COMPANY

The table below shows the reconciliation of the result for the period and the equity of the group with the analogous values of the parent company:

Reconciliation of the result for the year and equity

(in thousands of Euro)	Equity 2021	Net profit 2022	OCI 2022 posts	Dividends	Other entries of PN 2022	Equity 2022
Financial Statements Kedrion S.p.A.	**401,779**	**(19,171)**	**311**	**0**	**383,574**	**766,493**

Intercompany dividend distribution	(77,553)	(1,457)	0	0	0	(79,010)
Post-establishment results of Kedrion Biopharma US Inc. group (2011)	74,847	(30,652)	0	0	0	44,195
Post-acquisition result of HUMAN BioPlazma (2007)	25,468	(496)	0	0	0	24,972
Post-establishment results of Kedrion Mexicana (2008)	21,752	3,099	0	0	0	24,851
Post-acquisition result of Kedrion Brasil (2013)	(1,710)	137	0	0	0	(1,573)
Post-establishment results of Kedrion India (2013)	16	(642)	0	0	0	(626)
Post-establishment results of Kedrion Colombia (2015)	(683)	(238)	0	0	0	(921)
Post-establishment results of Kedrion Betaphar (2015)	(5,799)	4,806	0	0	1,978	985
Post-establishment results of Kedrion Biopharma GmbH (2008)	27,599	4,268	0	0	0	31,867
Result after the acquisition of Prometic Bioproduction (2021)	24,538	(4,891)	0	0	0	19,647
Result after the acquisition of Prometic BioTherapeutics (2021)	(319)	(289)	0	0	0	(608)
Post-establishment result of UNICAplasma s.r.o. (2022)	0	32	0	0	0	32
Post-establishment result of UNICAplasma MORAVA (2022)	0	(24)	0	0	0	(24)
Post-acquisition result of BPL Group (2022)	0	168,451	0	0	0	168,451
Elimination of profits on inventories	5,101	(11,404)	0	0	0	(6,303)
Elimination of other intercompany profits	(23,021)	9,342	0	0	0	(13,679)
Deal Ryplazim	10,408	(2,710)	0	0	0	7,698
Other reserves	1,186	0	(26,848)	0	0	(25,662)
TOTAL GROUP SHARE	**483,609**	**118,161**	**(26,537)**	**0**	**385,552**	**960,785**
Minority shareholders' share	527	5,270	135	(875)	1,319	6,376
TOTAL CONSOLIDATED BALANCE SHEET	**484,136**	**123,431**	**(26,402)**	**(875)**	**386,871**	**967,161**

Castelvecchio Pascoli, 06 April 2023

For the Board of Directors
The Chief Executive Officer
Ugo Di Francesco

5. FINANCIAL STATEMENTS

5.1. CONSOLIDATED STATEMENT OF THE FINANCIAL POSITION

(in thousands of Euro)	NOTES	31.12.2022	31.12.2021
NON CURRENT ASSETS			
Property, plant and equipment	6.4.1	559,624	322,150
Investments property	6.4.2	2,338	1,465
Goodwill	6.4.3	289,692	269,889
Right of use	6.4.4	153,789	106,476
Intangible assets with a finite life	6.4.5	403,725	162,133
Other non-current financial assets	6.4.6	6,877	6,475
Deferred tax assets		0	10,009
Income tax receivables	6.4.7	4,546	1,783
Other non-current assets	6.4.8	1,114	945
TOTAL NON-CURRENT ASSETS		**1,421,705**	**881,325**
CURRENT ASSETS			
Inventories	6.4.9	538,539	266,438
Trade receivables	6.4.10	156,535	133,354
Contractual assets	6.4.11	36,789	33,896
Income tax receivables	6.4.12	21,795	9,503
Other current assets	6.4.13	38,398	29,062
Other current financial assets	6.4.14	4,389	1,016
Cash and cash equivalents	6.4.15	123,037	134,200
TOTAL CURRENT ASSETS		**919,482**	**607,469**
TOTAL ASSETS		**2,341,187**	**1,488,794**

(in thousands of Euro)	NOTES	31.12.2022	31.12.2021
SHAREHOLDERS' EQUITY			
GROUP SHAREHOLDERS' EQUITY			
Share capital	6.4.16	60,454	60,454
Reserves	6.4.16	782,170	409,332
Net profit attributable to the Group	6.4.16	118,161	13,823
TOTAL GROUP SHAREHOLDERS' EQUITY		**960,785**	**483,609**
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS			
Capital and reserves of non-controlling interests	6.4.16	1,106	2,737
Net profit attributable to non-controlling interests	6.4.16	5,270	(2,210)
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		**6,376**	**527**
TOTAL SHAREHOLDERS' EQUITY		**967,161**	**484,136**
NON-CURRENT LIABILITIES			
Medium/long-term loans	6.4.17	918,697	519,481
Provisions for risks and charges	6.4.18	3,703	778
Employee benefit liabilities	6.4.19	3,587	3,707
Deferred tax liabilities	6.4.20	31,623	0
Other non-current liabilities	6.4.21	3,141	2,999
TOTAL NON-CURRENT LIABILITIES		**960,751**	**526,965**
CURRENT LIABILITIES			
Payables to banks and other lenders	6.4.17	79,504	50,052
Current portion of medium/long-term loans	6.4.17	18,357	212,241
Provisions for risks and charges	6.4.22	32,251	16,444
Trade payables	6.4.23	210,924	148,157
Contractual liabilities	6.4.24	0	6,253
Income taxes payable	6.4.25	9,310	4,097
Other current liabilities	6.4.26	62,929	40,449
TOTAL CURRENT LIABILITIES		**413,275**	**477,693**
TOTAL LIABILITIES		**1,374,026**	**1,004,658**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**2,341,187**	**1,488,794**

5.2. STATEMENT OF PROFIT OR LOSS FOR THE YEAR

(in thousands of Euro)	NOTES	31.12.2022	31.12.2021
Revenue	6.5.1	886,669	660,384
Cost of sales	6.5.2	688,887	516,380
GROSS MARGIN		**197,782**	**144,004**
Other income	6.5.3	23,086	68,223
Gain on bargain purchase	6.5.4	188,075	18,099
General and administrative expenses	6.5.5	176,930	98,949
Sales and marketing expenses	6.5.6	66,450	50,305
Research and development expenses	6.5.7	25,819	22,659
Other operating costs	6.5.8	10,753	8,355
OPERATING PROFIT		**128,991**	**50,058**
Financial expenses	6.5.9	44,130	41,804
Financial income	6.5.10	2,966	806
Financial expenses from refinancing	6.5.9	23,166	0
Net foreign exchange gain	6.5.11	62,244	10,835
PROFIT BEFORE TAXES		**126,905**	**19,895**
Income taxes	6.5.12	3,474	8,282
NET PROFIT FOR THE PERIOD		**123,431**	**11,613**
Of which:			
Net profit attributable to the Group		118,161	13,823
Net profit attributable to non-controlling interests		5,270	(2,210)

5.3. PROFIT/(LOSS) STATEMENT AND OTHER COMPREHENSIVE INCOME

(in thousands of Euro)	NOTES	31.12.2022	31.12.2021
NET PROFIT FOR THE YEAR		**123,431**	**11,613**
OTHER COMPONENTS OF THE STATEMENT OF COMPREHENSIVE INCOME			
Other components of the Statement of Comprehensive Income which will be restated under profit/(loss) for the year:			
Net (loss)/gain on cash flow hedges		0	518
Income taxes		0	(124)
Translation differences of foreign financial statements	6.4.16	(26,713)	26,901
Total other comprehensive income components which will be restated under profit/(loss) for the year after taxes		**(26,713)**	**27,295**
Other components of the Statement of Comprehensive Income which will not be restated under profit/(loss) for the year:			
(Loss)/Actuarial net profit on defined benefit plans	6.4.19	408	(28)
Income taxes		(97)	9
Total other comprehensive income statement that will not be subsequently reclassified to profit/(loss) for the year after taxes		**311**	**(19)**
TOTAL OTHER COMPONENTS OF THE STATEMENT OF COMPREHENSIVE INCOME, AFTER TAXES		**(26,402)**	**27,276**
TOTAL COMPREHENSIVE PROFIT/(LOSS) AFTER TAXES		**97,029**	**38,889**
Attributable to:			
Group interests		91,624	40,965
Non-controlling interests	6.4.16	5,405	(2,076)

5.4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of Euro)	Share capital	Legal reserve	Share premium reserve	Other reserves	Cash flow hedge reserve	Translation reserve	Employee - Severance indemnity reserve (IAS 19)	Income for the year	Total group shareholders' equity attributable to Equiry holders of the parent	Total equity attributable to non controlling interests	Total shareholders' equity
Notes	**6.4.16**	**6.4.16**	**6.4.16**	**6.4.16**	**6.4.16**	**6.4.16**	**6.4.19**				
Balance at 1 January 2021	**60,454**	**9,499**	**77,903**	**322,854**	**(394)**	**(16,837)**	**(849)**	**5,222**	**457,852**	**4,459**	**462,311**
Allocation of profit for the year	-	722	-	(2,718)	-	-	-	1,996	-	-	-
Dividends distribution	-	-	-	-	-	-	-	(7,218)	(7,218)	(2,262)	(9,480)
Purchase of Kedrion Brasil non-controlling interests	-	-	-	-	-	-	-	-	-	406	406
Translation difference	-	-	-	(7,989)	-	26,766	-	-	18,777	134	18,911
Change in cash flow hedge reserve	-	-	-	-	394	-	-	-	394	-	394
IAS 19 actuarial result	-	-	-	-	-	-	(19)	-	(19)	-	(19)
Income for the year	-	-	-	-	-	-	-	13,823	13,823	(2,210)	11,613
Balance at 31 December 2021	**60,454**	**10,221**	**77,903**	**312,147**	**-**	**9,929**	**(868)**	**13,823**	**483,609**	**527**	**484,136**
Allocation of profit for the year	-	1,513	(2)	12,312	-	-	-	(13,823)	-	-	-
Dividends distribution	-	-	-	-	-	-	-	-	-	(875)	(875)
Financial equity instrument resolution	-	-	-	(1,630)	-	-	-	-	(1,630)	-	(1,630)
Kevlar capital increase	-	-	-	385,575	-	-	-	-	385,575	-	385,575
Realisation of Kswiss translation reserve	-	-	-	(371)	-	371	-	-	-	-	-
IAS 29 translation reserve	-	-	-	1,978	-	-	-	-	1,978	1,319	3,297
Translation difference	-	-	-	-	-	(27,219)	-	-	(27,219)	135	(27,084)
IAS 19 actuarial result	-	-	-	-	-	-	311	-	311	-	311
Income for the year	-	-	-	-	-	-	-	118,161	118,161	5,270	123,431
Balance at 31 December 2022	**60,454**	**11,734**	**77,901**	**710,011**	**0**	**(16,919)**	**(557)**	**118,161**	**960,785**	**6,376**	**967,161**

5.5. CONSOLIDATED CASH FLOW STATEMENT

(in thousands of Euro)	NOTES	31.12.2022	31.12.2021
PROFIT BEFORE TAXES		**126,905**	**19,895**
Adjustments to reconcile profit before taxes with the cash flow generated/(absorbed) by operating activities:			
Amortisation and depreciation	6.5.8	85,440	49,571
Financial expenses	6.5.9	67,296	41,804
Financial income	6.5.10	(2,966)	(806)
Net foreign exchange gain or Losses	6.5.11	(63,445)	(10,835)
Other income (Liminal)	6.5.4	0	(44,480)
Other income (BPL)	6.5.4	(188,075)	0
Other non-monetary items		(514)	0
Provisions for employee benefits liabilities	6.4.19	(244)	120
Payment of employee benefits	6.4.19	(206)	(356)
Net change in provisions for risks and charges	6.4.18-6.4.22	14,984	14,620
Net Change in other non-current liabilities	6.4.21	78	1,389
Net Change in non-current assets	6.4.8	(169)	1,515
Net changes in operating assets and liabilities			
Trade receivables	6.4.10	15,729	5,179
Inventories	6.4.9	(66,195)	25,494
Trade payables	6.4.23	(20,446)	(6,375)
Other current assets and liabilities	6.4.13 - 6.4.26	(15,290)	(13,936)
Other cash flows from operating activities			
Income taxes paid		(17,216)	(8,595)
NET CASH FLOW GENERATED / (ABSORBED) BY OPERATING ACTIVITIES (A)		**(64,334)**	**74,205**
Investments in tangible assets	6.4.1	(52,144)	(29,942)
Disposal of tangible assets	6.4.1	3,089	280
Purchase of plasma collection centres	6.2.5	(25,220)	(27,345)
Income related to the Ryplazim acquisition		0	26,381
BU Ryplazim acquisition net of cash acquired		0	(18,558)
BPL Group acquisition net of cash acquired	6.2.5	45,934	0
Sale of plasma collection centres	6.2.5	3,277	31,648
Investments in intangible assets	6.4.5	(14,794)	(36,405)
Investments in other companies		0	(213)
Disposal of intangible assets	6.4.5	6	843
CASH FLOW GENERATED / (ABSORBED) BY INVESTING ACTIVITIES (B)		**(39,852)**	**(53,311)**

(in thousands of Euro)	NOTES	31.12.2022	31.12.2021
Distribution of dividends	6.4.16	(5,183)	(13,040)
Increase in shareholders' equity	6.4.16	29,243	0
Repayment financial equity investment	6.4.16	(1,130)	0
New bond loan	6.4.17	0	401,066
Bond repayment	6.4.17	(210,009)	(149,991)
New medium/long-term loans	6.4.17	265,652	0
Repayment of medium/long-term loans	6.5.10	(13,986)	(166,599)
Interest collected		2,966	806
Interest paid	6.5.9	(37,997)	(32,658)
Change in non-current financial liabilities		0	(109)
Change in non-current financial assets	6.4.6	(2,054)	2,110
Change in short-term financial liabilities	6.4.17	69,321	(26,077)
Change in short-term financial assets	6.4.14	(3,359)	(2,336)
NET CASH FLOW GENERATED/(ABSORBED) BY FINANCING ACTIVITIES (C)		**93,464**	**13,172**
Net cash flow generated/(absorbed) by operating activities (A)		(64,334)	74,205
Net cash flow generated/(absorbed) by investing activities (B)		(39,852)	(53,311)
Net cash flow generated/(absorbed) by financing activities (C)		93,464	13,172
TOTAL NET CASH FLOW D=(A+B+C)		**(10,722)**	**34,066**
Cash and cash equivalents at the beginning of the financial year (E)	6.4.15	134,186	100,584
Net effect of foreign currency translation on cash and cash equivalents (F)	6.4.15	(427)	(464)
CASH AND CASH EQUIVALENTS AT END OF YEAR G=(D+E+F)		**123,037**	**134,186**
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR			
Cash and cash equivalents		134,200	100,592
Current account overdrafts and repayable cash on demand		(14)	(8)
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**134,186**	**100,584**
NET CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			
Cash and cash equivalents		123,037	134,200
Current account overdrafts and repayable cash on demand		0	(14)
NET CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**123,037**	**134,186**

Castelvecchio Pascoli, 06 April 2023

For the Board of Directors
The Chief Executive Officer
Ugo Di Francesco

6. EXPLANATORY NOTES

6.1. INTRODUCTION

Kedrion S.p.A. is a joint-stock Company incorporated and domiciled in Italy and, together with its subsidiaries (the 'Kedrion Group'), is active in the production and distribution of biological drugs derived from the industrial plasma fractionation process. The Group is also active in the distribution of certain non-plasma derived products. In addition, it is active in the collection and sale of plasma in foreign markets and other activities, including technology transfer in producing plasmaderivatives. Please refer to the Annual Report for more details on the Group's activities.
The consolidated financial statements of Kedrion as at 31 December 2022, prepared by the directors of the Parent Company, include the following companies in addition to Kedrion S.p.A:

- The US subsidiary Kedrion Biopharma Inc. in which Kedrion S.p.A. holds a 100% interest;
- The indirect US subsidiary KEDPLASMA LLC, 100% owned by Kedrion Biopharma Inc;
- The Hungarian subsidiary HUMAN BioPlazma Kft. is 100% owned by Kedrion S.p.A.;
- The German subsidiary Kedrion Biopharma Gmbh (formerly KEDPLASMA GmbH), in which Kedrion S.p.A. holds a 100% interest;
- The Mexican subsidiary Kedrion Mexicana S.A. de C.V. (hereinafter referred to as Kedrion Mexicana), of which Kedrion S.p.A. holds 60%. Third parties own the remaining 40%;
- The Brazilian subsidiary KEDRION BRASIL DISTRIBUIDORA DE PRODUTOS HOSPITALARES LTDA (hereinafter referred to as Kedrion Brasil), in which Kedrion S.p.A. holds a 100% interest;
- The Indian subsidiary Kedrion Biopharma India Private Limited (in liquidation), of which Kedrion S.p.A. holds 60%, HUMAN BioPlazma Kft. holds 20%, and Kedrion Biopharma Inc. holds the remaining 20%;
- The turkish subsidiary Kedrion Betaphar Biyofarmasötik İlaç Sanayi ve Ticaret Anonim Şirketi (hereinafter referred to as Kedrion Betaphar) of which Kedrion S.p.A. holds 60%. Third parties own the remaining 40%;
- The subsidiary KEDRION DE COLOMBIA S.A.S. (hereinafter referred to as Kedrion Colombia) of which Kedrion S.p.A. holds 100%;
- Kedrion S.p.A. wholly owns the canadian subsidiary Prometic BioProduction Inc.;
- The US subsidiary Prometic BioTherapeuthics Inc., in which Kedrion S.p.A. holds a 100% interest;
- The British subsidiary Sevenplatform VI Limited, of which Kedrion S.p.A. holds 100%; the company was set up as a vehicle to complete the acquisition of Naga UK Topco Limited (BPL Group's holding company), which was completed on 31 August 2022;
- The indirect UK subsidiary Bio Production Laboratory Limited (hereinafter referred to as BPL), of which Sevenplatform VI Limited indirectly holds 100%, through a cascade holding mechanism (Naga UK Topco Limited, Naga UK Bidco Limited and Bio Products Laboratory Holdings Limited); the company is based in Elstree (UK) and turn controls 100% of the trading companies Bio Products Laboratory Mexico S.de.R.L. (Mexico) and BPL Bio Products Laboratory GmbH (Germany);
- The indirect US subsidiary Bio Products Laboratory USA Inc., 100% owned by Kedrion Biopharma Inc.; the company was part of the BPL Group and was sold on 30 September 2022 as part of the US sub-group's intercompany reorganisation envisaged in the Permira deal structure;
- The indirect US subsidiary BPL Plasma Inc., 100% owned by KEDPLASMA LLC; the company was part of the BPL Group and was sold on 30 September 2022 as part of the US sub-group reorganisation envisaged in the Permira deal structure; the company was merged by incorporation into KEDPLASMA LLC with legal and accounting effect from 1 January 2023;

- The indirect US subsidiary BPL Properties LLC, 100% owned by KEDPLASMA LLC; the company was part of the BPL Group and was sold on 30 September 2022 as part of the US sub-group reorganisation envisaged in the Permira deal structure;
- The Czech subsidiaries UNICAplasma s.r.o. and UNICAplasma Morava s.r.o. are wholly owned by Kedrion S.p.A.; the companies are based in Stefamikova (CZ) and Barvicova (CZ) respectively, own and operate five plasma collection centres and were acquired on 30 November 2022.

On 16 December 2021, the company Kevlar S.p.A. was incorporated by Kedrion Holding S.p.A., which holds 100% of the shares, as a vehicle to finalise the acquisition of the Kedrion Group as part of the 'Permira' transaction described below.

Permira Fund and the former shareholders of Kedrion S.p.A set up the parent company Kedrion Holding S.p.A.. Therefore, the Kedrion Group is ultimately controlled by the following entities:

- Permira VII Investment Platform Limited 63.5%
- Sestant S.p.A. 16.4%
- CDP Equity S.p.A. 13.2%
- FSI S.G.R S.p.A. 6.6%
- Refin S.r.l. 0.2%
- PIPS S.r.l. 0.1%

The consolidated statement of financial position presents a financial classification with increasing liquidity, where:

- Current assets include assets that:
  - They are supposed to be realised or held for sale or consumption in the ordinary course of business;
  - They are held primarily for trading;
  - They are supposed to be realised within twelve months after the end of the financial year; or
  - They consist of cash or cash equivalents unless they may not be exchanged or used to settle a liability for at least twelve months after the balance sheet date;
- Non-current assets are all other assets that do not fall under the above definition. They mainly include intangible assets with a finite and indefinite life, tangible assets and equity investments;
- Current liabilities include liabilities that:
  - They are expected to die out in their normal operating cycle;
  - They are held primarily for trading;
  - They must be extinguished within twelve months after the end of the financial year; or
  - The entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period;
- Non-current liabilities include all other liabilities that do not fall under the above definition.

The presentation format of the consolidated income statement for the year ended 31 December 2022 and 2021 is presented according to a classification of expenses by function, a form deemed more representative than the so-called presentation by nature of the expense. The form chosen follows the internal reporting and business management methods. The cash flow statement is prepared using the indirect method and is presented under IAS 7, classifying cash flows between operating, investing and financing activities. The flow of financial income and expenses paid and received is reported under financing activities, not under operating activities.

The annual financial statements as at 31 December 2022 were approved by the Directors at the Board meeting on 6 April 2023.

6.2. SIGNIFICANT EVENTS DURING THE YEAR

6.2.1. DEAL PERMIRA AND INTEGRATION WITH BPL

In January 2022, funds managed by private equity firm Permira, backed by their co-investor Abu Dhabi Investment Authority (ADIA), entered into a partnership with the previous shareholders of Kedrion S.p.A. to acquire control of the Company and, at the same time, the British plasmaderivatives company Bio Products Laboratory (BPL). The combination of the two companies has created a global player in plasma-derived medicines, with an estimated annual turnover of Euro 1.1 billion and more than 4,000 employees worldwide.
Permira, in partnership with the Marcucci family, realised the deal to support the new unified entity in organic growth through the internationalisation of the existing portfolio and the development of new products; it also supported the search for growth opportunities through external lines, with the ultimate goal of creating a diversified entity specialising in rare diseases.

The transaction's closing occurred on 31 August 2022 after regulatory and antitrust approvals were obtained. The transaction was carried out through two corporate vehicles owned by the Permira fund, Kevlar S.p.A. in Italy and Sevenplatform VI Ltd in the UK, combining the entire Group under a holding company named Kedrion Holding S.p.A.
For further details on the deal's complex corporate and financial structure and its impact on the financial statements as at 31 December 2022, please refer to Note 6.2.5 on business combinations.

Following the deal's closing, the Group launched a profound reorganisation of its top management, starting with the new CEO Ugo Di Francesco, in line with the strategic objectives of the renewed shareholding structure and the changed dimensional and competitive profile of the combined Group. The new leadership has the task of completing the integration between Kedrion and BPL, aiming at increasing plasma collection capacity, production capacity, and cost efficiency in terms of lower cost per litre.
Moreover, immediately after the transaction, an integration programme was launched, entrusted to an Integration Management Office and with the support of qualified external consultants, aimed at realising the synergies expected from the aggregation of the two groups, amounting to over Euro 100 million on an annual basis when fully implemented (from 2026), to be achieved through:

- Integration of the plasma business into a single entity;
- Saturation of capacity at BPL's Elstree plant and reduction of production costs due to increased absorption of fixed structural costs;
- Increased fractionation of plasma collected at owned centres compared to plasma acquired from third parties;
- Increasing competitiveness and market share of immunoglobulins in the US;
- Leveraging the integrated commercial infrastructure between Kedrion and BPL to improve market presence and sales conditions and launch new products in markets where the Group is already present (e.g. Coagadex in Italy);
- Other initiatives aimed at optimising the organisation and increasing efficiency, strengthening the *procurement* function, optimising logistics at the Group level, and harmonising and digitalising business processes to take advantage of the best practices of the two groups.

Finally, at the same time as the closing on 31 August 2022, the new incoming partner put in place a *refinancing* process to reconfigure the entire financial structure of the Group resulting from the Permira transaction.
As a first step, on 17 August 2022, the parent company Kevlar S.p.A. entered into a bridge facility agreement ('bridge loan' below) with a total nominal value of USD 865 million with a pool of banks and GLAS USA LLC as an agent. This bridge loan consists of two facilities of USD 755.68 million and USD 109.2 million, respectively. On the same date, the parent company Kevlar S.p.A. also

entered into an additional revolving credit facility agreement ('RCF' hereafter) with a ceiling of USD 175 million (unused as at 31 December 2022).
After obtaining the cash flows from the bridge loan, the parent company Kedrion S.p.A., having received the funds from the parent company Kevlar S.p.A. as an intercompany loan, proceeded with the closure of the pre-existing debt, specifically regarding:

- The bond loan in the amount of Euro 410 million;
- Two RCF lines totalling Euro 230 million;
- The financial debts of the acquired BPL Group totalling USD 102.8 million.

In conclusion, following the closing on 31 August 2022, the Group's corporate structure was changed entirely, both in terms of the entry of new shareholders belonging to the Permira Fund (indirectly through certain vehicle companies) and in terms of the structure of the Group itself through the integration of the BPL Group. At the same time, the debt structure was entirely changed, with the subscription of the bridge loan above (and of the undrawn RCF line) and the repayment of all financial debt outstanding as of 31 August 2022, except for short-term financial liabilities such as bank advances and to factoring companies.

6.2.2. SEGMENT: "PRODUCTION AND SALE OF PLASMADERIVATIVES"

STRATEGIC PROJECTS

At the end of December 2022, FDA approved the regulatory filing (PAS) authorising the Melville plant to produce bulk RhoGAM (Anti-D immunoglobulin).
With this regulatory milestone, the strategic project to fully internalise the production of RhoGAM from third-party supplier OCD to Kedrion Biopharma Inc. in its Melville, NY facility (already authorised to carry out the inflating and packaging of the product) is concluded.
Thanks to the completion of the project, the US plant in Melville will be able to increase its activity levels and production efficiency, reducing unabsorbed costs.
Non-recurring costs caused by the extension of the FDA approval timeframe until the end of 2022 for the new RhoGAM line remained in the income statement for the year: on the one hand, the extended timeframe had forced the subsidiary Kedrion Biopharma Inc. to extend the contract with the current supplier of the finished product until the end of 2023 against the payment of a '*extension fee*', to avoid the risk of discontinuity in the product; on the other hand, these timeframes did not allow for the absorption of the costs of the production structure that the subsidiary had already equipped itself with in 2022, in line with previous plans. Therefore, this led to non-recurring costs for the year of Euro 9.7 million.

