

KEDRION

B I O P H A R M A

KEDRION GROUP
CONSOLIDATED FINANCIAL STATEMENT
AS OF 31 MARCH 2023

KEDRION S.p.A.

Joint-stock company

Share Capital 60,453,901,00 Euro fully paid up

Registered office: Località Ai Conti - Castelvecchio Pascoli - 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

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>(in thousands of Euro)</i>	31/03/2023	31/12/2022
ATTIVITA' NON CORRENTI		
Property, plant and equipment	549,213	559,624
Investments property	2,290	2,338
Goodwill	287,583	289,692
Rights of use	158,637	153,789
Intangible fixed assets with a finite useful life	393,636	403,725
Other non-current financial assets	3,914	6,877
Income tax receivables	1,545	4,546
Other non-current assets	961	1,114
TOTAL NON-CURRENT ASSETS	1,397,779	1,421,705
CURRENT ASSETS		
Inventories	581,776	538,539
Trade receivables	124,060	156,535
Contractual assets	29,554	36,789
Income tax receivables	23,880	21,795
Other current assets	38,817	38,398
Other current financial assets	4,335	4,389
Cash and cash equivalents	106,174	123,037
TOTAL CURRENT ASSETS	908,596	919,482
TOTAL ASSETS	2,306,375	2,341,187

<i>(in thousands of Euro)</i>	31/03/2023	31/12/2022
SHAREHOLDERS' EQUITY		
GROUP SHAREHOLDERS' EQUITY		
Share capital	60,454	60,454
Reserves	887,427	782,170
Net profit attributable to the Group	(18,485)	118,161
TOTAL GROUP SHAREHOLDERS' EQUITY	929,396	960,785
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		
Capital and reserves of non-controlling interests	6,597	1,106
Net profit attributable to non-controlling interests	2,130	5,270
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	8,727	6,376
TOTAL SHAREHOLDERS' EQUITY	938,123	967,161
NON-CURRENT LIABILITIES		
Medium-/long-term loans	908,883	918,697
Provisions for risks and charges	3,827	3,703
Employee benefits liabilities	3,497	3,587
Deferred tax liabilities	37,854	31,623
Other non-current liabilities	2,523	3,141
TOTAL NON-CURRENT LIABILITIES	956,584	960,751
CURRENT LIABILITIES		
Payables to banks and other lenders	93,782	79,504
Current portion of medium-/long-term loans	18,901	18,357
Provisions for risks and charges	31,282	32,251
Trade payables	204,533	210,924
Income tax payables	8,135	9,310
Other current liabilities	55,035	62,929
TOTAL CURRENT LIABILITIES	411,668	413,275
TOTAL LIABILITIES	1,368,252	1,374,026
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,306,375	2,341,187

STATEMENT OF PROFIT OR LOSS FOR THE YEAR

<i>(in thousands of Euro)</i>	31/03/2023	31/03/2022
Revenue	296,074	119,373
Cost of sales	203,746	87,741
GROSS MARGIN	92,328	31,632
Other income	3,014	3,844
General and administrative expenses	64,257	21,637
Sales and marketing expenses	18,598	10,147
Research and development expenses	11,638	5,963
Other operating costs	1,972	1,980
OPERATING PROFIT	(1,123)	(4,251)
Financial expenses	16,211	8,434
Financial income	418	154
Foreign Exchange Gain or Losses	10,960	1,941
PROFIT BEFORE TAXES	(5,956)	(10,590)
Income taxes	10,399	(1,268)
NET PROFIT FOR THE PERIOD	(16,355)	(9,322)
Of which:		
Net profit attributable to the Group	(18,485)	(9,394)
Net profit attributable to non-controlling interests	2,130	72

PROFIT AND LOSS STATEMENT AND OTHER COMPREHENSIVE INCOME

<i>(in thousands of Euro)</i>	31/03/2023	31/03/2022
NET PROFIT FOR THE YEAR	(16,355)	(9,322)
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:		
Translation differences of foreign financial statements	(13,179)	5,116
Total other comprehensive income components which will be restated under profit/(loss) for the year after taxes	(13,179)	5,116
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	94	(26)
Income taxes	(24)	6
Total other comprehensive income components which will not be restated under profit/(loss) for the year after taxes	70	(20)
TOTAL OTHER COMPONENTS OF THE STATEMENT OF COMPREHENSIVE INCOME, AFTER TAXES	(13,109)	5,096
TOTAL COMPREHENSIVE PROFIT/(LOSS) AFTER TAXES	(29,464)	(4,226)
Attributable to:		
Group interests	(31,645)	(4,394)
Non-controlling interests	2,181	168

