

KEDRION
B I O P H A R M A

**KEDRION GROUP
CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 MARCH 2024**

1. FINANCIAL STATEMENTS

1.1. CONSOLIDATED STATEMENT OF THE FINANCIAL POSITION

(In thousands of Euros)

31.03.2024

31.12.2023

	31.03.2024	31.12.2023
NON-CURRENT ASSETS		
Property, plant and equipment	706,894	704,014
Investment property	2,038	2,103
Goodwill	628,588	623,316
Rights of use	172,005	165,091
Intangible assets with a definite useful life	697,012	697,826
Other non-current financial assets	5,486	5,439
Deferred tax assets	2,385	768
Tax receivables	881	2,385
Other non-current assets	775	858
TOTAL NON-CURRENT ASSETS	2,216,064	2,201,800
CURRENT ASSETS		
Inventories	601,671	575,246
Trade receivables	132,172	140,330
Contractual assets	25,598	27,748
Tax receivables	24,016	24,508
Other current assets	31,813	30,914
Other current financial assets	5,161	4,803
Cash and cash equivalents	102,942	156,379
TOTAL CURRENT ASSETS	923,373	959,928
TOTAL ASSETS	3,139,437	3,161,728

(In thousands of Euros)

31.03.2024

31.12.2023

SHAREHOLDERS' EQUITY		
GROUP SHAREHOLDERS' EQUITY		
Share capital	60,454	60,454
Reserves	1,648,791	1,627,734
Net profit attributable to Group	5,244	(324)
TOTAL GROUP SHAREHOLDERS' EQUITY	1,714,489	1,687,864
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		
Capital and reserves of non-controlling interests	7,379	4,071
Net profit attributable to non-controlling interests	1,342	2,816
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	8,721	6,887
TOTAL SHAREHOLDERS' EQUITY	1,723,210	1,694,751
NON-CURRENT LIABILITIES		
Medium-long term loans	920,281	895,214
Provisions for risks and charges	1,417	1,379
Employee benefit liabilities	3,455	3,497
Deferred tax liabilities	75,171	113,026
Other non-current liabilities	2,851	2,715
TOTAL NON-CURRENT LIABILITIES	1,003,175	1,015,831
CURRENT LIABILITIES		
Payables to banks and other lenders	124,882	119,373
Current portion of medium – long term loans	14,964	14,366
Provisions for risks and charges	14,741	15,519
Trade payables	186,357	235,484
Income tax payables	5,147	5,590
Other current liabilities	66,961	60,814
TOTAL CURRENT LIABILITIES	413,052	451,146
TOTAL LIABILITIES	1,416,227	1,466,977
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,139,437	3,161,728

1.2. CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD

<i>(In thousands of Euros)</i>	31.03.2024	31.03.2023
Revenues	307,070	296,074
Cost of sales	236,884	236,317
GROSS MARGIN	70,186	59,757
Other income	1,879	3,014
General and administrative expenses	38,961	41,457
Sales and marketing expenses	19,213	19,932
Research and development expenses	10,665	9,056
Other operating costs	4,092	2,683
OPERATING PROFIT	(866)	(10,357)
Interest expenses	21,702	18,826
Interest income	530	418
Net foreign exchange gains/(losses)	(8,954)	11,328
RESULT BEFORE TAXES	(30,992)	(17,437)
Income taxes	(37,578)	7,886
NET PROFIT FOR THE PERIOD	6,586	(25,323)
Of which:		
Net result attributable to the Group	5,244	(27,453)
Net result attributable to non-controlling interests	1,342	2,130

1.3. CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(In thousands of Euros)

31.03.2024

31.03.2023

	31.03.2024	31.03.2023
NET PROFIT FOR THE YEAR	6,586	(25,323)
OTHER COMPONENTS OF COMPREHENSIVE INCOME		
Other components of comprehensive income that will be subsequently reclassified to profit/(loss) for the year:		
Translation differences of foreign financial statements	19,889	(17,702)
Total other comprehensive income components that will be subsequently reclassified to profit/(loss) for the year, net of taxes	19,889	(17,702)
Other components of comprehensive income that will not be subsequently reclassified to profit/(loss) for the year:		
Revaluation related to hyperinflationary economies	1,992	
Actuarial gains/losses on employee benefits	(11)	94
Income tax	3	(24)
Total other components of comprehensive income that will not be subsequently reclassified to profit/(loss) for the year, net of taxes	1,984	70
TOTAL OTHER COMPONENTS OF COMPREHENSIVE INCOME, NET OF TAXES	21,873	(42,955)
TOTAL COMPREHENSIVE INCOME/(LOSS), NET OF TAXES	28,459	(42,955)
Attributable to:		
Group	26,625	(45,135)
Non-controlling interests	1,834	2,180

1.4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of Euros)

