KEDRION
BIOPHARMA

KEDRION GROUP
ANNUAL FINANCIAL REPORT
AS OF DECEMBER 31, 2024

Kedrion SpA
Single shareholder entity
Subject to the direction and coordination of Kedrion Holding SpA

Joint Stock Company
Share Capital 60,453,901.00 Euros fully paid
Registered office: Località Ai Conti - 55051 BARGA (LU) - frazione Castelvecchio Pascoli
Production facilities: 55027 GALLICANO (LU) - frazione Bolognana
80029 SANT’ANTIMO (NA)
Tax Code - VAT Number - Business Register of North West Tuscany no. 01779530466 - REA Registration no. 170535

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LETTER FROM **PAOLO MARCUCCI**

Two years ago, Kedrion embarked on a transformative journey within the plasma-derived sector, reinforcing our global leadership while strengthening the connections that unite us. 2024 marked another bold step along that journey.

The numbers shared in this report, as our CEO, Ugo Di Francesco, has observed, reflect a year of notable – and continuing – progress. But of course, success is measured not only and simply in numbers, but in the height and depth and breadth of our ideals, our commitments and our vision. And most especially, in the quality of our relationships with the people we serve: our donors and our patients and our colleagues as well as with the people with whom we partner: medical researchers, health-care providers and advocacy groups.

This year's achievements embody our vision of creating lasting value for those we serve and with whom we work. Our dedication to advancing research and innovation has deepened, particularly in addressing the needs of patients with ultra-rare conditions. We have pioneered studies on utilizing plasma once considered "waste" to develop new therapies, and we have supported young researchers, reinforcing our commitment to providing hope and solutions for medical needs into the future. Guided by integrity and transparency, we have enhanced our sustainability initiatives, ensuring that our growth is responsible and impactful.

While expanding and embracing global opportunities, we remain mindful and true to our roots. Last year, we celebrated significant anniversaries at our production facilities: 30 years at Laval in Québec, Canada; 70 years at Elstree in the UK; and 100 years at Gödöllő in Hungary.

Looking forward, we aim to create a unified global identity by integrating our worldwide businesses. This transformation will culminate in a new brand identity launch in 2025, with initiatives to engage and empower our people and communities, ensuring everyone feels a part of our shared vision.

The future for Kedrion is clear. Our mission centers on meeting the needs of patients with rare and serious conditions, leveraging our expertise in plasma to expand our global reach. Our commitment to educating and expanding awareness about rare diseases and advocating for supportive policies in the biopharma sector continues to be steadfast. By engaging with policymakers and patient associations, we are enhancing our efforts to ensure better access to life-changing medicines.
Our strategic goals for 2025 include geographic expansion, increased capacity, and enhanced plasma collection, all aimed at providing life-saving and life-enhancing therapies to more patients around the world. We recognize that fostering innovation and practicing sustainability, while keeping patients at the heart of our efforts, are crucial for improving health outcomes globally.

I am confident about our future. We will continue to grow and thrive under the guidance of our vision and in the pursuit of our mission. Our management team is well-equipped to face the challenges ahead, striving to do our best for our patients.

My heartfelt gratitude goes to our colleagues, our management, our shareholders, to the donor community and to everyone contributing to our company’s and our industry’s advancement.

Thank you for your support and trust in Kedrion.

Paolo Marcucci
Kedrion Chairman

LETTER FROM **UGO DI FRANCESCO**

What does it take to turn scientific innovation into life-saving therapies? At Kedrion, we believe it's where science meets humanity. Plasma is at the heart of our mission, transforming the generosity of donors into hope for patients worldwide. As a global leader in plasma-derived therapies, we are pioneering advancements to serve those with rare and serious diseases.

2024 has been a year of remarkable progress for Kedrion. Building on our strong performance in 2023 and the successful integration with BPL, we have expanded our global presence, strengthened our position in the plasma-derived product sector, and significantly improved profitability.

At the heart of our growth is a clear purpose: supporting patients. Every innovation, every investment, and every operational improvement is aimed at reaching more people who rely on our therapies.

A Year of Strong Growth

This year, Kedrion achieved double-digit revenue growth, with turnover reaching 1,578 million Euro (+10.4% vs. 2023). EBITDA reported increased by 27.8% to 232 million Euro, while EBITDA adjusted rose by 19.7% to 279 million Euro. Our improved margins and disciplined financial management enabled us to generate positive cash flow, fully funding our investments and strengthening our operations.

Plasma collection saw notable improvements, with cost efficiencies in the US and expanded European operations, including new centers in the Czech Republic. Sales of standard and hyperimmune plasma to third parties grew by over 21%.

Investments remained a priority, with 146.5 million Euro allocated to product development, R&D, plasma center upgrades, and digital infrastructure. This ensures we stay at the forefront of innovation and operational excellence.

Expanding Access to Life-Saving Therapies
Kedrion continues to expand its global reach, with exports accounting for 93.6% of total sales. The US remains our largest market, followed by key regions such as Mexico, Turkey, the UK, China, and Europe. We have reinforced our role as a trusted partner for national health systems, particularly in Italy, while extending our footprint to new markets.

A highlight of 2024 was the relaunch of Ryplazim®, our therapy for Congenital Plasminogen Deficiency, now available to more patients in the US. Following FDA approval of key production steps at our Bolognana site, we are poised to expand its global distribution. We also advanced the international rollout of Coagadex® and strengthened our Immunoglobulin portfolio by signing a long-term agreement to distribute YIMMUGO® in the US.

Our pipeline remains robust, with three new therapies in development and two Orphan Drug designation applications expected in 2025. We are also exploring new proteins for rare diseases, utilizing proteomics and waste plasma fractions to unlock future treatments.

A Commitment to Sustainability and the Future
Beyond growth, we remain committed to sustainability. In 2024, we advanced our "Net Zero Plan" to reduce our environmental footprint and aligned with the Science Based Targets initiative (SBTi) to further our climate goals.

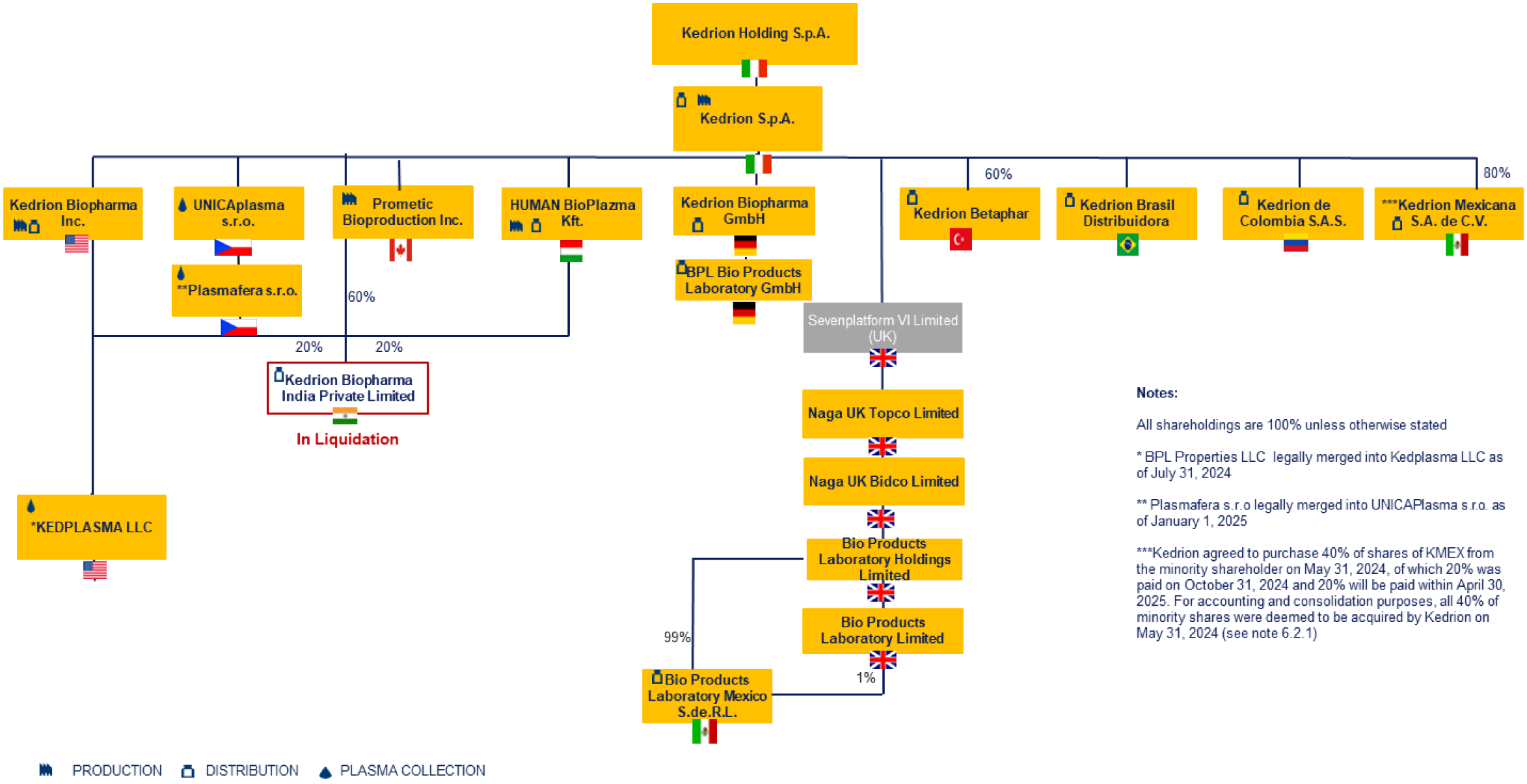
Most importantly, Kedrion is defined by its people. From the patients we serve to the donors who make our work possible, and the dedicated teams that drive our success, **our shared Values and Purpose—"Infusing Hope. Enhancing Health"—unite us in our mission.**

Looking Ahead
2025 will be a pivotal year. We are ready to expand geographically, increase production capacity, and deliver more life-saving therapies worldwide. None of this would be possible without the dedication of our employees, the trust of our shareholders, and the invaluable contributions of our donors.

Thank you to everyone who makes Kedrion's mission a reality. Together, we will continue to shape the future of healthcare with passion and purpose.

Ugo Di Francesco
Kedrion CEO

1. GROUP STRUCTURE



Notes:

All shareholdings are 100% unless otherwise stated

* BPL Properties LLC legally merged into Kedplasma LLC as of July 31, 2024

** Plasmafera s.r.o legally merged into UNICAPlasma s.r.o. as of January 1, 2025

***Kedrion agreed to purchase 40% of shares of KMEX from the minority shareholder on May 31, 2024, of which 20% was paid on October 31, 2024 and 20% will be paid within April 30, 2025. For accounting and consolidation purposes, all 40% of minority shares were deemed to be acquired by Kedrion on May 31, 2024 (see note 6.2.1)

2. COMPANY BODIES AS OF THE DATE OF APPROVAL OF THE FINANCIAL STATEMENTS

BOARD OF DIRECTORS Serving until the meeting to approve the financial statements as of December 31, 2024	Paolo Marcucci	Chairman of the Board of Directors
	Ugo Di Francesco	Director and Chief Executive Officer
	Federico Latini	Director
	Ulrike Becker	Director
	Evan Daniel Selig	Director
	Massimiliano Barberis	Director
	Massimo Perpoli	Secretary of the Board of Directors
BOARD OF AUDITORS Serving until the meeting to approve the financial statements as of December 31, 2024	Tommaso Di Tanno	Chairman and Statutory auditor
	Stefano Massarotto	Statutory auditor
	Giuseppe Galeano	Statutory auditor
	Giancarlo Lapecorella	Alternate statutory auditor
	Massimiliano Altomare	Alternate statutory auditor
AUDIT FIRM Appointment granted by the ordinary meeting of October 3, 2023, until the meeting for the approval of the financial statements as of December 31,.2025	PricewaterhouseCoopers SpA	

THE BOARD OF DIRECTORS OF THE COMPANY

1. Role and functions

Pursuant to Article 21.1 of the Article of Association, the Board of Directors is vested with the broadest powers for the ordinary and extraordinary management of the Company, within the limits of the responsibilities assigned by law and by the Article of Association, with the authority to carry out all acts deemed appropriate for the implementation of the corporate purpose, with the sole exclusion of those reserved by the Article of Association and/or the law to the competence of the Shareholders.