During the year, the validation process for the production process continued at the new plant for the purification of immunoglobulin 10% (KIg10) using the chromatographic method in Castelvecchio Pascoli (LU), and clinical trials continued with a view to commercial authorisation of the new product.
During the previous year, activities were completed in connection with the clinical trial for the PID (primary immunodeficiencies) indication in the adult population in the United States (so-called 'PID'). 'CARES10') and the final study report was obtained, with no significant adverse reactions recorded.
In addition, the enrolment and treatment of paediatric patients within the paediatric PID study in Italy, Hungary, Slovakia, Russia and Portugal started in April 2021 (so-called PID study). 'KIDCARES10') for registration of this claim in the USA and Europe. Due to the Russian-Ukrainian conflict, patient enrolment in Russia was stopped in 2022, and the study is being reconfigured with part of the patients to be enrolled in the US to meet FDA requirements. By the end of 2022, 13 out of 20 patients had been enrolled.
Currently, production for clinical trials is carried out at the Godollo plant (purification phase), and technology transfer is being completed at the Castelvecchio industrial plant; validation activities have continued as planned, and batches of PPQ will be produced at Castelvecchio Pascoli in the coming months, with a view to regulatory approval expected in the US in 2025.
The timeline for expected approval in the US has slipped by about 12 months compared to previous forecasts (which envisaged project completion by the end of 2024) due to some comments received

from the FDA that necessitated corrective activities implemented during 2021. In addition, a 'pre-BLA meeting' with FDA was held in August 2022. Again, no critical remarks emerged, but further additions were requested on the validation strategy and viral safety part.
Project costs charged to the financial year that have not yet been balanced in production and related revenues amount to Euro 4.2 million, while total investments in 2022 amount to Euro 14.6 million.

The extended completion schedules of the 'RhoGAM' project (regulatory approval in late 2022) and the 'KIg10' project have prevented the complete saturation of the US plant in Melville. Management is firmly committed to seeking efficiencies to increase commercial yields and reduce production costs, to compensate for the lack of complete absorption of plant fixed costs. The 'Global Albumin 25%' project, which will reduce lead times and increase yields of the product Kedbumin, i.e. albumin purified in Bolognana from Melville's intermediate, goes in this direction. The regulatory file (PAS) was submitted in November 2022; approval is expected by May 2023.

BPL ALBUMIN APPROVAL IN CHINA

After the first regulatory approval by the Chinese authority CDE (Centre for Drug Evaluation) in 2022, the first batches of Albuminex produced at Elstree were released by the National Institut for Food and Drug Control (NIFDC). Now regular shipments of the product to China (the world's largest albumin market in terms of volume and value) are planned.

PRICE TREND

Plasmaderivatives sales prices in this financial year confirmed the historically upward trend for immunoglobulin, supported by the steady increase in demand over supply increases by fractionators, heavily impacted by the reduction in plasma collection caused by Covid-19 in the previous two financial years. The structural imbalance between supply and demand, especially in the European and RoW markets, has generated areas of opportunity that the Group has been able to seize thanks to its distribution network, implementing a product allocation on the markets with the highest growth rates, as evidenced by the 17% price increase of immunoglobulin in these markets. This trend was largely independent of the reduction in plasma collection, as shown by the price trend in the most important market, the US, where price growth was about 2% (in USD currency; about +15% in EUR due to currency dynamics), significantly lower than the pre-pandemic growth rate (6-7%).
The price of albumin remained broadly stable in the US (+0.3% approx. in USD currency; +13% approx. in Euro currency), while it grew by about 15% in the European and RoW markets, in line with the strategy of reallocation to higher-priced and higher-margin markets (-10% in volumes sold compared to the previous year).
The price of plasma factor VIII decreased slightly in the US (about -1% in USD currency; about +11% in Euro currency) in line with the more volume-oriented sales strategy (+11%), while the reduction continued in the European and RoW markets by about 13%, as a result of the competitive dynamics created by the gradual introduction of Hemlibra, the mix between different countries where the product is sold, some contingent factors such as the tender won in Poland, and unfavourable currency dynamics in some key countries, such as Turkey.

6.2.3. SEGMENT: COLLECTION AND SALE OF PLASMA

COVID-19 AND PLASMA AVAILABILITY

The Plasma segment was characterised during the year by increased volumes available to the Group, reflecting the gradual overcoming of the effects of the Covid-19 pandemic. By the end of 2022, the 62 owned centres (including 33 owned by Kedplasma LLC and 29 owned by BPL Plasma Inc) had collected 2.1 million liters, with an increase of about 54%, compared to the 1.4 million liters in 2021 (considering Kedrion andn BPL). Thanks to careful inventory management, purchases of plasma from third parties were reduced, supplying Elstree's production needs with surplus plasma from Kedplasma and avoiding production stoppages. In contrast, sales to third parties remained unchanged, generating segment sales of Euro 46.8 million compared to Euro 47.0 million in 2021.

DISPOSALS AND PURCHASES/GOODWILL OF OWNED COLLECTION CENTRES

Kedrion SpA acquired at the end of November 2022 two companies in the Czech Republic, UNICAplasma s.r.o. and UNICAplasma Morava s.r.o., which own and operate five plasma collection centres in the country. The business combination is described in Note 6.2.5. The five centres currently have an annual collection capacity of about 70,000 liters
The acquisition marks Kedrion's return to the plasma collection business in Europe, in line with its strategic objective of expanding its network of centres, diversifying supply flows and lowering overall collection costs.

On the US side:

- Four in-house developed centres were opened, continuing the programme to open and start up plasma collection centres independently;
- A centre was purchased in Rocky Mountain, NC, as described in Note 6.2.5 on business combinations;
- On 31 August 2022, a centre located in Westmoreland, TX, was sold to Proesis Bio for Euro 7.3 million, generating proceeds of about Euro 4.0 million (last year, the sale of 7 centres had resulted in proceeds of about Euro 24.7 million).

At the end of 2022, the combined Kedrion and BPL Group had 62 centres of its own, compared to 57 at the end of the previous year (on a like-for-like basis).

PRICE TREND

During the financial year, plasma sales prices were characterised by significant growth, averaging 15% (in USD currency) for standard plasma.

6.2.4. FINANCIAL MANAGEMENT

EXCHANGE RATE TRENDS

The exchange rate trend (particularly of the US dollar, which went from 1.1326 as at 31 December 2021 to 1.0666 as at 31 December 2022 after touching parity around the end of August 2022) and the Group's financial exposure in US dollars following the refinancing of debt as part of the Permira transaction, generated a positive impact on the income statement for realised and unrealised exchange rate differences of Euro 62.2 million (Euro 10.8 million in 2021), while the Group's and non-controlling interests' equity decreased by Euro 27.1 million as a result of the change in the translation reserve due to the relative weakening of the US dollar as at 31 August 2022, the date of consolidation of the BPL Group whose assets are denominated in USD.

6.2.5. BUSINESS COMBINATIONS 2022

AGGREGATIONS LINKED TO THE PERMIRA OPERATION

Background

Kedrion Group and BPL Group operate in the fast-growing plasmaderivatives market, driven by a growing global demand for plasma and plasmaderivatives that structurally exceeds supply. The global plasma market has a total potential of Euro 25 billion. Based on estimates by administrators and market data provided by third parties, global demand for plasmaderivatives is expected to grow, driven mainly by immunoglobulins, which treat immunodeficiencies and neurological disorders. The increase in demand for plasma and plasmaderivatives is driven by various factors, including:

- Increased rates of diagnosis of diseases or disorders requiring plasma and plasmaderivatives for treatment;

- Awareness of available therapies has increased among the medical community and the general public, leading to a broader application of existing products in several therapeutic areas;
- Some plasmaderivatives have been developed for subcutaneous administration, which requires a higher dosage of plasma in production and further stimulates demand;
- Global demographic ageing resulting in an increasing need to treat chronic immunological and neurological indications, which have limited therapeutic alternatives, with plasma-based therapies;
- Emerging markets that today have a relatively low but increasing per capita use of plasma-derived therapies compared to more developed markets. Early diagnosis of underlying clinical conditions and increased access to plasma-derived medicines by patients in emerging markets remain key factors for the industry to grow at rates likely to outpace global GDP growth.

Historically, the strong demand, structurally outstripping supply in the plasma and plasmaderivatives market, combined with the projected continued growth of the market, create an environment in which industry players, such as Kedrion Group and BPL Group, who can source plasma independently through their collection centres located mainly in the US, and develop, produce and market new plasmaderivatives, can capture the economic growth trend of their target market.
As of 30 June 2022, the two groups represent the fifth largest market player by turnover in the global plasma and plasmaderivatives sector, holding a market share of around 6%.

The consideration paid for the business combination

Based on the preceding, on 20 January 2022, Permira Fund, through the particular purpose vehicle Kevlar S.p.A., entered into two *Share Purchase Agreements* (hereinafter the 'SPA') that initiated the 'Permira Transaction' by commencing due diligence activities and obtaining regulatory and antitrust approvals to proceed with the acquisition of the Kedrion Group and the BPL Group.

The first SPA was signed between Kevlar S.p.A. (hereinafter referred to as 'purchaser') and pre-existing shareholders of Kedrion S.p.A. (Sestant Internazionale S.p.A. under the Marcucci family's holding company Sestant S.p.A., CDP through FSI Investimenti S.p.A. and FSI SGR S.p.A., Refin S.r.l., Pips S.r.l. - together the 'sellers'), the object of which was the full acquisition of the share capital of Kedrion S.p.A..
Following this transaction, the parent company's control passed from the pre-existing shareholders to Kevlar S.p.A, as described in the introduction.

The second SPA was signed between the new parent Kevlar S.p.A. (which was subsequently succeeded by Kedrion S.p.A.) and Tiancheng International Investment Limited, whose purpose was the complete acquisition of the share capital of Naga UK Topco Limited (holding company of the BPL Group). Based on this deed, the *purchase price* was determined to be USD 328,966 thousands (Euro 326,664 thousands).
This amount includes an additional variable price component consisting of three earn-outs, the payment f which is expected upon the fulfilment of certain conditions, with a total estimated value of USD 90 million.
In this regard, the parent company Kevlar S.p.A., to provide Kedrion with the financial resources necessary to complete the above acquisition, on 31 August 2022, made a capital contribution in favour of Kedrion S.p.A. in the amount of Euro 130,648 thousands.

The consideration currently paid to Tiancheng consists of the *purchase price* described, net of earn-outs to be paid (if any) at the indicated maturity date and an amount of USD 165 million deferred and contracted as Vendor Loan, i.e. a loan granted by Tiancheng to the Purchaser to defer part of the payment of the consideration. This loan entered into on 31 August 2022, at the same time as the closing, is contractually for a term of 10 years, repayable at any time without penalty and provides

for annual interest at an increasing rate as each year passes, starting with an *interest rate* of 7% for the first year. The details of what was paid (values expressed in .000 USD) are given below:

Acquisition fee	**328,966**
Payment on 31 August 2022	**73,937**
Payment deferred to 31 August 2022	**255,029**
of which Earn Out	90,029
of which Vendor Loan	165,000

Furthermore, it should be specified that, as of today, the parties are in the process of determining the final price adjustment as outlined in the contract; therefore, as this negotiation has not yet been concluded, the above consideration and the related effects on the consolidated financial statements may be subject to change in the future accounting period.

Finally, regarding the SPA for the acquisition of the BPL Group, it should be noted that by deed dated 31 August 2022 and signed by Kevlar S.p.A. (*original buyer*), Sevenplatform VI Limited (a newly formed company incorporated under English law, as '*substitute buyer*') and Tiancheng, the parties expressly agreed to Sevenplatform's takeover of the SPA originally entered into by Tiancheng and Kevlar on 20 January 2022. Accordingly, by the aforementioned *nomination letter*, Kevlar irrevocably transferred all rights and obligations related to the SPA to its subsidiary Sevenplatform. This act aimed to place the entire BPL Group directly under the control of the Kedrion S.p.A., as control of Sevenplatform had been transferred from Kevlar to Kedrion for a symbolic value of USD 1, prior to the acquisition date (August 31, 2022).

By the deed '*Deed of release and assumption of debt*' dated 1 September 2022, the parent company Kedrion Holding S.p.A. expressly assumed all liabilities existing as at the date of the *closing* arising out of the Transaction and in respect of both Sevenplatform VI Ltd and Kevlar S.p.A. towards the seller Tiancheng, as well as all estimated liabilities related to the *earn-out obligations*. In other words, Kedrion Holding S.p.A. expressly took over the liabilities relating to the Vendor Loan (USD 165 million) and the *earn out* that had hitherto been the responsibility of Sevenplatform, as described above.
In exchange for this assumption of liabilities, at the same time as entering into the deed of novation, the subsidiary Sevenplatform issued on 31 August 2022 two *loan notes* totalling USD 255,029 thousand in favour of the parent company Kedrion Holding (thus amounting to the sum of the Vendor Loan for USD 165 million and BPL's *estimated earn-outs* for USD 90 million).
On the exact date of the deed of novation just described, the parent company Kedrion Holding transferred to Kevlar the receivable above (owed by the subsidiary Sevenplatform) for USD 255,029 thousand as a capital contribution. At the same time, the liabilities to the Chinese seller Tiancheng remained with the parent company Kedrion Holding. Subsequently, the parent company Kevlar S.p.A., in turn, transferred the receivable above to Kedrion S.p.A. as a capital contribution.

In conclusion, due to the novation process described above, Kedrion Holding assumed all liabilities, both definite (Vendor Loan) and contingent (Earn-Out), arising from the abovementioned acquisition. Therefore, there are no longer any definite or contingent liabilities for the Company, excluding the possible price adjustment described above.

The allocation of the consideration paid for the acquisition of the BPL Group

In line with IFRS 3, the Company allocated the consideration paid for acquiring the BPL Group, which is still provisional as at the financial statement's approval date due to the possible price adjustment described above. The table below shows the allocation made of the consideration, as defined above, as a result of which a positive difference emerged between the fair value of the net assets acquired and the price paid, which Management, after confirming that the assets and liabilities were correctly

identified, that there were no additional assets and liabilities, and that the fair value was correctly estimated, as required in these cases by IFRS 3, qualified as a bargain purchase resulting from the business combination and recognised as extraordinary income in the income statement at the acquisition date, amounting to Euro 188,075 thousands:

	CGU Plasmaderivatives		CGU Plasma		CGU BPL	
(in thousands of Euro)	Amount acquired	Fair value	Amount acquired	Fair value	Amount acquired	Fair value
NET ASSETS ACQUIRED						
Property, plant and equipment	185,573	195,418	68,579	68,579	**254,152**	**263,997**
Right of use	-	-	35,388	29,098	**35,388**	**29,098**
Intangible assets with a finite life	11,839	228,590	7,831	24,870	**19,670**	**253,460**
- Of which Licences	11,249	228,000	-	9,232	**11,249**	**237,232**
- Of which Other	590	590	7,831	15,638	**8,421**	**16,228**
Deferred tax assets/(liabilities)	4,874	(50,993)	-	(4,290)	**4,874**	**(55,283)**
Financial liabilities for operating leases	-	-	(43,445)	(29,098)	**(43,445)**	**(29,098)**
NET WORKING CAPITAL						
Inventories	176,810	186,091	17,858	17,858	**194,668**	**203,949**
Trade receivables	55,321	55,321	4,016	4,016	**59,337**	**59,337**
Trade payables	(98,751)	(98,751)	(19,620)	(19,620)	**(118,371)**	**(118,371)**
TOTAL NET ASSETS ACQUIRED	**335,666**	**515,676**	**70,607**	**91,413**	**406,273**	**607,089**
Provisions for employee benefits						(4,392)
Other net financial assets and liabilities (incl. cash and cash equivalents)						(85,318)
TOTAL NET ASSETS ACQUIRED AND LIABILITIES ASSUMED						**517,379**
PURCHASE CONSIDERATION						**326,664**
GAIN ON BPL BARGAIN PURCHASE						**190,715**
of which in the income statement						*188,075*
of which to conversion reserve						*2,640*

For the purpose of a better understating of the reason behind the recognition of the bargain gain, it should be noted that at the end of 2017, the BPL Group and its shareholders entered into discussions with the US Intra Departmental Committee on Foreign Investment (CFIUS), aimed at reviewing the business set-up concerning US regulations. The review aimed to address several national security concerns about Chinese control (through the BPL Group) of the US plasma collector BPL Plasma Inc. The review was completed in early 2019 and resulted in the signing of a National Security Agreement (NSA) whereby the BPL Group and its shareholders agreed to divest its plasma collection business in the US (equal to 100% of the BPL Group's collection capacity) within a specified period while obtaining a long-term plasma supply agreement from the buyer so that the BPL Group's therapeutic business could continue to operate at the same volume levels. Based on this agreement, CFIUS reserved the right to block the plasma collection activity through antitrust if specific operational controls were not implemented and the divestment was not completed by a specific date, which in the original agreement was set at the end of February 2020.
In the first instance, therefore, the BPL Group obtained an agreement with Scranton Plasma BV (an associate of the Grifols Group, which is also active in the plasma and plasmaderivatives sector) to sell the entire share capital of BPL Plasma Inc., which included all 51 plasma collection centres located in the US, under which Scranton Plasma BV, among other things, paid the BPL Group an advance of USD 400 million, to be compensated at the time the sale was completed. The agreement mentioned above also provided that the buyer would guarantee BPL a long-term plasma supply agreement, thereby ensuring the continuity of the BPL Group's business despite the divestiture of the centres.

However, due to antitrust regulations, the BPL Group was not allowed to finalise the sale of its subsidiary BPL Plasma Inc. to Scranton Plasma BV, so the BPL Group, starting in the summer of 2020, began a search for a buyer for the 16 centres for which the US antitrust authorities had denied consent to the proposed deal, but without success. In the meantime, BPL instead agreed with Scranton Plasma BV to sell half of its plasma collection centres (i.e. 25 of the 51 centres) as a sale of assets instead of the subsidiary; this agreement received antitrust approval and was concluded in March 2021. By that date, the BPL Group was left with 26 collection centres to be divested within the new deadline set by CFIUS.

The period initially granted by the US Government's Intra Departmental CFIUS to the BPL Group to fully divest its plasma collection business expired at the end of February 2021; however, to allow the BPL Group to find a new buyer, as a result of the events described above, this deadline was subsequently extended first from February 2020 to the end of November 2021 and then, given the lack of a buyer, to 30 September 2022.

To better understand the difficulties encountered by the Group in divesting the remaining centres, it should be considered that during the financial years 2020 and 2021, the COVID-19 pandemic harmed the plasma collection business, thus post-sale of the 25 collection centres to Scranton Plasma BV, the collection results from the remaining 26 centres were significantly down due to the pandemic-related effects. Indeed, the BPL Group, on the one hand, had to increase donor fees to attract donors like all operators in the sector. But on the other hand, it was affected by the negative leverage of fixed costs related to the downsizing of the business.

In addition to the negative aspect related to the performance of BPL Plasma Inc. for the reasons described above, there was also the fact that following (i) the sale of half of the plasma collection centres, (ii) the fact that with the sale to Scranton Plasma BV of only 25 collection centres, it was not possible to conclude a long-term plasma supply agreement with the latter as previously agreed in connection with the sale of all 51 centres, and (iii) the general shortage of plasma on the market that could be purchased from other third parties, it would have been unsustainable for the BPL Group to continue the fractionation and purification business at the Elstree (UK) plant with far fewer liters of plasma available than anticipated, potentially resulting in significant operating losses.

Moreover, regardless of the availability of plasma, the BPL Group has a vertically integrated production process with plasma collection, which therefore benefits from the efficiency of obtaining collected plasma at a lower cost than its market value, at which value the Group would have to purchase it from third-party suppliers in the absence of its own collection centres.

Therefore, the (complex) divestment of the remaining centres, together with the combination of significant shortages in plasma availability and the increase in cost per litre, would have significantly adversely affected the future profitability of the BPL Group's business, requiring additional financing and a robust third-party plasma supply chain, resulting in a restructuring of the capital and debt structure, which the BPL Group would in all likelihood have struggled to achieve on its own.

Therefore, (i) on the one hand, the pressure brought about by the need to finalise the sale of all the collection centres within the deadline defined by CFIUS, even though there were no concrete negotiations in place, contributed to the growing urgency of identifying a suitable buyer as soon as possible to avoid the total blocking of the business, (ii) on the other hand, the achievement of this objective, with the actual sale of all the centres, would have created a particularly critical situation for the BPL Group, leading to uncertainty in the ability to supply plasma at sustainable costs, a significant reduction in margins and the probable need to intervene in the financial structure to support the new requirements.

The framework described thus led the seller into that situation of need identified by IFRS 3, which prompted him to agree to enter into and then conclude negotiations for the sale of the entire BPL Group at a price below the current value of the BPL Group's identifiable net assets and liabilities, thus resulting in a bargain for the buyer.

Given the tight timeframe to comply with CFIUS, the transaction described above provided the former shareholders of the BPL Group with a quick way out to meet the requirements imposed by CFIUS, i.e. to transfer the entire plasma business out of Chinese control and to avoid the plasma business being blocked by the trust, which would have deprived the entire Group of a reliable source of plasma and would have destroyed the value of the *therapeutics* segment entirely.

For the reasons stated above, the buyers got a good deal in the negotiation, given the urgency of the former shareholders of the BPL Group to reach an exit as soon as possible.

PLASMA CENTRES ACQUIRED

The Group continues its investment activity to increase the number of collection centres as envisaged in the strategic plan guidelines.
This growth occurs through establishing new collection centres and purchasing plasma collection centres from third parties. In addition, it is partly financed by the divestment of less-performing or non-strategic collection centres.

In 2022, the subsidiary KEDPLASMA LLC acquired from Immunotek Biocenters LLC the business unit related to a plasma collection centre in the United States located in Rocky Mountain, including mainly the related facilities and equipment, personnel, existing contractual relationships, authorisations, and donor relationships.
The parent company Kedrion Spa also purchased five collection centres in the Czech Republic operated by the companies UNICAplasma s.r.o. and UNICAplasma Morava s.r.o.

These acquisitions were recognised following IFRS 3 by recognising the goodwill, assets acquired, and liabilities assumed identifiable. The Group determines that it has acquired a business activity when the integrated set of activities and assets includes at least one factor of production and one substantial process that together contribute significantly to the ability to generate an output in line with the new definition of a business activity. The allocation of the price paid for both business combinations was completed by the end of the financial year based on an appraisal by a third-party company.

Acquisitions made in 2022 were consolidated from the date of acquisition of control.

	Fair values recognised in acquisitions		
(in thousands of Euro)	**Rocky Mountain**	**Unica Plasma**	**Total**
NET ASSETS ACQUIRED			
Property, plant and equipment	663	419	**1,082**
Intangible assets with a finite life	1,389	6,828	**8,217**
- Of which Donor list	466	4,440	**4,906**
- Of which Licences	419	1,626	**2,045**
- Of which Trade Names and Trademarks	504	762	**1,266**
Deferred tax liabilities	0	(1,298)	**(1,298)**
Assets for rights of use	2,740	1,400	**4,140**
Liabilities for rights of use	(2,740)	(1,400)	**(4,140)**
NET WORKING CAPITAL	**968**	**1,661**	**2,629**
TOTAL NET ASSETS IDENTIFIED AT FAIR VALUE	**3,020**	**7,610**	**10,630**
IDENTIFIED GOODWILL	**3,584**	**11,006**	**14,590**
CONSIDERATION OF ACQUISITIONS	**6,604**	**18,616**	**25,220**
- Of which in cash	6,604	18,616	**25,220**

6.2.6. DISPOSALS OF OWNED COLLECTION CENTRES

In August 2022, the sale of the plasma collection centre in Westmoreland by subsidiary KEDPLASMA LLC to Proesis Bio.

The table below depicts the effects of the disposal of the centre:

	Net value of disposals	
(in thousands of Euro)	**Westmoreland**	**Total**
NET ASSETS SOLD		
Property, plant and equipment	398	**398**
Intangible assets with a finite life	1,071	**1,071**
- Of which Donor List	326	**326**
- Of which Licences	407	**407**
- Of which Trade Names and Trademarks	338	**338**
Assets for rights of use	3,965	**3,965**
Liabilities for rights of use	(3,965)	**(3,965)**
FIXED ASSETS SOLD	1.469	**1.469**
NET WORKING CAPITAL	**81**	**81**
TOTAL NET ASSETS SOLD	**1,550**	**1,550**
GODWILL ALLOCATED TO THE NET ASSETS SOLD	**1,727**	**1,727**
SALE PROCEEDS FROM SALE	**6,891**	**6,891**
-Translation reserve	417	**417**
- Gain realised	4,031	**4,031**

6.2.7. EXCHANGE RATE TRENDS

The exchange rate trend (in particular of the US dollar, which went from 1.13260 on 31 December 2021 to 1.06660 on 31 December 2022) generated a significant positive impact on the income statement due to realised and unrealised exchange rate differences amounting to Euro 62.2 million, while the consolidation of the BPL Group as at 1 September 2022 led to a reduction in the Group's and minority equity of Euro 27.2 million due to the change in the translation reserve linked to the relative weakening of the dollar against the euro during the period in question.

6.3. ACCOUNTING PRINCIPLES AND MEASUREMENT CRITERIA

6.3.1. CONTENT AND FORM OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of Kedrion S.p.A. as at 31 December 2022 have been prepared following the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Union, as well as in compliance with the provisions issued in implementation of Article 9 of Legislative Decree No. 38/2005.
IFRS also includes all revised International Accounting Standards ('IAS') and all interpretations of the International Financial Reporting Standards Interpretations Committee ('IFRS IC'), including those previously issued by the Standing Interpretation Committee ('SIC').
The accounting standards adopted for preparing the consolidated financial statements as at 31 December 2022 are consistent with those used for preparing the annual consolidated financial statements as at 31 December 2021, except for adopting new standards, amendments and interpretations effective as of 1 January 2022. In addition, for a better presentation, the classification of grants for research and development and technological innovation was also changed in the comparative period, and the gain on bargain purchases income generated in 2021 and 2022 from business combinations, as well as foreign exchange gains and losses and financial expenses from refinancing, were also shown in separate items in the comparative period..

The consolidated financial statements are prepared under the historical cost convention, except for derivative financial instruments, which are recorded at fair value. It is also prepared on a going concern basis, considering the accrual basis of accounting where permitted.
The consolidated financial statements are presented in Euro, the functional currency and all values are rounded to the nearest thousand Euro unless otherwise indicated.

