

**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
<b>ATTIVITA' NON CORRENTI</b>		
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
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,397,779</b>	<b>1,421,705</b>
<b>CURRENT ASSETS</b>		
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
<b>TOTAL CURRENT ASSETS</b>	<b>908,596</b>	<b>919,482</b>
<b>TOTAL ASSETS</b>	<b>2,306,375</b>	<b>2,341,187</b>

<i>(in thousands of Euro)</i>	<b>31/03/2023</b>	<b>31/12/2022</b>
<b>SHAREHOLDERS' EQUITY</b>		
<b>GROUP SHAREHOLDERS' EQUITY</b>		
Share capital	60,454	60,454
Reserves	887,427	782,170
Net profit attributable to the Group	(18,485)	118,161
<b>TOTAL GROUP SHAREHOLDERS' EQUITY</b>	<b>929,396</b>	<b>960,785</b>
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>		
Capital and reserves of non-controlling interests	6,597	1,106
Net profit attributable to non-controlling interests	2,130	5,270
<b>TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>	<b>8,727</b>	<b>6,376</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>938,123</b>	<b>967,161</b>
<b>NON-CURRENT LIABILITIES</b>		
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
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>956,584</b>	<b>960,751</b>
<b>CURRENT LIABILITIES</b>		
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
<b>TOTAL CURRENT LIABILITIES</b>	<b>411,668</b>	<b>413,275</b>
<b>TOTAL LIABILITIES</b>	<b>1,368,252</b>	<b>1,374,026</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>2,306,375</b>	<b>2,341,187</b>

## 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	230,547	87,741
<b>GROSS MARGIN</b>	<b>65,527</b>	<b>31,632</b>
Other income	3,014	3,844
General and administrative expenses	37,993	21,637
Sales and marketing expenses	19,932	10,147
Research and development expenses	9,056	5,963
Other operating costs	2,683	1,980
<b>OPERATING PROFIT</b>	<b>(1,123)</b>	<b>(4,251)</b>
Financial expenses	16,211	8,434
Financial income	418	154
Foreign Exchange Gain or Losses	10,960	1,941
<b>PROFIT BEFORE TAXES</b>	<b>(5,956)</b>	<b>(10,590)</b>
Income taxes	10,399	(1,268)
<b>NET PROFIT FOR THE PERIOD</b>	<b>(16,355)</b>	<b>(9,322)</b>
<b>Of which:</b>		
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
<b>NET PROFIT FOR THE YEAR</b>	<b>(16,355)</b>	<b>(9,322)</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>		
Translation differences of foreign financial statements	(13,179)	5,116
<b>Total other comprehensive income components which will be restated under profit/(loss) for the year after taxes</b>	<b>(13,179)</b>	<b>5,116</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	94	(26)
Income taxes	(24)	6
<b>Total other comprehensive income components which will not be restated under profit/(loss) for the year after taxes</b>	<b>70</b>	<b>(20)</b>
<b>TOTAL OTHER COMPONENTS OF THE STATEMENT OF COMPREHENSIVE INCOME, AFTER TAXES</b>	<b>(13,109)</b>	<b>5,096</b>
<b>TOTAL COMPREHENSIVE PROFIT/(LOSS) AFTER TAXES</b>	<b>(29,464)</b>	<b>(4,226)</b>
<b>Attributable to:</b>		
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
<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>-</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>-</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	-	-	-	-	-	-	-	-	-	-	-
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)
<b>BALANCE AS AT 31.03.2023</b>	<b>60,454</b>	<b>11,734</b>	<b>77,901</b>	<b>828,428</b>	<b>-</b>	<b>(30,149)</b>	<b>(487)</b>	<b>(18,485)</b>	<b>929,396</b>	<b>8,727</b>	<b>938,123</b>

## CONSOLIDATED CASH FLOW STATEMENT

<i>(in thousands of Euro)</i>	<b>31/03/2023</b>	<b>31/03/2022</b>
<b>NET INCOME/(LOSS) (BEFORE TAXES) FOR THE PERIOD</b>	<b>(5,956)</b>	<b>(10,590)</b>
<b>Adjustments to reconcile net profit with cash flow generated / (absorbed) by operating activities</b>		
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
<b>Net changes in operating assets and liabilities</b>		
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)
<b>Other cash flow from operating activities</b>		
Income taxes paid	(3,834)	(1,093)
<b>NET CASH FLOW GENERATED/(ABSORBED) BY OPERATING ACTIVITIES (A)</b>	<b>7,702</b>	<b>(82,078)</b>
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	-
<b>NET CASH FLOW GENERATED/(ABSORBED) BY INVESTMENT ACTIVITIES (B)</b>	<b>(16,345)</b>	<b>(4,190)</b>
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
<b>NET CASH FLOW GENERATED/(ABSORBED) BY FINANCING ACTIVITIES (C)</b>	<b>(7,703)</b>	<b>36,392</b>
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



<b>TOTAL NET CASH FLOW D=(A+B+C)</b>	<b>(16,346)</b>	<b>(49,876)</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)	(517)	(505)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD G =(D+E+F)</b>	<b>106,174</b>	<b>83,805</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	106,174	83,806
Current account overdrafts and cash equivalents payable on demand	-	(1)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD:</b>	<b>106,174</b>	<b>83,805</b>

Castelvechio Pascoli, 29 May 2023

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

KEDRION  
B I O P H A R M A