

KEDRION
B I O P H A R M A

**KEDRION GROUP
CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2024**

1. FINANCIAL STATEMENTS

1.1. CONSOLIDATED STATEMENT OF THE FINANCIAL POSITION

(In thousands of Euros)

30.06.2024

31.12.2023

	30.06.2024	31.12.2023
NON-CURRENT ASSETS		
Property, plant and equipment	711,658	704,014
Investment property	1,461	2,103
Goodwill	631,002	623,316
Rights of use	168,819	165,091
Intangible assets with a definite useful life	693,846	697,826
Other non-current financial assets	6,260	5,439
Deferred tax assets	3,984	768
Tax receivables	1,152	2,385
Other non-current assets	809	858
TOTAL NON-CURRENT ASSETS	2,218,991	2,201,800
CURRENT ASSETS		
Inventories	603,116	575,246
Trade receivables	92,312	140,330
Contractual assets	17,100	27,748
Tax receivables	24,223	24,508
Other current assets	33,371	30,914
Other current financial assets	8,111	4,803
Cash and cash equivalents	150,178	156,379
TOTAL CURRENT ASSETS	928,411	959,928
TOTAL ASSETS	3,147,402	3,161,728

(In thousands of Euros)

30.06.2024

31.12.2023

SHAREHOLDERS' EQUITY		
GROUP SHAREHOLDERS' EQUITY		
Share capital	60,454	60,454
Reserves	1,649,651	1,627,734
Net profit attributable to Group	3,268	(324)
TOTAL GROUP SHAREHOLDERS' EQUITY	1,713,373	1,687,864
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		
Capital and reserves of non-controlling interests	5,136	4,071
Net profit attributable to non-controlling interests	2,532	2,816
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	7,668	6,887
TOTAL SHAREHOLDERS' EQUITY	1,721,041	1,694,751
NON-CURRENT LIABILITIES		
Medium-long term loans	934,640	895,214
Provisions for risks and charges	1,429	1,379
Employee benefit liabilities	3,441	3,497
Deferred tax liabilities	66,251	113,026
Other non-current liabilities	2,724	2,715
TOTAL NON-CURRENT LIABILITIES	1,008,485	1,015,831
CURRENT LIABILITIES		
Payables to banks and other lenders	155,614	119,373
Current portion of medium – long term loans	19,339	14,366
Provisions for risks and charges	9,602	15,519
Trade payables	161,792	235,484
Income tax payables	5,278	5,590
Other current liabilities	66,251	60,814
TOTAL CURRENT LIABILITIES	417,876	451,146
TOTAL LIABILITIES	1,426,361	1,466,977
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,147,402	3,161,728

1.2. CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD

<i>(In thousands of Euros)</i>	30.06.2024	30.06.2023
Revenues	688,746	653,180
Cost of sales	515,659	504,043
GROSS MARGIN	173,087	149,137
Other income	4,019	11,290
General and administrative expenses	78,215	84,862
Sales and marketing expenses	44,297	46,411
Research and development expenses	23,902	18,477
Other operating costs	8,645	5,540
OPERATING PROFIT	22,047	5,137
Interest expenses	44,982	39,310
Interest income	1,718	1,645
Net foreign exchange gains	(16,362)	10,520
RESULT BEFORE TAXES	(37,579)	(22,008)
Income taxes	(44,356)	176
NET PROFIT FOR THE PERIOD	6,777	(22,184)
Of which:		
Net result attributable to the Group	3,268	(26,485)
Net result attributable to non-controlling interests	3,509	4,301