6.3.2. SCOPE OF CONSOLIDATION

The consolidated financial statements include the financial statements of Kedrion S.p.A. and its subsidiaries as at 31 December 2022. Control is achieved when the Group is exposed to or entitled to variable returns from its relationship with the entity being invested in and, at the same time, can affect those returns by exercising its power over that entity.
Precisely, Kedrion S.p.A. controls an investee if, and only if, the company has:

- Power over the investee entity (i.e. it has valid rights that give it the current ability to direct the relevant activities of the investee entity);
- The exposure to or rights to variable returns arising from the relationship with the entity being invested in;
- The ability to exercise its power over the invested entity to affect the number of its returns.

Generally, there is a presumption that most voting rights involve control. To support this presumption and when the Group holds less than a majority of the voting (or similar) rights, the Group considers all relevant facts and circumstances to determine whether it controls the investee, including:

- Contractual arrangements with other holders of voting rights;
- Rights under contractual agreements;
- Voting rights and potential voting rights of the Group.

The Group reconsiders whether or not it has control of an investee if facts and circumstances indicate that there have been changes in one or more of the three elements relevant to the definition of control. Consolidation of a subsidiary begins when the Group obtains control and ceases when the Group loses control. The assets, liabilities, revenues and expenses of the subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date on which the Group obtains control until the date on which the Group no longer exercises control over the company.
The profit (loss) for the year and each of the other components of the comprehensive income statement are allocated to the shareholders of the parent company and the non-controlling interests, even if this implies that the non-controlling interests have a equity with a negative balance. When necessary, appropriate adjustments are made to the financial statements of subsidiaries to ensure compliance with the group's accounting policies. All assets and liabilities, equity, revenues, expenses and intra-group cash flows relating to transactions between group entities are eliminated in full consolidation.
Changes in shares in a subsidiary that do not result in a loss of control are accounted for as capital transactions.
If the Group loses control of a subsidiary, it must derecognise the related assets (including goodwill), liabilities, minority interests and other equity components, while any gain or loss is recognised in the income statement. Any retained interest must be recognised at fair value.
The following table summarises, concerning the subsidiaries, the information as at 31 December 2022 on their names, registered office and share capital held directly and indirectly by the Group.

Subsidiaries (consolidated on a line-by-line basis)

Company Name	Headquarters	Currency	Share Currency units	Control percentage		Notes
				Direct	Indirect	

Kedrion Biopharma Inc.	New Jersey - United States	US Dollar	3	100%		
KEDPLASMA LLC	Delaware - United States	US Dollar	10,592,796		100%	
Bio Products Laboratory USA Inc.	Delaware - United States	US Dollar	1		100%	
BPL Plasma Inc.	Delaware - United States	US Dollar	13,700,000		100%	
BPL Properties LLC	Delaware - United States	US Dollar	13,000,000		100%	
Sevenplatform VI Limited	Watford - United Kingdom	US Dollar	1,652,096	100%		
Naga UK Topco Limited	Watford - United Kingdom	British Pound Sterling	3,856,477		100%	
Naga UK Bidco Limited	Watford - United Kingdom	British Pound Sterling	25,687,319		100%	
Bio Products Laboratory Holdings Limited	Watford - United Kingdom	British Pound Sterling	223,108,063		100%	
Bio Production Laboratory Limited	Watford - United Kingdom	British Pound Sterling	206,428,001		100%	
Bio Products Laboratory Mexico S.de.R.L.	Mexico City – Mexico	Mexican Peso	1,000		100%	
BPL Bio Products Laboratory GmbH	Neu-Isenburg - Germany	Euro	25,000		100%	
HUMAN BioPlazma Kft.	Gödöllő - Hungary	Euro	12,461,836	100%		
Kedrion Biopharma GmbH	Grafelfing - Germany	Euro	25,000	100%		
UnicaPlasma s.r.o	Barvičova - Czech Republic.	Czech Crown	200,000	100%		
UnicaPlasma Morava s.r.o	Štefánikova -Czech Republic.	Czech Crown	200,000	100%		
Prometic Bioproduction Inc.	Quebec - Canada	Canadian dollar	230,643,549	100%		
Prometic BIOTHERAPEUTICS INC	New Jersey - United States	US Dollar	1	100%		
Kedrion Mexicana S.A. de C.V.	Mexico City - Mexico	Mexican Peso	2,061,320	60%		
Kedrion Betaphar Biyofarmasötik İlaç Sanayi ve Ticaret Anonim Şirketi	Ankara - Turkey	Turkish lira	40,000,000	60%		
KEDRION BRASIL DISTRIBUIDORA DE PRODUTOS HOSPITALARES LTDA	Goiania - Brazil	Brazilian Real	2,734,000	100%		
KEDRION DE COLOMBIA S.A.S.	Bogotà - Colombia	Colombian peso	30,000,000	100%		

Kedrion Biopharma India Private Limited (in liquidation)	Gurgaon – India	Indian Rupee	13,900,000	60%	40%	

6.3.3. CONSOLIDATION CRITERIA

The consolidated financial statements are based on the draft financial statements prepared by the individual companies included in the consolidation and approved by their respective Boards of Directors or similar competent bodies. These draft financial statements of the subsidiaries are prepared regarding the same accounting period and adopting the same accounting principles as the parent company. Subsidiaries are fully consolidated from the date of acquisition, i.e. the date on which the Group acquires control, and cease to be consolidated on the date control is transferred outside the Group.
In particular, the following consolidation criteria were applied to the consolidated companies:

- The book value of equity investments included in the scope of consolidation has been eliminated against the equity of the subsidiaries according to the line-by-line method, and where the direct or indirect shareholding is less than 100%, the portion of profit or loss and equity attributable to minority interests is allocated, which is shown in a separate item in the consolidated income statement and consolidated statement of financial position;
- Any difference between the acquisition cost and the equity book of the investee companies at the time of acquisition of the investment, if positive, is allocated to the specific assets of the acquired companies based on their current values at the date of acquisition and for the remaining part, if the prerequisites are met, to 'Goodwill'. In this case, these amounts are not amortised but are subject to impairment testing at least annually and whenever the need arises due to impairment. If the elimination of the participation results in a negative difference, this is recognised in the income statement;
- Payables and receivables, costs and revenues, and profits and losses resulting from transactions between Group companies are eliminated with consideration for the relevant tax effects;
- The effects arising from extraordinary transactions between Group companies (mergers, contributions, etc.) in the case of business combinations under common control are eliminated.

6.3.4. EURO CONVERSION OF FINANCIAL STATEMENTS DRAWN UP IN FOREIGN CURRENCY

The consolidated financial statements are presented in Euro, the functional currency of Kedrion S.p.A.. Each Group company defines its functional currency, which values the items in the individual financial statements.
The financial statements of foreign companies expressed in currencies other than the euro are converted into euros as follows:

- Income statement items are converted at the average exchange rate for the period, while balance sheet items are converted at the current exchange rate at the end of the period, excluding equity (including the result for the year);
- Equity items, including the result for the year, are converted at historical formation exchange rates.

The translation difference resulting from this conversion process is recognised in consolidated equity under the item Translation reserve, which is classified within the Other reserves. When a foreign company or business is disposed of, the accumulated exchange differences in this reserve and relating to the company or business disposed of are charged to the income statement.
The exchange rates used to determine the counter value in Euro of the foreign currency financial statements of subsidiaries (currency for 1 Euro) are shown in the following table:

currency (for 1 Euro)	Average exchange rates for the year ended 31 December 2022	Average exchange rates for the year ended 31 December 2021	End-of-period exchange rates as at 31 December 2022	End-of-period exchange rates as at 31 December 2021
Us dollar	1.05	1.18	1.07	1.13
Czech Crown	24.27	N/A	24.12	N/A
Mexican Peso	21.19	23.99	20.86	23.14
Brazilian Real	5.44	6.38	5.64	6.31
Indian Rupee	82.69	87.44	88.17	84.23
Canadian Dollar	1.37	1.48	1.44	1.44
Turkish Lira	17.41	10.51	19.96	15.23
Colombian peso	4,473.28	4,426.81	5,172.47	4,598.68

TRANSACTIONS AND BALANCES

Foreign currency transactions are initially recognised in the functional currency, applying the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the exchange rate at the balance sheet date. Realised exchange rate differences or those arising from the translation of monetary items are recognised in the income statement. Non-monetary items measured at historical cost in a foreign currency are translated at the exchange rates on the date of initial recognition of the transaction. Non-monetary items recorded at fair value in foreign currency are converted at the exchange rate on the date of determination of this value. The profit or loss that emerges from the conversion of non-monetary items is treated consistently with the recognition of profits and losses related to the change in the fair value of the aforementioned items (i.e. the translation differences on the items whose variation in fair value is recognized in the comprehensive income statement or in the income statement, respectively, recorded in the comprehensive income statement or in the income statement).

In the financial year 2020, the Hungarian subsidiary Human BioPlazma Kft. resolved to adopt the IAS IFRS from the financial year 2021, with an adoption date of 1 January 2020. Furthermore, following IAS 21, since the company's sales are almost exclusively realised with Kedrion S.p.A. and denominated in the Euro currency, the management decided to adopt the Euro as the company's functional currency.

ADOPTION OF IAS 29 REGARDING HYPERINFLATIONARY ECONOMIES OF KEDRION SUBSIDIARY BETAPHAR

The Turkish economy has been designated as hyperinflationary as of January 1, 2022. Accordingly, IAS 29 - Financial Reporting in Hyperinflationary Economies - has been applied to Kedrion Betaphar Biyofarmasötik İlaç Sanayi ve Ticaret Anonim Şirketi whose functional currency is the Turkish lira.
IAS 29 requires the adjustments to be applicable from the beginning of the relevant entity's reporting period, which is January 1, 2022 for the Kedrion Group.
The application of IAS 29 provides:

- Adjustment of non-cash assets and liabilities to the historical cost for the change in purchasing value of the currency caused by inflation from the date of initial recognition to the balance sheet date;

- Adjustment of the income statement for inflation in the reporting period;
- Conversion of income statement results using the period-end exchange rate instead of the average exchange rate;
- Adjustment of the income statement to reflect the impact of inflation and exchange rate movement on the holding of monetary assets and liabilities in local currencies.

The Group as of December 31, 2022, as a result of the application of IAS 29, recorded a net profit of 872 thousand euros in the income statement.

6.3.5. CHANGES IN INTERNATIONAL ACCOUNTING STANDARDS

The Group has not early adopted any principles, interpretations or amendments published but not yet in force.

ONEROUS CONTRACTS - COSTS OF FULFILLING A CONTRACT - AMENDMENTS TO IAS 37

An onerous contract is a contract in which the non-discretionary costs (i.e., the costs that the Group cannot avoid because it is a party to a contract) necessary to fulfil its obligations exceed the economic benefits that are supposed to be obtainable from the contract.
The amendment specifies that in determining whether a contract is onerous or generates losses, an entity must consider costs directly related to the contract for the provision of goods or services that include both incremental costs (i.e., the cost of direct labour and materials) and costs directly attributable to contractual activities (i.e., depreciation of equipment used to perform the contract as well as costs for managing and supervising the contract). General and administrative expenses are not directly related to a contract and are excluded unless they are explicitly chargeable to the other party based on the contract.

REFERENCE TO THE CONCEPTUAL FRAMEWORK - AMENDMENTS TO IFRS 3

The amendments are intended to replace references to the Framework for the Preparation and Presentation of Financial Statements with references to the Conceptual Framework for Financial Reporting published in March 2018 without a significant change to the Standard's requirements.
The amendment added an exception to the measurement principles of IFRS 3 to avoid the risk of potential 'day-after' losses or gains arising from liabilities and contingent liabilities that would fall within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies if contracted separately. The exemption requires entities to apply the requirements of IAS 37 or IFRIC 21, rather than the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.
The amendment added a new paragraph to IFRS 3 to clarify that contingent assets do not qualify as recognisable assets at the acquisition date.
Following the transition rules, the Group applies the amendment prospectively, i.e., to business combinations occurring after the beginning of the financial year in which the amendment is first applied (date of the first application). These changes did not impact the Group's consolidated financial statements, as no contingent assets, liabilities and contingent liabilities were recognised for these changes.

PROPERTY, PLANT, AND EQUIPMENT: PROCEEDS BEFORE INTENDED USE - AMENDMENT TO IAS 16

The amendments prohibit entities from deducting from the cost of an item of property, plant and equipment any proceeds from the sale of products sold during the period in which that asset is brought to the location or condition necessary for it to be capable of operating in the manner for which it was designed by management. An entity accounts for the revenues from the sale of such products and the costs to produce those products in the income statement.

Following the transition rules, the Group applies the amendment retrospectively only for those items of property, plant and equipment that came into operation after or at the beginning of the comparative year to the year in which the amendment is first applied (date of the first application).

These changes did not impact the Group's consolidated financial statements, as there were no sales related to these items of property, plant and equipment before or after the beginning of the previous comparative period.

IFRS 1 FIRST-TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS - SUBSIDIARY AS A FIRST-TIME ADOPTER

This amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to account for cumulative translation differences based on the amounts recognised by the parent company, considering the date of transition to IFRSs by the parent company, if no adjustments were made in the consolidation procedures and for the effects of the business combination in which the parent company acquired the subsidiary. This amendment also applies to associates or joint ventures that elect to apply paragraph D16(a) of IFRS 1.
This change had no impact on the Group's consolidated financial statements as the Group is not a first-time adopter.

IFRS 9 FINANCIAL INSTRUMENTS - FEES IN THE '10 PER CENT' TEST FOR DERECOGNITION OF FINANCIAL LIABILITIES

This amendment clarifies what fees an entity includes in determining whether the terms of a new or amended financial liability materially differ from the terms of the original financial liability. These fees include only those paid or received between the debtor and the lender, including fees paid or received by the debtor or the lender on behalf of others. No such amendment has been proposed concerning IAS 39 Financial Instruments: Recognition and Measurement.
Following the transition rules, the Group applies the amendment to financial liabilities that are amended or exchanged after or at the beginning of the financial year in which the amendment is first applied (date of the first application). This change had no impact on the Group's consolidated financial statements, as there were no changes in the Group's financial liabilities during the half-year.

IAS 41 AGRICULTURE - TAXATION IN FAIR VALUE MEASUREMENTS

The amendment removes the requirements in paragraph 22 of IAS 41 concerning the exclusion of cash flows for taxes when measuring the fair value of an asset for IAS 41. This amendment had no impact on the Group's consolidated financial statements as the Group did not hold any assets for IAS 41 at the balance sheet date.

6.3.6. PRINCIPLES ISSUED BUT NOT YET IN FORCE

Below are the standards that, at the date of preparation of the Group's consolidated financial statements, had already been issued but were not yet in force. The list refers to standards and interpretations that the Group expects will be reasonably applicable. The Group intends to adopt these principles when they come into force.

IFRS 17 INSURANCE CONTRACTS

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a new comprehensive standard on insurance contracts covering recognition and measurement, presentation and disclosure. When IFRS 17 comes into force, it will replace IFRS 4 Insurance Contracts, which was issued in 2005. IFRS 17 applies to all types of insurance contracts (e.g. life, non-life, direct insurance, reinsurance) regardless of the type of entity that issues them, as well as to certain guarantees and financial instruments with discretionary participation features.

Limited exceptions will apply. The overall objective of IFRS 17 is to present an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to IFRS 4, primarily based on maintaining previous accounting policies, IFRS 17 provides a comprehensive model for insurance contracts that covers all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by the following:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) is mainly for short-term contracts.
  IFRS 17 will be effective for financial years beginning on or after 1 January 2023 and require a balanced comparative presentation. Earlier application is permitted, in which case the entity must also have adopted IFRS 9 and IFRS 15 on or before the date of the first application of IFRS 17. This principle does not apply to the Group.

AMENDMENTS TO IAS 1: CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

In 2020 and in 2022, the IASB amended paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The changes clarify the following:

- What is meant by the right of postponement of maturity;
- That the right of subordination must exist at the close of the financial year;
- Classification is not impacted by the likelihood with which the entity will exercise its subordination right;
- Only if a derivative embedded in a convertible liability is itself an equity instrument does the maturity of the liability have no impact on its classification.
  The amendments will be effective for financial years beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the changes will have on the current situation and whether it will be necessary to renegotiate existing loan agreements.

DEFINITION OF ACCOUNTING ESTIMATES - AMENDMENTS TO IAS 8

In February 2021, the IASB amended IAS 8, introducing a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies, and correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for financial years beginning on or after 1 January 2023 and apply to changes in accounting policies and accounting estimates that occur on or after the beginning of that period. Early application is permitted provided that this fact is disclosed.

The changes are not expected to have a significant impact on the Group.

DISCLOSURE OF ACCOUNTING POLICIES - AMENDMENTS TO IAS 1 AND IFRS PRACTICE STATEMENT 2

In February 2021, the IASB amended IAS 1 and IFRS Practice Statement 2, Making Materiality Judgements, providing guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide more useful accounting policy disclosures by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; in addition, guidance is added on how entities apply the concept of materiality in making accounting policy disclosure decisions.

The amendments to IAS 1 are applicable for financial years beginning on or after 1 January 2023. Early application is permitted. Since the amendments to PS 2 provide non-mandatory guidance on applying the definition of materiality to the disclosure of accounting policies, no effective date is required for these amendments.

The Group is currently evaluating the impact of the changes to determine their impact on the Group's accounting policy disclosures.

DEFERRED TAXES RELATING TO ASSETS AND LIABILITIES ARISING FROM A SINGLE TRANSACTION - AMENDMENTS TO IAS 12

In May 2021, the IASB issued amendments to IAS 12, narrowing the scope of the initial recognition exception included in IAS 12, which is no longer to be applied to those transactions that give rise to taxable and deductible temporary differences in equal measure.

Changes must be applied to transactions occurring after or at the beginning of the comparative period presented. In addition, at the beginning of the comparative period presented, deferred tax assets (if there is sufficient taxable income) and deferred tax liabilities shall be accounted for all deductible and taxable temporary differences associated with leases and restoration provisions.

The Group is currently assessing the impacts of these changes.

6.3.7. DISCRETIONARY EVALUATIONS AND SIGNIFICANT ACCOUNTING ESTIMATES

Preparing the Group's financial statements requires the directors to make discretionary judgements, estimates and assumptions that affect the values of revenues, expenses, assets and liabilities and the disclosure of contingent assets and liabilities at the balance sheet date. During the year, the most significant discretional evaluations concerned the Purchase Price Allocation relating to the BPL Group, the two companies in the Czech Republic, the collection centre purchased in the US, the impairment test of goodwill and other assets subject to impairment testing to verify the recoverability of their value, and the judgement applied in defining the accounting effects connected to the projects underway (and in particular the development of the KIG10 product and the new Castelvecchio Pascoli plant) as better indicated below. Additional items requiring estimates include the valuation of inventories, deferred tax assets and liabilities, employee benefits, and other items detailed below.
In the future, should these estimates and assumptions, which have been based on the best currently available valuation and are reviewed periodically, differ from the actual results, they will be adjusted accordingly in the changing circumstances. The effect of any change will be charged to the income statement.

PURCHASE PRICE ALLOCATION OF BUSINESS COMBINATIONS RELATED TO THE ACQUISITION OF THE BPL GROUP, UNICAPLASMA MORAVA S.R.O. AND UNICAPLASMA S.R.O., THE ROCKY MOUNTAIN COLLECTION CENTRE

Business combinations are accounted for using the acquisition method under IFRS 3; under this method, the consideration transferred in a business combination is measured at fair value, determined as the sum of the fair values of the assets transferred and liabilities assumed by the Group at the acquisition date. If the value of the net assets acquired and liabilities assumed at the acquisition date exceeds the sum of the consideration transferred, that excess is recognised immediately in the income statement as income arising from the completed transaction.
During the financial year 2022, the Group completed the acquisition of the BPL Group, five collection centres in the Czech Republic and one collection centre in the United States; the effects of the fair value recognition of the assets acquired and liabilities assumed as a result of these acquisitions were reflected in the consolidated financial statements as at 31 December 2022. The processes and methods of accounting for acquisition transactions are based on complex assumptions and require the use of the Directors' judgement, particularly concerning the identification of the assets acquired, the allocation of the purchase price to the fair value of the assets acquired and the liabilities assumed, as well as the examination of the contractual agreements with the counterparty.

IMPAIRMENT OF GOODWILL

Goodwill is tested for impairment at least annually; this test (“impairment test”) involves an estimate of the fair value or value in use of the cash-generating unit to which goodwill is allocated, based on the discounted cash flow (DCF) model and more relevant estimates and assumptions related to the estimate of cash flows, the growth rates to be applied beyond the explicit forecast period, and the determination of the discount rate.

As of 31 December 2022 and 2021, the carrying value of goodwill was Euro 289,692 thousands and Euro 269,889 thousands respectively. Further details are given in section 6.4.3. Similar verification is carried out for other fixed assets, as indicated in the following notes.

EVALUATIONS RELATED TO MAJOR ONGOING PROJECTS

The projects in progress, particularly regarding the construction of the Castelvecchio Pascoli plant and the development of KIG 10, have significant accounting effects on the consolidated financial statements and imply the use of directors' judgement, particularly regarding (i) the evaluation of the expected outcome of the projects themselves, concerning the issuance of the necessary authorisations by the relevant authorities (ii) the identification of the requirements for the capitalisation of the investments made, (iii) the determination of the date from which these assets become available for use and the definition of their useful life, (iv) the assessment of the recoverability of the investments in progress, and (v) the identification of additional charges attributable to these projects included in non-recurring charges.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS WITH A DEFINED USEFUL LIFE

Within the framework of ongoing strategic projects, the Group constantly monitored the related costs, dividing them between capitalised amounts ('Capex') and costs charged to the income statement for the year ('Opex').
All those costs that do not meet the capitalisation requirements of the accounting principles and are described in Note 6.3.8 below were considered Opex.
The Group assesses the availability for the use of the investments made to determine the date from which the depreciation process should begin.
The Group also verified the recoverability of the carrying value of costs capitalised in connection with these projects through the impairment test.

INVENTORIES

Inventories of raw materials, semi-finished and finished products are subject to expiry dates, so management considers the expiry date associated with each lot to be a key element in assessing their recoverability. It should be pointed out that the expiry dates of raw materials are no longer relevant once they are put into production. In such cases, the expiry date assigned in the production process to semi-finished and finished products is relevant.
Inventories with upcoming expiration dates are entirely written down to account for their difficult recoverability.

DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets are accounted for all temporary differences and tax loss carry-forwards to the extent that there will probably be adequate future taxable profits against which such losses can be utilised. The directors require significant discretion in determining the number of deferred tax assets that may be accounted. They must estimate the likely timing and amount of future taxable profits and a planning strategy for future taxes. Deferred tax assets and deferred tax liabilities are offset where there is a legal right to offset current tax assets and current tax liabilities. The deferred taxes refer to the same taxpayer and taxing authority. The book value of deferred tax liabilities as at 31 December 2022 amounted to Euro 31,623 thousands. Deferred tax assets are recognised to the extent that there will probably be adequate future taxable profits against which temporary differences and tax losses can be utilised. In this regard, the Group estimates the likely timing and amount of future taxable profits.
Further details are given in section 6.4.20.

EMPLOYEE BENEFITS - SEVERANCE PAY

Actuarial valuation requires assumptions about discount rates, future salary increases, turnover and mortality rates. Due to the long-term nature of these plans, these estimates are subject to a significant degree of uncertainty. All recruitments are reviewed annually.

The net liability to employees for severance pay as at 31 December 2022 and 2021 was Euro 3,587 thousands and Euro 3,707 thousands, respectively. Further details are given in section 6.4.19.

OTHER ACCOUNTING ESTIMATES

Estimates are also used to recognise provisions for credit risks, product returns and contingent liabilities, amortisation and depreciation of tangible and intangible assets with a finite life, the valuation of receivables for accrued services, invoices to be received for services rendered, and income taxes for the year.
In addition, they concern development costs that are capitalised based on the accounting principle in Note 6.3.8. To determine the values to be capitalised, the directors must make assumptions concerning the future cash flows expected from the fixed assets, the discount rates to be applied and the periods of manifestation of the expected benefits. As at 31 December 2022 and 2021, the balance of the intangible fixed assets classified as development costs amount to Euro 207,716 thousands (including PPA effects) and Euro 3,124 thousands, respectively.
Lastly, the following section indicates the estimates applied in determining the fair value of financial instruments, the determination of which did not, however, have any particular impact on the 2022 financial statements.

FAIR VALUE VALUATION

The Group measures financial instruments, such as derivatives, at fair value at each balance sheet date.
The fair value is the price that would be received for the sale of an asset, or that would be paid for the transfer of a liability, in a regular transaction between market operators on the valuation date.
A fair value assessment assumes that the sale of the asset or the transfer of the liability takes place:
(a) in the principal market for the asset or liability; or
(b) in the absence of a principal market, in the most advantageous market for the asset or liability.
The primary or most advantageous market must be accessible to The Group.
The fair value of an asset or liability is assessed by adopting the assumptions that market operators would use in determining the price of the asset or liability, assuming that they act to best satisfy their economic interest.
A fair value measurement of a non-financial asset considers the ability of a market operator to generate economic benefits by using the asset to its maximum and best use or by selling it to another market operator who would use it to its maximum and best use.
The Group uses valuation techniques appropriate to the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
All assets and liabilities for which the fair value is measured or shown in the financial statements are categorised according to the fair value hierarchy, as described below:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access on the valuation date;
- Level 2 - Inputs other than the listed prices included in Level 1, observable directly or indirectly for the asset or liability;
- Level 3 - valuation techniques for which the input data are not observable for the asset or liability.

The fair value measurement is classified entirely in the same level of the fair value hierarchy in which the input of the lowest hierarchy level used for the valuation is classified.
For assets and liabilities recognised in the financial statements repeatedly, the Group determines whether transfers between hierarchy levels have occurred by reviewing the categorisation (based on the lowest level input, which is significant to the fair value measurement in its entirety) at each reporting date.
Group Management determines the criteria and procedures for recurring and non-recurring fair value measurements.
External appraisers are involved in the valuation of significant assets, such as real estate and significant liabilities.

At each balance sheet date, Group Management analyses changes in the values of assets and liabilities for which revaluation or restatement is required under Group accounting principles.
For this analysis, the primary inputs applied in the most recent valuation are verified by comparing the information used in the valuation to contracts and other relevant documents.
Group Management performs, also with the support of external appraisers where necessary, a comparison of each change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.
The results of the evaluations are periodically presented to the Board of Auditors and the Group auditors. This presentation includes a discussion of the main assumptions used in the evaluations.
For fair value disclosures, the Group determines classes of assets and liabilities based on the asset or liability's nature, characteristics and risks and the fair value hierarchy level as illustrated above.

