

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

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

# 1. FINANCIAL STATEMENTS

## 1.1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(in thousands of Euro)</i>	30.06.2023	31.12.2022
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	674,143	689,076
Investments property	2,242	2,338
Goodwill	612,898	616,964
Rights of use	153,518	139,258
Intangible fixed assets with a finite useful life	747,025	774,194
Other non-current financial assets	6,282	9,044
Income tax receivables	2,657	4,546
Other non-current assets	941	1,114
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,199,706</b>	<b>2,236,534</b>
<b>CURRENT ASSETS</b>		
Inventories	649,439	542,704
Trade receivables	139,593	156,555
Contractual assets	29,462	36,789
Income tax receivables	22,517	21,795
Other current assets	38,684	38,398
Other current financial assets	4,793	4,767
Cash and cash equivalents	103,453	162,649
<b>TOTAL CURRENT ASSETS</b>	<b>987,941</b>	<b>963,657</b>
<b>TOTAL ASSETS</b>	<b>3,187,647</b>	<b>3,200,191</b>

(in thousands of Euro)

30.06.2023

31.12.2022

<b>SHAREHOLDERS' EQUITY</b>		
<b>GROUP SHAREHOLDERS' EQUITY</b>		
Share capital	50	50
Reserves	1,704,489	1,692,969
Net profit attributable to the Group	(26,485)	9,923
<b>TOTAL GROUP SHAREHOLDERS' EQUITY</b>	<b>1,678,054</b>	<b>1,702,942</b>
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>		
Capital and reserves of non-controlling interests	5,619	5,627
Net profit attributable to non-controlling interests	4,301	749
<b>TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>	<b>9,920</b>	<b>6,376</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,687,974</b>	<b>1,709,318</b>
<b>NON-CURRENT LIABILITIES</b>		
Medium-/long-term loans	893,831	916,028
Provisions for risks and charges	1,376	3,703
Employee benefits liabilities	3,593	3,587
Deferred tax liabilities	153,069	160,608
Other non-current liabilities	2,830	3,141
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,054,699</b>	<b>1,087,067</b>
<b>CURRENT LIABILITIES</b>		
Payables to banks and other lenders	103,604	74,872
Current portion of medium-/long-term loans	15,362	14,088
Provisions for risks and charges	29,053	32,251
Trade payables	237,573	208,881
Income tax payables	8,612	9,310
Other current liabilities	50,770	64,404
<b>TOTAL CURRENT LIABILITIES</b>	<b>444,974</b>	<b>403,806</b>
<b>TOTAL LIABILITIES</b>	<b>1,499,673</b>	<b>1,490,873</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3,187,647</b>	<b>3,200,191</b>

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

(in thousands of Euro)

30.06.2023

Revenue	653,180
Cost of sales	504,043
<b>GROSS MARGIN</b>	<b>149,137</b>
Other income	11,290
General and administrative expenses	84,862
Sales and marketing expenses	46,411
Research and development expenses	18,477
Other operating costs	5,540
<b>OPERATING PROFIT/(LOSS)</b>	<b>5,137</b>
Financial expenses	39,310
Financial income	1,645
Foreign Exchange Gain (Losses)	10,520
<b>PROFIT/(LOSS) BEFORE TAXES</b>	<b>(22,008)</b>
Income taxes	176
<b>NET PROFIT/(LOSS) FOR THE PERIOD</b>	<b>(22,184)</b>
<b>Of which:</b>	
Net profit/(loss) attributable to the Group	(26,485)
Net profit/(loss) attributable to non-controlling interests	4,301

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

(in thousands of Euro)

30.06.2023

<b>NET PROFIT/(LOSS) FOR THE YEAR</b>	<b>(22,184)</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	(16,558)
<b>Total other comprehensive income components which will be restated under profit/(loss) for the year after taxes</b>	<b>(16,558)</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)
Income taxes	3
<b>Total other comprehensive income components which will not be restated under profit/(loss) for the year after taxes</b>	<b>(8)</b>
<b>TOTAL OTHER COMPONENTS OF THE STATEMENT OF COMPREHENSIVE INCOME, AFTER TAXES</b>	<b>(16,566)</b>
<b>TOTAL COMPREHENSIVE PROFIT/(LOSS) AFTER TAXES</b>	<b>(38,750)</b>
<b>Attributable to:</b>	
Group interests	(42,336)
Non-controlling interests	3,586