2. **Composition**

The company is managed by a Board of Directors composed of 6 members.

3. **Delegations and powers**

The Board of Directors has delegated certain powers to individual directors, in particular:
to the Chief Executive Officer, the powers related to ordinary administration necessary for achieving the corporate purpose and other specific powers, and to the Chairman of the Board of Directors, the responsibilities provided by article 2381, first paragraph of the Civil Code and the Company's Article of Association.

3. MANAGEMENT REPORT

Dear Shareholders,

in the financial year ended December 31, 2024, the revenue for the Kedrion Group amounted to Euro 1,578.2 million (Euro 1,429.3 million in 2023), showing an increase of 10.4% (+ Euro 148.9 million) compared to the previous year. It was a year of strong organic growth for the Group, which recorded an increase in the revenues arising from plasma derivatives (+9.5%) mainly due to the increase in volumes of immunoglobulins sold in the US market and the volumes of albumin sold in non-US markets, particularly in China, as well as revenues arising from Orphan Drugs such as Ryplazym and Coagadex and some intermediate products. Additionally, a positive trend was observed in sales prices, driven by strong demand for the Group's products. Plasma revenues increased by 21.3%, thanks to the increase in collected volumes available for sale to third parties. The Group's strong trend toward internationalization is confirmed, with an Export share that stood at 93.6% in 2024 (93.0% in 2023). The United States confirmed its position as the Group's largest market with a share of 56.7% of revenues, the European Union with 10.9%, Italy with 6.4%. and Rest of the World countries with 26.0%.

The EBITDA amounted to Euro 232.3 million (Euro 181.8 million in 2023), equivalent to 14.7% of the revenue, while the adjusted EBITDA (calculated excluding the impact of non-recurring items) amounted to Euro 278.6 million (Euro 232.8 million in 2023), equivalent to 17.6% of the revenue, showing a significant increase in profitability compared to the previous fiscal year.

The increase in profitability was mainly driven by the rise in revenues, both due to volume and price effects, as well as improvements in raw material costs, production costs, and other operating costs, thanks to the synergies made possible by the Kedrion-BPL integration and the efficiency projects in Operations.

The improvement in revenue and profitability has ultimately led to a significantly positive operating cash flow, which has fully absorbed the capital expenditures and financial cash flows, highlighting a significant improvement for the Group in its cash generation profile.

The financial statements and consolidated accounts of Kedrion SpA for the fiscal year ended December 31, 2024, consist of the statement of financial position, the statement of profit or loss and the statement of comprehensive profit or loss, the statement of cash flows statement, the statement of changes in equity and the explanatory notes, prepared in accordance with the IFRS adopted by the European Union.

The format of of the consolidated statement of financial position distinguishes between current and non-current assets and liabilities. The consolidated statement of profit or loss is presented according to a classification of costs by destination, a form deemed more representative compared to the presentation by nature of expense. The chosen form is indeed consistent with internal reporting methods and business management. The statement of cash flow has been prepared using the indirect method and it is presented in accordance with IAS 7, distinguishing cash flows between operating, investing, and financing activities.

The parent company Kedrion SpA is a legal entity organized under the laws of the Italian Republic and, as permitted by art.40 paragraph 2 bis of Legislative Decree 127/91, prepares the Management

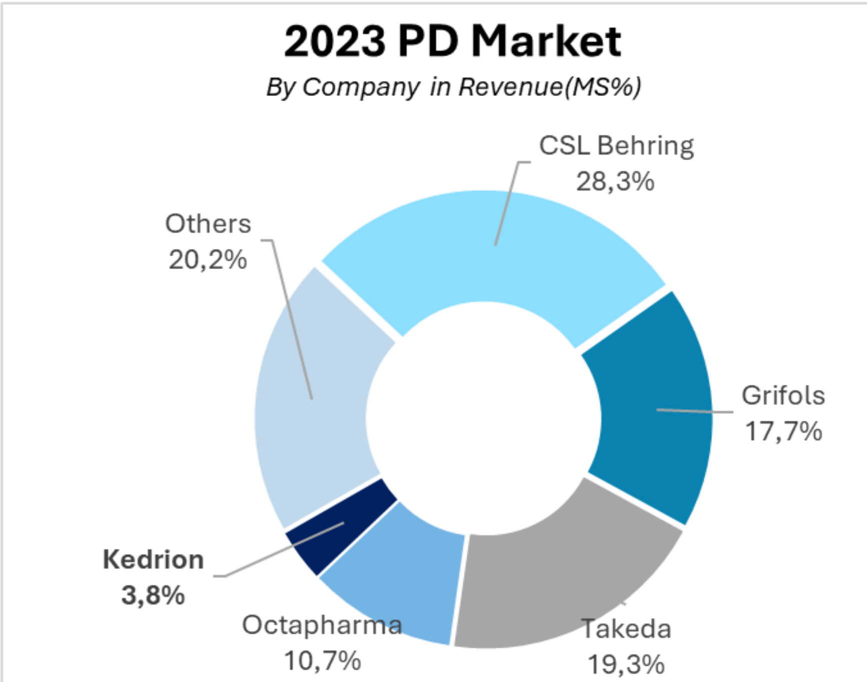
Report for both the Annual Financial Statements and the Consolidated Financial Statements in a single document.

3.1. INDUSTRY TREND

The Group's target market is the one of the biopharmaceutical products derived from human plasma, a segment that is part of the broader pharmaceutical market and is characterized by a wide range of products used to treat patients with diseases such as immunodeficiencies, hemophilia and other coagulation disorders, infectious diseases, and other types of rare and disabling conditions. The Group's main clients are government entities, National Health Services (with contracts awarded through public tenders), and private operators such as insurance companies, pharmacies, and private clinics, wholesalers, distributors, agents, etc.

3.1.1. MARKET TREND FOR COMPETITORS

In the last two decades, the industry faced a progressive phase of consolidation, leading in 2023 to three main operators in plasma derivatives - CSL, Grifols, and Takeda - collectively holding a market share of approximately 65.3%, with Kedrion in the fifth position with a share of 3.8%.



Source: The Global Plasma Proteins Market by Company without Recombinant Products; MRB WW 2023 Report

3.1.2. GLOBAL MARKET TREND

The global plasma derivatives market reached in 2023 USD 32.5 billion[1], with an average annual growth rate of 6.9%.

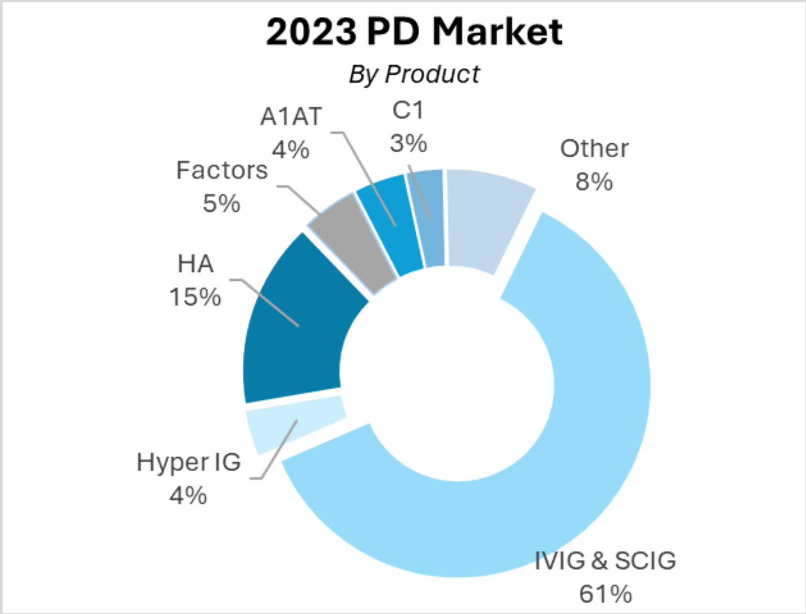
[1] Source: MRB “The Worldwide Plasma Proteins Market 2023”, January 2025 Report

3.1.3. MARKET TREND BY PRODUCT

At the product level, the industry is dominated by standard immunoglobulin (including subcutaneous immunoglobulin), which, with approximately USD 20 billion, accounts for about 61.3% of the total market. Due to improved diagnostic capabilities, the approval of new therapeutic indications, especially in the neurological field, the increase in patients diagnosed with primary and secondary immunodeficiencies, the rise in the average age of the population, and greater penetration in emerging countries, the industry shows a constant growth.

The second most valuable product is albumin, which reached to USD 5 billion in 2023, accounting for 15.5% of the total market, driven mainly by demand in China.

Third are placed the coagulation factors, accounting for 4.6% of the total market, including factor VIII, representing 1.8% of the market, equivalent to USD 0.6 billion, in a shrinking trend due to the increase in the use of recombinant products, other new generation products (e.g., Roche's Hemlibra, which achieved a revenue of over USD 4.6 billion in 2023), and new gene therapies.



As shown in the tables below, the market shares[2] of the two main products reflect global figures: indeed, CSL, Grifols and Takeda collectively represent 60.9% of the global immunoglobulin market in terms of volume, with the Kedrion Group reaching the fifth place with a share of 3.8%.

Similarly, the three leading companies in the sector cover 53.4% of the albumin market in terms of volume, with the Kedrion Group consistently placing in the fifth position with 5.3%.

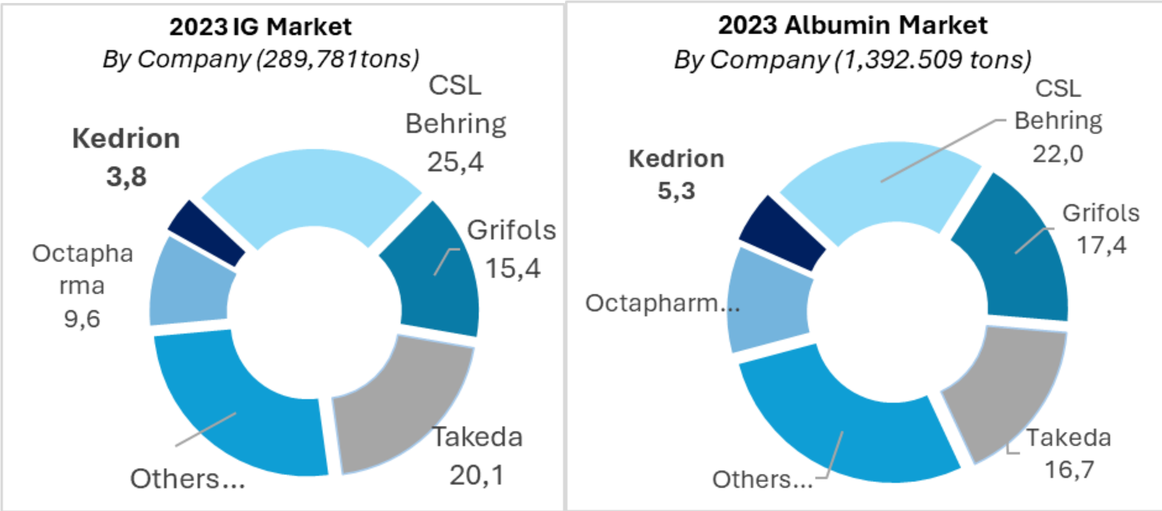
The situation is different in hyperimmune immunoglobulins[3], where Kedrion has a prominent presence. Global sales of hyperimmune products reached to a value of USD 1.23 billion, an increase of 7.7% compared to 2020.