ASSESSMENT OF CLIMATE CHANGE IMPACTS

Currently, the impact of climate-related issues is not material on the Group's financial statements. The Group will assess whether and how the introduction of emission reduction regulations may increase production costs and, if they have a significant impact, will include such assumptions in the estimates.

6.3.8. EVALUATION CRITERIA

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are accounted at historical cost, including directly attributable incidental costs necessary to bring the asset into use for the purpose for which it was acquired. This cost includes costs for replacing part of machinery and plant at the time they are incurred if they meet the recognition criteria.
Maintenance and repair costs, which are not likely to enhance and/or extend the residual life of assets, are expensed in the year they are incurred; otherwise, they are capitalised.
Tangible assets are stated net of accumulated depreciation and impairment losses, as described below. Depreciation is calculated on a straight-line basis based on the estimated useful life of the asset for the company, which is reviewed annually and any changes, if necessary, are applied prospectively.
Where significant parts of such tangible assets have different useful lives, these components are accounted for separately. Land, whether undeveloped or attached to buildings, is recognised separately and is not depreciated as it has an unlimited useful life.
The carrying value of tangible assets is reviewed for impairment if events or changes in circumstances indicate that the carrying value cannot be recovered. If such an indication exists, and the carrying amount exceeds the recoverable amount, the assets are written down to reflect their recoverable amount. The recoverable amount of tangible assets is the higher of the net selling price (fair value) and value in use.
The value in use is calculated by discounting the expected future cash flows using a profit before tax discount rate that reflects the current market estimate of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, value in use is determined with the cash-generating unit to which that asset belongs. Impairment losses are recognised in the income statement under depreciation and write-downs costs according to the intended use of the asset. Such impairment losses are reversed if the reasons for them cease to exist.
When an asset is sold or when there are no future economic benefits expected from its use, it is written off from the balance sheet, and any loss or gain (calculated as the difference between the disposal value and the carrying amount) is accounted in the income statement in the year of such derecognition.

REAL ESTATE INVESTMENTS

Fixed assets held for income and not for operational purposes are classified in a class called 'investment property', according to IAS 40. Accordingly, they are accounted for at cost less depreciation and impairment losses.
Assets covered by these cases consist of land and/or buildings (or parts of buildings) held by the owner or lessee under a finance or operating lease to lease them to others to benefit from the related rents or to benefit from an increase in the value of the asset unless such property:

- Are used in production, in the supply of goods and services, or for administrative purposes;
- Are held for sale in the normal course of business.

These types of real estate are classified separately from other real estate owned.
Investment properties are initially recorded at historical cost, including negotiation costs.
After initial recognition, the Group has opted for cost accounting. Accordingly, it measures all its investment properties following the provisions on that criterion in IAS 16 except for those that meet the criteria for classification as held for sale (or are included in a disposal group classified as held for sale) following IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Investment properties that meet the criteria to be classified as held for sale (or are included in a disposal group classified as held for sale) must be measured following IFRS 5.
Investment property is derecognised when sold or when the investment is permanently unusable, and no future economic benefits are expected from its disposal. Any gain or loss arising from the withdrawal or disposal of an investment property is recognised in the income statement in the year in which the withdrawal or disposal takes place

LEASES

The Group assesses at the outset whether the contract is, or contains, a lease. The contract is, or contains, a lease if, in return for a consideration, it confers the right to control the use of a specified asset for some time.
The Group makes use of the exemption provided by IFRS16 for intangible assets.
The Group applies a single accounting model for all leases in which it is a lessee, except for short-term leases and leases of low-value assets. The Group recognises a financial liability for leasing and an asset for the right of use.

ASSETS BY RIGHT OF USE

The Group recognises an asset for Right of Use on the effective date of the contract (i.e. the date on which the underlying asset is available to the lessee). Right-of-use assets are measured at cost, net of accumulated depreciation and any accumulated impairment losses determined as described below, and adjusted for any restatement of the lease liability. The cost of Right-of-Use assets includes the value of the recognised lease liability, the initial direct costs incurred, lease payments made on or before the effective date net of lease incentives received, and the estimated costs the Group will incur to restore the underlying asset to its original condition, if any.
Unless the Group is reasonably certain to acquire the leased asset at the end of the lease term, depreciation is calculated on a straight-line basis over the shorter lease term and the asset's estimated useful life.
The value of Right-of-Use Assets is reviewed for impairment if events or changes in circumstances indicate that the carrying value cannot be recovered. If such an indication exists and the carrying value exceeds the estimated realisable value, the assets are written down to reflect their realisable value. The realisable value is the higher net sales price and the used value. In determining value in use, expected future cash flows are discounted using a profit before tax discount rate that reflects the current market estimate of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, realisable value is determined concerning the cash-generating unit to which that asset belongs. Impairment losses are recorded in the income statement under depreciation, amortisation and write-downs. Such impairment losses are reversed if the reasons for them cease to exist.

LEASING LIABILITIES

At the effective date of the contract, the Group recognises a lease liability calculated as the present value of the remaining future payments until the end of the contract. Future payments include fixed payments, net of any lease incentives to be received, variable payments that depend on an index or rate, and amounts the Group is expected to pay as residual value guarantees. Future payments also include the exercise price of the purchase option if the Group is reasonably sure to exercise the option, and lease termination penalty payments, if the Group is reasonably sure to exercise the termination option. Variable payments, which do not depend on an index or rate but which for the Group depend mainly on the volume of sales, continue to be accounted for as an expense in the income statement under service costs. To calculate the present value of future payments, the Group uses the Incremental Borrowing Rate (IBR) at the contract's start date. Subsequently, the lease liability is increased for interest and decreased for payments made. In addition, the lease liability is remeasured to reflect changes in the contract terms.

CONTRACTS OF SHORT DURATION AND CONTRACTS FOR GOODS OF LOW VALUE:

The Group avails itself of the exemption from the application of IFRS 16 for contracts of short duration (less than 12 months) and for contracts in which the individual leased asset is of low value (less than Euro 5,000). The lease payments of these contracts are accounted for on a straight-line basis as costs in the income statement based on the terms and conditions of the contract.

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. This requires the recognition at a fair value of the acquired Company's identifiable assets (including previously not accounted for finite and indefinite-lived intangible assets) and identifiable liabilities (including contingent liabilities and excluding future restructuring).
Acquisition costs are expensed during the year and classified under administrative expenses.
The Group determines that it has acquired a business activity when the integrated set of assets and goods includes at least one production factor and one substantial process which, together, significantly contribute to the ability to generate an output.
The acquired process is considered substantial if it is crucial for the ability to continue to generate an output and the acquired production factors include an organised workforce that has the necessary skills, knowledge or experience to carry out that process or to significantly contribute to generating an output and is considered unique or scare or cannot be replaced at no cost, without effort or significant delays for the ability to generate an output.
When the Group acquires a business, it classifies or designates the financial assets acquired or liabilities assumed following the contractual terms, economic terms and other relevant conditions in effect at the acquisition date. This includes verifying whether an embedded derivative should be separated from the primary contract.
If the business combination is achieved in stages. In that case, the previously held equity interest is remeasured at fair value at the acquisition date, and any resulting gain or loss is recognised in the income statement.
Any potential consideration to be recognised is recorded by the buyer at fair value as at the date of acquisition. The change in fair value of contingent consideration classified as an asset or liability as a financial instrument within the scope of IFRS 9 Financial Instruments must be recognised in the income statement.
Goodwill acquired in a business combination is initially measured at the cost represented by the excess of the cost of the business combination over the acquiree's share of the net fair value of its identifiable assets, liabilities and contingent liabilities. If the consideration is less than the fair value of the net assets of the acquired subsidiary, the difference is accounted in the income statement.
After initial recognition, goodwill is valued at cost, net of accumulated impairment losses. For the purpose of the impairment test, the goodwill acquired in a business combination is allocated, as of the date of acquisition, to each cash-generating unit of the Group which is expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquired entity are assigned to said units.

Goodwill is tested for impairment at least once a year (as at 31 December) and more frequently when circumstances indicate impaired carrying value.
Goodwill impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units) to which the goodwill relates. If the cash-generating unit's recoverable amount is less than the carrying amount of the cash-generating unit to which goodwill has been allocated, an impairment loss is accounted. Goodwill impairment cannot be reversed in future periods.
If the goodwill has been allocated to a cash-generating unit and the entity disposes of part of the assets of that unit, the goodwill associated with the divested business is included in the carrying amount of the asset when determining the profit or the loss of disposal. The goodwill associated with the divested business is determined on the basis of the relative values of the divested business and the retained part of the cash-generating unit.

INTANGIBLE ASSETS WITH A FINITE LIFE

Intangible assets with a finite life are accounted as assets at cost when it is probable that the use of the asset will generate future economic benefits and when the asset's cost can be measured reliably. Intangible assets acquired through business combinations are accounted at fair value as defined at the date of acquisition if that value can be reliably determined. Intangible assets with a finite life are amortised on a straight-line basis over their estimated finite life; finite life is reviewed annually, and any changes, where necessary, are made prospectively.
Intangible assets with a finite useful life are tested for impairment whenever there are indications of possible impairment.

DEVELOPMENT COSTS

When incurred, research costs are charged to the income statement.
Development costs incurred in connection with a given project are capitalised only when the Group can demonstrate the technical feasibility of completing the intangible asset to make it available for use or sale, its intention to complete the asset for use or sale, how it will generate probable future economic benefits, the availability of technical, financial or other resources to complete the development and its ability to reliably measure the cost attributable to the asset during its development.
During the development period, the asset is reviewed annually for impairment. After initial recognition, development costs are measured at cost less any accumulated amortisation or accumulated losses. Depreciation of the asset begins when the development is complete, and the asset is available for use. It is amortised by reference to the period over which the related project is expected to generate revenues for the Group. When the asset is not yet used, it will be reviewed annually for impairment.

RIGHTS AND TRADEMARKS

This item relates to licence fees for market authorisations (A.I.C.) for medicinal products and trademarks for pharmaceutical product registrations.

OTHER INTANGIBLE ACTIVITIES

This item refers to:

- Purchase of application software programmes;
- Sales contracts concluded with customers and the list of hyperimmune plasma donors recorded using the purchase method at the time of business combinations when the US subsidiary KEDPLASMA LLC acquired the collection centres.

IMPAIRMENT TEST

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at least annually through 31 December, either individually or at the cash-generating unit level, as appropriate, and when circumstances indicate that there may be an impairment loss.

Other intangible assets are tested for impairment if events or changes in circumstances indicate that their carrying value cannot be recovered. If such an indication exists, and the carrying amount exceeds the recoverable amount, the assets are written down to reflect their recoverable amount. The recoverable amount of intangible assets is the higher net selling price (fair value) and value in use.
The value in use is calculated by discounting the expected future cash flows using a profit before tax discount rate that reflects the current market estimate of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, value in use is determined with the cash-generating unit to which that asset belongs. Impairment losses are recognised in the income statement under depreciation and write-downs costs according to the intended use of the asset. Such impairment losses are reversed if the reasons for them cease to exist.

IMPAIRMENT OF NON-FINANCIAL ASSETS

At each balance sheet date, the Group assesses whether indicators of asset impairment exist. In this case, or in cases where an annual impairment test is required, the Group estimates the recoverable amount. The recoverable amount is the higher of the fair value of the asset or cash-generating unit, less costs to sell, and its value in use. The recoverable amount is determined for each individual asset, except when that asset generates cash flows that are largely independent of those generated by other assets or groups of assets. If the carrying amount of an asset is greater than its recoverable amount, the asset is impaired and written down to its recoverable amount accordingly.
In determining value in use, the company discounts estimated future cash flows to present value using a profit before tax discount rate, which reflects market assessments of the present value of money and the risks specific to the asset. Recent market transactions are considered when determining the fair value less costs to sell. An appropriate valuation model is used if such transactions cannot be identified. These calculations are corroborated by appropriate valuation multipliers, quoted share prices for investees whose securities are traded on the market, and other available fair value indicators or the discounted cash flow (DCF) model.
The Group bases its impairment test on detailed business plans and forecast calculations, prepared separately for each cash-generating unit of the Group to which individual assets are allocated. These business plans and forecast calculations generally cover three years or more.
Impairment losses on continuing operations, including impairment losses on inventories, are accounted in the income statement in the cost categories consistent with the intended use of the asset that resulted in the impairment loss. An exception is made for previously revalued fixed assets, where the revaluation was recognised in the comprehensive income statement and classified as a revaluation reserve. In such cases, the impairment loss is recognised in the comprehensive income statement up to the amount of the previous revaluation.
For assets other than goodwill, the Group assesses at each balance sheet date whether there is any indication that previously recognised impairment losses have ceased to exist (or have been reduced) and, if such indications exist, estimates the recoverable amount. The value of a previously impaired asset may be reinstated only if there has been a change in the assumptions underlying the calculation of the determined recoverable amount since the last impairment loss was recognised. The reversal may not exceed the carrying amount that would have been determined, net of amortisation, had no impairment loss been recognised in prior periods. This reversal is recognised in the income statement unless the fixed asset is recorded at a revalued amount, which is treated as a revaluation increase.

INVENTORIES

Inventories are valued at lower purchase and/or production costs, determined using the weighted average cost method and net realisable value. The net realisable value is the estimated selling price less the estimated costs of completion and the estimated costs to realise the sale. Raw materials and consumables are recorded at purchase cost, including ancillary charges. Work-in-progress, semi-finished and finished products are recorded based on directly attributable production costs and

a share of indirect production costs incurred during the year and reasonably attributable to the products.
The value of inventories is adjusted, where necessary, by recording a specific provision for obsolescence.

TRADE RECEIVABLES

Receivables are initially recorded at fair value, which generally corresponds to their nominal value, and subsequently measured at amortised cost and reduced in the event of impairment. The Group recognises an impairment loss for expected credit losses ('ECL') using the simplified method. ECLs are based on the difference between the contractual cash flows due following the contract. All cash flows that the Group expects to receive are discounted to approximate the original effective interest rate.
The Group determines impairment losses on trade receivables by considering the number of doubtful receivables, analysing the specific conditions of the Group's customers, any guarantees given in favour of Group companies, appropriately assessing existing disputes and the possibility of recovering overdue receivables and determining the expected insolvency rate by analysing the average rate of losses on receivables recorded in recent years.
Receivables in currencies other than the reporting currency are recorded at the exchange rate on the day of the transaction and subsequently converted at the year-end exchange rate. The gain or loss from the conversion is charged to the income statement.
In the case of domestic receivables from public bodies, which are characterised by an average collection period of more than 12 months, an analytical discounting process was applied based on assumptions and estimates.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents and short-term deposits include cash on hand and sight and short-term deposits, in the latter case, with an original maturity of no more than three months.

PROVISIONS FOR LIABILITIES AND CHARGES

Provisions for liabilities and charges are made when the Group has a present obligation (legal or constructive) due to a past event, an outflow of resources to meet that obligation is probable, and a reliable estimate of its amount can be made.
When the Group considers that a provision for risks and charges will be partly or fully reimbursed, for example, in the case of risks covered by insurance policies, the indemnity is recognised separately as an asset if, and only if, it is practically certain. In this case, the cost of any provision is presented in the income statement net of the amount accounted for the indemnity.
If the effect of discounting the value of money is significant, provisions are discounted using a profit before tax discount rate that reflects, where appropriate, the risks of the liabilities. When discounting is performed, the increase in the provision due to the passage of time is accounted as a finance cost.

EMPLOYEE BENEFIT LIABILITIES

Benefits payable after termination of employment are divided according to their economic nature into defined contribution plans or defined benefit plans. In defined contribution plans, the legal or constructive obligation of the Company is limited to the number of contributions to be paid. Thus, the actuarial and investment risk falls on the employee. In defined-benefit plans, the Company must grant and secure the agreed-upon benefits to employees: consequently, the actuarial and investment risk falls on the Company. Italian law (Article 2120 CC) provides that, on the date, each employee terminates his or her employment contract with the company, he or she receives a severance pay called Trattamento di Fine Rapporto (TFR), which is considered a defined benefit plan under IAS 19. This allowance is calculated based on certain items that make up the employee's annual salary for each year of employment (appropriately revalued) and the length of the employment relationship. According to Italian civil law, this indemnity is reflected in the financial statements according to a calculation method based on the indemnity accrued by each employee at the date of the financial statements, assuming that all employees terminate their employment contracts at that date. The

IASB's IFRIC addressed the subject of the Italian severance pay (TFR) and concluded that, in the application of IAS 19, it must be calculated according to a methodology called the Projected Unit Credit Method (the so-called PUCM), in which the amount of the liability for vested benefits must reflect the expected date of resignation and must be discounted.
Starting from the 2007 financial year, the Group has implemented the effects of the changes introduced by the 2007 Budget Law and subsequent decrees and regulations concerning the allocation of the amounts accrued from 1 January 2007 onwards of the severance pay (TFR). In particular, for the application of IAS 19, the new regulations change, as of 1 January 2007, the nature of severance pay (TFR) from a 'defined benefit plan' to a 'defined contribution plan' with particular reference to companies with more than 50 employees.
Beginning in 2012, actuarial gains and losses are recognised in the Statement of Comprehensive Income.
In addition to the termination benefits described above, there is a defined benefit plan in respect of the Hungarian subsidiary HBP and the UK subsidiary BPL that will be paid to employees (i) partly upon reaching a certain length of service thresholds with the company; (ii) partly at retirement date.
The Group's net obligation arising from defined benefit plans is calculated separately for each plan by estimating the amount of the future benefit that employees have accrued in exchange for their service in the current and prior years; this benefit is discounted to present value.
The actuarial valuations of the liabilities were entrusted to independent actuaries.
The Group has no defined benefit or contribution pension plans other than those described above.

FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

FINANCIAL ASSETS

INITIAL SURVEY AND EVALUATION
On initial entry, financial assets are classified, depending on the circumstances, on the basis of subsequent measurement methods, i.e. at amortised cost, at the fair value reported on the comprehensive income statement in OCI and at the fair value reported on the income statement.
The classification of financial assets at initial recognition depends on the characteristics of the contractual cash flows of the financial assets and the business model the Group uses to manage them. Except for trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value, through the income statement, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are valued at the transaction price determined following IFRS 15. Please refer to the section of the accounting principles on 'Revenue from contracts with customers'.
For a financial asset to be classified and measured at amortised cost or fair value through OCI, it must generate cash flows that depend solely on principal and interest on the amount of principal to be repaid (so-called 'solely payments of principal and interest (SPPI)'). This evaluation is referred to as the SPPI test and is performed at the instrument level.
The Group's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will arise from collecting contractual cash flows, the sale of financial assets or both.
The purchase or sale of a financial asset that requires delivery within a period generally established by regulation or market convention (a so-called standardised sale or regular way trade) is recognised on the trade date, i.e. the date on which the Group has committed to purchase or sell the asset.

SUBSEQUENT EVALUATION
For subsequent measurement, financial assets are classified into four categories:

- Financial assets at amortised cost (debt instruments);

- Financial assets at fair value through other comprehensive income statement with the reclassification of accumulated gains and losses (debt instruments);
- Financial assets at fair value through other comprehensive income statement without a reversal of accumulated gains and losses on derecognition (equity instruments);
- Financial assets at fair value through the income statement.

The Group only holds Financial Assets at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. When the asset is derecognised, modified, or revalued, gains and losses are recognised in the income statement.
The Group's financial assets at amortised cost include trade receivables and other minor assets.

CANCELLATION
A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognised in the first instance (e.g. removed from the Group's statement of financial position) when
- the rights to receive cash flows from the asset are extinguished, or
- the Group has transferred to a third party the right to receive cash flows from the asset or has assumed a contractual obligation to pay them in full and without delay and (a) has transferred all the risks and rewards of ownership of the financial asset substantially, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of it.

In cases where the Group has transferred rights to receive cash flows from an asset or has entered into an arrangement under which it retains the contractual rights to receive the cash flows from the financial asset. Still, it assumes a contractual obligation to pay the cash flows to one or more recipients (pass-through). Therefore, it assesses how it has retained the risks and rewards of ownership. If it has neither transferred nor retained substantially all risks and rewards or has not lost control over it, the asset continues to be recognised in the Group's financial statements to the extent of its continuing involvement in the asset. In this case, the Group also recognises an associated liability. The transferred asset and associated liability are measured to reflect the rights and obligations that remain with the Group.
When the entity's continuing involvement is a guarantee of the transferred asset, involvement is measured at the lower of the amount of the asset, and the maximum amount of consideration received that the entity could be required to repay.

IMPAIRMENT OF FINANCIAL ASSETS
The Group recognises an expected credit loss ('ECL') write-down for all financial assets represented by debt instruments not held at fair value through the income statement. ECLs are based on the difference between the contractual cash flows due following the contract. All cash flows that the Group expects to receive are discounted to approximate the original effective interest rate. Expected cash flows will include cash flows arising from the enforcement of collateral held or other credit guarantees that are integral to the contractual terms.
Expected losses are measured in two stages. For credit exposures for which there has been no significant increase in credit risk since initial recognition, credit losses arising from estimated default events that are possible within the next 12 months (12-month ECL) must be recognised. For credit exposures for which there has been a significant increase in credit risk since initial recognition, expected losses that relate to the remaining life of the exposure must be accounted in full, regardless of when the event of default is expected to occur ('Lifetime ECL').
The Group applies a simplified approach in calculating expected losses for trade receivables and contract assets. Therefore, the Group does not monitor credit risk changes but fully recognises the expected loss at each reporting date.
The Group determines impairment losses on trade receivables by considering the number of doubtful debts, analysing the specific conditions of the Group's customers, any guarantees given in favour of the Group, and appropriately assessing existing disputes and the possibilities of recovering overdue receivables.

In addition, the Group analysed the average rate of customer insolvencies and credit losses over the last few years to assess the consistency of the analyses performed on the expected credit losses of each customer with the historical loss rate.

FINANCIAL LIABILITIES

INITIAL DETECTION AND ASSESSMENT

Upon initial recognition, financial liabilities are classified as financial liabilities at fair value through the income statement, as loans and borrowings, or as derivatives designated as hedging instruments.

All financial liabilities are initially recognised at fair value plus, in the case of mortgages, loans and borrowings, directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, mortgages and loans, overdrafts, guarantees granted and derivative financial instruments.

SUBSEQUENT EVALUATION

The measurement of financial liabilities depends on their classification, as described below:

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH FROM INCOME STATEMENT

Financial liabilities at fair value with changes recognised in the income statement include liabilities held for trading and financial liabilities initially recognised at fair value with changes recognised in the income statement.

Liabilities held for trading are all those incurred with a view to their resale in the short term. This category also includes derivative financial instruments subscribed by the Group that are not designated as hedging instruments in a hedging relationship defined by IFRS 9. Unbundled embedded derivatives are classified as financial instruments held for trading unless designated as effective hedging instruments.

Gains or losses on liabilities held for trading are accounted in the year's profit/(loss).

Financial liabilities are designated at fair value with changes accounted in the income statement from the date of initial recognition only if the criteria of IFRS 9 are met. At initial recognition, the Group did not designate financial liabilities at fair value with changes recognised in the income statement.

LOANS

All loans are initially recognised at the fair value of the consideration received net of incidental loan acquisition costs. After initial recognition, loans are measured at amortised cost using the effective interest rate method.

Any gain or loss is recognised in the income statement when the liability is extinguished and through the amortisation process.

Bondholders' payments were recognised at the fair value of the consideration net of ancillary bond issue costs. After initial recognition, loans are measured at amortised cost using the effective interest rate method.

A financial liability is derecognised when the obligation underlying the liability is extinguished or discharged.

In cases where an existing financial liability is replaced by another from the same lender, under substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, with any differences between the carrying amounts recognised in the income statement.

CANCELLATION

A financial liability is derecognised when the obligation underlying the liability is discharged, cancelled or honoured. When an existing financial liability is exchanged for another financial liability of the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as a derecognition of the original liability, accompanied by the recognition of a new liability, with any difference between the carrying amounts recognised in the statement of profit or loss.

CLEARING OF FINANCIAL INSTRUMENTS

A financial asset and a financial liability may be offset and the net balance presented in the statement of financial position if there is a present legal right to offset the recognised amounts and there is an intention to settle the net balance or to realise the asset and settle the liability simultaneously.

Concerning the comparative period, in applying International Accounting Standard 39, financial instruments are initially recognised at fair value and, following initial recognition, are measured according to classification.

For financial assets, this treatment is differentiated between categories:

- Financial assets at fair value with changes recognised in the income statement;
- Investments held to maturity.
- Loans and receivables;
- Available-for-sale financial assets
- Concerning financial liabilities, there are only two categories:
- Financial liabilities at fair value with changes recognised in the income statement;
- Liabilities at amortised cost.

The methods of determining fair value concerning these financial instruments, for accounting or disclosure purposes, are summarised below regarding the main categories of financial instruments to which they have been applied:

- Derivative instruments: appropriate pricing models based on market values of interest rates and exchange rates were adopted;
- Receivables and payables and unlisted financial assets: for financial instruments with a maturity of more than one year, the discounted cash flow method was applied, i.e. discounting the expected cash flows in consideration of the current interest rate and creditworthiness conditions;
- Listed financial instruments: the market value on the reference date is used.

DERIVATIVE INSTRUMENTS

The Group uses derivative financial instruments such as forward currency contracts to hedge its currency exchange risks and interest rate swaps to hedge financial risks related to changes in interest rates on outstanding medium/long-term loans, respectively.

Consistent with IAS 39, which the Group has chosen to continue to use, derivative hedging instruments may only be accounted for following hedge accounting when:

- At the beginning of the hedging, there is the formal designation and documentation of the hedging report itself;
- The coverage is expected to be highly effective;
- Effectiveness can be reliably measured; and
- The cover is highly effective during the different accounting periods for which it is designated.

All derivative financial instruments are measured at fair value. When derivative instruments qualify for hedge accounting, the following accounting treatments apply:

- Fair value hedge - If a derivative financial instrument is designated as a hedge of the exposure to changes in the current value of a recognised asset or liability that may affect the income statement, the gain or loss from remeasuring the hedging instrument at current value is recognised in the income statement, as is the gain or loss on the hedged item.
- Cash flow hedge - if a derivative financial instrument is designated as a hedge of the exposure to variability in cash flows of a recognised asset or liability or a highly probable forecasted transaction that could affect the income statement, the effective portion of any gain or loss on the financial instrument is recognised in equity; the cumulative gain or loss is removed from equity and recognised in the income statement in the same period in which the hedged transaction is recognised; the gain or loss associated with a hedge, or that portion of the hedge that has become ineffective, is recognised in the income statement when the ineffectiveness is recognised.

