

KEDRION
B I O P H A R M A

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

1. FINANCIAL STATEMENTS

1.1. CONSOLIDATED STATEMENT OF THE FINANCIAL POSITION

(In thousands of Euros)

30.09.2024

31.12.2023

	30.09.2024	31.12.2023
NON-CURRENT ASSETS		
Property, plant and equipment	699,904	704,014
Investment property	1,461	2,103
Goodwill	623,151	623,316
Rights of use	167,862	165,091
Intangible assets with a definite useful life	674,169	697,826
Other non-current financial assets	5,895	5,439
Deferred tax assets	3,344	768
Tax receivables	1,332	2,385
Other non-current assets	766	858
TOTAL NON-CURRENT ASSETS	2,177,884	2,201,800
CURRENT ASSETS		
Inventories	611,105	575,246
Trade receivables	117,275	140,330
Contractual assets	21,159	27,748
Tax receivables	21,358	24,508
Other current assets	39,070	30,914
Other current financial assets	5,203	4,803
Cash and cash equivalents	117,245	156,379
TOTAL CURRENT ASSETS	932,415	959,928
TOTAL ASSETS	3,110,299	3,161,728

(In thousands of Euros)

30.09.2024

31.12.2023

SHAREHOLDERS' EQUITY		
GROUP SHAREHOLDERS' EQUITY		
Share capital	60,454	60,454
Reserves	1,606,060	1,627,734
Net profit attributable to Group	16,646	(324)
TOTAL GROUP SHAREHOLDERS' EQUITY	1,683,160	1,687,864
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		
Capital and reserves of non-controlling interests	5,140	4,071
Net profit attributable to non-controlling interests	2,631	2,816
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	7,735	6,887
TOTAL SHAREHOLDERS' EQUITY	1,690,895	1,694,751
NON-CURRENT LIABILITIES		
Medium-long term loans	902,782	895,214
Provisions for risks and charges	1,365	1,379
Employee benefit liabilities	3,350	3,497
Deferred tax liabilities	61,818	113,026
Other non-current liabilities	2,598	2,715
TOTAL NON-CURRENT LIABILITIES	971,913	1,015,831
CURRENT LIABILITIES		
Payables to banks and other lenders	166,639	119,373
Current portion of medium – long term loans	18,554	14,366
Provisions for risks and charges	5,194	15,519
Trade payables	183,569	235,484
Income tax payables	3,674	5,590
Other current liabilities	69,861	60,814
TOTAL CURRENT LIABILITIES	447,491	451,146
TOTAL LIABILITIES	1,419,404	1,466,977
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,110,299	3,161,728

1.2. CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD

<i>(In thousands of Euros)</i>	30.09.2024	30.09.2023
Revenues	1,095,293	986,850
Cost of sales	818,860	767,307
GROSS MARGIN	276,433	219,543
Other income	6,221	14,559
General and administrative expenses	119,819	121,310
Sales and marketing expenses	66,486	68,091
Research and development expenses	35,489	26,670
Other operating costs	12,830	8,263
OPERATING PROFIT	48,030	9,768
Interest expenses	68,623	61,855
Interest income	2,718	915
Net foreign exchange gains	(7,409)	(948)
RESULT BEFORE TAXES	(25,284)	(52,120)
Income taxes	(45,538)	(10,251)
NET PROFIT FOR THE PERIOD	20,254	(41,869)
Of which:		
Net result attributable to the Group	16,646	(47,756)
Net result attributable to non-controlling interests	3,608	5,887