The anti-rabies immunoglobulins are the largest segment in terms of value, at USD 501 million (40.7% of the total): in this segment, Kedrion holds a 15% share of the global market with a significant presence in the United States. Anti-tetanus immunoglobulins follow with USD 266 million (21.6% of the total). Finally, the Anti-D segment with USD 188 million (15.2% of the total): in this segment, the Kedrion Group, due to its market share of RhoGAM in the US and its significant shares in Italy and

[2] Source: MRB "The Worldwide Plasma Proteins Market 2023*", January 2025 Report*
[3] Source: MRB WW_PPM_2023

in the rest of the world with ImmunoRho, is the second company worldwide with a 26.2% market share after CSL, which has a 51.3% share. ImmunoRho is currently undergoing registration at European level.

The presence of the Group's in the niche of orphan drugs, with plasminogen “Ryplazim” and Factor X “Coagadex” is also consolidating.



3.1.4. MARKET TREND BY AREA

From a geographical perspective, 70.0% of the market is concentrated in North America and Europe, which are historically the most important markets, while 23.5% is covered by the Asia Pacific region. North America reached USD 16.3 billion[4], accounting for 50.1% of the entire plasma-derived products market, which has been consistently growing over the last decade both in terms of volume and price.

Europe, with approximately USD 6.5 billion, holds a 19.9% share and is a market characterized by greater control over healthcare spending, the reimbursement price of drugs (generally borne by National Health Systems), and different competitive and access dynamics compared to the United States. Meanwhile, the Asia Pacific area has experienced the highest growth rates in recent years (+12.9% from 2020 to 2023) due to the aging of population, increased use of albumin (e.g., China), and a higher number of treatments supported by local Health Systems, becoming the second largest global market, with a 23.5% share.

[4] Source: 2024 MRB USA

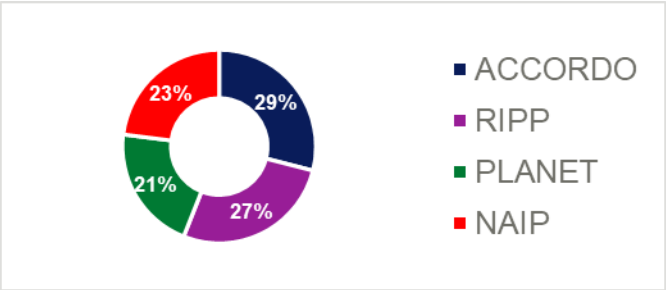
THE WORLDWIDE PLASMA PROTEINS
MARKET BY REGION WITHOUT RECOMBINANT PRODUCTS FROM 2014 TO 2033
$ (MM)

	2014	2017	2020	2023	Market Share 2023	*Change 23/20*	*Annual Growth*
North America	8,206	10,813	13,818	16,274	50.1%	*17.8%*	*5.6%*
Europe	5,141	5,043	5,639	6,477	19.9%	*14.9%*	*4.7%*
Asia & Pacific	3,529	4,051	5,301	7,638	23.5%	*44.1%*	*12.9%*
Middle East/Africa	640	823	946	1,100	3.4%	*16.3%*	*5.2%*
Latin America	1,007	803	872	978	3.0%	*12.1%*	*3.9%*
Total Market	**18,523**	**21,533**	**26,576**	**32,467**	**100.0%**	***22.2%***	***6.9%***
Change (3 years)		*16.2%*	*23.4%*	*22.2%*			
Annual Growth		*5.1%*	*7.3%*	*6.9%*			

Italy has two complementary channels for the supply of plasma-derived medicinal products (PDMPs): a national one, based on the collection of domestic plasma, and an international one, which meets the remaining demand. Currently, about 70% of the national need is met with plasma collected internally through the self-sufficiency program, while 30% relies on products made with imported plasma (so-called commercial market).

Under Law No. 219/2015 requirements, the Italian Regions, individually or in a consortium, allocate the plasma collected at Transfusion Services and associative Collection Units to authorized manufacturers. The contract with companies operating as service providers, is considered a form of "contract manufacturing" and is configured as an agreement for the production of PDMPs. The acquisition is carried out through a tender procedure in accordance with current regulations.

To this end, during 2015 and 2016, three new interregional agreements were established: the New Interregional Agreement for Plasma-Derived Products (NAIP), the Interregional Plasma/Plasma-Derivatives Group (RIPP), the Plasma Network (Planet), in addition to the already operational Lombardia-Piemonte-Sardegna Agreement (LPS).



Currently, the companies authorized to process national plasma, identified based on the Ministerial Decree of December 5, 2014, are CSL, Grifols, Kedrion, Octapharma, and Takeda.

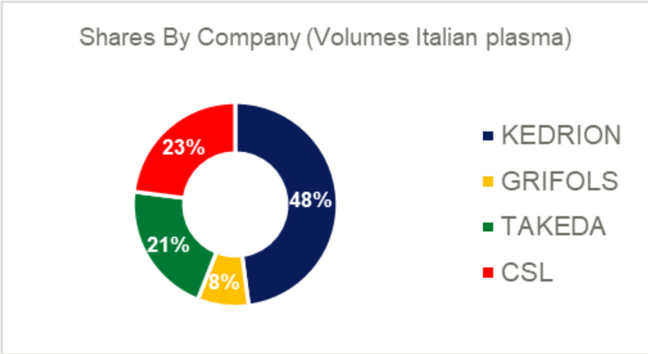
Following the introduction of the new regulatory regime, three tenders were awarded: the first, announced by the Veneto Region on behalf of the NAIP group [5], was awarded in March 2016 to CSL; the second, organized by the Emilia-Romagna Region on behalf of the RIPP group [6], was awarded to a temporary consortium consisting of Grifols and Kedrion with a contract signed in

[5] Abruzzo, Basilicata, Friuli-Venezia Giulia, Liguria, Umbria, Aosta Valley, Veneto, Autonomous Province of Trento, Autonomous Province of Bolzano.
[6] Emilia-Romagna, Apulia, Calabria and Sicily

October 2019; the third, tendered by the Tuscany Region on behalf of the Planet group [7] was awarded in July 2018 to a temporary consortium between the companies of the Shire/ Takeda.

The fourth and final one, tendered by the Lombardy Region (ARIA) as the leader of the LPS Agreement, was awarded to Kedrion in November 2020 and then annulled by the Council of State in February 2022. The tender was reissued in December 2022 and subsequently annulled by the Council of State during 2023. In February 2024, ARIA issued a new tender, suspended by the Regional Administrative Court of Lombardy in March and subsequently annulled in February 2025. In the meantime, Kedrion is continuing and will continue to provide plasma processing services on behalf of the aforementioned regions based on the previous agreement.

As of today, Kedrion processes about 48% of the plasma collected by the Italian Regions[8]:

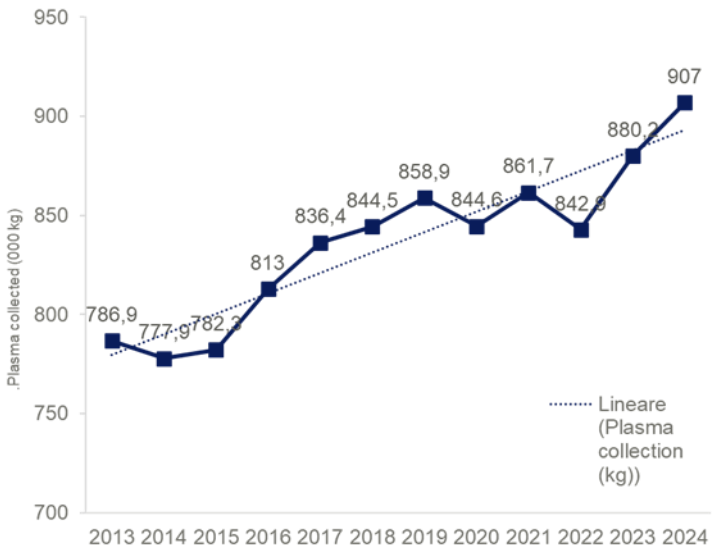


It should be noted that, according to Law 118 of August 5, 2022 (Competition Law), all European companies are now authorized to fractionate plasma collected in Italy, provided that their production plants are located in European countries where plasma is collected voluntarily from unpaid donors.

Therefore, it is possible that - in future tenders - other facilities will be used to process Italian donors' plasma, in addition to those currently used by companies, thus increasing the supply of products for the self-sufficiency channel.

In 2024, approximately 907 thousand kilograms of plasma were collected in Italy, with an increase of 3% compared to the previous year (880 thousand kilograms of plasma collected in 2023 [9]).

[7] Source: Tuscany, Campania, Lazio, Marche and Molise
[8] Source: CNS 2023
[9] Source: CNS 2023



The self-sufficiency program allows the NHS to meet approximately 70% of the demand for plasma-derived medicines; the table below shows the self-sufficiency percentages for different products [10]:

Products	2021	2022
IVIG	76%	79%
SCIG	10%	12%
IGG TOTAL	60%	64%
ALBUMIN	62%	64%
ATIII	65%	69%
FIX+PCC3f	82%	78%
Activated PCC		11%
FVIII	95%	98%
FVIII+vWF		16%
PLASMA SD	52%	62%

The commercial market represents the remaining 30%, with a value of about Euro 300 million per year.

The demand for plasma-derived products is constantly growing, with a significant increase globally, which is also reflected in Italy. The country is aligning with international trends, aiming to increase collection and production capacity to meet the needs of increasingly complex and frequent treatments.

[10] Source: CNS – ISTISAN Report 23/31

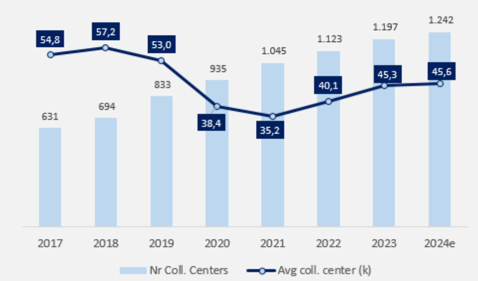
3.1.5. PLASMA COLLECTION MARKET TREND

After the strong growth in 2023, where the global collection reached about 85 million liters (+18% compared to 2022), led by standard plasma (so-called “source plasma”) from North American origin (54 million liters, accounting for about 63% of the total world volumes), in 2024, it is expected that the growth of source plasma collection in the United States was more moderate, reaching to some 57 million liters (+4.6% compared to 2023). This is predominantly due to the fact that, between the end of 2023 and early 2024, the main fractionators implemented various actions to slow down collection after the strong growth of 2022 and 2023, with the aim of balancing inventories, reducing the excess of plasma, and increasing the level of efficiency.