If the conditions for hedge accounting are not met, the effects of measuring the derivative financial instrument at fair value are recognised directly in the income statement.

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised when control of goods and services is transferred to the customer in an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. The Group has concluded that it generally acts as a principal in agreements arising from revenues, as it usually controls the goods and services before they are transferred to the customer.

SALES OF ITEMS

Revenues from the sale of finished goods and merchandise are recognised when control of the goods passes to the customer.
The Group considers whether other promises in the contract represent obligations to do on which a portion of the transaction consideration is to be allocated. In determining the price of the sales transaction, the Group considers the effects of any variable consideration, significant financing components, non-monetary consideration and consideration payable to the customer.

VARIABLE FEE

If the consideration promised in the contract includes a variable amount, the Group estimates the amount to which it will be entitled in return for transferring the goods to the customer.
The variable consideration is estimated when the contract is entered into and cannot be recognised until it is highly probable that when the uncertainty associated with the variable consideration is resolved, a significant downward adjustment to the cumulative revenue should be recognised. Volume and other contractual discounts give rise to variable fees, as does the Parent Company's share of the Payback for the year, as explained in Section 6.4.22.
The Group may grant discounts to specific customers where the quantity of products purchased during the period reaches certain turnover thresholds. The Group applies the expected value method to estimate the variable consideration related to the expected discounts.

FEES PAYABLE TO THE CUSTOMER

Customer contracts may provide for the payment of fees to customers. The Group recognises the consideration to be paid to the customer as a reduction of the transaction price and, consequently, of revenue unless the payment to the customer is made in exchange for a particular good or service transferred by the customer to the Group. If the consideration to be paid to the customer includes a variable amount, this is estimated by the Group.

SERVICE PROVISION

The Group provides plasma processing services for third parties. The Group recognises revenue from these services over time, using an input-based method to assess the status of the service.
The Group considers whether other promises in the contract represent obligations to do on which a portion of the transaction consideration is to be allocated. In determining the price of the sales transaction, the Group considers the effects of any variable consideration, significant financing components, non-monetary consideration and consideration payable to the customer.

CONTRACTUAL ASSETS AND LIABILITIES

CONTRACTUAL ASSETS

Contract asset represents the right of the entity to obtain the agreed consideration for the transfer of control of goods or services to the customer.
If the Group settles the obligation by transferring goods or services to the customer before the customer pays the consideration or before payment is due. In that case, the entity shall recognise an asset arising from the contract, excluding amounts presented as receivables.

TRADE RECEIVABLES

A receivable represents for the Group the unconditional right to receive the consideration (i.e., it is only necessary for time to run out for the consideration to be paid).

CONTRACTUAL LIABILITIES

Contractual liability is an obligation to transfer to the customer goods or services the Group has already received consideration (or for which a portion of the consideration is due). If the customer pays the consideration before the Group has transferred control of the goods or services to the customer, the contract liability is recognised when payment is made or (if earlier) when it is due. Liabilities arising from contracts are recognised as revenue when the Group meets its obligations under the relevant contract.

Some contracts allow the customer to return goods within a certain period. The Group uses the expected value method to estimate assets that will not be returned. This method is the best way to predict the amount of variable consideration to which the Group will be entitled. The Group adjusts revenues and records a contractual liability for goods expected to be returned.

COSTS OF OBTAINING A CONTRACT

The Group may pay commissions to third parties for finalised sales contracts. For these costs, the Group applies the practical expedient of immediately expensing the costs of obtaining contracts, as the amortisation period of the asset that the Group would otherwise have used would have been less than one year.

Similarly, in the comparative year, revenue is recognised following IFRS 15 to the extent that it is probable that economic benefits will flow to the Group and the amount can be measured reliably, regardless of the date of receipt. Revenues are measured at the fair value of the consideration received or receivable, considering contractually defined payment terms and excluding taxes and duties. It concluded that it is acting on its account in all sales contracts as it is the primary debtor, has discretion on pricing policy, and is exposed to inventory and credit risk.

Revenue is recognised when the enterprise has transferred all significant risks and rewards of asset ownership to the buyer, generally at the date of delivery of the goods. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume reductions.

Service revenues are recognised based on the stage of service operations in progress at the balance sheet date, measured as a percentage by reference to different variables, depending on the services provided and the contracts entered into with the customer. Services, which are not yet completed at the balance sheet date, constitute 'contract work in progress' and are classified under 'trade receivables'. At the balance sheet date, any revenues invoiced more than the amount accrued based on the service's completion stage are suspended under 'advances from customers', classified under 'trade payables'. When the outcome of a service transaction cannot be measured reliably, revenue is recognised only to the extent that the costs incurred are expected to be recoverable.

In the case of domestic revenues from public entities with an average collection period of more than 12 months, an analytical discounting process based on assumptions and estimates was applied to determine the implicit financial component.

INTEREST INCOME

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as available-for-sale, interest income is recognised using the effective interest rate, which is the rate that precisely discounts future cash receipts, estimated over the expected life of the financial instrument or over a shorter period, when necessary, from the net carrying amount of the financial asset. Interest income is classified as financial income in the year's profit/(loss) statement.

RENTAL INCOME

Rents from investment properties are recognised on a straight-line basis over the term of the lease agreements in place at the balance sheet date. Accordingly, they are classified as revenue, considering their operational nature.

PUBLIC FUNDING

Government grants are recognised when there is reasonable certainty that they will be received and all the conditions attached to them have been met. When grants are related to cost components (operating grants), they are recognised as revenue in the periods in which they are intended to offset costs. In cases where the grant is related to an asset (capital grants), the asset and the grant are recognised separately under assets and liabilities for their nominal values. The release to the income statement takes place progressively over the expected useful life of the relevant asset on a straight-line basis. The treatment applies to grants received as Tax Credits for the Parent Company's research and development and technological innovation activities.

DIVIDENDS

Dividend income is accounted when the shareholders' right to receive payment arises, which occurs when the Shareholders' Meeting approves the distribution.

INCOME TAXES

CURRENT TAXES

Taxes reflect a realistic estimate of the tax burden, determined by applying current legislation in the countries in which the Kedrion Group operates; the current tax liability is recognised in the statement of financial position net of any tax advances paid.

DEFERRED TAXES

Deferred taxes are calculated on temporary differences arising at the balance sheet date between the tax bases of assets and liabilities and the values reported in the financial statements.
Deferred tax liabilities are accounted for all temporary taxable differences except for the following:

- Deferred tax liabilities arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the profit for the period calculated for financial reporting purposes nor the profit or loss calculated for tax purposes;
- For temporary taxable differences associated with investments in subsidiaries, associates and joint ventures, where the reversal of temporary differences can be controlled, probably, it will not occur in the foreseeable future.
- Deferred tax assets are recognised for all temporary deductible differences and tax assets and liabilities carried forward, to the extent that there will probably be adequate future taxable profits that may make the utilisation of temporary deductible differences and tax assets, and liabilities carried forward applicable, except where:
- The deferred tax asset associated with temporary deductible differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the profit for the period calculated for financial reporting purposes nor the profit or loss calculated for tax purposes;
- For temporary taxable differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary deductible differences will reverse in the foreseeable future and that there are adequate taxable profits against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of this credit to be utilised. Unrecognised deferred tax assets are reviewed annually at the balance sheet date. They are accounted to the extent that it has become probable that taxable profit will be sufficient to allow these deferred tax assets to be recovered.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when those assets are realised, or those liabilities are settled, taking into account tax rates that have been enacted or substantively enacted by the balance sheet date.
Deferred tax assets and liabilities are offset if there is a legal right to offset current tax assets against current tax liabilities. The deferred taxes relate to the same tax entity and the same tax authority.

Income taxes on items accounted directly in equity are accounted directly in equity and not in the income statement.

VALUE ADDED TAX

Revenues, expenses and assets are accounted net of value-added taxes, except where such tax applied to the purchase of goods or services is non-deductible, in which case it is accounted as part of the purchase cost of the asset or part of the cost item accounted in the income statement.

The net amount of indirect sales and purchase taxes that can be recovered from or paid to the Treasury is included in the balance sheet under other current assets or liabilities, depending on the sign of the balance at the balance sheet date. The value-added tax (VAT) associated with invoicing to public entities is subject to the split payment regime, whereby the public entity is only required to pay the agreed consideration to the supplier. In contrast, the entity must credit the VAT due to a particular escrow account to be acquired by the Treasury.

6.4. COMMENTS ON THE MAIN ITEMS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

6.4.1. PROPERTY, PLANT AND EQUIPMENT

The historical cost, accumulated depreciation and net book value of Property, Plant and Equipment as at 31 December 2022, 1 January 2022 and 1 January 2021 are shown in the following table:

(in thousands of Euro)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other goods	Fixed assets ongoing and advance payments	Total
COST						
Balance at 01 January 2021	**104,755**	**305,457**	**29,782**	**27,707**	**81,537**	**549,238**
Changes consolidation	3,017	10,907	2,925	1,256	0	18,105
Reclassifications	225	8,536	1,198	1,341	(10,370)	930
Increases	4,332	9,079	2,783	1,913	18,689	36,796
Translation difference	3,973	11,717	722	936	2,658	20,006
Decreases	(708)	(992)	(1,717)	(1,667)	0	(5,084)
Balance at 01 January 2022	**115,594**	**344,704**	**35,693**	**31,486**	**92,514**	**619,991**
Changes consolidation	229,030	208,363	19	12,051	41,023	490,486
IAS 29			4	16	(2)	18
Reclassifications	655	30,419	2,072	920	(33,317)	749
Increases	10,355	13,376	3,998	2,612	22,466	52,807
Translation difference	(13,060)	(5,624)	616	(137)	(507)	(18,712)
Decreases	(214,)	(2,099)	(295)	(1,552)	(3,507)	(7,667)
Balance at 31 December 2022	**342,360**	**589,139**	**42,107**	**45,396**	**118,670**	**1,137,672**
DEPRECIATION AND IMPAIRMENT LOSSES						
Balance at 01 January 2021	**44,696**	**171,355**	**19,299**	**20,020**	**0**	**255,370**
Changes consolidation	1,435	7,432	1,980	1,005	0	11,852
Depreciation for the year	4,169	18,159	2,378	2,626	0	27,332

Write-downs	0	0	0	0	0	0
Disposal	(59)	(788)	(461)	(819)	0	(2,127)
Translation difference	668	3,924	268	554	0	5,414
Reclassifications	(3)	456	(443)	(10)	0	0
Balance at 01 January 2022	**50,906**	**200,538**	**23,021**	**23,376**	**0**	**297,841**
Changes consolidation	130,097	113,516	9	10,420	0	254,042
Amortisation for the year	12,579	24,301	2,985	3,261	0	43,126
Write-downs	0	0	0	0	0	0
Divestments	(148)	(1,531)	(74)	(1,377)	0	(3,130)
Translation difference	(8,048)	(5,566)	139	(356)	0	(13,831)
Reclassifications	15	0	0	(15)	0	0
Balance at 31 December 2022	**185,401**	**331,258**	**26,080**	**35,309**	**0**	**578,048**
NET BOOK VALUES AS AT 01.01.2022	**64,688**	**144,166**	**12,672**	**8,110**	**92,514**	**322,150**
NET BOOK VALUES AS AT 31.12.2022	**156,959**	**257,881**	**16,027**	**10,087**	**118,670**	**559,624**

Of which financial leasing:

	31.12.2022			31.12.2021		
(in thousands of Euro)	Historical cost	Accumulated amortisation	Net value	Cost Historical	Accumulated amortisation	Net value
Buildings	759	696	63	1,028	830	198
Plant and machinery	102,837	91,887	10,950	109,308	91,437	17,871
Equipment	1,511	1,511	0	1,513	1,513	0
Other goods	12,223	10,838	1,384	12,896	10,634	2,262
TOTAL	**117,330**	**104,932**	**12,398**	**124,745**	**104,414**	**20,331**

In 2022, the Group made investments for a total value of Euro 72.6 million including the investments in intangible fixed assets, which mainly concerned the following:

- **Plant in Melville (NY, USA)** for a total amount of Euro 3.6 million relating mainly to the new fractionation and purification line for the production of the speciality RhoGAM and works and improvements on other buildings and existing plants;
- **Plant in Bolognana (LU, Italy)** for a total amount of Euro 6.9 million, referring mainly to works and improvements on existing buildings and plants;
- **Santa Antimo (NA, Italy)** for a total amount of Euro 2.1 million relating to urban compliance investments on certain buildings and interventions and improvements on existing buildings and plants;
- **Gödöllő plant (Hungary)** for a total amount of Euro 2.8 million referring to works and improvements on existing plants;
- **Laval (Canada)** plant for a total amount of Euro 2.3 million referring to works and improvements on existing plants;
- **Factory in Castelvecchio Pascoli (LU, Italy)** for a total amount of Euro 14.9 million referred to the KIg10 project for the registration of the new immunoglobulin 10% for the American and

European markets as well as interventions and improvements on the new production department of the same immunoglobulin 10%;

- **Elstree (UK)** plant for a total amount of Euro 13.3 million related to works and improvements on existing plants and development of a new filling line (line 4);
- **Plasma collection centres** (**US**) for a total net amount of Euro 16.4 million deriving from the purchase of an Immunotek centre for Euro 3.4 million, from the opening of 4 centres and the development of other Stough centres for Euro 7.6 million, from down payments for Euro 3.2 million for new Immunotek centres, and finally from work on existing plasma collection centres and the development of new centres ex BPL perimeter for a total amount of Euro 2.4 million.
- **Other Investments** totalling Euro 10.3 million, which mainly refer to IT hardware and software investments (Euro 4.2 million) and other investments (Euro 6.1 million) mainly related to commercial rights for Euro 0.9 million, research and development projects for Euro 4.4 million, and improvements made in the offices of the various locations.

The balances shown in the line 'change in scope of consolidation' refer to the business combinations described in section 6.2.8 mainly:

- The production plant acquired through the business combinations described above, located in Elstree (UK);
- To the machinery and equipment in the plasma collection centres in the US (from BPL) and the Czech Republic.

Current Assets under Construction include investments related to ongoing projects, mainly referring to the KIg10 project, the construction of the new plant in Castelvecchio Pascoli (which will be dedicated to the purification of this product). The recognition and maintenance of these assets in the balance sheet involved both the assessment of the outcome of the projects mentioned, in particular as to the issuance of the necessary authorisations by the authorities in charge, considered highly probable and the verification of their recoverability.

The Hungarian subsidiary Human BioPlazma benefited in past years from a government grant on tangible assets of approximately Euro 897 thousands; the remaining amount as at 31 December 2022 recorded under deferred income was Euro 453 thousands.

In 2022, the tax credits due to Kedrion S.p.A. for expenses incurred as investments in new capital goods amounted to Euro 1,335 thousand, relating to hyper-amortisation and super-amortisation. As at 31 December 2022, deferred income for these tax credits of Euro 1,062 thousands remained.
Total deferred income as at 31 December 2022, including tax credits accrued in previous years, amounted to Euro 2,495 thousands.

There are no restrictions on the ownership of property, plant and equipment pledged as security for liabilities and contractual commitments outstanding for purchasing these types of assets. At the end of the year, the Group assesses whether any impairment indicators can be traced through internal or external sources of information. Typically external sources may be changes in the technological, economic and legal environment in which it operates. In contrast, internal sources are represented by corporate strategies that may or may not change the intended use of assets.
The analyses carried out did not reveal any impairment losses.

6.4.2. INVESTMENTS PROPERTIES

The historical cost, accumulated depreciation and net book value of the item Investment property as at 31 December 2022 and 31 December 2021 are shown in the following table:

(in thousands of Euro)	**Land and buildings**

COST	
Balance at 01 January 2021	**1,516**
Reclassifications	0
Increases	0
Translation difference	0
Decreases	0
Balance at 01 January 2022	**1,516**
Changes consolidation	996
Reclassifications	0
Increases	0
Translation difference	(62)
Decreases	(65)
Balance at 31 December 2022	**2,385**
DEPRECIATION AND IMPAIRMENT LOSSES	
Balance at 01 January 2021	**48**
Amortisation for the year	3
Write-downs	0
Disposals	0
Translation difference	0
Reclassifications	0
Balance at 01 January 2022	**51**
Amortisation for the year	3
Write-downs	0
Disposals	(7)
Translation difference	0
Reclassifications	0
Balance at 31 December 2022	**47**
NET BOOK VALUES AS AT 01.01.2022	**1,465**
NET BOOK VALUES AS AT 31.12.2022	**2,338**

Land classified as an investment property, with an indication of its fair value, is located in the following locations:

- San Pietro in Campo (LU) - historical cost of Euro 104 thousand; fair value of Euro 453 thousand;
- Monsagrati (LU) - historical cost of Euro 1,357 thousands; fair value of Euro 1,733 thousands;
- Austin (US) - historical cost of Euro 876 thousands; fair value of Euro 876 thousands.

Buildings classified as investment property refer to:

- A civil flat located in Monsagrati (LU) - residual value of Euro 1 thousand; fair value of Euro 35 thousand.

The fair value of investment properties is determined using valuation models and market-observable parameters. Therefore, according to the IFRS 13 fair value hierarchy, they are Level 2 fair value investment properties. The reclassification concerns land and buildings reclassified under Property, Plant and Equipment as their purpose has changed from investment property to property used to support the Group's business.

6.4.3. GOODWILL

Goodwill recorded in the balance sheet is subject to an annual impairment test. Listed below are the carrying amounts at the reporting dates of Goodwill recognised in the consolidated financial statements and their allocation to specific cash-generating units ('CGUs'), as well as the changes that occurred during the period:

(in thousands of Euro)	Balance at 31.12.2021	Reclassifications	Increases per Business Combination	Translation difference	Assets for sale	Decreases	Balance at 31.12.2022
Plasma-derivates CGU Goodwill	188,366	0	11,006	2,261	0	0	201,633
Plasma-derivatives CGU Goodwill	80,237	0	3,585	4,678	0	(1,727)	86,773
Goodwill CGU - Other	1,286	0		0	0	0	1,286
TOTAL	**269,889**	**0**	**14,591**	**6,939**	**0**	**(1,727)**	**289,692**

The change related to the 'plasma' CGU is due to the following movements:

- Increase resulting from the purchase of the new Rocky Mountains centre in the amount of Euro 3,585 thousands;
- Translation differences amounting to Euro 4,678 thousands;
- Decrease resulting from the sale of the Westmoreland centre by the subsidiary KEDPLASMA LLC for Euro (1,727) thousand.

The change related to the 'plasmaderivatives' CGU is due to the following movements:

- Purchase of five new centres in the Czech Republic for Euro 11,006 thousands as indicated in Note 6.2.5 'Business Combinations of 2022';
- Translation difference of Euro 2,261 thousands.

PLASMA-DERIVED CGU GOODWILL

The CGU Plasmaderivatives includes activities related to the fractionation and/or purification of plasmaderivatives (located in the four production poles in Italy, the US, the UK and Hungary) and their sale on the market. The production allocation of the Group's plasmaderivatives is unrelated to territorial location and aims to optimise overall efficiencies and the Group's ability to respond to market demand.
Goodwill attributable to the CGU Plasmaderivatives totalled Euro 201,633 thousands.
The impairment test used the Discounted Cash Flow (DCF) method net of taxes. The expected flows, used in the calculation of the DCF, based on the 2023 - 2029 strategic plan (approved on 6 April 2023). Profitability (EBIT) was expected to grow as a result of the synergies expected from the integration of the two Groups Kedrion and BPL, and the completion of development projects: new Rhogam production line at the Melville plant, development of the new fractionation line at the Elstree plant, new purification plant at Castelvecchio Pascoli, and the development of KIg10. On the balance sheet side, an increase in trade working capital was planned due to the growth of these projects and the investments for their completion.
To determine the value in use of the CGU, the discounted cash flows of the years of explicit projection were taken into account, summed to a terminal value, assumed to be equal to the present value of the perpetual annuity of the flow generated in the last year of the explicit projection, assuming a long-term growth rate 'g' of 0%.

The discount rates applied to future cash flows (WACC) are summarised in the table below:

CGU	WACC 2022	WACC 2021
Plasmaderivatives CGU Goodwill	7.19%	6.70%

The Group has also conducted a *sensitivity analysis* of the above-mentioned key assumptions used to determine the recoverable amount (growth rate changes of +/-0.5% and WACC changes of +/-0.5%) in light of the results of which the Directors believe that with reasonable changes in the key assumptions, no excess of the carrying amount over the recoverable amount would arise.

PLASMA CGU GOODWILL

The plasma CGU accommodates activities related to the collection and sale of plasma.
Goodwill attributable to the Plasma CGU, which totalled Euro 86,773 thousands, was subjected to a fairness analysis, comparing the carrying value with the recoverable value determined based on the value in use of the CGU.
The value in use was determined using the Discounted Cash Flow (DCF) method by discounting estimated cash flows based on projections from the 2023 - 2029 strategic plan (approved on 6 April 2023).
To determine the value in use of the CGU, the discounted cash flows of the years of explicit projection were taken into account, summed to a terminal value, assumed to be equal to the present value of the perpetual annuity of the flow generated in the last year of the explicit projection, assuming a long-term growth rate 'g' of 0%.
The discount rates applied to future cash flows (WACC) are summarised in the table below:

CGU	WACC 2022	WACC 2021
Plasma CGU Goodwill	6.11%	5.42%

Determining the value in use based on these parameters resulted in no reduction in the value of goodwill.
The Group has also conducted a *sensitivity analysis* of the above-mentioned key assumptions used to determine the recoverable amount (growth rate changes of +/-0.5% and WACC changes of +/-0.5%) in light of the results of which the Directors believe that with reasonable changes in the key assumptions, no excess of the carrying amount over the recoverable amount would arise.

GOODWILL CGU - OTHER

The Group decided to represent the goodwill related to marginal assets in the 'Other' CGU for a total of Euro 1,286 thousands, detailed as follows.

- In 2005, the Group established a trading company, Kedrion International GmbH, based in Vienna (Austria), with a third party independent of the Group. The Group's share was 30% of the share capital. During 2006, the Group increased its shareholding in the company by acquiring a further 70%, thus achieving total control. In this transaction, the Group recognised goodwill of Euro 459 thousands to the transferor.
- Subsequently, on 31 December 2010, a contract was signed for purchasing 95% of the shares of Kedrion Portugal and an option to purchase the remaining 5%. This acquisition resulted in recognition of goodwill of Euro 165 thousands.
- On 18 November 2013, Kedrion S.p.A. acquired 51% of Kedrion Brasil from a local partner - FBM Farma Industria Farmaceutica LTDA. This acquisition resulted in recognition of goodwill of Euro 43 thousands.
- On 8 February 2021, the acquisition of the 49% minority stake in Kedrion Brasil from the minority shareholder F.B.M. was finalised, with the payment of Euro 214 thousands by Kedrion and the repayment of the loan disbursed by the shareholder amounting to Real 575 thousands. This further acquisition resulted in the recognition of additional goodwill of Euro 619 thousands, which was subjected to an impairment test at year-end that resulted in no reduction in the value of goodwill.

6.4.4. RIGHT OF USE

(in thousands of Euro)	Buildings	Other goods	Total
COST			
Balance at 01 January 2021	**100,713**	**2,563**	**103,276**
Changes consolidation	**4,230**	**30**	4,260
Reclassifications	0	0	0
Increases	34,019	1,086	35,105
Translation difference	6,091	199	6,290
Decreases	(17,396)	(699)	(18,095)
Balance at 01 January 2022	**127,657**	**3,179**	**130,836**
Changes consolidation	31,931	0	31,931
IAS 29	13	47	60
Reclassifications	0	0	0
Increases	33,032	1,005	34,037
Translation difference	4,873	(14)	4,859
Decreases	(9,591)	(889)	(10,480)
Balance at 31 December 2022	**187,915**	**3,328**	**191,243**
DEPRECIATION AND IMPAIRMENT LOSSES			
Balance at 01 January 2021	**13,805**	**1,094**	**14,899**
Changes consolidation	**1,543**	**20**	1,563
Amortisation for the year	9,440	890	10,330
Write-downs	0	0	0
Divestments	(2,529)	(411)	(2,940)
Translation difference	519	(11)	508
Reclassifications	0	0	0
Balance at 01 January 2022	**22,778**	**1,582**	**24,360**
Changes consolidation	(10)	0	(10)
IAS 29	0	0	0
Amortisation for the year	13,947	846	14,793
Write-downs	0	0	0
Disposals	(1,676)	(797)	(2,473)
Translation difference	782	2	784
Reclassifications	0	0	0

Balance at 31 December 2022	**35,821**	**1,633**	**37,454**
NET BOOK VALUES AS AT 01.01.2022	**104,879**	**1,597**	**106,476**
NET BOOK VALUES AS AT 31.12.2022	**152,094**	**1,695**	**153,789**

Assets for rights of use are mainly related to rental contracts for US plasma collection centres, offices, and other company premises. Divestments mainly relate to the disposal of US plasma collection centres.

The line item "Changes consolidation" includes the right of use assets related to the plasma collection centres acquired from BPL Group and evaluated in accordance to IFRS 3.