1.3. CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(In thousands of Euros)

30.09.2024

30.09.2023

	30.09.2024	30.09.2023
NET PROFIT FOR THE YEAR	20,254	(41,869)
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	(16,709)	3,763
Total other comprehensive income components that will be subsequently reclassified to profit/(loss) for the year, net of taxes	(16,709)	3,763
Other components of comprehensive income that will not be subsequently reclassified to profit/(loss) for the year:		
Revaluation related to hyperinflationary economies	4,233	1,763
Actuarial gains/losses on employee benefits	38	29
Income tax	(9)	(7)
Total other components of comprehensive income that will not be subsequently reclassified to profit/(loss) for the year, net of taxes	4,262	1,785
TOTAL OTHER COMPONENTS OF COMPREHENSIVE INCOME, NET OF TAXES	(12,447)	5,548
TOTAL COMPREHENSIVE INCOME/(LOSS), NET OF TAXES	7,807	(36,321)
Attributable to:		
Group	3,338	(42,113)
Non-controlling interests	4,469	5,792

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	-	-	-	2,540	-	-	-	2,540	1,693	4,233
Currency translation adjustment	-	-	-	-	(15,877)	-	-	(15,877)	(832)	(16,709)
IAS 19 employee benefits	-	-	-	-	-	29	-	29	-	29
Profit for the year	-	-	-	-	-	-	16,646	16,646	3,608	20,254
Total of the profit/(loss) for the year and other components of the comprehensive income	-	-	-	2,540	(15,877)	29	16,646	3,338	4,469	7,807
Balance as of September 30, 2024	60,454	11,734	77,901	1,639,177	(122,214)	(538)	16,646	1,683,160	7,735	1,690,895

1.5. CONSOLIDATED STATEMENT OF CASH FLOWS

(In thousands of Euros)

30.09.2024

30.09.2023

PROFIT BEFORE TAX	(25,284)	(52,120)
Adjustments to reconcile the profit before tax to the cash flow generated/(absorbed) by operating activities:		
Depreciation	97,216	110,047
Interest expense	68,623	61,855
Interest income	(2,718)	(915)
Net exchange gains or losses	7,409	948
Other non-monetary items	1,408	(2,618)
Provisions/(Payments) for employee benefits	(167)	(276)
Net change in provisions for risks and charges	(10,339)	(6,068)
Net change in other non-current liabilities	(117)	(442)
Net change in other non-current assets	92	236
Changes in working capital		
Trade receivables	22,779	42,361
Inventories	(35,692)	(139,378)
Trade payables	(53,883)	16,398
Other current assets and liabilities	(12,219)	5,456
Other cash flows from operating activities		
Income Taxes paid	(5,875)	(6,148)
CASH FLOW GENERATED FROM OPERATING ACTIVITIES (A)	51,233	29,336
Investments in tangible assets	(48,931)	(39,314)
Disposal of tangible assets	2,246	656
Purchase of plasma collection centers	(3,334)	(9,351)
Investments in intangible assets	(13,513)	(11,373)
Disposal of intangible assets	-	51
CASH FLOW ABSORBED BY INVESTING ACTIVITIES (B)	(63,532)	(59,331)

<i>(In thousands of Euros)</i>	30.09.2024	30.09.2023
Dividends paid	(2,472)	(1,190)
New medium-long term loans	10,000	-
Repayment of medium-long term loans	(12,912)	(11,728)
Interest collected	2,718	1,094
Interest paid	(50,059)	(34,103)
Change in non-current financial assets	385	2,722
Change in short-term financial liabilities	34,408	9,774
Change in short-term financial assets	(400)	(218)
NET CASH FLOW GENERATED/(ABSORBED) BY FINANCING ACTIVITIES (C)	(18,332)	(33,649)
Net cash flow generated by operating activities (A)	51,233	29,336
Net cash flow absorbed by investment activities (B)	(63,532)	(59,331)
Net cash flow generated/(absorbed) by financing activities (C)	(18,332)	(33,649)
TOTAL CASH FLOW D=(A+B+C)	(30,631)	(63,644)
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)	(8,503)	(112)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD G=(D+E+F)	117,245	98,893
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	117,245	98,893
Overdrafts and repayable on demand liquidity	-	-
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	117,245	98,893

Castelvecchio Pascoli, 22 November 2024

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