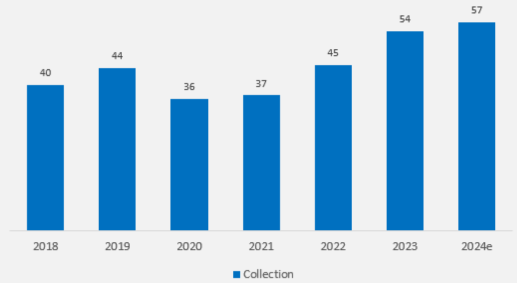
Regarding collection efficiency, the growth drivers in 2024 are represented by the increase in the number of new centers (+45 centers approved by the FDA) and the introduction of technologies allowing for increased donation efficiencies achieved by the main fractionators (already adopted by Kedrion in 2021). The average collection per center is expected to be at some 45,600 liters (+0.8% compared to 2023) thanks to the increased efficiency, which offset the slowdown of existing centers and the impact of new openings:

US Plasma Centers and Source Collection

US Plasma Centers & Avg Source Plasma Collection per Center



US Source Plasma Collection Volume (MM Liters)



Annual Growth (%)	2019	2020	2021	2022	2023	2024e
Nr of Centers (*)	+20,0%	+12,2%	+11,8%	+ 7,5%	+ 6,6%	+3,8%
Avg Coll. per center	-7,3%	-27,5%	-8,4%	+13,9%	+12,9%	+0,8%

* FDA registered centers

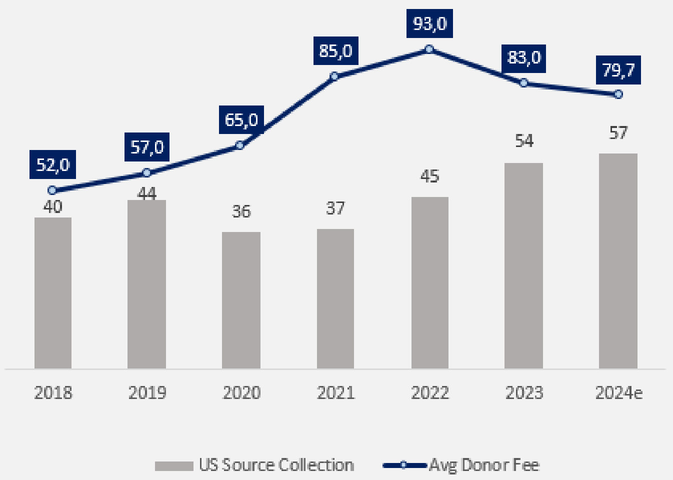
Annual Growth (%)	2019	2020	2021	2022	2023	2024e
US Collection	+11,3%	-18,6%	+2,4%	+22,4%	+20,3%	+4,6%

Data source: MRB Reports available at the date of publishing this document | PPTA US Data through October 2024 | Internal analysis

After the significant decline in 2023 (-11% compared to 2022), in 2024 the fees paid to donors further decreased, thanks to the influx of donors at the centers and the stability of plasma demand. It is estimated that the average value of fees paid to donors (both new and recurring) in 2024 was about $80/Liter (-4.0% compared to 2023), as shown in the following chart:

US Donor Fee

US Source Plasma Collection (MM L) & Avg Donor Fee ($/Liter)



Annual Growth (%)	2019	2020	2021	2022	2023	2024e
US Avg Donor Fee	+9,6%	+14,0%	+30,8%	+9,4%	-10,8%	-4,0%

Data source: MRB Reports available at the date of publishing this document | PPTA US Data through October 2024 | Internal analysis

3.2. GROUP ACTIVITIES

The Kedrion Group is one of the leading international groups in plasma collection and the development, production, and distribution of a wide range of products derived from human plasma. Their life-saving products are used to treat patients suffering from hemophilia, immunodeficiencies, infectious diseases, and other serious conditions in about 100 countries worldwide.

The Group's global presence is structured through an integrated business model that ensures the continuous availability of raw materials, thanks to 67 collection centers owned in the United States, 8 collection centers owned in the Czech Republic, 7 production plants, and rigorous quality control throughout the entire production chain. Overall, in 2024, the Group reached a fractionation capacity of approximately 3.3 million liters and a collection capacity of about 2.6 million liters. Thanks to existing plasma supply contracts, the Group purchased additional 0.75 million liters.

The production facilities constantly keep up with technological advancements aiming for excellence and are periodically maintained to ensure the highest quality and safety standards at all production levels. The Bolognana (Lucca) plant is the only facility in Italy capable of manufacturing the entire range of plasma-derived products, while the Sant'Antimo (Naples) facility specializes in the production of specific immunoglobulins and virus inactivated plasma. The Godollo (Budapest) plant was originally dedicated to supplies for the European and Asian markets and, following a significant renovation more than doubling its capacity, since the end of 2012, it also manufactures intermediates for the Bolognana plant, where they are then processed into finished products. The Melville (New York) facility, acquired by the Kedrion Group in 2011 and extensively renovated during 2016-2017, now primarily processes plasma for the US market of Kedrion, while the new Castelvecchio Pascoli (Lucca) facility will be dedicated to the purification of 10% immunoglobulin (KIg10).

Since 2021, the Canadian facility in Laval (Quebec), has also been operating within the Kedrion Group, where Ryplazim plasminogen is produced, acquired as part of the business combination with Liminal (Prometic).

Finally, following the acquisition of the BPL Group in 2022, we highlight the Elstree (UK) plant, the largest in the Group in terms of fractionation capacity, fully integrated from fractionation to purification to packaging, comparable to the Bolognana facility.

The Group operates in two main business segments:

- the production and marketing of plasma derivatives, which are proteins extracted from human plasma such as albumin, immunoglobulins – standard and hyperimmune – coagulation factors and human plasminogen;
- the collection, purchase, and distribution of plasma, supported by the Group's network of collection centers, primarily secure the supply of plasma needed to meet the requirements of the plasma-derived products industry, with any surplus being sold to third parties.

The Group operates globally, segmenting markets into four major geographic areas: "United States," "Italy," "European Union," and "Rest of the World."

3.3. SIGNIFICANT EVENTS OF THE YEAR

3.3.1. "PRODUCTION AND SALE OF PLASMADERIVATIVES" SEGMENT

STRATEGIC PROJECTS

During the period, the process of validation of the production procedure continued at the new 10% immunoglobulin purification plant (KIg10) using the chromatographic method in Castelvecchio Pascoli (LU), and clinical trials also progressed in anticipation of commercial authorization for the new product.

In the preceding years, clinical trial activities for the PID (primary immunodeficiencies) indication in the adult population in the United States (known as “CARES10”) were completed, and the final study report was obtained. This report was used for submission to the US Food & Drug Administration (“FDA”), which took place in the second half of 2024, confirming the anticipated important endpoints in terms of clinical, laboratory measurements, and patient quality of life related to health status (“HRQoL”), without recording significant adverse reactions. Furthermore, starting in April 2021, the enrollment and treatment of pediatric patients began within the pediatric PID study in Europe (known as “KIDCARES10”) for the purpose of registering this indication in the USA and Europe. By the end of 2023, the enrollment and treatment of patients in the European arm of the study was completed, while in 2024, patient enrollment began in the United States, also to meet the FDA's requirements for obtaining the pediatric indication in the United States.

In 2024, the application for authorization was also submitted to the FDA for the start of the phase III clinical trial (IND) to demonstrate the effectiveness and safety of the product in treating adult patients with ITP (Immune Thrombocytopenic Purpura), as well as the application for authorization to the FDA for the start of the phase III clinical trial (IND) to demonstrate the efficacy and safety of the product in treating adult patients with CIDP (Chronic Inflammatory Demyelinating Polyneuropathy). The applications received positive feedback, and the enrollment of the first patient is expected in 2025 for both clinical trials.

The Biologics License Application (BLA) for KIg10 was submitted to the FDA on September 26, 2024, including in the regulatory dossier the results of the process validation batches (so-called PPQ batches), whose production was completed in September 2023, and the results of the PID clinical study on adult patients.

The FDA review process is currently underway and is expected to take about 12 months, including the GMP inspection at the Castelvecchio Pascoli and Bolognana sites, anticipated in April 2025. This is a crucial milestone at the end of a long development and innovation project for a key product for the Group and for patients. KIg10, in fact, is not just another therapy but an innovative immunoglobulin in a 10% liquid formulation, which has been entirely developed by the Group by its internal talents. Following the approval, expected in the third quarter of 2025, launch in the United States of the product is expected in the first half of 2026. After the completion of additional ongoing clinical studies, regulatory variations for the addition of new therapeutic indications will be submitted.

For Europe, the preparation of the dossier for the submission of the Marketing Authorization Application (MAA) is underway, which, in addition to the data already included in the BLA, will also introduce the data from the PID clinical study on pediatric patients.

Another important milestone was reached in January 2025, when the FDA accepted the comparability approach that the Group presented in the documentation package of the *Type-C meeting*, regarding the use of the so-called “filtered” intermediate as opposed to the so-called “centrifuged” intermediate. This will allow the introduction of an alternative intermediate from filtration fractionation, originating from the Bolognana facility, into the product’s regulatory dossier as an alternative to the intermediate from centrifugation fractionation, originating from the Melville facility, through a post-marketing variation that should prove comparability between the two intermediates without requiring further clinical studies. Consequently, following the variation, it will be possible to increase the production of KIg10 on a flexible basis, using intermediates from different facilities, thereby reaching a greater number of patients.

Lastly, it is important to emphasize that the production for clinical studies had been so far entirely carried out at the Godollo facility (purification phase), while in 2024, the experimental product from the Castelvecchio Pascoli site began being administered as part of the PID-PED study, following the inspection by AIFA of the site, culminating in the approval to produce active substances, including experimental products, received in June 2024. Thus, the technology transfer at the Castelvecchio Pascoli industrial site can be considered complete, where validation activities continued, leading to the production of process validation batches (known as PPQ), completed in September 2023, and the data from which have been included in the BLA dossier, in anticipation of the FDA inspection visit expected in the coming months.

The total investments incurred for the KIg10 project in 2024 amounted to Euro 29.8 million.

Other significant projects and events in 2024 included the following:

- In February 2024, the FDA authorized the third party EBSI to resume production and release of the product by approving modifications to the facility and quality systems, allowing the Group to restart the distribution of Ryplazim in the market. Furthermore, in November 2024, the FDA granted authorization for “fill and finish” activities at the Bolognana plant, following the positive inspection results received in July 2024. Thanks to these authorizations, sales restarted in the second half of 2024, and the Group could once again focus on plan objectives, in terms of revenue growth and cost containment, thanks to the insourcing of the final production step following the tech transfer of this activity at the Bolognana plant.
- After the first regulatory approval by the Chinese authority CDE in 2022, and the first recorded sales in 2023, sales of albumin (Albuminex) produced in Elstree further strengthened in China, reaching an amount of Euro 28.8 million in 2024. Additionally, further growth is expected in 2025, which should bring revenue over Euro 50 million.

- During the fiscal year, the Group signed two agreements with Grifols for the production of extra quantities of Gammaked, the immunoglobulin produced and sold in the US market by the subsidiary Kedrion Biopharma Inc.; the agreements were signed in June and September 2024, for a total of 1,200 kg of additional finished product available to the Group between 2024 and 2025 for sale in the US market. The contracts generated additional sales in 2024 amounting to USD 61.4 million (Euro 56.8 million) and advances paid to Grifols of USD 40.5 million (Euro 39.0 million) as of December 31, 2024.
- In early July 2024, the Group reached a long-term agreement with Biotest AG for the marketing and distribution of the immunoglobulin Yimmugo in the United States, following the German company's obtaining of the FDA BLA. Following the agreement, the subsidiary Kedrion Biopharma Inc. and Biotest AG subsequently finalized the contractual terms of the long-term strategic agreement in October 2024. The exclusive distribution agreement requires Biotest to supply and Kedrion to purchase minimum quantities of Yimmugo for the initial seven-year period. Production of the necessary quantities for entering the US market began immediately after BLA approval, while preparations for the product's market launch in 2025 are currently underway.
- A significant boost this year has been given to research and innovation projects, such as the Natural project and Factor V. For further details, please refer to note 3.10.
- In the second half of 2024, the project to expand the fractionation capacity of the Bolognana production plant was approved and implemented, with a total investment of over Euro 140 million (of which 9.2 million Euros were incurred during the fiscal year). Other projects to expand production capacity have been launched for orphan drugs at the Laval facility (Ryplazym) and at Elstree (Coagadex purification).
- The effort to simplify and integrate the Group’s structure continued throughout 2024. In particular:
    - On January 1, 2024, the intra-group transfer of BPL GmbH (Germany) from BPL Ltd (UK) to Kedrion Biopharma GmbH (Germany) was completed. This transfer was preparatory to the subsequent merger by incorporation of BPL GmbH into the German subsidiary Kedrion Biopharma GmbH, planned in the coming months.
    - At the end of March 2024, BPL Properties LLC sold two buildings related to the plasma collection centers in Las Cruces and Wichita, which were the last centers leased to third parties, and subsequently completed the legal merger of the company into KEDPLASMA LLC, with legal, accounting, and tax effects effective from August 1, 2024.
    - On May 31, 2024, the acquisition of the minority shares of Kedrion Mexicana S.A. de C.V. was completed. The purchase price was set at Euro 10.4 million to be paid in two installments, one of which was settled in October 2024 and the other to be settled by the end of April 2025.
    - The activities aimed at the liquidation of the Indian subsidiary have continued, and its completion is expected in the coming months.