## 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 16.12.2021</b>	<b>50</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60</b>	<b>-</b>	<b>60</b>
Allocation of profit for the year	-	-	-	-	-	-	-	-	-	-
Kedrion Holding Capital increase	-	-	-	1,762,569	-	-	-	1,762,569	-	1,762,569
Kedrion Group non-controlling interests	-	-	-	-	-	-	-	-	6,180	6,180
Distribution of dividends	-	-	-	-	-	-	-	-	(875)	(875)
IAS 29 conversion reserve	-	-	-	877	-	-	-	877	585	1,462
Exchange differences	-	-	-	-	(70,512)	-	-	(70,512)	(263)	(70,775)
IAS 19 actuarial result	-	-	-	-	-	25	-	25	-	25
Income for the year	-	-	-	-	-	-	9,923	9,923	749	10,672
<b>BALANCE AS AT 31.12.2022</b>	<b>50</b>	<b>-</b>	<b>10</b>	<b>1,763,446</b>	<b>(70,512)</b>	<b>25</b>	<b>9,923</b>	<b>1,702,942</b>	<b>6,376</b>	<b>1,709,318</b>
Allocation of profit for the year	-	-	-	9,923	-	-	(9,923)	-	-	-
Distribution of dividends	-	-	-	-	-	-	-	-	(315)	(315)
Bargain restatement	-	-	-	17,036	-	-	-	17,036	-	17,036
IAS 29 conversion reserve	-	-	-	412	-	-	-	412	273	685
Exchange differences	-	-	-	-	(15,843)	-	-	(15,843)	(715)	(16,558)
IAS 19 actuarial result	-	-	-	-	-	(8)	-	(8)	-	(8)
Income for the year	-	-	-	-	-	-	(26,485)	(26,485)	4,301	(22,184)
<b>BALANCE AS AT 30.06.2023</b>	<b>50</b>	<b>-</b>	<b>10</b>	<b>1,790,817</b>	<b>(86,355)</b>	<b>17</b>	<b>(26,485)</b>	<b>1,678,054</b>	<b>9,920</b>	<b>1,687,974</b>

## 1.5. CONSOLIDATED CASH FLOW STATEMENT

(in thousands of Euro)

30.06.2023

<b>NET INCOME/(LOSS) (BEFORE TAXES) FOR THE PERIOD</b>	<b>(22,008)</b>
<b>Adjustments to reconcile net profit with cash flow generated / (absorbed) by operating activities</b>	
Amortization and depreciation	67,715
Financial expenses	39,310
Financial income	(1,645)
Foreign Exchange Gain or Losses	(10,520)
Other non-monetary items	(295)
Provisions for employee benefits	44
Payment of employee benefits	(71)
Net change in provisions for risks and charges	(5,525)
Net change in other non-current liabilities	(311)
Net change in other non-current assets	173
<b>Net changes in operating assets and liabilities</b>	
Trade receivables	18,013
Inventories	(106,735)
Trade payables	34,488
Other current assets and liabilities	5,366
<b>Other cash flow from operating activities</b>	
Income taxes paid	(2,568)
<b>NET CASH FLOW GENERATED BY OPERATING ACTIVITIES (A)</b>	<b>15,431</b>
Investments in tangible assets	(23,453)
Disposal of tangible assets	330
Investments in intangible assets	(11,241)
Disposal of intangible assets	51
<b>NET CASH FLOW (ABSORBED) BY INVESTMENT ACTIVITIES (B)</b>	<b>(34,313)</b>

(in thousands of Euro)

30.06.2023

Distribution of dividends	(1,190)
Repayment of medium/long-term debt	(5,875)
Interest collected	507
Interest paid	(31,294)
Change in non-current financial assets	2,762
Change in short-term financial liabilities	(4,565)
Net change in short-term financial assets and liabilities	(26)
<b>NET CASH FLOW (ABSORBED) BY FINANCING ACTIVITIES (C)</b>	<b>(39,681)</b>
Net cash flow generated by operating activities (A)	15,431
Net cash flow (absorbed) by investment activities (B)	(34,313)
Net cash flow (absorbed) by financing activities (C)	(39,681)
<b>TOTAL NET CASH FLOW D=(A+B+C)</b>	<b>(58,563)</b>
Cash and cash equivalents at the beginning of the period (E)	162,649
Net effect of conversion of foreign currencies on cash and cash equivalents (F)	(633)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD G =(D+E+F)</b>	<b>103,453</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD:</b>	
Cash and cash equivalents:	162,649
Current account overdrafts and cash equivalents payable on demand	-
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>162,649</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD:</b>	
Cash and cash equivalents	103,453
Current account overdrafts and cash equivalents payable on demand	-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD:</b>	<b>103,453</b>

Castelvecchio Pascoli, 24 August 2023

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