6.4.5. INTANGIBLE ASSETS WITH A FINITE LIFE

The historical cost, accumulated amortisation and the net book value of intangible assets with a finite life as at 31 December 2022 and at 31 December 2022 are shown in the table below:

(in thousands of Euro)	Development expenditure	Rights and Trademarks	Fixed assets ongoing and advance payments	Other	Total
COST					
Balance at 01 January 2021	**8,412**	**78,949**	**51,445**	**75,668**	**214,474**
Changes consolidation	3,318	25,659	0	1,410	30,387
Reclassifications	0	4,944	(12,087)	2,625	(4,518)
Increases	19	3,658	25,961	6,608	36,246
Translation difference	1,009	1,552	1,397	4,214	8,172
Decreases	0	(9,595)	0	(5,294)	(14,889)
Balance at 01 January 2022	**12,758**	**105,167**	**66,716**	**85,231**	**269,872**
Changes consolidation	225,673	11,388	9,607	46,788	293,456
IAS 29	0	6,014	3	0	6,017
Reclassifications	0	923	(2,664)	783	(958)
Increases	0	1,165	11,477	3,750	16,392
Translation difference	(13,992)	3,266	421	321	(9,984)
Decreases	0	(912)	(757)	(10,825)	(12,494)
Balance at 31 December 2022	**224,439**	**127,011**	**84,803**	**126,048**	**562,301**
DEPRECIATION AND IMPAIRMENT LOSSES					
Balance at 01 January 2021	**8,349**	**34,718**	**0**	**44,140**	**87,207**
Changes consolidation	0	5,477	0	811	6,288
Amortisation for the year	554	4,985	0	6,203	11,742
Write-downs	0	0	0	0	0
Disposals	0	(1,225)	0	(735)	(1,960)
Translation difference	758	1,526	0	2,178	4,462

Reclassifications	(27)	(34)	0	61	0
Balance at 01 January 2022	**9,634**	**45,447**	**0**	**52,658**	**107,739**
Changes consolidation	2,277	0	0	31,018	33,295
Amortisation for the year	5,163	7,471	0	14,883	27,517
Write-downs	0	0	0	0	0
Disposals	0	(138)	0	(10,507)	(10,645)
Translation difference	(351)	1,576	0	(555)	670
Reclassifications	0	0	0	0	0
Balance at 31 December 2022	**16,723**	**54,356**	**0**	**87,497**	**158,576**
NET BOOK VALUES AS AT 01.01.2022	**3,124**	**59,720**	**66,716**	**32,573**	**162,133**
NET BOOK VALUES AS AT 31.12.2022	**207,716**	**72,655**	**84,803**	**38,551**	**403,725**

The item Rights and Trademarks as at 31 December 2022 amounts to Euro 72,655 thousands and consists of the following specific items

(in thousands of Euro)	31.12.2022	31.12.2021
Rights	60,671	46,949
Trademarks	11,984	12,771
RIGHTS AND TRADEMARKS	**72,655**	**59,720**

The rights mainly include:

- Patent rights to the “RhoGAM” product, acquired in 2012 and at that date measured at fair value under PPA considering a royalty on expected sales of 5% for 15 years; as of December 31, 2022 the net book value is Euro 4,548 thousands;
- Regulatory licences for plasma collection centres for Euro 13,290 thousands;
- The Market Authorisation Licence (A.I.C.) 'Ryplazim', issued by FDA, and the related rights and patents acquired during 2021 in the context of the Ryplazim Business Combination, amount respectively to Euro 14,138 thousands and Euro 5,481 thousands;
- Licences for Market Authorisations of other medicinal products, for Euro 10,940 thousands;
- BPL Group's licences recorded at the fair value identified for PPA purposes, for a net book value as of December 31, 2022, equal to Euro 8,157 thousands, related to the plasma collection centres;
- Licences for collection centres in the Czech Republic recorded at the fair value identified for PPA purposes, for a net book value as of December 31, 2022 equal to Euro 2,388 thousands.

Trademarks mainly consist of the 'RhoGAM' trademark with a residual value of Euro 4,632 thousand, trademarks for plasma collection centres for Euro 5,550 thousand and the trademark for Koate for Euro 1,805 thousand. Management, after assessing the possible presence of impairment indicators, carried out the necessary recoverability tests without finding any impairment losses on the brands.

The item fixed assets under construction consists mainly of:

- Costs incurred for the development of KIg10 in the amount of Euro 48,886 thousands, for which the issuance of the necessary authorisations by the relevant authorities is deemed highly probable;

- Advances paid for the acquisition of new centres amounting to Euro 16,717 thousands;
- The remainder mainly from costs for obtaining market authorisations and software costs;
- The contribution of the BPL Group amounted to Euro 8,250 thousands.

Management has performed the necessary recoverability checks without identifying any impairment indicators for this item.

The item Other intangible assets mainly includes customer lists related to the acquisition of RhoGAM in the amount of Euro 6,145 thousands, application software programmes in the amount of Euro 11,892 thousands (the BPL Group's contribution is Euro 2,471 thousands) and the list of hyperimmune plasma donors of the subsidiary Kedplasma Llc in the amount of Euro 8,592 thousands and the BPL Group in the amount of Euro 5,000 thousands. A review of the useful life of assets was carried out for this balance sheet item, which did not reveal any changes in estimates.

6.4.6. OTHER NON-CURRENT FINANCIAL ASSETS

(in thousands of Euro)	31.12.2022	31.12.2021
Security deposits	3,071	1,426
New centres start-up funding	3,786	3,665
Financial deferrals	20	1,384
OTHER NON-CURRENT FINANCIAL ASSETS	**6,877**	**6,475**

Security deposits mainly relate to leases of plasma collection centres and offices.
BPL's contribution amounted to Euro 327 thousands.

The US subsidiary KEDPLASMA LLC granted the loan of Euro 3,786 thousands to the third-party Immunotek Biocenters LLC to finance the opening of new US plasma collection centres, and will be repaid through offsets on future plasma purchases.

Financial deferrals referring to the long-term portion of bank expenses advanced in respect of two revolving credit facilities for Euro 50.0 million each (one denominated in Euros and one in US dollars) and a bank loan in the amount of Euro 140. million were turned over to the income statement for the repayment of all of the Group's existing debt as a result of the Permira Deal.

6.4.7. INCOME TAX RECEIVABLES

Details of the non current income tax receivables as at 31 December 2022 and 31 December 2021 are shown below:

(in thousands of Euro)	31.12.2022	31.12.2021
Tax receivables on investments	1,556	1,757
R&D&I tax receivables	2,980	0
Miscellaneous tax receivables	10	26
INCOME TAX RECEIVABLES	**4,546**	**1,783**

6.4.8. OTHER NON-CURRENT ASSETS

Other non-current assets as at 31 December 2022 and 31 December 2021 are detailed below:

(in thousands of Euro)	31.12.2022	31.12.2021
Prepaid expenses	1,070	928
Other non-current assets	44	17
OTHER NON-CURRENT ASSETS	**1,114**	**945**

This item includes the non-current portion of prepaid expenses relating mainly to renewal fees for commercial licences (A.I.C.).

6.4.9. INVENTORIES

Details of inventories as at 31 December 2022 and 31 December 2021 are shown below:

(in thousands of Euro)	31.12.2022	31.12.2021
Raw and consumable materials	241,488	85,591
Semi-finished products	221,739	124,547
Finished products and goods	75,312	56,300
INVENTORIES	**538,539**	**266,438**

Inventory increased by Euro 272,101 thousand mainly due to the contribution of BPL at the year end in the amount of Euro 206,227 thousand.
The value of inventories is expressed net of an allowance for inventory write-down of Euro 13,079 thousands, of which Euro 1,829 thousands relates to inventories at the Melville plant, Euro 2,986 thousands relates to inventories of the parent company, and Euro 4,078 thousands relates to inventories of the BPL group. Inventories of raw materials, semi-finished and finished products are generally subject to expiry, so management considers the expiry date associated with each lot to be a key element in evaluating their recoverability. It should be pointed out that the expiry dates of raw materials are no longer relevant once they are put into production. In such cases, the expiry date assigned in the production process to semi-finished and finished products is relevant.
Inventories with upcoming expiration dates are entirely written down to account for their difficult recoverability.

6.4.10. TRADE RECEIVABLES

Trade receivables as at 31 December 2022 and 31 December 2021 are detailed below:

(in thousands of Euro)	31.12.2022	31.12.2021
Trade Receivables	156,535	133,354
TRADE RECEIVABLES	**156,535**	**133,354**

Please refer to Note 6.6.2 for the terms and conditions relating to receivables from related parties.
Trade receivables are non-interest-bearing and generally have a contractual maturity of 30 to 120 days. In 2022, trade receivables increased by Euro 23,181 thousands, the contribution of BPL amounting to Euro 34,779 thousands.
The adjustment of receivables from foreign customers to the spot exchange rate of 31 December 2022 resulted in recognition of an unrealised exchange loss of Euro 2,497 thousands.

For expected credit losses, the Group allocated a specific allowance for doubtful accounts amounting to Euro 11,731 thousands, deemed adequate in light of the accounts known at year-end and the expected insolvency rate.
The contribution of the BPL Group amounted to Euro 852 thousands.
The utilisation for the year relates to the write-off of several small receivables deemed uncollectable.
Changes in the provisions for bad debts for the period ended 31 December 2022 are shown below:

(in thousands of Euro)	For trade receivables	For default interest	Total
Balance at 01.01.2022	**9,593**	**186**	**9,779**
Change in the consolidation area	1,059	0	1,059
Use in the period	(4,298)	0	(4,298)
Provision for the period	5,436	0	5,346
Translation difference	31	0	31
BALANCE AT 31.12.2022	**11,731**	**186**	**11,917**

The Group determines impairment losses on trade receivables by considering the number of doubtful receivables, analysing the specific conditions of the Group's customers, any guarantees given in favour of Group companies, appropriately assessing existing disputes and the possibility of recovering overdue receivables and determining the expected insolvency rate by analysing the average rate of losses on receivables recorded in recent years.
The provision for interest on arrears relates to receivables for interest on arrears, which the Parent Company invoices to national public bodies following current legislation.

6.4.11. CONTRACTUAL ASSETS

Changes in contractual assets as at 31 December 2022 and 31 December 2021 are shown below:

(in thousands of Euro)	31.12.2022	31.12.2021
Contractual assets	36,789	33,896
CONTRACTUAL ASSETS	**36,789**	**33,896**

In line with IFRS 15, receivables for work in progress are presented as 'contract assets' separately from trade receivables.
Contractual assets are initially recognised for revenue from account services, as the receipt of payment is dependent on the successful completion of the service. Upon completion of the latter and acceptance by the customer, the amounts recognised as contractual assets are reclassified under trade receivables.

6.4.12. INCOME TAX RECEIVABLES

Details of current tax receivables as at 31 December 2022 and 31 December 2021 are shown below:

(in thousands of Euro)	31.12.2022	31.12.2021
Foreign taxes	6,291	4,146
IRES (corporate income tax) – IRAP (regional income tax)	8,830	1,193

Tax receivables on investments	1,260	596
R&D&I Tax receivables	2,754	3,310
Miscellaneous tax receivables	2,660	258
INCOME TAX RECEIVABLES	**21,795**	**9,503**

The credit is mainly related to:

- IRAP and IRES advances were paid during the year in the amount of Euro 1,199 thousand and Euro 351, respectively;
- Tax receivables arising from the closure of the tax consolidation for the loss of control of Sestant S.p.A. amounting to Euro 5,414 thousand;
- Tax credits accrued by Kedrion S.p.A. in 2022 on R&D, technological innovation, digital and investment activities;
- Tax credits on the purchase of electricity and natural gas in the amount of Euro 2,644 thousand (the total credit amounted to Euro 3,476 thousand, of which Euro 832 thousand was offset during the year);
- The foreign subsidiaries Kedrion Biopharma Inc., Kedrion Mexicana and Prometic BioProduction and BPL mainly accrued tax receivables, whose contribution amounted to Euro 2,414 thousand.

6.4.13. OTHER CURRENT ASSETS

Other current assets as at 31 December 2022 and 31 December 2021 are detailed below:

(in thousands of Euro)	31.12.2022	31.12.2021
Receivables due from employees	252	208
Social security receivables	186	138
Other receivables	12,090	17,457
Other	269	230
VAT and other tax receivables	12,224	4,505
Insurance companies	846	458
Prepaid expenses	12,531	6,066
OTHER CURRENT ASSETS	**38,398**	**29,062**

These other current assets are deemed recoverable and therefore have not been impaired.
Other receivables include:

- the residual receivable from the previous parent company Sestant S.p.A. for Euro 1,484 thousands following the termination of the tax consolidation for the loss of control, which will be recovered with the company's tax profits;
- the receivable due from the Ministry of Economic Development for certain financed research projects in the amount of Euro 3,277 thousands;
  the receivable from the Italian Medicines Agency (AIFA) in the amount of Euro 650 thousand for the contribution recognised on certain research projects and investments made during the three years 2007-2009 on the Bolognana plant.

Prepaid expenses mainly refer to prepayments of fees, regulatory fees and other costs accruing in the following year.
BPL's contribution amounted to Euro 18,107 thousand

6.4.14. OTHER CURRENT FINANCIAL ASSETS

(in thousands of Euro)	31.12.2022	31.12.2021
Non-hedging derivative instruments	88	0
CEO loan	0	500
Deferrals and other financial assets	4,301	516
OTHER CURRENT FINANCIAL ASSETS	**4,389**	**1,016**

The item non-hedging derivatives relates to a derivative entered into by UNICAPlasma s.r.o..
The CEO loan, granted to the previous CEO for the subscription of an equity financial instrument, was repaid in 2022.
The Prepaid item expenses and other financial assets includes the loan from the BPL group granted to Hyatt for developing new plasma collection centres in the amount of Euro 4,258 thousands.
The current portion of bank charges advanced on the credit facilities available to the Parent Company was turned over to the income statement for the repayment of all existing indebtedness of the Group following the Permira Deal.

6.4.15. CASH AND CASH EQUIVALENTS

Details of the item as at 31 December 2022 and 2021 are shown below:

(in thousands of Euro)	31.12.2022	31.12.2021
Bank and postal deposits	109,521	123,374
Cash and other cash values	13,516	10,826
CASH AND CASH EQUIVALENTS	**123,037**	**134,200**

Liquid assets are unencumbered and not subject to disposal charges.
BPL's contribution amounted to Euro 47,881 thousands.

6.4.16. CAPITAL AND RESERVES

The capital of Kedrion S.p.A. was fully acquired by the company Kevlar S.p.A., domiciled in Italy and established by Kedrion Holding S.p.A., which holds 100% of the shares.

The changes in the Group's consolidated equity during the year ended 31 December 2022 thus relate to:

- Carry-over of the total profit realised as at 31 December 2021;
- Kevlar S.p.A. capital contribution reserve for Euro 385,575 thousands;
- Change in the translation reserve in the amount of Euro (27,219) thousands;
- IAS 29 translation reserve for Euro 1,978 thousands;
- IAS 19 reserve in the amount of Euro (311) thousands;
- Termination of the participative financial instrument for Euro (1,630) thousands.

The item Other reserves is mainly composed as follows:

- Kevlar S.p.A. capital contribution reserve of Euro 385,575 thousands;

- Reserve for future share capital increase of Euro 68,883 thousands, made in 2009 by the shareholders by waiving their financial receivable, including interest accrued up to the effective date of the reverse merger transaction;
- Extraordinary reserve in the amount of Euro 141,461 thousands;
- IAS 29 translation reserve for Euro 1,978 thousands;
- Capital contribution reserve made in 2012 by shareholders Sestant and Investitori Associati IV through the waiver of a financial receivable in the amount of Euro 5,000 thousands;
- Consolidation reserve arising from the contribution of Kedrion shares to Kedrion Group;
- Merger deficit generated by the reverse merger of Kedrion Group S.p.A. into Kedrion S.p.A. in 2014 in the amount of Euro 23,840 thousands;
- Consolidated retained earnings.

Minority interest in equity, amounting to Euro 6,376 thousands as at 31 December 2022, relates to the 40% minority interest held by Medici Pharma S.A.P.I. de C.V in Kedrion Mexicana, amounting to Euro 2,159 thousands and the 40% held by Betaphar İlaç San. ve Tic. A.Ş. for Euro 4,216 thousand.

Dividends paid and proposed

(in thousands of Euro)	31.12.2022	31.12.2021
Paid in the year	3,609	12,376
Proposed for approval at the Shareholders' Meeting (*)	0	0

(*) Not recognised as a liability as at 31 December.

Information on subsidiaries with significant minority interests is provided below:

Proportion of equity interests held by minority shareholders

Company name	Headquarters	2022	2021
Kedrion Mexicana	Mexico	40%	40%
Kedrion Betaphar	Turkey	40%	40%

The financial figures of subsidiaries with significant minority interests are shown below. This information is based on balance sheet balances before intercompany eliminations.

Income statement	Kedrion Mexicana		Kedrion Betaphar	
(in thousands of Euro)	2022	2021	2022	2021
Revenue	48,668	40,695	41,914	34,468
Cost of sales	(39,289)	(36,989)	(28,591)	(28,168)
GROSS MARGIN	**9,379**	**3,706**	**13,323**	**6,300**
Other revenues	134	40	572	146
General and administrative expenses	(700)	(648)	(2,319)	(1,282)
Sales and marketing expenses	(3,224)	(495)	(470)	(435)
Research and development expenses	0	0	0	0
Other operating costs	(323)	(203)	(60)	(104)

OPERATING PROFIT	**5,266**	**2,400**	**11,046**	**4,625**
Financial expenses	(1,620)	(822)	(4,626)	(14,862)
Financial income	3,419	1,691	3,682	2,607
PROFIT BEFORE TAX	**7,065**	**3,269**	**10,102**	**(7,630)**
Income Taxes	(1,900)	(1,163)	(2,093)	0
NET PROFIT FOR THE PERIOD	**5,165**	**2,106**	**8,009**	**(7,630)**
Total comprehensive profit/(loss) after tax	**5,165**	**2,106**	**8,009**	**(7,630)**
Attributable to minority interests	2,066	842	204	(3,052)
Dividends paid to minority shareholders	1,508	683	0	0

Statement of Assets and Liabilities	**Kedrion Mexicana**		**Kedrion Betaphar**	
(in thousands of Euro)	**2022**	**2021**	**2022**	**2021**
Property, plant and equipment and other non-current financial assets	795	484	8,913	4,820
Inventories	3,995	4,954	29	0
Trade receivables and other assets	16,611	19,649	1,721	1,340
Cash and cash equivalents	14,956	5,212	14,503	13,431
Payables to banks and other lenders	(84)	(100)	(27)	(1,356)
Trade and other payables	(30,813)	(27,797)	(13,174)	(18,817)
Loans and financing and deferred tax liabilities (non-current)	(42)	(59)	(1,425)	(420)
EQUITY	**5,419**	**2,343**	**10,543**	**(1,001)**
Attributable to:				
Shareholders of the Parent Company	3,259	1,414	6,327	(600)
Minority interests	2,159	929	4,216	(401)

6.4.17. FINANCIAL INDEBTEDNESS

On 31 August 2022, following the Permira Deal, the Kedrion Group extinguished its entire existing debt by issuing a loan by the parent company Kevlar S.p.A. of Euro 769.9 million, Permira's vehicle company for the acquisition of the Group.

The breakdown of the gross financial debt by type of instrument and divided into current and non-current portions as at 31 December 2022, compared to the figure as at 31 December 2021, is shown in the table below:

Gross financial Indebtedness	**2022**	**2021**

€/000	Current share	Share non-current	Total	Current share	Share non-current	Total
Bonds (Kedrion S.p.A.)	0	0	0	199,516		199,516
Bonds (Kedrion S.p.A.)	0	0	0		402,032	402,032
Total debts to bondholders	**0**	**0**	**0**	**199,516**	**402,032**	**601,548**
Kevlar loan	0	769,994	769,994	0	0	0
Simest loan	0	0	0	0	10,000	10,000
Total medium/long-term loans	**0**	**769,994**	**769,994**	**0**	**10,000**	**10,000**
Payables to leasing companies	2,437	2,507	4,944	3,041	4,980	8,021
Operating lease liabilities IFRS 16	15,920	146,196	162,116	9,684	102,469	112,153
Total lease payables	**18,357**	**148,703**	**167,060**	**12,725**	**107,449**	**120,174**
MEDIUM/LONG-TERM LOANS	**18,357**	**918,697**	**937,054**	**212,241**	**519,481**	**731,722**
Revolving credit facility KBI	0	0	0	17,265	0	17,265
Halk Bank Short-Term Loan	0	0	0	1,313	0	1,313
Bank advances on bills and invoices	30,160	0	30,160	18,595	0	18,595
Other Financial Payables	49,344	0	49,344	12,879	0	12,879
PAYABLES TO BANKS AND OTHER LENDERS	**79,504**	**0**	**79,504**	**50,052**	**0**	**50,052**
GROSS FINANCIAL DEBT	**97,861**	**918,697**	**1,016,558**	**262,293**	**519,481**	**781,774**

MEDIUM/LONG-TERM LOANS

In detail, the Group's medium/long-term debt amounts to Euro 937.1 million, of which Euro 918.7 million is non-current and Euro 18.4 million current.
Payables to the parent company Kevlar amounted to Euro 769.9 million. Payables related to leasing contracts amounted to Euro 167.1 million (of which Euro 162.1 million for IFRS 16 operating leases).

As at 31 December 2022, medium long-term loans were as follows:

Medium/ long-term loans as at 31.12.2022

(in thousands of Euro)	Payables to bondholders	Payables for leased assets	Due to banks and other payables	Total medium/long-term loans
Within 12 months	0	18,357	0	18,357
Current share	**0**	**18,357**	**0**	**18,357**
Within 24 months	0	17,117	0	17,117
Within 36 months	0	16,181	0	16,181
Within 48 months	0	14,787	0	14,787
Within 60 months	0	13,542	0	13,542

Beyond 60 months	0	87,076	769,994	857,070
Share non-current	**0**	**148,703**	**769,994**	**918,697**
TOTAL FUNDING	**0**	**167,060**	**769,994**	**937,054**
Amortised cost-effect	0	0	0	0
TOTAL MEDIUM/LONG-TERM LOANS	**0**	**167,060**	**769,994**	**937,054**

The following table shows the figures for loans granted to the Group:

Description	Expiry	Rate as at 31.12.2022	Residual as at 31.12.2022	Next year's quota	Share within 5 years	Share over 5 years
KEVLAR loan	31/08/2029	6.70%	769,994	0	0	769,994
Total medium/long-term loans			**769,994**	**0**	**0**	**769,994**

Payables to leasing companies include contracts entered into in the year ended 31 December 2022 for a total of Euro 251 thousand to finance capital expenditures. The interest rates charged on these loans align with market rates. For commitments on financial risks, see note 6.6.4.

NON-CURRENT PAYABLES TO BANKS AND OTHER LENDERS

This item includes short-term financial payables to banks for current account overdrafts and short-term lines, to factoring companies and other lenders, and the valuation at *fair value* of hedging derivatives.

The following table provides a breakdown of the current portion of this item for the years ended 31 December 2022 and 31 December 2021:

(in thousands of Euro)	31.12.2022	31.12.2021
Bank advances on bills and invoices	30,160	18,594
Payables to other lenders	41,372	6,946
Non-hedging derivative instruments	7,630	1,022
Payables to bondholders for interest	0	4,597
Revolving credit facility KBI	0	17,265
Halk Bank Short-Term Loan	0	1,313
Other Financial Payables	342	315
PAYABLES TO BANKS AND OTHER LENDERS	**79,504**	**50,052**

Payables to banks and other lenders, amounting to Euro 79,504 thousands, consist of current account overdrafts and short-term loans, as shown in the table above.
Payables to factoring companies represent payables to other lenders and include the payable for interest on the loan granted by the parent company Kevlar S.p.A. for Euro 4,632 thousand.
Non-hedging derivatives recognise the fair value valuation of FX contracts entered into for the purchase of currency by the BPL Group.

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The utilisation of the credit lines granted to the Parent Company by credit institutions as at 31 December 2022 was 75.53% of the total credit line, compared to 32.37% as at 31 December 2021.

INFORMATION IAS 7

Below is the table required by the amendments to IAS 7 with changes in liabilities related to financing activities, including both changes related to cash flows and non-cash changes:

(in thousands of Euro)	Value as of 01.01.2022	Cash flow	Compensation	Other non-monetary movements	Effect of exchange rate changes	Capex	Change in fair value	Value as of 31.12.2022
Bond loan New	402,032	0	(410,000)	7,968	0	0	0	0
Bond loan Old	199,516	(200,009)	0	493	0	0	0	0
BNL medium/long-term loan	0	180,000	(180,000)	0	0	0	0	0
Kevlar loan		85,652	735,099	0	(50,757)	0	0	769,994
Simest Loan	10,000	(10,000)	0	0	0	0	0	0
Other medium/long-term loan IFRS 16	112,153	(10,909)	0	30,498	4,282	26,092	0	162,116
Payables to financial leasing companies	8,021	(3,077)	0	0	0	0	0	4,944
Change in short-term financial liabilities	50,052	69,321	(50,443)	70,709	(60,135)	0	0	79,504
Change in short-term financial assets	(1,016)	(3,359)	(285)	271	0	0	0	(4,389)
Change in non-current financial assets	(6,475)	(2,054)	0	1,652	0	0	0	(6,877)
Total Liabilities from Loan Activities	**774,283**	**105,565**	**94,371**	**111,591**	**(106,610)**	**26,092**	**0**	**1,005,292**

6.4.18. NON-CURRENT PROVISIONS FOR RISKS AND CHARGES

A breakdown of this item as at 31 December 2022 is provided below, mainly due to the contribution of BPL in the amount of Euro 3,703 thousands (the item provisions/reclassifications includes this contribution, net of reclassification from medium/long-term to short-term in the amount of Euro 778 thousands):

(in thousands of Euro)	Value as of 31.12.2021	Changes in consolidation	Reclassification	Translation differences	Value as of 31.12.2022
Contractual risks for services	778	3,703	(778)	0	3,703
PROVISIONS FOR RISKS AND CHARGES	**778**	**3,703**	**(778)**	**0**	**3,703**

6.4.19. EMPLOYEE BENEFIT LIABILITIES

Liabilities for employee benefits as at 31 December 2022 amounted to Euro 3,587 thousand. In addition, they consisted of the Provision for Employee Severance Indemnity (TFR) due to the employees of Kedrion S.p.A., as provided for by Article 2120 of the Italian Civil Code in the amount of Euro 2,478 thousand.
From the point of view of recognition in the financial statements, the staff severance indemnity fund provided for by Article 2120 of the Italian Civil Code falls into the category of defined-benefit pension

plans, as it is considered a defined-benefit obligation and, as such, has been treated for accounting purposes in line with IAS 19, which requires the valuation of the relative liability based on actuarial techniques. The main assumptions adopted are summarised in the tables below:

Summary of Economic Technical Bases - Financial Assumptions	31.12.2022	31.12.2021
Annual discount rate	3.63%	0.98%
Annual inflation rate	2.30%	1.75%
Annual post-employment benefit increase rate	3.225%	2.8125%

Summary of demographic basics	Demographic assumptions
Death	Published RG48 mortality tables by the State General Accounting Office
Inability	INPS tables broken down by age and gender
Retirement	100% upon fulfilment of AGO requirements

Table of annual turnover and severance pay advances	31.12.2022	31.12.2021
Frequency of advances	2.00%	2.00%
Frequency of turnover	2.00%	2.00%

For the actuarial calculation, a discount rate determined regarding a basket of AA-rated corporate bonds (iBoxx Corporate AA index with duration 7-10) was used, as measured at the valuation date. For this purpose, the yield with a duration comparable to the duration of the group of workers being assessed was chosen.