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

<i>(in thousands of Euro)</i>	Share capital	Legal reserve	Share premium reserve	Other reserves	Cash flow hedge reserve	Foreign currency translation reserve	TFR (employee severance indemnity) reserve (IAS 19)	Income for the year	Total Shareholders' Equity attributable to Equity holders of the Parent	Total Equity attributable to non-controlling interests	Total Shareholders' Equity
BALANCE AS AT 01.01.2022	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)	-	-	-
Distribution of dividends	-	-	-	-	-	-	-	-	-	(875)	(875)
Resolution of a participatory financial instrument	-	-	-	(1,630)	-	-	-	-	(1,630)	-	(1,630)
Kevlar capital increase	-	-	-	385,575	-	-	-	-	385,575	-	385,575
Realization of the Kswiss conversion reserve	-	-	-	(371)	-	371	-	-	-	-	-
IAS 29 conversion reserve	-	-	-	1,978	-	-	-	-	1,978	1,319	3,297
Exchange differences	-	-	-	-	-	(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 AS AT 31.12.2022	60,454	11,734	77,901	710,011	-	(16,919)	(557)	118,161	960,785	6,376	967,161
Allocation of profit for the year	-	-	-	118,161	-	-	-	(118,161)	-	-	-
Distribution of dividends	-	-	-	-	-	-	-	-	-	-	-
IAS 29 conversion reserve	-	-	-	256	-	-	-	-	256	171	427
Exchange differences	-	-	-	-	-	(13,230)	-	-	(13,230)	50	(13,180)
IAS 19 actuarial result	-	-	-	-	-	-	70	-	70	-	70
Income for the year	-	-	-	-	-	-	-	(18,485)	(18,485)	2,130	(16,355)
BALANCE AS AT 31.03.2023	60,454	11,734	77,901	828,428	-	(30,149)	(487)	(18,485)	929,396	8,727	938,123

CONSOLIDATED CASH FLOW STATEMENT

(in thousands of Euro)

31/03/2023

31/03/2022

NET INCOME/(LOSS) (BEFORE TAXES) FOR THE PERIOD	(5,956)	(10,590)
Adjustments to reconcile net profit with cash flow generated / (absorbed) by operating activities		
Amortization and depreciation	28,176	13,776
Financial expenses	16,211	14,229
Financial income	(418)	(7,890)
Foreign Exchange Gain or Losses	(10,960)	-
Other non-monetary items	(364)	-
Provisions for employee benefits	18	1
Payment of employee benefits	(29)	(17)
Net change in provisions for risks and charges	(845)	(3,153)
Net change in other non-current liabilities	(618)	(560)
Net change in other non-current assets	153	48
Net changes in operating assets and liabilities		
Trade receivables	38,037	830
Inventories	(43,237)	(37,592)
Trade payables	(3,467)	(37,968)
Other current assets and liabilities	(5,165)	(12,099)
Other cash flow from operating activities		
Income taxes paid	(3,834)	(1,093)
NET CASH FLOW GENERATED/(ABSORBED) BY OPERATING ACTIVITIES (A)	7,702	(82,078)
Investments in tangible assets	(10,077)	(2,779)
Disposal of tangible assets	254	232
Investments in intangible assets	(6,596)	(1,643)
Disposal of intangible assets	74	-
NET CASH FLOW GENERATED/(ABSORBED) BY INVESTMENT ACTIVITIES (B)	(16,345)	(4,190)
Distribution of dividends	(875)	(5,183)
Repayment of medium/long-term debt	(3,982)	(1,464)
Interest collected	410	154
Interest paid	(4,395)	(2,840)
Change in non-current financial assets	2,963	57
Change in short-term financial liabilities	(1,878)	45,524
Net change in short-term financial assets and liabilities	54	144
NET CASH FLOW GENERATED/(ABSORBED) BY FINANCING ACTIVITIES (C)	(7,703)	36,392
Net cash flow generated by operating activities (A)	7,702	(82,078)
Net cash flow absorbed by investment activities (B)	(16,345)	(4,190)
Net cash flow generated/(absorbed) by financing activities (C)	(7,703)	36,392

TOTAL NET CASH FLOW D=(A+B+C)	(16,346)	(49,876)
Cash and cash equivalents at the beginning of the period (E)	123,037	134,186
Net effect of conversion of foreign currencies on cash and cash equivalents (F)	(517)	(505)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD G =(D+E+F)	106,174	83,805
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD:		
Cash and cash equivalents:	123,037	134,200
Current account overdrafts and cash equivalents payable on demand	-	(14)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	123,037	134,186
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD:		
Cash and cash equivalents	106,174	83,806
Current account overdrafts and cash equivalents payable on demand	-	(1)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD:	106,174	83,805

Castelvecchio Pascoli, 29 May 2023

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

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