PRICE TRENDS

The selling prices of plasma derivatives followed the historical growth trend regarding immunoglobulins, due to the constant increase in demand that exceeds the fractionators supply increases. In the United States, immunoglobulins saw an average price increase of 3.9% compared to the previous year (in USD currency; about +4.1% in Euro due to exchange rate variations). In the rest of the world (RoW), despite a general price decline in the market, the average price of immunoglobulins increased by 1% thanks to the volume reallocation strategy, helping to mitigate the negative impact on volumes recorded in some RoW markets.

The price of albumin remained largely stable in the United States, despite this market starting to show slow down signs. These signals have not yet appeared outside the United States, where Europe and Rest of World (RoW) confirm a growth trend of about +5.7%, due not only to excess demand (overall +22% in volumes sold compared to the previous year) but also to the effective strategy of reallocating to higher-priced and higher-margin markets.

The price of Factor VIII is rising in the United States (approximately +3.6% in USD and +3.4% in Euro), while the strategy of focusing on European and RoW markets has continued, with prices increasing by 11% to offset a volume decrease of about 17%.

Prices of other major pharmaceutical specialties have not experienced significant changes.

3.3.2. “PLASMA COLLECTION AND SALE” SEGMENT

DISPOSAL AND ACQUISITIONS/START-UP OF OWNED COLLECTION CENTERS

During 2024, the growth strategy for the plasma segment continued, through the establishment and optimization of .US plasma collection centers, and the acquisition from third parties in the Czech Republic. Specifically:

- a new internally developed center was opened (Hampton, VA), continuing the program of independently opening and starting plasma collection centers;
- two centers were closed (Lincoln, NE, and Little Rock, TX), as deemed as non-strategic for the Group;
- the acquisition of Plasmafera s.r.o., a private Czech company operating three plasma collection centers in the Czech Republic, by the Czech subsidiary UNICAplasma s.r.o., was completed for a total consideration of Euro 3.5 million.
-

At the end of 2024, the Group owned 75 centers, compared to 73 at the end of the previous year.

Lastly, with the aim of completing the integration of the two groups Kedrion and BPL concerning the plasma segment, a rebranding project of the former *BPL Plasma* collection centers under the Kedplasma brand was completed. For further details regarding the expenses incurred for this project, please refer to note 3.15., as these costs are considered as “non-recurring” due to their nature.

PRICE TRENDS

Plasma sales prices in 2024 decreased compared to the previous year; in particular, standard plasma saw a price decrease of 10.5% (in USD currency), in line with the reduction in collection costs and as a result of the rebalancing between supply and demand for plasma observed in the market.

3.3.3. FINANCIAL MANAGEMENT

EXCHANGE RATE TRENDS

The trend of exchange rates (particularly the US Dollar, which moved from 1.105 on December 31, 2023, to 1.0389 on December 31, 2024) also due to the Group's financial exposure in Dollars, generated a negative impact on the statement of profit and loss due to realized and unrealized exchange rate differences amounting to Euro 38.9 million. Meanwhile, the Group's and third-party net equity increased by Euro 61.0 million due to the change in the translation reserve, arising from the strengthening of the Dollar, as the Group holds significant assets denominated in USD currency.

3.4. REPORT ON OPERATIONS

	Financial Year Ended December 31				
(In thousands of Euros)	2024	% total revenue	2023	% total revenue	Delta 2024/2023
Revenue	1,578,241	100.0%	1,429,303	100.0%	148,938
Cost of sales	1,163,212	73.7%	1,104,642	77.3%	58,570
GROSS MARGIN (*)	**415,029**	**26.3%**	**324,661**	**22.7%**	**90,368**
Other income	7,147	0.5%	9,626	0.7%	(2,479)
General and administrative expenses	171,267	10.9%	155,130	10.9%	16,137
Sales and marketing expenses	87,790	5.6%	95,000	6.6%	(7,210)
Research and development expenses	46,344	2.9%	39,767	2.8%	6,577
Other operating costs	17,901	1.1%	11,422	0.8%	6,479
EBIT (**)	**98,874**	**6.3%**	**32,968**	**2.3%**	**65,906**
Financial expenses	104,112	6.6%	83,957	5.9%	20,155
Financial income	3,295	0.2%	1,224	0.1%	2,071
Net foreign exchange gains (losses)	(38,864)	(2.5%)	13,122	0.9%	(51,986)
NET FINANCIAL EXPENSES	**139,681**	**8.9%**	**69,611**	**4.9%**	**70,070**
RESULT BEFORE TAXES	**(40,807)**	**(2.6%)**	**(36,643)**	**(2.6%)**	**(4,164)**
Income taxes	(58,930)	(3.7%)	(39,135)	(2.7%)	(19,795)
NET RESULT FOR THE PERIOD	**18,123**	**1.1%**	**2,492**	**0.2%**	**15,631**
Net profit attributable to non-controlling interests	2,490	0.2%	2,816	0.2%	(326)
GROUP RESULT	**15,633**	**1.0%**	**(324)**	**0.0%**	**15,957**

(*) Gross Margin: represented by the difference between revenues and cost of goods sold.
(**) EBIT: represented by the difference between revenues, cost of goods sold, and operating costs net of other income.

3.4.1. REVENUE

REVENUE	Financial Year Ended December 31				
(In thousands of Euros)	2024	% total revenues	2023	% total revenues	Delta 2024/2023
Plasmaderivatives	1,391,767	88.2%	1,275,578	89.2%	116,189
Plasma	186,474	11.8%	153,725	10.8%	32,748
TOTAL	**1,578,241**	**100.0%**	**1,429,303**	**100.0%**	**148,937**

The breakdown of revenue by business segment and geographic area is detailed in the following tables:

"PRODUCTION AND SALE OF PLASMA-DERIVATIVES SEGMENT"

Revenue for the production and sale of plasmaderivative drugs segment as of December 31, 2024, amounted to Euro 1,391.8 million (88.2% of the total).

Among the products, standard immunoglobulin holds the lead, confirming a growth trend in both volumes and average prices (especially in the American market). Price increase is due to the excess demand over supply in the USA and product allocation strategies in the RoW markets.

Albumin also recorded significant growth, driven by higher volumes, an increase in average price, and a different geographic mix, mainly linked to a wider presence in the Chinese market.

In 2024, the sales of Ryplazim, launched in the US market in 2022, took off, recording a significant increase in volumes in the US and the start of sales in the rest of the world. Coagadex (Factor X), another orphan drug developed and approved by BPL, also strengthened its presence in the US market and began to expand into other geographical areas.

Regarding this segment, the United States represents the most strategically important market in terms of both volume and average prices. It is followed by the Rest of the World, where the Group continued to invest in new emerging markets such as Mexico, Turkey, the UK, and China. Lastly, in Europe, the Group maintains its commitment in traditional markets like Italy, Germany, Poland, and Austria.

With reference to the plasma processing service for third-party clients, the strategic importance of these activities is confirmed due to the growth in processed volumes of Iranian plasma and the established relationship with the Italian Health System for the processing of national plasma.

"COLLECTION AND SALE OF PLASMA" SEGMENT

Revenues for this segment as of December 31, 2024, amount to Euro 186.5 million. The performance, under the same conditions, is significantly superior compared to the previous year, due to the availability of larger volumes for sales and the acquisition of some new clients.

Below is the geographical breakdown of revenues:

REVENUE	**Financial Year Ended December 31**				
(In thousands of Euros)	**2024**	**% total revenues**	**2023**	**% total revenues**	**Delta 2024/2023**
USA	894,605	56.7%	832,152	58.2%	62,453
Rest of the World	411,064	26.0%	341,352	23.9%	69.712
European Union	171,277	10.9%	155,863	10.9%	15.414
Italy	101,295	6.4%	99,936	7.0%	1,359
TOTAL	**1,578,241**	**100.0%**	**1,429,303**	**100.0%**	**148,938**

USA

The US market represents the main distribution market for the Group, with revenues amounting to Euro 894.6 million, accounting for 57% of total sales, recording a 7% increase compared to the prior year.

In 2024, in fact, all plasma derivatives in this area showed a positive growth trend compared to the prior year. Standard immunoglobulin is the main driver for growth, confirming its leadership both in absolute terms (about 67% of total sales) and in growth rate, both in volumes and prices, followed by albumin and Anti-Rabies immunoglobulin.

REST OF THE WORLD

Revenue for this geographic area as of December 31, 2024, amounts to Euro 411.1 million, representing 26% of total turnover, compared to Euro 341.3 million as of December 31, 2023 (24% of total turnover). Growth compared to 2023 was driven by a significant increase in the sale of finished products.

Plasma, with higher sales in South Korea and Canada, confirms its contribution to revenue compared to 2023. The sale of finished products remains the main revenue driver, with flagship products, standard immunoglobulin and albumin, where higher sales are consolidated in China. The three main markets, representing 46% of total turnover, are Mexico, Turkey, and South Korea.
Lastly, the activity of selling excess semi-finished products to industrial customers (known as "Business to Business") and plasma processing for third parties in Iran were not negligible.

EUROPEAN UNION

Revenues in other European Union countries as of December 31, 2024, amount to Euro 171.3 million, or 11% on total revenue, compared to Euro 155.9 million as of December 31, 2023 (11% of total revenue).

In the plasma derivatives segment, the strategy of efficient product allocation continues, particularly for standard immunoglobulin, in regions with higher profitability. The Group confirms its strong presence in historically served markets, such as Germany, Austria, Poland, and in plasma sales in France.

ITALY

As of December 31, 2024, the Italian market recorded a revenue of Euro 101.3 million, accounting for 6% on the total revenue, compared to Euro 99.9 million on December 31, 2023. Some 50% of the result in this market was achieved through the contract manufacturing service for the National Health System and the remaining 50% through the sale of finished products. The contract manufacturing service is slightly lower than the prior year, while market sales are growing due to higher volumes of standard immunoglobulin.

3.4.2. OPERATING COSTS

The raw material, namely plasma, during 2024 confirmed a trend of reduction in collection costs, following the peaks recorded during the Covid-19 pandemic years (2020 and 2021) and in 2022, despite the consolidation of the donation recovery trend that began in the second half of 2021. In 2022, efforts were focused on restoring a stable donor base and, due to competition in the segment with other operators, collection costs had further increased, although a reversal trend began in the second half of the year. In 2023, the trend of reducing collection costs was consolidated, highlighting a significant reversal, which was indeed confirmed during 2024, with the increasing availability of donors and donations: specifically, the average cost of standard plasma collection in the United States decreased by 2.3% compared to 2023, as a result of a center optimization strategy (which led to the closure of an additional two non-strategic collection centers in 2024), resulting in a slight contraction in collection (-3.5% compared to the prior year) combined with a reduction in fees paid to donors (-2.4%).

In addition to the continuous development of internal collection, which is less expensive than plasma purchased from third parties, the Group consolidated its procurement strategies in 2024 across Europe by collecting plasma at its eight centers in the Czech Republic, three of which were acquired during 2024, and through contracts with third-party suppliers.

Beyond the volumes and pricing trends described above, the reduction in raw material costs and cost efficiency strategies in production, which benefited from higher production volumes, reduced utility costs, and also the slowdown in inflationary trends for other raw materials led to an increase in gross margin from 22.7% in 2023 to 26.3% in 2024.

Lastly, a reduction in other operating costs (Opex) in terms of percentage on revenue was observed, with an overall decrease from 21.1% in 2023 to 20.5% in the current fiscal year, due to economies of scale and increasing synergies between the two former Kedrion and BPL Groups.