The following table shows the changes for the periods ended 31 December 2022 and 31 December 2021 in the provision for termination indemnities:

(in thousands of Euro)	31.12.2022	31.12.2021
Present value of the bond at the beginning of the period	3,028	3,329
Financial burden	59	29
Benefits provided	(206)	(356)
Actuarial loss (gain) accounted	(403)	26
PRESENT VALUE OF THE OBLIGATION AT THE END OF THE PERIOD	**2,478**	**3,028**

Other liabilities for employee benefits amounted to Euro 1,109 thousands. They consisted mainly of a defined benefit plan relating to the Hungarian subsidiary and the contribution of the BPL Group in the amount of Euro 630 thousands.
The average number of Group employees expressed in terms of full-time equivalent persons is shown in the table below:

Staff - FTE	31.12.2022	31.12.2021
Total FTE (employees, temporary workers and outsourced)	4,849	2,563
Of which temporary workers at Kedplasma LLC	2	0
Of which temporary workers at Kedrion Biopharma	14	11

Of which temporary workers at Human Bioplazma	1	0
Of which at the commercial legal entities	0	5
Of which at Prometic BioProduction (PBP)	0	62
Of which at Group PBL	2,108	0

6.4.20. DEFERRED TAX LIABILITIES (NET)

The composition of net deferred tax assets and liabilities as at 31 December 2022 and 31 December 2021 is shown below:

(in thousands of Euro)	31.12.2022	31.12.2021
Deferred tax assets	58,459	19,805
Deferred tax liabilities	(90,082)	(9,796)
NET DEFERRED TAX ASSETS (LIABILITIES)	**(31,623)**	**10,009**

Tax assets and liabilities are recognised and measured separately and reported net in the balance sheet under the same conditions as prescribed by IAS 12.

Deferred tax assets as at 31 December 2022 and 2021 are detailed below:

(In thousands of Euro)	Taxable 2021	Total DTA 2021	Increase	Decrease	Taxable 2022	Total DTA 2022
Amortization of trademarks	762	184	-	(10)	752	181
Non-deductible interest expenses	7.260	1.742	33.293	-	40.553	9.733
ACE	-	-	2.798	-	2.798	672
FX rate adjustment	6	2	33.350	(6)	33.350	8.004
Provision for risks and charges	10.816	3.018	4.849	(9.059)	6.606	1.843
Inventory provision	2.020	485	1.317	(351)	2.986	717
Bad debt provision	-	-	338	-	338	81
TFR (IAS 19)	449	108	-	(449)	-	-
Reportable losses	-	-	43.924	-	43.924	10.542
Payback provision	-	-	1.301	-	1.301	312
Other temporary differences	317	76	177	(315)	179	43
TOTAL DEFERRED TAX ASSETS OF KEDRION S.P.A.	**21.630**	**5.615**	**121.347**	**(10.190)**	**132.787**	**32.128**
Elimination of intercompany profits	5.675	1.589	21.883	(5.675)	21.883	4.595
DTA in the subsidiary KBI (mainly reportable losses)	29.422	7.003	37.412	-	66.834	16.709
DTA in the subsidiary PBP	19.219	5.093	-	(5.403)	13.816	3.661
DTA other subsidiaries	1.951	505	4.397	-	6.348	1.365
TOTAL DEFERRED TAX ASSETS OF THE GROUP	**77.897**	**19.805**	**185.039**	**(21.268)**	**241.668**	**58.458**

Deferred tax liabilities as at 31 December 2022 and 2021 are detailed below:

(In thousands of Euro)	Taxable 2021	Total DTL 2021	Increase	Decrease	Taxable 2022	Total DTL 2022

FX rate adjustment	368	88	69.038	(368)	69.038	16.571
Dividend	100	24	73	(100)	73	17
TOTAL DEFERRED TAX LIABILITIES OF KEDRION S.P.A.	**468**	**112**	**69.111**	**(468)**	**69.111**	**16.588**
Temporary differences in net assets “RYPLAZIM”	18.730	4.761	-	(1.912)	16.818	4.244
Temporary differences in net assets “BPL Group”	-	-	290.923	-	290.923	55.275
Temporary differences in net assets “Unica”	-	-	6.828	-	6.828	1.297
Deferred tax liabilities in the subsidiary KBI	-	-	39.078	-	39.078	9.769
Deferred tax liabilities in the subsidiary PBP	4.068	4.068	2.350	-	6.418	1.733
Deferred tax liabilities in the subsidiary HBP	1.736	330	-	(1.736)	-	-
Deferred tax liabilities in the other subsidiaries	2.186	525	2.171	-	4.357	1.175
TOTAL DEFERRED TAX LIABILITIES	**27.188**	**9.796**	**410.461**	**(4.116)**	**433.533**	**90.081**
NET EFFECTS ON EQUITY		**10.009**				**(31.623)**

The deferred tax assets of the US subsidiary Kedrion Biopharma Inc. relate mainly to past losses.
The deferred tax liabilities of the subsidiary Prometic BioProduction (PBP) arise from the recognition of assets identified within the Purchase Price Allocation related to the Deal Ryplazim
Deferred taxes also include taxes arising from the recognition of assets identified in the Purchase Price Allocation of the BPL Group and the two Czech companies
There are no deferred taxes on undistributed profits of subsidiaries or other temporary differences that may arise.
Deferred tax assets are recognised to the extent that there will probably be adequate future taxable profits against which temporary differences and tax losses can be utilised. In this regard, the Group estimates the likely timing and amount of future taxable profits.

6.4.21. OTHER NON-CURRENT LIABILITIES

The following table provides a breakdown of this item for the years ended 31 December 2022 to 31 December 2021:

(in thousands of Euro)	31.12.2022	31.12.2021
Grants on investments	2,046	1,900
Hungarian grant on investments	453	466
Other liabilities	642	633
OTHER NON-CURRENT LIABILITIES	**3,141**	**2,999**

Other non-current liabilities relate to deferred income, mainly for public grants.
Deferred income on investment grants includes:

- The credit accrued on investments for expenses incurred in new capital goods instead of super depreciation and hyper depreciation. They represent the non-current portions of the same grants of future years that are recognised in the income statement on a straight-line basis over the expected useful life of the assets to which they relate;
- The residual amount of the capital contribution due under the programme agreements signed with the Agenzia Italiana del Farmaco (Italian Drug Agency) represents the portion of future years that will be charged to the income statement based on the useful life of the financed investments; the portion charged to the income statement during the year was Euro 30 thousand.

The non-current portion of the capital grant due under an agreement entered into by the Hungarian subsidiary HUMAN BioPlazma with the government to finance investments made in the production plant amounts to Euro 453 thousands.

6.4.22. CURRENT PROVISION FOR RISK AND CHARGES

(in thousands of Euro)	Value as of 31.12.2021	Reclassifications / Provisions	Uses / Translation Difference	Value as of 31.12.2022
Legal, contractual and tax disputes	16,444	26,429	(10,622)	32,251
CURRENT LIABILITIES AND CHARGES	**16,444**	**26,429**	**(10,622)**	**32,251**

Utilisations of Euro 10.6 million for the period mainly related to:

- The settlement of the overrun of the hospital expenditure ceiling by the pharmaceutical companies for the years 2019 and 2020, with the simultaneous payment of Euro 3.0 million and the short-term reclassification of the amount for the year 2021 for Euro 1.2 million;
- Settlement of the dispute with the supplier for damages suffered in connection with defective supplies (Euro 2.1 million);
- Partial release of the provision relating to an ongoing arbitration (Euro 2.3 million)
- Utilisation of contingent liabilities on administrative disputes (Euro 1.3 million)

The provision for the year, amounting to Euro 26.4 million, is mainly related to the following:

- Contingent liabilities on ongoing lawsuits, commercial and administrative disputes (Euro 16.9 million);
- Reclassification of the clawback tax liability in Romania and provision for penalties and interest (Euro 2.8 million);
- The BPL Group's contribution for contingent liabilities on commercial and administrative disputes amounted to Euro 5.4 million.

6.4.23. TRADE PAYABLES

Trade payables as at 31 December 2022 and 31 December 2021 are detailed below:

(in thousands of Euro)	31.12.2022	31.12.2021
National suppliers	40,068	37,106
Foreign suppliers	142,566	88,473
Invoices to be received	28,987	24,220
Advances to suppliers	522	(547)
Credit notes to be received	(1,219)	(1,095)
TRADE PAYABLES	**210,924**	**148,157**

Trade payables do not bear interest and are mostly settled at 60/90 days. This value includes payables related to the ordinary course of business by group companies, notably the purchase of raw materials, components, services and external processing.
The increase is mainly due to the phasing of purchases and investments in line with production needs and business plans.
The contribution of the BPL Group amounted to Euro 48,136 thousands.

6.4.24. CONTRACTUAL LIABILITIES

(in thousands of Euro)	31.12.2022	31.12.2021
Contractual liabilities	0	6,253
CONTRACTUAL LIABILITIES	**0**	**6,253**

The contractual liabilities that recognised the advance received from a customer for future plasma supplies under contractual agreements were settled in 2022.

6.4.25. INCOME TAXES PAYABLE

The balance of Euro 6,371 thousand as at 31 December 2022 represents the liability for current income taxes of the Parent Company and the foreign companies, mainly Kedrion Biopharma Gmbh, Kedrion Betaphar and Kedrion Mexicana and BPL Group (Euro 1,254 thousand), detailed as follows

(in thousands of Euro)	31.12.2022	31.12.2021
IRES (Corporate Income Tax)	2,939	0
IRAP (Regional Income Tax)	600	699
Other current taxes related to foreign companies	5,771	3,398
INCOME TAXES PAYABLE	**9,310**	**4,097**

6.4.26. OTHER CURRENT LIABILITIES

Other current liabilities as at 31 December 2022 and 31 December 2021 are detailed below:

(in thousands of Euro)	31.12.2022	31.12.2021
Payables to social security institutions	9,309	6,561
Payables to employees and collaborators	35,295	15,649
Payables to shareholders for dividends	972	4,992
Other debt	9,125	3,577
Accrued expenses	0	384
grants on investments	650	486
Hungarian grants on investments - current share	22	34
VAT	2,025	3,049
Tax with-holdings	5,531	5,717
OTHER CURRENT LIABILITIES	**62,929**	**40,449**

Amounts due to social security institutions mainly refer to contributions for December salaries and the fourteenth month's salary, accruals for unused holidays, company bonuses and accrued redundancy incentives.
Amounts due to employees include salaries and wages for December, severance pay due to employees who terminated their employment by 31 December, including the redundancy bonus, provisions for the 14th month's pay and accrued and untaken holiday days.

Payables to shareholders for dividends relate to the dividends of Kedrion Mexicana in the amount of Euro 972 thousands.

Other payables include the residual debt in Kedrion S.p.A. to the previous parent company Sestant S.p.A. in the amount of Euro 853 thousands following the termination of the tax consolidation due to the loss of control and the residual debt for the purchase of the shareholding in the Czech companies in the amount of Euro 616 thousands.
Investment grants refer to the short-term expenses incurred as investments in new capital goods instead of super- and hyper-amortisation.

The withholding tax liability mainly refers to withholding taxes on salaries for November and December and the 13th month's salary.

The BPL Group's contribution as at December 31, 2022 amounts to Euro 22,536 thousands, of which Euro 2,482 thousands was due to social security institutions and Euro 12,815 thousands to employees.

6.5. COMMENTS ON THE MAIN ITEMS IN THE CONSOLIDATED INCOME STATEMENT

6.5.1. REVENUE

In the years ended 31 December 2022 and 2021, revenues from customer contracts amounted to Euro 886,669 thousands and Euro 660,384 thousands, respectively.
As follows:

			31/12/2022		
REVENUES *(In thousands of Euros)*	**Plasma-derivatives**	**Plasma**	**Other assets**	**Elisions**	**Consolidated**
Type of goods and services					
Plasmaderivatives	821,647				821,647
Plasma		342,843		(296,059)	46,784
Other			18,238		18,238
Total revenues	**821,647**	**342,843**	**18,238**	**(296,059)**	**886,669**
Geographical area					
USA	419,682	140,586	1,195	(130,286)	431,177
Italy	81,876	68,030	12,310	(68,030)	94,186
Rest of the World	210,644	104,397	4	(75,901)	239,144
European Union	109,445	29,830	4,729	(21,842)	122,162
Total revenues	**821,647**	**342,843**	**18,238**	**(296,059)**	**886,669**
Timing of revenue recognition					
Assets transferred at a given time	746,591	342,843	12,666	(296,059)	806,041
Services transferred over a period of time	75,056		5,572		80,628
Total revenues	**821,647**	**342,843**	**18,238**	**(296,059)**	**886,669**

	31/12/2021				
REVENUES *(In thousands of Euros)*	**Plasma-derivatives**	**Plasma**	**Other assets**	**Elisions**	**Consolidated**
Type of goods and services					
Plasmaderivatives	595,989				595,989
Plasma		189,304		(142,343)	46,961
Other			17,433		17,433
Total revenues	**595,989**	**189,304**	**17,433**	**(142,343)**	**660,384**
Geographical area					
USA	246,715	124,807		(87,803)	283,718
Italy	96,683	42,683	13,455	(42,683)	110,139
Rest of the World	156,828	6,037	29		162,894
European Union	95,762	15,777	3,949	(11,856)	103,632
Total revenues	**595,989**	**189,304**	**17,433**	**(142,343)**	**660,384**
Timing of revenue recognition					
Assets transferred at a given time	525,597	189,304	13,496	(142,343)	586,054
Services transferred over a period of time	70,392		3,937		74,329
Total revenues	**595,989**	**189,304**	**17,433**	**(142,343)**	**660,384**

The Group operates in three business segments:

- The main one relates to the production and sale of plasmaderivatives, in particular, plasmaderivatives containing proteins extracted from human plasma such as albumin, immunoglobulins, standard and hyperimmune, and coagulation factors;
- The collection and sale of plasma collected at the Group's owned centres;
- Other activities include the distribution of non-plasma derived products.

The following is an analysis of revenues by business segment for the years ending 31 December 2022:

SEGMENT: "PRODUCTION AND SALE OF PLASMADERIVATIVES"

Revenues from the production and sale of the plasmaderivatives segment as at 31 December 2022 amounted to Euro 821.6 million (92.7% of the total) with a growth of 37.9%; the increase in the relative weight of this segment from 90.2% to 92.7% of the total is due both to endogenous growth factors of the existing structure (like for like +9.1%) and thanks to the inclusion of the BPL Group in the consolidation scope, which originated the rest.
Within the segment, the US plasmaderivatives market with the acquisition of BPL further increases its strategic relevance from 41% to 56% of the total turnover with a growth of 70% (the BPL Group is very focused on the US market. However, like-for-like growth still marks a remarkable 15%). The Rest of the World, with 34% growth, ranks second in terms of importance, reaching 28% of total

sales (27% like for like) due to both the Group's growing engagement in emerging markets (such as Turkey) considered to have high potential and the development of the plasma processing services business outside Italy.
Europe follows this with 15% of the global turnover, where the traditional markets (Germany, Austria and Poland) confirm their importance for the Group; finally, Italy, which, as better specified in the geographical breakdown of revenues, confirms the downward trend due to the lower volumes of plasma processing for the National Health System.
As anticipated above, in 2022, the plasma processing account service segment for foreign customers confirmed the growth trend started in 2021 by tripling its turnover to Euro 19.9 million, while the traditional processing account service for the Italian Health System while confirming its relevance with 7% of the segment's turnover confirmed its progressive decline.

SEGMENT: "COLLECTION AND SALE OF PLASMA"

Revenues from this segment as at 31 December 2022 amounted to Euro 46.8 million, substantially in line with the financial year 2021; the surplus of plasma available, due to the recovery of the volumes collected as a consequence of the progressive elimination of the Covid issues on the plasma collection activity, has been used intra-group in the Elstree plant, avoiding the need for third-party plasma purchases.

SEGMENT: "OTHER ACTIVITIES"

Revenues in this segment, which mainly relate to the sale of synthetic products, amounted to Euro 18.2 million as at 31 December 2022, an increase of 4.6% compared to 2021, due in particular to the inclusion of BPL (like-for-like growth came to 2.7%).
The main non-plasma-derived product is Nuwiq (recombinant factor VIII), which is distributed exclusively in Italy thanks to a 10-year agreement with Octapharma; sales of this product during the year ended Euro 11.1 million, down by about 4% compared to 2021, due to the switch of some patients to different treatment regimes and the increasing competitive pressure on the Hemlibra market. CERUS products (biomedical devices used for the viral inactivation of platelets and human plasma, exclusively distributed in Italy since 2017) see their importance in the segment profoundly reduced following the decision to discontinue the collaboration in 2023. Lastly, it should be noted that thanks to the agreement signed with Pharmacosmos, 2022 is also the year in which Monoferric (iron for intravenous administration) will be launched on the Italian market; sales began in May, and the product is confirming the expected growth trend with a good response from the market.
Thanks to the renewal of supply agreements in Europe and the USA, production for third parties increased by 41% from Euro 4 million in 2021 to Euro 5.6 million in 2022.

6.5.2. COST OF SALES

This item breaks down as follows:

	Year ended 31 December	
(in thousands of Euro)	**2022**	**2021**
Consumption of raw materials, accessories and consumables	375,701	317,000
External manufacturing services from third parties	29,562	36,629
Costs for services	86,343	43,971
Labour costs and related charges	144,972	87,685
Amortisation and depreciation	52,309	31,095
COST OF SALES	**688,887**	**516,380**

Cost of sales amounted to Euro 688,887 thousands for the financial year 2022, with a percentage of sales of 77.7% compared to 78.2% in 2021.
Consumption of raw materials, accessories and consumables includes the cost of plasma and all materials used during production. The cost of plasma remained high in 2022 despite the fading effects of the Covid-19 pandemic.
Costs for external processing are attributable to purification and packaging activities carried out at external plants and mainly refer to the Melville plant.
Service costs relate to plant maintenance and other third-party services related to production sites. The increase in 2022 is due not only to the contribution of the BPL Group but also to the increase in energy costs.

The increase of personnel cost and of the related expenses is mainly due to the inclusion of 4 months period of P&L arising from the consolidation of BPL entities.
The contribution of the BPL Group amounted to Euro 112,616 thousands.

6.5.3. OTHER INCOME

This item breaks down as follows:

	Year ended 31 December	
(in thousands of Euro)	**2022**	**2021**
Expense recoveries	1,681	2,043
Capital gain on sale of centres	4,031	23,957
Ryplazim Deal income	0	30,632
Insurance reimbursements	388	1,141
Grants for the year	6,291	4,874
Capital grants	789	486
Release of provisions	2,839	662
Services	264	20
Others	6,803	4,408
OTHER INCOME	**23,086**	**68,223**

The expense recoveries and insurance reimbursements relate to reimbursements and recovery of expenses obtained from suppliers and customers and to reimbursements on claims involving finished and intermediate products.
As described in Section 6.2.9, the sale of the U.S. plasma center in Westmoreland resulted in the recognition of a gain of about Euro 4.0 million.
According to the management, the transaction should be considered in the context of the Group's ordinary activity aiming to optimize its supply chain. Moreover, the capacity of plasma collection considered as a surplus is managed through the sale to third parties of the plasma in surplus or alternatively through the direct sale of the centers that least meet the Group's strategic objectives. Consistent with this assessment, the transaction, although it brought a significant effect on the result for the year, is not considered non-recurring and in the cash flow statement the flows it originated have been classified among those generated by operating activities.

Operating grants relate to extraordinary grants, in the form of tax credits, on the purchase of electricity and natural gas in the amount of Euro 3,475 thousands and to the tax credit accrued on R&D and technological innovation activities in the amount of Euro 2,816 thousands.

Equipment grants mainly refer to the year's portion of the grant disbursed by AIFA within the Programme Agreements in the amount of Euro 30 thousands and the year's portion of grants disbursed on capital expenditures for expenses incurred as investments in new capital goods instead of super depreciation and hyper depreciation in the amount of Euro 710 thousand.

The utilisation of funds shows the partial release of the provision related to an ongoing arbitration in the amount of Euro 2,256 thousands.

The item 'other' mainly includes refunds received from the US subsidiary related to sales taxes, refunds from suppliers and contingencies related to VAT recoveries from previous years.

6.5.4. GAIN ON BARGAIN PURCHASE

The item gain on bargain purchase refers to the bargain purchase arising from the Purchase Price Allocation executed on the acquisition of the BPL Group amounting to Euro 188,075 million. In 2021 this item referred to the bargain purchase arising from the Purchase Price Allocation executed on the Ryplazim transaction and amounting to Euro 18.1 million. See note 6.2.5 for more details.

6.5.5. GENERAL AND ADMINISTRATIVE EXPENSES

This item breaks down as follows:

	Year ended 31 December	
(in thousands of Euro)	**2022**	**2021**
Labour costs and related charges	47,692	33,844
Taxes and duties (excluding income tax)	4,283	1,228
Legal and administrative services	35,426	12,939
Emoluments and expenses of corporate bodies	1,671	2,078
Amortisation	27,198	12,124
General and administrative insurance	5,904	3,719
IT expenses	5,219	3,235
Postal and telephone charges	1,207	1,044
Leases and rentals	1,105	751
Services from third parties	9,620	6,588
Allocations	23,759	10,091
Other general and administrative services and costs	13,846	11,308
GENERAL AND ADMINISTRATIVE EXPENSES	**176,930**	**98,949**

The increase in general and administrative costs was mainly due to transaction costs and efficiency plans arising from the Permira Deal, which totalled Euro 40.6 million (of which Euro 23.9 million for the BPL Group), mainly related to the item legal and administrative services.

Depreciation and amortisation increased due to the higher values recorded on intangible assets in the PPA of BPL.

Provisions include increases in provisions for risks and charges, mainly related to lawsuits and commercial disputes of the parent company and US subsidiaries.

Other services and overheads include cleaning costs, membership fees to sector organisations and reimbursement of expenses.

Overall, the BPL Group's contribution amounted to Euro 42,137 thousand.

6.5.6. SALES AND MARKETING EXPENSES

Sales and marketing expenses are composed as follows:

	Year ended 31 December	
(in thousands of Euro)	**2021**	**2021**
Labour costs and related charges	21,744	16,534
Consulting	3,441	3,245
Commissions	6,373	7,718
Conferences and congresses	1,947	1,159
Advertising and propaganda	3,994	4,149
Amortisation	698	887
Others	28,253	16,613
SALES AND MARKETING EXPENSES	**66,450**	**50,305**

The increase sales and marketing expenses and is mainly due to the inclusion of 4 months period of P&L arising from the consolidation of BPL entities.

Sales and marketing expenses increased in 2022 as a consequence of the increase of the sales of plasmaderivatives and related commissions.

The item 'other' includes expenses for market research, commissions, transport costs on sales and annual membership fees in industry associations. In 2022, the item also includes the provision for contingent liabilities related to business licences.

The contribution of the BPL Group amounted to Euro 11,957 thousands.

6.5.7. RESEARCH AND DEVELOPMENT EXPENSES

This item breaks down as follows:

	Year ended 31 December	
(in thousands of Euro)	**2022**	**2021**
Labour costs and related charges	8,192	10,243
Consulting	3,380	3,368
Clinical studies	375	3,236

Amortisation	5,014	5,122
Others	8,858	690
RESEARCH AND DEVELOPMENT EXPENSES	**25,819**	**22,659**

The increase in research and development costs is mainly due to the costs incurred for the development of the US collection centres, which are included under other, which also includes costs for the purchase of materials for testing and services from third parties.
Please refer to the Management Report for more details on ongoing research projects.

The contribution of the BPL Group amounted to Euro 2,999 thousands.

6.5.8. OTHER OPERATING COSTS

This item breaks down as follows:

	Year ended 31 December	
(in thousands of Euro)	**2022**	**2021**
Labour costs and related charges	4,888	3,646
Counselling	959	451
Amortisation	221	179
Expenses for registered products	3,597	3,602
Others	1,088	477
OTHER OPERATING COSTS	**10,753**	**8,355**

The contribution of the BPL Group amounted to Euro 2,489 thousands.

BREAKDOWN OF EXPENDITURE BY NATURE AND PURPOSE

	Year ended 31 December	
(in thousands of Euro)	**2022**	**2021**
Purchases	404,307	302,795
Change in inventories	(68,700)	25,977
Services	276,959	159,974
Amortisation	85,440	49,407
Workforce costs	227,488	156,469
Costs for use of third-party assets	6,658	6,772
Provisions for risks	23,296	10,090
Other costs	13,391	2,662
TOTAL COSTS BY NATURE	**968,839**	**714,146**

Rentals and leases include costs for leases for which the underlying asset is a 'low-value asset', contracts that expire within 12 months from the date of transition or otherwise have a term of fewer than 12 months, 'short-term leases' and costs for services related to leases for which IFRS 16 has been applied for the portion of the lease of the asset.

	Year ended 31 December	
(in thousands of Euro)	**2022**	**2021**
Cost of sales	688,887	516,380
General and administrative expenses	176,930	98,949
Sales and marketing expenses	66,450	50,305
Research and development expenses	25,819	40,157
Other operating costs	10,753	8,355
TOTAL EXPENDITURE BY DESTINATION	**968,839**	**714,146**

6.5.9. FINANCIAL EXPENSES AND REFINANCING EXPENSES

Financial expenses as at 31 December 2022 and 31 December 2021 are detailed in the table below:

	Year ended 31 December	
(in thousands of Euro)	**2022**	**2021**
Bank interest expense	4,051	2,328
Interest to bondholders	11,066	16,586
Interest to parent company	16,981	665
Net actuarial interest	551	3,670
Financial expenses on derivative instruments	0	6,507
Financial expenses on leasing contracts	6,610	5,097
Others	4,871	6,951
FINANCIAL EXPENSES	**44,130**	**41,804**

FINANCIAL EXPENSES FROM REFINANCING	**23,166**	**0**

Financial expenses mainly include interest on the new loan granted by the parent company Kevlar S.p.A. in the amount of Euro 16,981 thousands and interest on the bonds granted to the Group up to the date of early redemption of the Bond.
The contribution of the BPL Group amounted to Euro 915 thousands.

Financial expenses related to the refinancing transaction, not included in the table above, amount to Euro 23,166 thousands and refer to the premium paid for the early redemption of the Bond and the release of the amortised cost.

6.5.10. FINANCIAL INCOME

This item is broken down as in the table below.

	Year ended 31 December	
(in thousands of Euro)	**2021**	**2021**
Interest income	455	806

IAS 29	2,423	0
Financial income from derivatives	88	0
FINANCIAL INCOME	**2,966**	**806**

Financial income recognises the impact of applying IAS 29 in the subsidiary Kedrion Betaphar. The contribution of the BPL Group amounted to Euro 150 thousands.