	Share capital	Legal reserve	Share premium reserve	Other reserves	Currency translation adjustment reserve	IAS 19 severance indemnity reserve	Profit for the period	Total Group Net Assets	Total Net Assets attributable to non-controlling interests	Total shareholders' equity
Balance as of December 31, 2022	50	-	10	1,763,446	(71,428)	25	28,100	1,720,203	6,376	1,726,579
Reclassifications arising from reverse merger accounting	60,404	11,734	77,891	(149,447)	-	(582)	-	-	-	-
Allocation of profit for the year	-	-	-	28,100	-	-	(28,100)	-	-	-
Dividend distribution	-	-	-	-	-	-	-	-	(2,569)	(2,569)
IFRS 2 reserve	-	-	-	435	-	-	-	435	-	435
IAS 29 reserve	-	-	-	2,469	-	-	-	2,469	1,643	4,112
Currency translation adjustment	-	-	-	-	(34,909)	-	-	(34,909)	(1,379)	(36,288)
IAS 19 employee benefits	-	-	-	-	-	(10)	-	(10)	-	(10)
Profit for the year	-	-	-	-	-	-	(324)	(324)	2,816	2,492
Total of the profit/(loss) for the year and other components of the comprehensive income	-	-	-	2,469	(34,909)	(10)	(324)	(32,774)	3,080	(29,694)
Balance as of December 31, 2023	60,454	11,734	77,901	1,645,003	(106,337)	(567)	(324)	1,687,864	6,887	1,694,751
Allocation of profit for the year	-	-	-	(324)	-	-	324	-	-	-
Dividend distribution	-	-	-	-	-	-	-	-	-	-
IFRS 2 reserve	-	-	-	-	-	-	-	-	-	-
IAS 29 reserve	-	-	-	1,196	-	-	-	1,196	796	1,992
Currency translation adjustment	-	-	-	-	20,193	-	-	20,193	(304)	19,889
IAS 19 employee benefits	-	-	-	-	-	(8)	-	(8)	-	(8)
Profit for the year	-	-	-	-	-	-	5,244	5,244	1,342	6,586
Total of the profit/(loss) for the year and other components of the comprehensive income	-	-	-	1,196	20,193	(8)	5,244	26,625	1,834	28,459
Balance as of March 31, 2024	60,454	11,734	77,901	1,645,875	(86,144)	(575)	5,244	1,714,489	8,721	1,723,210

1.5. CONSOLIDATED STATEMENT OF CASH FLOWS

(In thousands of Euros)

31.03.2024

31.03.2023

	31.03.2024	31.03.2023
PROFIT BEFORE TAX	(30,992)	(17,437)
Adjustments to reconcile the profit before tax to the cash flow generated/(absorbed) by operating activities:		
Depreciation	31,948	32,907
Interest expense	21,702	18,826
Interest income	(530)	(418)
Net exchange gains or losses	8,954	(11,328)
Other non-monetary items	688	(364)
Provisions/(Payments) for employee benefits	(73)	(11)
Net change in provisions for risks and charges	(740)	(845)
Net change in other non-current liabilities	136	(618)
Net change in other non-current assets	83	153
Changes in working capital		
Trade receivables	8,062	38,057
Inventories	(26,425)	(39,072)
Trade payables	(46,975)	(3,772)
Other current assets and liabilities	4,525	(5,845)
Other cash flows from operating activities		
Income Taxes paid	(1,680)	(3,834)
CASH FLOW GENERATED/(ABSORBED) FROM OPERATING ACTIVITIES (A)	(31,317)	6,399
Investments in tangible assets	(11,278)	(10,077)
Disposal of tangible assets	2,143	254
Investments in intangible assets	(2,236)	(6,596)
Disposal of intangible assets	-	74
CASH FLOW ABSORBED BY INVESTING ACTIVITIES (B)	(11,371)	(16,345)

<i>(In thousands of Euros)</i>	31.03.2024	31.03.2023
Dividends paid	-	(875)
Repayment of medium-long term loans	(3,726)	(3,645)
Interest collected	530	410
Interest paid	(7,019)	(18,947)
Change in non-current financial assets	(141)	2,699
Change in short-term financial liabilities	191	(1,279)
Change in short-term financial assets	(358)	432
NET CASH FLOW ABSORBED BY FINANCING ACTIVITIES (C)	(10,523)	(21,205)
Net cash flow generated/(absorbed) by operating activities (A)	(31,317)	6,399
Net cash flow absorbed by investment activities (B)	(11,371)	(16,345)
Net cash flow absorbed by financing activities (C)	(10,523)	(21,205)
TOTAL CASH FLOW D=(A+B+C)	(53,211)	(31,151)
Cash and cash equivalents at the beginning of the year (E)	156,379	162,649
Net effect of foreign currency translation on cash and cash equivalents (F)	(226)	(517)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR G=(D+E+F)	102,942	130,981
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
Cash and cash equivalents	156,379	162,649
Overdrafts and repayable on demand liquidity	-	-
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	156,379	162,649
NET CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Cash and cash equivalents	102,942	130,981
Overdrafts and repayable on demand liquidity	-	-
NET CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	102,942	130,981

Castelvecchio Pascoli, 29 May 2024

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