3.4.3. ALTERNATIVE PERFORMANCE INDICATORS

In this management report, in addition to the conventional indicators provided by IFRS, some alternative performance indicators are presented, which are used by the Kedrion Group management to monitor and assess its operational performance. Since they are not identified as accounting measures under IFRS, these should not be considered as alternative measures for assessing the Group's performance.

Since the composition of alternative performance indicators (EBITDA, Adjusted EBITDA, Adjusted Gross Margin, Net Invested Capital, Net Working Capital, Net Financial Debt) is not regulated by the reference accounting standards, the determination criteria applied by the Group may not be consistent with those adopted by other entities and therefore may not be comparable.

EBITDA AND ADJUSTED EBITDA

The EBITDA as of December 31, 2024, was Euro 232.3 million, or 14.7% on revenue, showing strong growth compared to the EBITDA as of December 31, 2023, which amounted to Euro 181.8 million (12.7% on revenue).

The Adjusted EBITDA (calculated by excluding the impact of non-recurring management items and including factoring costs) reached to Euro 278.6 million, or 17.6% on revenue, showing strong growth in absolute terms compared to the EBITDA as of December 31, 2023, amounting to Euro 232.8 million (16.3% on revenue).

In the non-recurring managerial items section, based on the definition provided in the table below, extraordinary net expenses amounting to approximately Euro 53.2 million have been identified, linked to non-recurring managerial items impacting EBITDA.

Details of the non-recurring managerial items are reported in paragraph 3.15 of this Management Report.

Amortization and depreciation amounted to Euro 134.2 million and the Operating Profit (EBIT) amounted to Euro 98.9 million, or 6.3% on revenue.

	Financial Year Ended December 31				
(In thousands of Euros)	**2024**	**% of total revenue**	**2023**	**% of total revenue**	**Delta 2024/2023**
Operating profit	98,874	6.3%	32,968	2.3%	65,906
+ Amortization and depreciation	134,196	8.5%	150,359	10.5%	(16,163)
- Capital grants	(726)	(0.0%)	(1,482)	(0.1%)	756
EBITDA (*)	**232,344**	**14.7%**	**181,845**	**12.7%**	**50,499**
Non-recurring management items (**)	53,157	3.4%	57,025	4.0%	(3,868)
Factoring costs	(6,944)	(0.4%)	(6,034)	(0.4%)	(910)
Adjusted EBITDA (***)	**278,557**	**17.6%**	**232,836**	**16.3%**	**45,721**

(*) EBITDA is represented by the operating profit before depreciation and capital grants.
(**) Non-recurring managerial items include non-recurring costs and revenues in the context of ordinary management, such as costs related to acquisitions, start-up costs for new plants and plasma center initiation, as well as releases of non-recurring provisions and other extraordinary income and expenses.
(***) Adjusted EBITDA is represented by EBITDA before non-recurring managerial items and including factoring costs.
The EBITDA and adjusted EBITDA as defined here represent a measure used by the company's management to monitor and evaluate its managerial performance. EBITDA is not identified as an accounting measure under the IFRS and, therefore, should not be considered an alternative measure for assessing the Group's performance. Since the composition of EBITDA is not regulated by the reference accounting principles, the determination criteria applied by the Group may not be consistent with those adopted by others, and thus not comparable.

ADJUSTED GROSS MARGIN

Analysis of adjusted gross margin by business segment

(In thousands of Euros)	Sector adjusted gross margin (*)		
	Production and sale of plasmaderivatives	**Collection and sale of plasma**	**TOTAL**
FINANCIAL YEAR ENDED ON DECEMBER 31, 2024	**376,293**	**73,016**	**449,309**
% of total revenue of the business sector (**)	*27.1%*	*12.5%*	*28.5%*
% of total Adjusted Gross Margin	*83.7%*	*16.3%*	*100.0%*
Change 2024/2023	*4.3%*	*(1.8%)*	*6.7%*
FINANCIAL YEAR ENDED ON DECEMBER 31, 2023	**290,312**	**82,075**	**372,387**
% of total revenue of the business sector (**)	*22.7%*	*14.4%*	*26.0%*
% of total Adjusted Gross Margin	*78.0%*	*22.0%*	*100.0%*

(*) The Adjusted Gross Margin by sector is represented by segment revenues minus production costs allocated to the segments, excluding non-recurring managerial items related to the cost of goods sold, such as unabsorbed costs following restructuring of facilities or the acquisition/opening of new plasma centers. Details of the non-recurring managerial items are reported in paragraph 3.15 of this Management Report. Among the costs allocated to the sectors, the Group includes direct and indirect production costs related to the business sector, including production depreciations and all other costs that make up the cost of goods sold. Commercial costs, general and administrative costs, research and development costs, and other operating costs are not attributed to the sectors. The sector margin, as defined, is a measure used by the Group's management to monitor and assess the operational performance of the Group and is not identified as an accounting measure under IFRS and, therefore, should not be considered an alternative measure for evaluating the Group's performance. Since the composition of the sector margin is not regulated by the reference accounting principles, the determination criteria applied by the Group may not be consistent with that adopted by others and therefore may not be comparable.
(**) The adjusted gross margin percentage for individual segments is calculated on sector revenues before intra-sector eliminations. The adjusted gross margin percentage for the consolidated total is calculated on Group revenues after intra-sector eliminations.

PRODUCTION AND SALE OF PLASMA DERIVATIVES

The adjusted gross margin of this segment amounted to Euro 376.3 million, which or 27.1% on the total revenues of the segment (27.6% excluding amortization related to the PPA of the Kedrion and BPL Group) and representing 83.7% of the total adjusted gross margin of the Group.

The increase in margin from 22.7% in 2023 to 27.1% in the current fiscal year is mainly attributable to a growth trend of average price and volumes sold of standard immunoglobulin in the US market, increase in the average price and volumes of albumin in the US and Rest of the World markets (with a notable increase in presence in China), the growth in volumes sold of Ryplazim in the US (an orphan drug launched in 2022 that is increasing its market penetration), a positive product mix effect favoring orphan drugs (human plasminogen and FX), as well as the cost dynamics described above.

COLLECTION AND SALE OF PLASMA

The adjusted gross margin of the plasma collection and distribution segment amounted to Euro 73.0 million, or 12.5% on the segment's total revenue. The decrease in margin from 14.4% in 2023 to 12.5% in the current fiscal year was mainly attributable to the reduction in the plasma selling price to third parties, not fully offset by lower collection costs.

3.4.4. FINANCIAL MANAGEMENT

Financial expenses as of December 31, 2024 amounted to Euro 104.1 million compared to Euro 84.0 million as of December 31, 2023. These mainly included interest on the Bond for Euro 48.7 million, interest on operating and financial leases for Euro 14.9 million, interest arising from discounting for Euro 8.5 million (primarily related to the application of the amortized cost on loans), factoring interest for Euro 6.1 million, bank interest related to the TLA for Euro 4.7 million and to the RCF for Euro 5.1 million, along with the commitment fee charges on the same RCF of Euro 0.8 million.

Financial income increased in this fiscal year to Euro 3.3 million compared to Euro 1.2 million in 2023, partly attributable to the impact of application of IAS 29 on hyperinflationary economies in the Kedrion Betaphar subsidiary.

Net exchange losses amounted to Euro 38.9 million in this fiscal year compared to net exchange gains of Euro 13.1 million achieved in 2023. The change was mainly due to the revaluation of the USD, which led to exchange losses at the end of the fiscal year, primarily related to the Group's USD debt, amounting to 81.4 million Euros, partially offset by exchange gains of 42.6 million Euros, mainly concerning intercompany loans denominated in USD currency.

For further details, refer to note 3.3.3.

The impact of financial management (excluding exchange losses and gains) on revenue is 6.4%, up from 5.8% in 2023.

3.5. STATEMENT OF FINANCIAL POSITION

The reclassification of the statement of financial position based on financial criteria is as follows:

(In thousands of Euros)	12.31.2024		12.31.2023	
ASSETS				
Net working capital (*)	456,606	16.8%	511,705	19.9%
Fixed assets and other assets	2,302,766	84.8%	2,193,208	85.3%
Short-term liabilities	(2,462)	(0.1%)	(15,519)	(0.6%)
Long-term liabilities (**)	(41,657)	(1.5%)	(117,464)	(4.6%)
NET INVESTED CAPITAL	**2,715,253**	**100.0%**	**2,571,930**	**100.0%**
SOURCES				
Net financial debt (***)	945,803	34.8%	877,179	34.1%
Equity	1,769,450	65.2%	1,694,751	65.9%
TOTAL FINANCING SOURCES	**2,715,253**	**100.0%**	**2,571,930**	**100.0%**

(*) Net working capital is calculated as current assets minus current liabilities, excluding overdrafts and loans due within a year, and financial assets and liabilities. Net working capital is not identified as an accounting measure under IFRS adopted by the European Union. The determination criteria applied by the Group may not be consistent with those adopted by other groups, and therefore, the balance obtained by the Group may not be comparable with that determined by the latter.

(**) This item includes deferred tax assets / (liabilities) recorded in the Group's statement of financial position.

(***) Net financial debt is calculated as the sum of overdrafts and loans due within one year and non-current financial liabilities, net of cash and cash equivalents, current and non-current financial assets, and the fair value of derivative financial instruments. Net financial debt is not identified as an accounting measure under IFRS adopted by the European Union. The determination criteria applied by the Group may not be consistent with those adopted by other groups, and therefore, the balance obtained by the Group may not be comparable with those determined by others.

The details of the investments are shown in the following schedule:

(In thousands of Euros)	12.31.2024	12.31.2023
Trade receivables / contract assets	123,777	182,925
Inventories	598,896	575,246
Trade payables	(284,604)	(235,484)
Other current assets / (liabilities)	18,537	(10,982)
NET WORKING CAPITAL	**456,606**	**511,705**
Tangible fixed assets	770,939	706,117
Goodwill	639,164	623,316
Other intangible assets	712,112	697,826
Right-of-use	179,625	165,091
Other non-current assets	926	3,243
FIXED ASSETS AND OTHER ASSETS	**2,302,766**	**2,195,593**
Liabilities for employee benefits	(3,453)	(3,497)
Provision for risks and charges	-	(1,379)
Deferred tax liabilities and net deferred tax assets	(34,077)	(112,258)
Other non-current liabilities	(4,127)	(2,715)
NON-CURRENT LIABILITIES	**(41,657)**	**(119,849)**
Provision for risks and charges	(2,462)	(15,519)
CURRENT LIABILITIES	**(2,462)**	**(15,519)**
TOTAL NET INVESTED CAPITAL	**2,715,253**	**2,571,930**

3.5.1. INVESTMENTS

In 2024 the Group made investments for a total amount of Euro 143.1 million, mainly including the following:

- **Melville plant (NY, USA)** for a total amount of Euro 13.0 million mainly related to upgrades and improvements on existing buildings and facilities, concerning both the fractionation and the production line of the RhoGAM specialty;
- **Bolognana plant (LU, Italy)** for a total amount of Euro 21.1 million, of which 11.9 million mainly related to upgrades and improvements on existing buildings and facilities and Euro 9.2 million related to the new plasma fractionation plant, to increase production capacity;
- **Sant'Antimo plant (NA, Italy)** for a total amount of Euro 4.2 million related to upgrades and improvements on existing buildings and facilities;
- **Godollo plant (Hungary)** for a total amount of Euro 1.9 million related to upgrades and improvements on existing facilities;
- **Laval plant (QB, Canada)** for a total amount of Euro 3.2 million related to upgrades and improvements on existing facilities and building expansion to support increased production capacity;
- **Castelvecchio Pascoli plant (LU, Italy)** for a total amount of Euro 30.0 million related to the KIg10 project for the registration of the new 10% immunoglobulin for the American and European markets, as well as upgrades and improvements in the production department of the new 10% immunoglobulin;

- **Elstree Plant (UK)** for a total amount of Euro 32.4 million related to upgrades and improvements on existing facilities, as well as the installation of a new filling line for liquids and lyophiles;
- **Plasma collection centers** (**US)** for a total amount of Euro 14.1 million resulting from the development of an additional four centers opening in 2025 for Euro 1.4 million, upgrades on existing plasma collection centers for Euro 2.3 million, renovation and rebranding of former BPL perimeter centers for a total amount of Euro 9.4 million, development and implementation of the Marketing Donor App for a total amount of Euro 1.0 million;
- **Plasma collection centers (CZ)** for a total amount of Euro 0.1 million resulting from upgrades on the 8 existing plasma collection centers;
- **Other investments** for a total amount of Euro 23.1 million, mainly related to IT hardware and software investments amounting to Euro 17.4 million, including Euro 6.3 million for License renewals, and other investments related to research and development projects for Euro 4.1 million, logistics for Euro 0.4 million, Global Manufacturing Sciences & Development for Euro 0.5 million, and various miscellaneous expenses for Euro 0.7 million.

