

**KEDRION**  
B I O P H A R M A

**KEDRION GROUP  
CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 30 JUNE 2023**

# 1. FINANCIAL STATEMENTS

## 1.1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(.000 Eur)	30/06/2023	31/12/2022
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	549.857	559.624
Investments property	2.242	2.338
Goodwill	287.682	289.692
Rights of use	163.610	153.789
Intangible fixed assets with a finite useful life	384.862	403.725
Other non-current financial assets	3.946	6.877
Income tax receivables	2.657	4.546
Other non-current assets	941	1.114
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1.395.797</b>	<b>1.421.705</b>
<b>CURRENT ASSETS</b>		
Inventories	649.439	538.539
Trade receivables	139.583	156.535
Contractual assets	29.462	36.789
Income tax receivables	22.517	21.795
Other current assets	38.679	38.398
Other current financial assets	4.793	4.389
Cash and cash equivalents	102.355	123.037
<b>TOTAL CURRENT ASSETS</b>	<b>986.828</b>	<b>919.482</b>
<b>TOTAL ASSETS</b>	<b>2.382.625</b>	<b>2.341.187</b>

(.000 Eur)

30/06/2023

31/12/2022

<b>SHAREHOLDERS' EQUITY</b>		
<b>GROUP SHAREHOLDERS' EQUITY</b>		
Share capital	60.454	60.454
Reserves	906.264	782.170
Net profit attributable to the Group	(11.927)	118.161
<b>TOTAL GROUP SHAREHOLDERS' EQUITY</b>	<b>954.791</b>	<b>960.785</b>
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>		
Capital and reserves of non-controlling interests	5.619	1.106
Net profit attributable to non-controlling interests	4.301	5.270
<b>TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>	<b>9.920</b>	<b>6.376</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>964.711</b>	<b>967.161</b>
<b>NON-CURRENT LIABILITIES</b>		
Medium-/long-term loans	924.537	918.697
Provisions for risks and charges	1.376	3.703
Employee benefits liabilities	3.593	3.587
Deferred tax liabilities	28.585	31.623
Other non-current liabilities	2.830	3.141
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>960.921</b>	<b>960.751</b>
<b>CURRENT LIABILITIES</b>		
Payables to banks and other lenders	119.857	79.504
Current portion of medium-/long-term loans	14.606	18.357
Provisions for risks and charges	29.053	32.251
Trade payables	234.123	210.924
Income tax payables	8.612	9.310
Other current liabilities	50.742	62.929
<b>TOTAL CURRENT LIABILITIES</b>	<b>456.993</b>	<b>413.275</b>
<b>TOTAL LIABILITIES</b>	<b>1.417.914</b>	<b>1.374.026</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>2.382.625</b>	<b>2.341.187</b>

## 1.2. STATEMENT OF PROFIT OR LOSS FOR THE YEAR

(.000 Eur)	30/06/2023	30/06/2022*
Revenue	653.180	302.607
Cost of sales	496.048	230.717
<b>GROSS MARGIN</b>	<b>157.132</b>	<b>71.890</b>
Other income	11.290	10.217
General and administrative expenses	77.900	45.646
Sales and marketing expenses	46.411	22.951
Research and development expenses	18.477	12.593
Other operating costs	5.540	4.144
<b>OPERATING PROFIT/(LOSS)</b>	<b>20.094</b>	<b>(3.227)</b>
Financial expenses	34.075	17.680
Financial income	506	2,544
Foreign Exchange Gains / (Losses)	9.882	26.882
<b>PROFIT/(LOSS) BEFORE TAXES</b>	<b>(3.593)</b>	<b>8.519</b>
Income taxes	4.033	1.960
<b>NET PROFIT/(LOSS) FOR THE PERIOD</b>	<b>(7.626)</b>	<b>6.559</b>
<b>Of which:</b>		
Net profit/(loss) attributable to the Group	(11.927)	3.343
Net profit/(loss) attributable to non-controlling interests	4.301	3.216

\*The comparative figures as of June 30, 2022 are referred to Kedrion Group only (before the acquisition of BPL Group)

### 1.3. PROFIT AND LOSS STATEMENT AND OTHER COMPREHENSIVE INCOME

(.000 Eur)	30/06/2023	30/06/2022*
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>	<b>(7.626)</b>	<b>6.559</b>
<b>OTHER COMPONENTS OF THE STATEMENT OF COMPREHENSIVE INCOME</b>		
<b>Other components of the Statement of Comprehensive Income which will be restated under profit/(loss) for the year:</b>		
Net (loss)/profit on cash flow hedges	-	-
Income taxes	-	-
Translation differences of foreign financial statements	(12.222)	19.128
<b>Total other comprehensive income components which will be restated under profit/(loss) for the year after taxes</b>	<b>(12.222)</b>	<b>19.128</b>
<b>Other components of the Statement of Comprehensive Income which will not be restated under profit/(loss) for the year:</b>		
(Loss)/Actuarial net profit on defined benefit plans	(11)	161
Income taxes	3	(39)
<b>Total other comprehensive income components which will not be restated under profit/(loss) for the year after taxes</b>	<b>(8)</b>	<b>122</b>
<b>TOTAL OTHER COMPONENTS OF THE STATEMENT OF COMPREHENSIVE INCOME, AFTER TAXES</b>	<b>(12.230)</b>	<b>19.250</b>
<b>TOTAL COMPREHENSIVE PROFIT/(LOSS) AFTER TAXES</b>	<b>(19.856)</b>	<b>25.809</b>
<b>Attributable to:</b>		
Group interests	(23.442)	22.339
Non-controlling interests	3.586	3.470