1.3. CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(In thousands of Euros)

30.06.2024

30.06.2023

	30.06.2024	30.06.2023
NET PROFIT FOR THE YEAR	6,777	(22,184)
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	27,929	(16,558)
Total other comprehensive income components that will be subsequently reclassified to profit/(loss) for the year, net of taxes	27,929	(16,558)
Other components of comprehensive income that will not be subsequently reclassified to profit/(loss) for the year:		
Revaluation related to hyperinflationary economies	3,247	685
Actuarial gains/losses on employee benefits	-	(11)
Income tax	-	3
Total other components of comprehensive income that will not be subsequently reclassified to profit/(loss) for the year, net of taxes	3,247	677
TOTAL OTHER COMPONENTS OF COMPREHENSIVE INCOME, NET OF TAXES	31,176	(15,881)
TOTAL COMPREHENSIVE INCOME/(LOSS), NET OF TAXES	37,953	(38,065)
Attributable to:		
Group	33,551	(41,924)
Non-controlling interests	4,402	3,859

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 year	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	-	-	-	-	-	-	-	-	(1,263)	(1,263)
Acquisition non-controlling interests	-	-	-	(8,042)	-	-	-	(8,042)	(2,358)	(10,400)
IFRS 2 reserve	-	-	-	-	-	-	-	-	-	-
IAS 29 reserve	-	-	-	1,948	-	-	-	1,948	1,299	3,247
Currency translation adjustment	-	-	-	-	28,335	-	-	28,335	(406)	27,929
IAS 19 employee benefits	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	3,268	3,268	3,509	6,777
Total of the profit/(loss) for the year and other components of the comprehensive income	-	-	-	1,948	28,335	-	3,268	33,551	4,402	37,953
Balance as of June 30, 2024	60,454	11,734	77,901	1,638,585	(78,002)	(567)	3,268	1,713,373	7,668	1,721,041

1.5. CONSOLIDATED STATEMENT OF CASH FLOWS

(In thousands of Euros)

30.06.2024

30.06.2023

	30.06.2024	30.06.2023
PROFIT BEFORE TAX	(37,579)	(22,008)
Adjustments to reconcile the profit before tax to the cash flow generated/(absorbed) by operating activities:		
Depreciation	64,643	67,715
Interest expense	44,982	39,310
Interest income	(1,718)	(1,645)
Net exchange gains or losses	16,362	(10,520)
Other non-monetary items	1,221	(295)
Provisions/(Payments) for employee benefits	(94)	(27)
Net change in provisions for risks and charges	(5,867)	(5,525)
Net change in other non-current liabilities	9	(311)
Net change in other non-current assets	49	173
Changes in working capital		
Trade receivables	55,142	18,013
Inventories	(27,870)	(106,735)
Trade payables	(73,616)	34,488
Other current assets and liabilities	(9,907)	5,366
Other cash flows from operating activities		
Income Taxes paid	(4,712)	(2,568)
CASH FLOW GENERATED FROM OPERATING ACTIVITIES (A)	21,045	15,431
Investments in tangible assets	(27,848)	(23,453)
Disposal of tangible assets	2,245	330
Investments in intangible assets	(5,943)	(11,241)
Disposal of intangible assets	-	51
CASH FLOW ABSORBED BY INVESTING ACTIVITIES (B)	(31,546)	(34,313)

<i>(In thousands of Euros)</i>	30.06.2024	30.06.2023
Dividends paid	(2,472)	(1,190)
New medium-long term loans	10,000	-
Repayment of medium-long term loans	(7,436)	(5,875)
Interest collected	1,718	507
Interest paid	(40,409)	(31,294)
Change in non-current financial assets	167	2,762
Change in short-term financial liabilities	46,056	(4,565)
Change in short-term financial assets	(3,308)	(26)
NET CASH FLOW GENERATED/(ABSORBED) BY FINANCING ACTIVITIES (C)	4,316	(39,681)
Net cash flow generated by operating activities (A)	21,045	15,431
Net cash flow absorbed by investment activities (B)	(31,546)	(34,313)
Net cash flow generated/(absorbed) by financing activities (C)	4,316	(39,681)
TOTAL CASH FLOW D=(A+B+C)	(6,185)	(58,563)
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)	(16)	(633)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD G=(D+E+F)	150,178	103,453
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 PERIOD		
Cash and cash equivalents	150,178	103,453
Overdrafts and repayable on demand liquidity	-	-
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	150,178	103,453

Castelvecchio Pascoli, 12 September 2024

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