Considering the investments previously discussed, the net invested capital amounted to a total of Euro 2,715.3 million (Euro 2,571.9 million as of December 31, 2023).

3.5.2. NET WORKING CAPITAL

The net working capital decreased from Euro 511.7 million in 2023 to Euro 456.6 million in this period, with its percentage of revenue decreasing from 35.8% in 2023 to 28.9% in 2024.

The absolute value decrease compared to the prior year was mainly driven by the decrease in receivables (Euro 59.1 million), thanks to better collection dynamics also due to the utilization of instruments to optimize the net working capital, and the increase in payables (Euro 49.1 million), primarily due to an investment phasing focused at the end of the year, including the start of the capacity expansion project for the Bolognana fractionation, partially offset by the increase in inventory (Euro 23.6 million) and other current assets (Euro 29.5 million), including advances paid related to the Grifols deal totaling USD 40.5 million, as described in paragraph 3.3.1.

3.5.3. FINANCIAL POSITION

Within Kedrion, a function of *Group Treasury* responsible for identifying funding sources and developing guidelines for optimizing the management of financial resources available within the Group. Kedrion also employs a centralized treasury structure (cash pooling) that involves the daily or weekly transfer of liquidity generated or absorbed by the main companies within the Group to the accounts of Kedrion S.p.A..

At local level, each individual company in the Group has a treasury function managing the operational flows of receipts and payments arising from ordinary activities, within the framework of general guidelines provided by the Parent Company. From an operational standpoint, with forecasts updated on a weekly basis, the financial needs of each Group company are defined and the function Group Treasury identifies the financial resources available within the Group to meet these needs and manages the related risks (primarily risks of currency fluctuations, interest rates, and liquidity) based on guidelines defined by the CFO and approved by the CEO. The main objective of these guidelines is to ensure a liability structure that is balanced with the composition of the balance sheet assets, in order to maintain proper financial stability.

The carrying value of the Bond as of December 31, 2024, measured under the amortized cost method, amounted to Euro 720.6 million, while TLA liabilities amounted to Euro 68.8 million; additionally, during the fiscal year, two new loans were signed with BPER and CDP for an amount of Euro 10 and 30 million respectively. Lastly, short-term financial liabilities include a RCF line liability of Euro 34,6 million as of December 31, 2024 out of a total available value of Euro 175 million.

The above debts, in fact, represent the only loans currently held by the Group, as summarized in the following table:

Description	Maturity	Rate as of 12.31.2024	Outstanding as of 12.31.2024	Next year's portion	Due within 5 years	Due beyond 5 years
Bond	09/01/2029	6.50%	720,556		720,556	
TLA	05/31/2029	6.50%	68,804		68,804	
RCF	03/31/2029	5.36% EUR 7.02% USD	34,626	34,626		
BPER	03/25/2027	5.11%	8,459	3,228	5,231	
CDP	10/23/2027	4.98%	30,000	10,000	20,000	
Total financial liabilities in the medium/long term			**862,445**	**47,854**	**814,591**	**-**

Although expiring beyond the following fiscal year RCF credit line liability has been classified as a short-term financial liability as it is drawn and repaid multiple times within the year based on cash flow requirements.

As shown in the following table, as of December 31, 2024, the net financial position, both including and excluding the impact of IFRS16 leases, amounted to Euro 945.8 million and Euro 752.6 million, respectively, excluding the IFRS16 effect.

	12.31.2024		12.31.2023	
(In thousands of Euros)	Reported	Reported (net of IFRS 16)	Reported	Reported (net of IFRS 16)
Lease liabilities - short term	16,929	1,104	14,366	1,428
Medium/long-term financial debts to banks and other lenders - current portion	13,228	13,228	-	-
Current financial debts to banks and other lenders	106,738	106,738	119,373	119,373
Current financial debt	**136,895**	**121,070**	**133,739**	**120,801**
Lease liabilities - long term	179,043	1,678	160,226	2,317
Medium to long-term financial debts to banks and other lenders - non-current portion	814,591	814,591	734,988	734,988
Non-current financial debt	**993,634**	**816,269**	**895,214**	**737,305**
TOTAL GROSS FINANCIAL DEBT	**1,130,529**	**937,339**	**1,028,953**	**858,106**
Cash and cash equivalents	(178,212)	(178,212)	(141,532)	(141,532)
Current financial assets	(353)	(353)	(4,803)	(4,803)
Non-current financial assets	(6,161)	(6,161)	(5,439)	(5,439)
NET FINANCIAL DEBT (*)	**945,803**	**752,613**	**877,179**	**706,332**

(*) Net financial debt is calculated as the sum of overdrafts and loans maturing within a year and non-current financial liabilities, net of cash and cash equivalents, current and non-current financial assets, and the fair value of derivative financial instruments. Net financial debt is not recognized as an accounting measure either under the Italian Accounting Standards or in IFRS adopted by the European Union. The determination criteria applied by the Group may not be consistent with those adopted by other groups and, therefore, the balance obtained by the Group may not be comparable with that determined by the latter.

3.5.4. FINANCIAL INDICATORS

Below are the main performance indicators of the Group for the year ended December 31, 2024 with comparative information as of December 31, 2023:

	12.31.2024	12.31.2023
Short-term ratio *Short-term financial debt and current portion of long-term loans/Net financial debt*	14.5%	15.2%
Long-term ratio *Long-term financial debts/Net financial debt*	105.1%	102.1%
Net financial debt/Net equity ratio	0.53x	0.52x
Net financial debt/Total sources of finance Ratio	34.8%	34.1%
Leverage Ratio *Net financial debt/Adjusted EBITDA*	3.40x	3.77x
Net Interest Cover Ratio *Adjusted EBITDA/Net financial management*	2.76x	1.81x
ROE	1.0%	0.1%
ROI	3.8%	1.3%
ROA	61.4%	55.9%
ROS	6.3%	2.3%

Regarding the financial indexes, a slight decrease was observed in the weight of short-term debts compared to long-term, due to the reduced utilization of the RCF line of Euro 34.6 million (Euro 50 million as of December 31, 2023), which has been classified among short-term liabilities.

The financial indebtedness/equity ratio and the financial indebtedness/sources of funding ratio have slightly worsened, primarily due to the revaluation of the US Dollar against the Euro, as the majority of the Group's debt is denominated in dollars.

Conversely, thanks to the significant increase in EBITDA compared to the previous fiscal year, the Leverage Ratio and the Net Interest Cover Ratio have improved significantly, despite the increased financial management burden from dollar-denominated debt charges.

The improvement in operational management is also significantly evident with regards to other economic indicators, which are not adversely affected by the currency dynamics described above.

Cash flows are summarized and commented below:

- in the 2024 fiscal year, there is an operational cash generation of Euro 254.2 million, mainly due to the strong operational performance recorded during the year, and a slight optimization of net working capital following last year's trend;
- investment activities absorbed cash amounting to 148.4 million Euros as a result of the investments made as described in paragraph 3.5.1; this item also includes the payments made for the purchase of the minority interests of Kedrion Mexicana, amounting to Euro 5.2 million;
- Financing activities ultimately absorbed cash totaling 82.4 million Euros mainly due to interest paid on loans and the repayment of lease installments.

Overall, operating cash flows have improved and entirely supported the cash flows absorbed by investment and financial activities, highlighting a significant improvement for the Group in its cash generation profile.
The statement of cash flows is prepared based on the indirect method and is presented in accordance with IAS 7, classifying cash flows among operating, investing, and financing activities. The flow related to financial charges and income paid and received is shown under financing activities rather than operating activities.

Financial Year Ended December 31		
(In thousands of Euros)	**2024**	**2023**
Net cash flow generated from operating activities	254,153	183,316
Net cash flow (absorbed) from investing activities	(148,357)	(101,261)
Net cash flow generated/(absorbed) from financing activities	(82,393)	(89,466)
TOTAL CASH FLOW	**23,403**	**(7,411)**
Cash and cash equivalents at the beginning of the fiscal year	141,532	149,175
Net effect of foreign currency conversion on cash and cash equivalents	13,277	(232)
CASH AND CASH EQUIVALENTS AT THE END OF THE FISCAL YEAR	**178,212**	**141,532**

3.6. MAIN RISKS AND UNCERTAINTIES THE GROUP IS EXPOSED TO

In 2024, the Group adopted a risk governance model aligned with the best national and international risk management practices to monitor risks and implement action plans to mitigate them. A structured and formalized "ERM - Enterprise Risk Management" process was adopted and implemented with the aim of identifying, assess, manage, and systematically monitoring the main risks that could compromise the achievement of the Group's strategic and business objectives, as well as the definition of adequate information flows ensuring transparency and sharing of information within the organization.

The risks potentially applicable to the Group's business model are represented in the so-called "Risk model" and grouped into four main categories of risks:

- Strategic risks related to the external environment or strategies and governance decisions that can significantly affect the Group's performance and/or the achievement of defined strategic objectives.
- Operational and business risks that can impact the effectiveness/efficiency of business processes, compromising value creation.
- Financial risks, mainly linked to exchange rates, interest rates, access to credit, and liquidity, which can affect the results and sustainability of the Group's plans.
- Legal and compliance risks related to non-compliance with current laws and regulations, and/or internal codes, policies, and procedures, which can lead to legal disputes, financial losses, and potential negative effects on the Group's reputation.

Within the aforementioned risk categories, further areas have been identified of key risk events the Group could potentially be exposed to.
In light of the assessments conducted during 2024, the most significant risks have been identified and summarized below.

3.6.1. OPERATIONAL AND BUSINESS RISKS

Among the potential risks the Group could face within the typical scope of business are those related to both the specific features of the sector and the usual uncertainties related to the macroeconomic environment, trends, and regulation:

- **Risks related to the high level of sector regulation**

  The Group operates in a highly regulated sector requiring government authorizations to conduct its activities. The Group's inability to obtain such authorizations for new products or to maintain those authorizations for existing products could harm its business.

- **Risks related to international operations**

  International operations expose the Group to risks inherent to international activities, each of which could impact the Group's operating results.

- **Risks related to the entry of new operators in the Italian market**

  The presence of competitors operating in the Italian market could reduce the Group's access to Italian plasma and its fractionation activities on behalf of Italian regional authorities.

- **Risks related to the type of process and product and compliance with Good Manufacturing Practice (GMP) guidelines**

  Plasma and plasma derivatives are fragile products, and the production processes are complex. Any improper handling of plasma and plasma derivatives or non-compliance with GMPs could negatively impact the Group's activities.

- **Risks related to the operation of facilities and collection centers**

  Any disruption to the normal operations of the Group's production facilities, shipping or distribution channels, or plasma collection centers could negatively affect its activities.

- **Risks related to price pressure resulting from competition and imbalances between supply and demand**

  The Group operates in a highly competitive industry with increasing price pressure. Additionally, fluctuations in the supply or demand for plasma and plasma derivatives can impact the Group's activities.