6.5.11. NET FOREIGN EXCHANGE GAIN

	Year ended 31 December	
(in thousands of Euro)	**2022**	**2021**
Foreign currency rate gains	103,918	30,604
Losses on foreign exchange	41,674	19,769
NET FOREIGN EXCHANGE GAIN	**62,244**	**10,835**

The change is mainly due to currency fluctuations, the new loan signed with the parent company Kevlar for Euro 50,757 thousands, and exchange rate differences arising from intercompany items. The BPL Group contributes a total of Euro 5,700 thousands.

6.5.12. INCOME TAXES

Income taxes as at 31 December 2022 amounted to Euro 3,474 thousands and are composed as follows:

	Year ended 31 December	
(in thousands of Euro)	**2022**	**2021**
Current tax liabilities	10,096	10,642
Deferred taxes	(6,622)	(2,360)
INCOME TAXES	**3,474**	**8,282**

Current tax liabilities are accrued on profits for the year. They are mainly attributable to the parent company Kedrion SpA and the subsidiaries Kedrion Biopharma Gmbh, Kedrion Mexicana and Kedrion Betaphar.

The income before income taxes, the provision for income taxes for the years ended 31 December 2022 and 2022, and the reconciliation of the theoretical tax rate to the effective tax rate resulting from the Consolidated Financial Statements are shown in the table below:

	Year ended 31 December	
(in thousands of Euro)	**2022**	**2021**
Income before taxes	126,905	19,895
IRES rate in force for the financial year	24%	24%
Theoretical tax burden	**30,457**	**4,775**
IRAP (Regional Income Tax)	0	600

Non-deductible costs	2,979	2,423
Non-accounting tax deductions	(3,171)	(11,030)
Other variances	2,939	0
Adjustments	0	100
Tax Credit	138	286
Different theoretical tax rates affect foreign subsidiaries	(29,869)	11,128
Total differences	**(26,984)**	**3,507**
TOTAL TAXES FROM INCOME STATEMENT	**3,473**	**8,282**
Effective tax rate	**3%**	**42%**

6.6. OTHER INFORMATION

6.6.1. OPERATING SEGMENTS

The Group provides segment reporting. The operating segment is based on the Group's management structure and internal reporting system. The segment's results include elements attributable to a segment directly and through reasonable allocation to costs typical to several segments. Sectoral revenues, expenses and results include transfers between sectors. These transactions are eliminated on consolidation. Intra-group transfer prices are set similarly to those for transactions with third parties. The Group also provides information on geographical areas.

The Group operates in three operating segments:

- The main segment related to the production and sale of plasmaderivatives, in particular, medicinal products derived from proteins extracted from human plasma such as albumin, immunoglobulins, standard and hyperimmune, and coagulation factors;
- The collection and sale of plasma collected in the Group's own centres;
- Other activities include the contract manufacturing of intermediates and other products and the distribution of other non-plasma derived products, including the recombinant factor VIII, which benefit from the strong positioning of Kedrion's distribution network.

The Group operates globally by segmenting its markets into four geographical macro-areas: 'Italy', 'European Union', 'USA' and 'Rest of the World'.
Sales to external customers are based on the geographical location of those customers.
Intersegment revenues from the 'Plasma' segment are realised towards the 'Plasmaderivatives' segment.
Information on the operating segments as at 31 December 2022 and 2021 is provided below:

	YEAR ENDING 31.12.2022				
(in thousands of Euro)	**Plasma-derivatives**	**Plasma**	**Other assets**	**Elisions**	**Consolidated**
Revenues from third parties	821,647	46,784	18,238		886,669
Intersectoral revenues		291,342		(291,342)	0
TOTAL REVENUES	**821,647**	**338,126**	**18,238**	**(291,342)**	**886,669**
COST OF SALES	**647,098**	**319,646**	**13,484**	**(291,342)**	**688,887**

GROSS MARGIN	**174,549**	**18,480**	**4,754**	**0**	**197,782**
% OF REVENUES	**21.24%**	**5.47%**	**26.06%**		**22.31%**
Other revenues	17,015	6,071			23,086
Gain on bargain purchase					188,075
Operating costs					279,952
OPERATING PROFIT					**128,991**
Net financial expenses					2,086
PROFIT BEFORE TAXES					**126,905**
Income taxes					3,474
NET PROFIT FOR THE PERIOD					**123,431**

YEAR ENDING 31.12.2021

(in thousands of Euro)	Plasma-derivatives	Plasma	Other assets	Elisions	Consolidated
Revenues from third parties	595,989	46,961	17,433		660,384
Intersectoral revenues		142,343		(142,343)	0
TOTAL REVENUES	**595,989**	**189,304**	**17,433**	**(142,343)**	**660,384**
COST OF SALES	**467,916**	**178,904**	**11,903**	**(142,343)**	**516,380**
GROSS MARGIN	**128,073**	**10,400**	**5,531**	**0**	**144,004**
% OF REVENUES	**21.49%**	**5.49%**	**31.72%**		**21.81%**
Other income	79,536	24,284			103,820
Gain on bargain purchase					18,099
Operating costs					197,766
OPERATING PROFIT					**50,058**
Net financial expenses					30,163
PROFIT BEFORE TAXES					**19,895**
Income taxes					8,282
NET PROFIT FOR THE PERIOD					**11,613**

Assets and liabilities as at 31.12.2022					
(in thousands of Euro)	Plasma-derivatives	Plasma	Other assets	Not allocated	Consolidated
Operational activities	657,431	67,745	6,687	1,609,324	2,341,187
Operating liabilities allocated to sectors	168,474	39,369	3,082	1,161,630	1,372,554
Other segment information for the year ending 31.12.2022					
Investments in intangible assets	13,176	3,216	0	0	16,392
Investment in property, plant and equipment allocated to sectors	42,417	10,390	0	0	52,807
Investments in rights of use	12,222	21,815	0	0	34,037
Amortisation and depreciation of intangible and tangible assets allocated to sectors	70,777	14,663	0	0	85,440

Assets and liabilities as at 31.12.2021					
(in thousands of Euro)	Plasma-derivatives	Plasma	Other assets	Not allocated	Consolidated
Operational activities	397,731	29,988	5,968	1,054,459	1,488,146
Operating liabilities allocated to sectors	114,320	29,619	4,218	853,691	1,001,848
Other segment information for the year ending 31.12.2021					
Investments in intangible assets	49,785	10,560	0	0	60,345
Investment in property, plant and equipment allocated to sectors	38,779	4,270	0	0	43,049
Investments in rights of use	4,691	33,111	0	0	37,802
Amortisation and depreciation of intangible and tangible assets allocated to sectors	40,335	9,072	0	0	49,407

6.6.2. TRANSACTIONS WITH RELATED PARTIES

The following tables provide details of transactions and balances with related parties for the years ended 31 December 2022 and 2021. The companies listed have been identified as related parties insofar as they are directly or indirectly related to the shareholders of reference.

YEAR ENDING 31.12.2022

(in thousands of Euro)	Revenue	Cost of sales	General and administrative expenses	Sales and marketing expenses	Research and development expenses	Other operating costs	Financial (charges) / income
Kevlar S.p.A.	0	0	0	0	0	0	4,632
Kedrion Holding S.p.A.	0	0	2	0	0	0	0
Il Ciocco S.p.A.	0	1	562	82	1	4	0
Shaner Ciocco S.r.l.	0	0	47	11	0	0	0
Ancora S.r.l.	0	0	34	0	33	66	0
Borgo Ai Conti Srl	0	0	90	0	0	0	0
Tissuelab Srl	2,211	0	0	449	0	0	0
Fondazione Campus	0	0	217	0	0	0	0
Il Ciocco International Travel Service S.r.l.	0	3	912	1	2	1	0
Maggio Re S.r.l.	0	0	975	96	144	100	0
Tecno Servizi S.r.l.	0	139	0	0	13	0	0
Tecno Immobiliare S.r.l.	0	98	19	0	15	0	0
Validations and Technical Serv. S.r.l.	0	1334	21	0	492	0	0
VTS USA Inc.	0	185	0	0	0	0	0
Studio Di Tanno	0	0	76	0	0	0	0
TOTAL	**2,211**	**1,760**	**3,056**	**639**	**700**	**171**	**(4,632)**
GROUP TOTAL	**886,669**	**688,887**	**176,936**	**66,450**	**25,819**	**10,753**	**(44,130)**
% Incidence	**0.2%**	**0.3%**	**1.7%**	**1.0%**	**2.7%**	**1,6%**	**10.5%**

YEAR ENDING 31.12.2021

(in thousands of Euro)	Revenue	Cost of sales	Ancillary expenses general and administrative	Sales and marketing expenses	Research and develop-ment expenses	Other operating costs	Financial (charges) / income
Il Ciocco S.p.A.	0	2	241	0	2	4	0
Shaner Ciocco S.r.l.	0	1	36	13	0	0	0
Ancora S.r.l.	0	0	31	0	31	61	0
Borgo Ai Conti Srl	0	0	90	0	0	0	0
Tissuelab Srl	6,200	0	1	460	0	0	0
Fondazione Campus	0	0	350	45	0	0	0
Il Ciocco International Travel Service S.r.l.	0	0	961	0	0	0	0
Maggio Re S.r.l.	0	0	935	93	135	95	0
Tecno Servizi S.r.l.	0	117	1	20	0	0	0
Tecno Immobiliare S.r.l.	0	104	91	16	15	0	0

Validations and Technical Serv. S.r.l.	0	990	79	0	438	0	0
VTS USA Inc.	0	225	0	0	0	0	0
Paola Pardini	0	0	63	0	0	0	0
Refin srl	0	0	271	0	0	0	0
Luca Ungarelli	0	0	100	0	0	0	0
TOTAL	**6,200**	**1,439**	**3,250**	**647**	**621**	**160**	**0**
GROUP TOTAL	**660,384**	**516,380**	**98,948**	**50,305**	**40,157**	**8,355**	**0**
% Incidence	**0.94%**	**0.28%**	**3.28%**	**1.29%**	**1.55%**	**1.92%**	**0**

	31.12.2022				
(in thousands of Euro)	**Financial receivables**	**Loans**	**Financial payables**	**Payables**	**CAPEX**
Kevlar S.p.A.	0	0	774,626	2,536	0
Kedrion Holding S.p.A.	0	0	0	2	0
Il Ciocco S.p.A.	120	0	0	167	0
Shaner Ciocco S.r.l.	0	0	0	18	0
Ancora S.r.l.	0	0	0	15	0
Borgo ai Conti S.r.l.	0	0	0	37	0
Tissuelab Srl	0	6,165	0	0	0
Fondazione Campus	0	0	0	117	0
Il Ciocco International Travel Service S.r.l.	0	0	0	209	0
Maggio Re S.r.l.	65	0	0	142	0
Tecno Servizi S.r.l.	1	0	0	48	3
Tecno Immobiliare S.r.l.	60	0	0	0	0
Validations and Technical Serv. S.r.l.	0	0	0	672	759
VTS USA inc.	0	0	0	121	79
Sestant Spa	0	1,484	0	847	0
Studio Di Tanno	0	0	0	79	0
Studio Giliberti	0	0	0	6	0
TOTAL	**246**	**7,649**	**774,626**	**5,010**	**841**
GROUP TOTAL	**134,303**	**196,047**	**1,016,558**	**276,994**	**72,574**
% Incidence	**0.18%**	**3.90%**	**76.20%**	**1.81%**	**1.16%**

	31.12.2021				
(in thousands of Euro)	Financial receivables	Loans	Financial payables	Payables	CAPEX
Il Ciocco S.p.A.	120	0	0	101	0
Shaner Ciocco S.r.l.	0	0	0	15	0
Ancora S.r.l.	0	0	0	5	0
Borgo ai Conti S.r.l.	0	0	0	37	0
Tissuelab Srl	0	9,705	0	211	0
Fondazione Campus	0	0	0	250	0
Il Ciocco International Travel Service S.r.l.	0	0	0	245	0
Maggio Re S.r.l.	65	0	0	129	0
Tecno Servizi S.r.l.	1	0	0	38	40
Tecno Immobiliare S.r.l.	60	0	0	0	0
Validations and Technical Serv. S.r.l.	0	0	0	570	1,004
VTS USA inc.	0	0	0	139	76
Sestant Spa	0	12,994	0	2,159	0
Paola Pardini	10	0	0	0	0
Refin S.r.l.	0	0	0	115	0
Luca Ungarelli	0	0	0	71	0
TOTAL	**256**	**22,699**	**0**	**4,085**	**1,120**
GROUP TOTAL	**7,471**	**133,384**	**781,774**	**155,690**	**88,562**
% Incidence	**3.43%**	**16.99%**	**0**	**2.62%**	**1.26%**

Details for each related party for the year 2022 are set out below:

- Kevlar S.p.a: Payables relate to interest on loans;
- Kedrion Holding S.pa: The costs relate to expenses recharged;
- Il Ciocco S.p.a: costs mainly relate to the rental of real estate for Euro 13 thousand, various surveillance and maintenance services for Euro 201 thousands, hospitality services for Euro 27 thousand, utilities for Euro 400 thousands. Payables and receivables are commercial and relate to the services indicated above;
- Shaner Ciocco S.r.l: costs are mainly related to hotel and entertainment expenses for Euro 58 thousand . The payables are commercial and relate to the services indicated above;
- Ancora S.r.l.: costs relate to the rental of a building for office use in Rome in the amount of Euro 133 thousand;
- Borgo Ai Conti S.r.l.: costs are related to lease rentals of a building for office use in Lucca for Euro 90 thousand;
- Tissuelab S.r.l.: revenues for Euro 2,111 thousands are related to the sale of products, while costs for Euro 449 thousands are related to service expenses for the distribution of the recombinant factor VIII. Payables and receivables are commercial and refer to them;

- Fondazione Campus Studi del Mediterraneo: costs relate to training courses for managers and middle managers of Kedrion S.p.A., consultancy, translations and language courses amounting to Euro 217 thousand. The payables are commercial and relate to the services indicated above;
- Il Ciocco Travel S.r.l: costs are mainly related to helicopter transport services for approximately Euro 723 thousand, and transfer services for a total of Euro 175 thousand as well as car fleet management and rental for Euro 12 thousand and luxury taxes for Euro 9 thousand. The payables are commercial and relate to the services indicated above;
- Maggio Re S.r.l: relate to rentals, for Euro 1,315 thousand, for the lease of certain office buildings;
- Tecno Servizi S.r.l: costs related to construction work, plant maintenance for Euro 155 thousand, of which Euro 3 thousand to investments;
- Tecno Immobiliare S.r.l: costs related to the leasing of real estate in the amount of Euro 132 thousand; receivables are related to security deposits;
- VTS S.r.l: costs of Euro 2,606 thousand relate to costs for type approvals and validations, maintenance of US plasma collection facilities and centres, of which of which Euro 759 thousand to investments;
- VTS Inc: costs are related to validation and maintenance services of plasma collection centres;
- VTS USA Inc: costs relate to approvals and validations performed at US plasma collection centres for Euro 185 thousand plus investments of Euro 79 thousand;
- Sestant S.p.a: payables and receivables arising from the termination of the tax consolidation;
- Studio Di Tanno: the costs relate to tax assistance.

Remuneration paid to executives with strategic responsibilities, on an annual basis, in the year 2022 amounted to Euro 4,663 thousands, while those paid to other members of the Marcucci family for services amounted to Euro 345 thousands.

6.6.3. REMUNERATION OF DIRECTORS, STATUTORY AUDITORS AND INDEPENDENT AUDITORS (ON AN ANNUAL BASIS)

DIRECTORS' FEES

Name and surname	Position	Remuneration (values in Euro)	Bonuses and other remuneration (values in Euro)	Total fees (values in Euro)
Paolo Marcucci [1]	Chairman and CEO	705,530	36,000	741,530
Ugo Di Francesco [2]	Managing Director	6,452	0	6,452
Andrea Marcucci [3]	Director	20,000	0	20,000
Marialina Marcucci [3].	Director	368,915	*0*	368,915
Emiliano Ravati [3]	Director	20,000	0	20,000
Barnaba Ravanne [3]	Director	20,000	0	20,000
Giacomo Tofani [3]	Director	20,000	0	20,000
Giovanni Zetti [3]	Director	20,000	0	20,000
Fabrizio Redaelli [3].	Director	20,000	0	20,000
Remo Grassi [3]	Director	20,000	0	20,000
Luca Ungarelli [3]	Director	20,000	0	20,000

Alessandro Curotti [4]	Director	0	0	0
Federico Latini [5]	Director	0	0	0
TOTAL		**1,240,897**	**36,000**	**1,276,897**

1. Chief Executive Officer until 08 January 2023
2. In charge since 20 December 2022
3. In charge until 31 August 2022
4. In charge from 31 August 2022 until 1 December 2022
5. In charge from 31 August 2022

REMUNERATION OF THE BOARD OF STATUTORY AUDITORS

Name and surname	Position	Remuneration (values in Euro)	Total fees (values in Euro)
Giuseppe Galeano [1]	President	23,333	23,333
Francesco Cirillo [1]	Statutory auditor	18,333	18,333
Fabrizio Cerbioni [1]	Statutory auditor	18,333	18,333
Luca Michele Debernardi [1]	Statutory auditor	18,335	18,335
Massimo Caramante [1]	Statutory auditor	18,333	18,333
Tommaso Di Tanno [2]	President	13,333	13,333
Giuseppe Galeano [2]	Statutory auditor	10,000	10,000
Stefano Massarotto [2]	Statutory auditor	10,000	10,000
TOTAL		**130,000**	**130,000**

1. In charge until 31 August 2022
2. In charge from 31 August 2022

AUDITING COMPANY E&Y AND OTHER GROUP AUDITORS FEES

(in thousands of Euro)	2022
Statutory audit of the Parent Company's annual accounts (*)	197
Audit of subsidiaries (*)	982
Other services (**)	72
TOTAL	**1,250**

(*) Includes PPA review and review of the opening balances
(**) Relating mainly to the limited audit of the half-yearly report and other assurance services

6.6.4. FINANCIAL RISK MANAGEMENT

FOREIGN EXCHANGE RATE RISK

The Group operates internationally and is therefore exposed to the exchange rate risk arising from the different currencies in which it operates. Exposure to foreign exchange risk arises from commercial and financial transactions in currencies other than the accounting currency. The main currencies generating FX risk are the US dollar, the British pound, the Hungarian forint, the Ruble, the Turkish lira and the Mexican peso. The sensitivity analysis assessed the Group's exposure to exchange rate risk by assuming reasonably possible changes in the above exchange rates against the Euro. The following tables show the impact on Profit before tax due to changes in the fair value of current assets and liabilities, the Bridge loan, with all other variables held constant. In addition to current assets and liabilities of a commercial nature, items of a financial nature have been included,

represented mainly by balances of intra-group financial receivables and payables in currencies other than the accounting currency.

as of 31/12/2022		
CCY	FX variation %	Impact on profit before taxes (in thousand of Euro)
USD	revaluation 10%	(48.485)
	devaluation 10%	36.425
GBP	revaluation 10%	(1.753)
	devaluation 10%	2.143
HUF	revaluation 10%	2.202
	devaluation 10%	(1.801)
RUB	revaluation 10%	939
	devaluation 10%	(769)
TRY	revaluation 10%	1.379
	devaluation 10%	(1.128)
MXN	revaluation 10%	2.014
	devaluation 10%	(1.881)

INTEREST RATE RISK

The Group has an outstanding bridge loan for a total of USD 865.0 million at a fixed rate fully drawn down and an RCF for an equivalent amount of Euro 175.0 million at a variable rate, respectively maturing in August 2029 and March 2029.

At 31 December, the company was hedged against interest rate risk for 100% of its total long-term exposure. The interest rate risk to which the Group is exposed is, therefore, limited to short-term loans, the rates of which are defined for each use based on the market conditions at the specific time.

The Group monitors financial market conditions on interest rates to further assess hedging opportunities to reduce risk exposure further.

LIQUIDITY RISK

The Parent Company manages liquidity risk by closely controlling the elements that make up the net operating working capital and maintains an adequate level of cash and cash equivalents and funds obtainable through financing made available by various banking institutions. As at 31 December 2022, the Group controlled by the parent company Kedrion Holding S.p.A. had cash and cash equivalents of Euro 163.7 million, of which Euro 123,0 related to the Kedrion Group, and available and undrawn credit lines of which for Euro 175.0 million for RCF line provided by a pool of banks and Euro 11.0 million for short term credit line.

To make the management of cash flows more efficient, avoid the dispersion of liquidity, and minimise financial expenses, the Group has also adopted systems of concentration and centralised management of the liquidity of the main Group companies (cash pooling) Kedrion S.p.A. accounts.

(in thousands of Euro)	On demand	Less than 3 months	From 3 to 12 months	From 1 to 5 years	Over of 5 years	Total
Financial loans	693	34,154	63,015	61,627	857,069	**1,016,558**

Trade payables and other payables	32,265	92,252	110,729	50,219	839	**286,304**
TOTAL	**32,958**	**126,406**	**173,744**	**111,846**	**857,908**	**1,302,862**

For more details on the maturity profile (so-called maturity analysis) of medium/long-term loans, see Note 6.4.17.

CREDIT RISK

The majority of the Group's European receivables are due from hospitals and other public entities, whose solvency is considered reasonably certain and on which the Group has never recognised any losses on receivables, except for the waiver of interest on arrears. Similarly, receivables from US customers, given the very short payment terms and the financial solidity demonstrated by the customers themselves, are considered reasonably certain and solvent. The residual receivables are mainly from foreign customers (Middle East, Asia, Africa and South America) with established relationships and long-term collaborations. In addition, all loans are constantly monitored by a recently implemented dedicated central structure capable of preventing exposures that are not in line with the Group's policies, such as unauthorised shipments in the presence of overdue positions or excess commercial credit lines granted. The Group considers its credit risk management policies to be adequate with the degree of risk of insolvency of its customers.

The following tables provide a breakdown of trade receivables for the years ended 31 December 2022 and 2021:

Trade receivables		
(€/000)	**Year ended 31 December 2022**	
Gross trade receivables	168,266	107%
Provision for bad debts	(11,731)	(7%)
Trade receivables	**156,535**	**100%**
Undue	122,778	78%
Expired within 60	15,593	10%
Expired 61-120 days	2,609	2%
Expired 121-180 days	3,583	2%
Expired 181-240 days	2,452	2%
Expired 241-360 days	5,277	3%
Overdue more than 365 days	4,243	3%
Net trade receivables	**156,535**	100%

Trade receivables		
(€/000)	**Year ended 31 December 2021**	
Gross trade receivables	142,947	100%
Provision for bad debts	(9,593)	(7%)
Trade receivables	**133,354**	**93%**
Undue	80,557	61%

Expired within 60	19,933	15%
Expired 61-120 days	6,668	5%
Expired 121-180 days	2,910	2%
Expired 181-240 days	4,926	4%
Expired 241-360 days	15,559	11%
Overdue more than 365 days	2,800	2%
Net trade receivables	**133,354**	**100%**

CAPITAL MANAGEMENT POLICY

The primary objective of the Group's capital management is to ensure that adequate levels of capital indicators are maintained to support the business. The Group manages the capital structure and modifies it according to changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividends paid to shareholders, redeem capital or issue new shares.
The Group verifies its capital using a debt-to-capital ratio, i.e. net debt to total capital plus net financial position. Please refer to the management report for further details on financial debt and the debt-to-equity ratio.

FINANCIAL ASSETS AND LIABILITIES

All of the Group's financial instruments are recorded in the balance sheet at a book value that is not different from fair value.

6.6.5. COMMITMENTS AND RISKS

They include sureties, guarantees and third-party assets at the Group. For the years ended 31 December 2022 and 2021, they are summarised as follows:

	Year ended 31 December	
(in thousands of Euro)	**2022**	**2021**
Risks	**56,388**	**56,515**
- Sureties	52,025	52,025
- Guarantees	4,363	4,490
Third-party assets held by the Group	9,228	9,228
TOTAL	**65,616**	**65,743**

RISKS

As at 31 December 2022, the risks consisted of sureties granted for participation in public tenders in the amount of Euro 24,820 thousand and other insurance sureties granted in favour of public entities in the amount of Euro 3,837 thousand. Endorsement guarantees are issued to support foreign business activities, mainly for supply contracts and lease agreements.

THIRD-PARTY ASSETS IN THE GROUP

They refer entirely to third-party assets within the Group relating mainly to Italian plasma processing activities carried out by Kedrion on behalf of the Italian Regions.

COMMITMENTS

There are no commitments for the Group.

6.6.6. DIVIDEND POLICY

Pursuant Article 29.3 of Kedrion S.p.A.'s Articles of Association, the net profits resulting from the financial statements duly approved by the Shareholders' Meeting shall be allocated as follows: a) at least 5% to the legal reserve fund until this has reached one-fifth of the share capital; the remainder to dividend distribution and the extraordinary reserve.

6.6.7. SUBSEQUENT MAIN EVENTS

In line with the corporate integration and simplification programme, the merger of BPL Plasma Inc. into Kedplasma LLC was executed on 31 December 2022, effective for accounting purposes from 01/01/2023. The corporate integration is preparatory to harmonising software systems functional to plasma collection and other synergies foreseen in the deal plan.
On 28 February 2023, the 35 limited liability companies that were part of the BPL Plasma Group, then merged into Kedplasma through a merger at the end of 2022, were merged by incorporation into Kedplasma LLC. Although substantially non-operational and fiscally transparent, these companies were merged to simplify the corporate chain. Registration and deregistration activities to reflect the new post-merger configuration in the various US states are ongoing at the date.

On March 24, 2023, the Board of Kedrion Betaphar approved the establishment of a new wholly owned subsidiary, intended to take over BPL's business in the Turkish market (Factor 8Y, Zenalb, Replenine, Coagadex and Optivate).

On April 6, 2023, the Board of Kedrion SpA approved the merger by incorporation of Unica Plasma s.r.o. and Unica Plasma Morava s.r.o. in order to rationalize and simplify the corporate structure in the Czech Republic.

There are no other subsequent events of significance and/or impacting the 2022 financial statements.

6.6.8. INFORMATION UNDER LAW 124/2017

In 2022, there were no public contributions granted to the Parent Company:

Castelvecchio Pascoli, 06 April 2023

For the Board of Directors
The Chief Executive Officer
Ugo Di Francesco

KEDRION
BIOPHARMA

KEDRION GROUP
Headquarters in LOC. AI CONTI - 55051 CASTELVECCHIO PASCOLI (LU)
Share Capital Euro 60,453,901 - Fully Paid-up