\*The comparative figures as of June 30, 2022 are referred to Kedrion Group only (before the acquisition of BPL Group)

## 1.4. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

(in thousands of Euro)

	Share capital	Legal reserve	Share premium reserve	Other reserves	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
<b>BALANCE AS AT 01.01.2022</b>	<b>60,454</b>	<b>10,221</b>	<b>77,903</b>	<b>312,147</b>	<b>9,929</b>	<b>(868)</b>	<b>13,823</b>	<b>483,609</b>	<b>527</b>	<b>484,136</b>
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
<b>BALANCE AS AT 31.12.2022</b>	<b>60,454</b>	<b>11,734</b>	<b>77,901</b>	<b>710,011</b>	<b>(16,919)</b>	<b>(557)</b>	<b>118,161</b>	<b>960,785</b>	<b>6,376</b>	<b>967,161</b>
Allocation of profit for the year	-	-	-	118,161	-	-	(118,161)	-	-	-
Distribution of dividends	-	-	-	-	-	-	-	-	(315)	(315)
Bargain restatement	-	-	-	17,036	-	-	-	17,036	-	17,036
IAS 29 conversion reserve	-	-	-	412	-	-	-	412	273	685
Exchange differences	-	-	-	-	(11,507)	-	-	(11,507)	(715)	(12,222)
IAS 19 actuarial result	-	-	-	-	-	(8)	-	(8)	-	(8)
Income for the year	-	-	-	-	-	-	(11,927)	(11,927)	4,301	(7,626)
<b>BALANCE AS AT 30.06.2023</b>	<b>60,454</b>	<b>11,734</b>	<b>77,901</b>	<b>845,620</b>	<b>(28,426)</b>	<b>(565)</b>	<b>(11,927)</b>	<b>954,791</b>	<b>9,920</b>	<b>964,711</b>

## 1.5. CONSOLIDATED CASH FLOW STATEMENT

<i>(In thousands of Euro)</i>	<b>30/06/2023</b>	<b>30/06/2022*</b>
<b>NET INCOME/(LOSS) (BEFORE TAXES) FOR THE PERIOD</b>	<b>(3.593)</b>	<b>8.519</b>
<b>Adjustments to reconcile net profit with cash flow generated / (absorbed) by operating activities</b>		
Amortization and depreciation	57.661	27.975
Financial expenses	34.075	18.171
Financial income	(506)	(4.842)
Foreign Exchange Gain / (Losses)	(9.882)	(26.882)
Other non-monetary items	(295)	(353)
Provisions for employee benefits	44	77
Payment of employee benefits	(71)	(40)
Net change in provisions for risks and charges	(5.525)	(2.640)
Net change in other non-current liabilities	(311)	(165)
Net change in other non-current assets	173	160
<b>Net changes in operating assets and liabilities</b>		
Trade receivables	18.003	(6.090)
Inventories	(110.900)	(45.886)
Trade payables	28.995	(10.481)
Other current assets and liabilities	6.707	(24.075)
<b>Other cash flow from operating activities</b>		
Income taxes paid	(2.568)	(1.975)
<b>NET CASH FLOW GENERATED/(ABSORBED) BY OPERATING ACTIVITIES (A)</b>	<b>12.007</b>	<b>(68.527)</b>
Investments in tangible assets	(23.453)	(7.293)
Disposal of tangible assets	330	263
Investments in intangible assets	(11.241)	(5.192)
Disposal of intangible assets	51	-
<b>NET CASH FLOW (ABSORBED) BY INVESTMENT ACTIVITIES (B)</b>	<b>(34.313)</b>	<b>(12.222)</b>
Distribution of dividends	(1.190)	(5.183)
Bond repurchase	-	(200.009)
New medium/long-term loans	4.000	170.000
Repayment of medium/long-term debt	(6.934)	(6.979)
Interest collected	507	2.544
Interest paid	(9.461)	(18.033)
Change in non-current financial assets	2.931	(444)
Change in short-term financial liabilities	12.808	94.725
Net change in short-term financial assets and liabilities	(404)	79
<b>NET CASH FLOW GENERATED BY FINANCING ACTIVITIES (C)</b>	<b>2.257</b>	<b>36.700</b>
Net cash flow generated/(absorbed) by operating activities (A)	12.007	(68.527)
Net cash flow absorbed by investment activities (B)	(34.313)	(12.222)

Net cash flow generated by financing activities (C)	2.257	36.700
<b>TOTAL NET CASH FLOW D=(A+B+C)</b>	<b>(20.049)</b>	<b>(44.049)</b>
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)	(633)	(390)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD G =(D+E+F)</b>	<b>102.355</b>	<b>89.747</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD:</b>		
Cash and cash equivalents:	123.037	134.200
Current account overdrafts and cash equivalents payable on demand	-	(14)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>123.037</b>	<b>134.186</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD:</b>		
Cash and cash equivalents	102.355	89.755
Current account overdrafts and cash equivalents payable on demand	-	(8)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD:</b>	<b>102.355</b>	<b>89.747</b>

\*The comparative figures as of June 30, 2022 are referred to Kedrion Group only (before the acquisition of BPL Group)

Castelvecchio Pascoli, 24 August 2023

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