- **Risks related to the development of new manufacturing processes and alternative products to plasma derivatives.**

  Technological changes in the production of plasma derivatives and in the development of alternative products could make the Group's manufacturing processes and products unprofitable.

  To date, the only plasmaderivatives products facing strong competition from alternative products are the coagulation factors, particularly FVIII: despite recombinant FVIII being on the market since the late 1980s, the plasmaderivative product has maintained a significant market share due to its more suitable application to certain categories of patients and its lower cost. In recent years, the release of a new product (Hemlibra - ROCHE) based on new technology (monoclonal antibody) has further improved patients' quality of life by facilitating home therapy, as well as the recent approval of gene therapies, making the FVIII market scenario even more uncertain for the years to come.

  Based on technological and production developments, similar scenarios could also occur for other products of the Group in the long term, such as for immunoglobulins where, for some indications mainly in the neurological field, alternative products based on innovative technologies (FcRn – ARGENX) are entering the market.

- **Cybersecurity risks, data management, and dissemination**

  Information Technology (IT) is currently one of the main enablers for achieving business objectives. IT risk is therefore tied to the significant degree of dependence that the Group's companies, and their related operational processes, have on IT components. Specifically, this refers to the risk of incurring economic loss, damage to reputation, and loss of market share due to the possibility that a given threat, whether accidental or intentional, exploits a vulnerability inherent either in the technology itself or arising from the automation of business processes, leading to an event capable of compromising the security of business information assets in terms of confidentiality, integrity, and availability. The Group has developed policies, operational procedures, and technical security measures to ensure adequate protection of corporate data and information. Additionally, disaster recovery and business continuity solutions have been implemented for the most important IT systems.

Following the implementation of the European Directive 2022/2555 (known as NIS 2), Kedrion has assessed the applicability of the regulation, identifying the *European legal entities* of the Group as essential entities. In order to meet the requirements of the regulation, the company has established an internal operational working group, represented by the main involved Functions and led by Global Ethics & Compliance. With the support of a specialized consulting firm, Kedrion is conducting a detailed assessment to identify the necessary elements for developing a compliance program.

- **Environmental and sustainability risks**

  The Group has always promoted a focus on environmental, social and governance (ESG) sustainability principles and in 2024 established a dedicated sustainability function also for overseeing and managing sustainability risks, in anticipation of the future implementation of the *Corporate Sustainability Reporting Directive* (CSRD). Sustainability risks are an integral part of the above-mentioned ERM model, they are cross-sectional relative to the risk categories described above, and they are aligned with the Group's business model. The main risks may arise from climate change and the transition to a low-carbon energy model and are related to potential long-term impacts. They are linked to improper management of energy and emission sources and risks related to regulatory/legal changes associated with combating climate change (transition risks) and physical risks, such as risks arising from the gradual change in climate conditions related to long-term variations (chronic risks) and extreme weather events (acute risks) that expose the Group to damage or destruction of “tangible assets” such as industrial sites, plants, machinery, and infrastructure, potential interruptions of essential supplies (energy and water resources, in particular) and potential reduction of production. The Group is addressing transition and physical risks by carefully complying with laws and regulatory updates; furthermore, during the year, it has initiated the definition of a roadmap to ensure compliance and a sustainable business model.

- **Risks related to energy prices**

  The Group's activity is influenced by fluctuations in the prices of energy products required for the production process. Although energy prices have decreased during 2024 and the downward trend continues, uncertainties related to future forecasts, heavily influenced by the global economic and financial situation and international tensions, make it necessary to closely monitor the risk of a new increase in energy prices.

- **Risks related to the global macroeconomic and political scenario**

  The Group, with its integrated and international industrial structure, exchanges plasma, intermediates, and finished products between the United States, Canada, the United Kingdom, and the European Union. Additionally, the Group distributes its finished products in over 100 countries. The macroeconomic scenario shows multiple factors of uncertainty, which could lead to instability and risks, particularly i) the uncertainties about the policies that will be adopted by the new American administration regarding tariffs and the management of the Mexican border as a national emergency and ii) the ongoing international tensions and conflicts in

Russia/Ukraine and the Middle East, which continue to affect the global transportation situation, both in terms of costs and extended routes, especially for the distribution of finished products. International tensions also represent a potential risk to the supply chain and availability of critical raw materials, which could slow down production. The Group, through collaboration between Procurement, Operations, Supply Chain, and Quality functions, closely monitors the supply of plasma and other critical materials and constantly evaluates market alternatives to mitigate risks related to major suppliers.

3.6.2. EXCHANGE RATE RISK

The Group is active internationally and is therefore exposed to exchange rate risk arising from the different currencies in which it operates. The exposure to exchange rate risk stems from commercial and financial transactions in currencies other than the accounting currency. The main currencies that generate exchange rate risk are the US Dollar, the Canadian Dollar, and the Mexican Peso. The sensitivity analysis conducted to assess the Group's exposure to exchange rate risk was performed assuming a 10% change in the exchange rates listed above compared to the Euro. The following tables show the impact on Profit before tax due to changes in the value of current assets and liabilities, of borrowings in foreign currency such as the Bond and the TLA, while keeping all other variables constant. In addition to current commercial assets and liabilities, financial items were included, mainly represented by balances of intercompany financial receivables and payables in currencies other than the one used for accounting.

12.31.2024		
Currency	**FX Change %**	**Impact on profit before taxes** *(in thousands of Euro)*
USD	revaluation 10%	(45,714)
	devaluation 10%	45,714
GBP	revaluation 10%	(2,159)
	devaluation 10%	2,159
HUF	revaluationrevaluation 10%	86
	devaluation 10%	(86)
RUB	revaluation 10%	277
	devaluation 10%	(277)
TRY	revaluation 10%	626
	devaluation 10%	(626)
MXN	revaluation 10%	2,352
	devaluation 10%	(2,352)
CAD	revaluation 10%	5,273
	devaluation 10%	(5,273)

BRL	revaluation 10%	659
	devaluation 10%	(659)
COP	revaluation 10%	295
	devaluation 10%	(295)
CZK	revaluation 10%	(573)
	devaluation 10%	573
PLN	revaluation 10%	163
	devaluation 10%	(163)

3.6.3. INTEREST RATE RISK

The Group has a Bond and a TLA totaling USD 865.0 million at a fixed rate and the availability of an RCF equivalent to Euro 175.0 million at a variable rate, both under the responsibility of the Parent Company Kedrion SpA and maturing respectively in September 2029, May 2029, and March 2029.
As of December 31, 2024, the Group is covered against interest rate risk for most of its total long-term exposure. The interest rate risk to which the Group is exposed is therefore currently limited to the use of short-term financing, the rates of which are defined at each use based on the market conditions at that specific time, and some smaller medium-term variable rate loans.
The Group monitors financial market conditions related to interest rates to evaluate for coverage for further reduction of risk exposure.

3.6.4. LIQUIDITY RISK

The Group manages liquidity risk through the close monitoring of the components of the operating net working capital and maintains an adequate level of cash availability and funds obtainable through financing provided by various banking institutions.

As of December 31, 2024, the Group has cash availability of Euro 178.2 million and available credit lines of Euro 159.1 million, of which Euro 140.4 million are related to the RFC line provided by a pool of banks and drawn as of December 31, 2024, for Euro 34.6 million, and Euro 18.7 million in short-term lines.

With the aim of making cash flow management more efficient, avoiding the dispersion of liquidity, and minimizing financial burdens, the Group has also adopted systems for pooling and centralized management of the liquidity of the main companies of the Group (cash pooling) on the accounts of the Parent Company Kedrion SpA.

3.6.5. CREDIT RISK

Most of the Group's European receivables are from hospital companies and other public entities, whose creditworthiness is considered reasonably certain and on which the Group has in fact never recorded credit losses, except for the waiver of late payment interest. Similarly, receivables from US clients, given the very short payment terms and the financial solidity demonstrated by the clients themselves, are considered reasonably certain and solvent. The remaining receivables are mainly from foreign clients (Middle East, Asia, Africa, and South America) with well-established relationships and long-term collaborations. Furthermore, all receivables are constantly monitored by a recently implemented dedicated central structure capable of preventing exposures not in line with the Group's policies, such as unauthorized shipments in the presence of overdue positions or exceeding credit limits granted. The Group considers its credit risk management policies adequate, in relation to the degree of insolvency risk of its own customers.

3.7. DIVIDEND POLICY

According to the Articles of Association of Kedrion SpA, the net profits resulting from the financial statements duly approved by the Shareholders' Meeting will be distributed as follows: a) at least 5% to the legal reserve fund until it reaches one-fifth of the share capital; the remaining part will be allocated as decided by the Shareholders Meeting.

No intra-group profit distributions have been made in recent years and none are currently planned from subsidiaries to the parent company Kedrion SpA, except for subsidiary Kedrion Betaphar (Turkey), where there is a minority shareholder and the distribution is limited to the profits of the financial year.

3.8. PERSONAL DATA PROCESSING

Kedrion has implemented a Personal Data Protection System to ensure compliance with EU Regulation 2016/679 – *General Data Protection Regulation* (hereinafter also “GDPR”) and Legislative Decree 196/2003 as last amended by Legislative Decree 101/2018 (hereinafter collectively also referred to as “Regulation”).

Kedrion aims to pursue a multi-business growth strategy that integrates personal data protection through the inclusion of *Data Protection* in the continuous improvement plan that the Company aims to achieve with its management system.

The Parent Company - required to comply with regulations on information protection and security, particularly personal data - is constantly committed to concretely implementing the principles of legality, fairness, transparency, purpose and storage limitation, data minimization, accuracy, integrity, and confidentiality, interpreting these implications in relation to the various activities carried out.

To this end, the Parent Company adopts and implements organizational, process, and/or technical measures to ensure full compliance with general principles on personal data processing, and in particular:

- has appointed a *Data Protection Officer* (DPO) and has implemented internal governance to oversee sensitive areas concerning personal data processing;
- has prepared the Record of Processing Activities to classify the personal data processed by the Parent Company, which is kept up to date;
- has adopted organizational, procedural, and/or technical measures to ensure compliance with the maximum retention periods for processed personal data (so-called *data retention*);
- has adopted organizational, procedural, and/or technical measures to address potential *Data Breach* and, if necessary, to timely notify the Supervisory Authority and communicate with the data subjects;
- has conducted a risk assessment and drafted *Data Privacy Impact Assessment* (DPIA) on the areas more exposed to risk in terms of data and personal protection, based on an accountability framework.

3.9. MAIN FEATURES OF THE EXISTING RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM IN RELATION TO THE FINANCIAL REPORTING PROCESS, INCLUDING CONSOLIDATED (INFORMATION PURSUANT TO ART. 123-BIS PARAGRAPH 2. B) OF LEGISLATIVE DECREE 58/1998)

The completeness, accuracy, and timeliness of financial reporting are ensured by the adoption of an effective and efficient Group internal control system, which is subject to continuous improvement and adapting to the evolution of business activities, the regulatory framework, and the socio-economic context. The components described below should be considered integral parts of the internal control system.

3.9.1. MODEL OF ORGANIZATION, MANAGEMENT, AND CONTROL PURSUANT TO LEGISLATIVE DECREE 231/2001

Kedrion SpA, since 2004, has adopted a specific Organization, Management, and Control Model pursuant to Article 6 of Legislative Decree 231/2001 (hereinafter also referred to as Model 231) to prevent the risk of committing the offenses provided for by the same Decree, and an Ethical Code of Conduct that forms an integral part of Model 231.

Kedrion SpA keeps updated the mapping of 231 risks, which means the mapping of company areas exposed to "crime risk".

The Company has provided tools to report any violations, even anonymously.

The effective adoption and implementation of the Model 231 adopted by Kedrion requires all individuals subject to Model 231, in carrying out their activities, to follow correct and transparent behaviors in line with the Decree and the control measures provided by the same Model 231 and with the Ethical-Social Values represented in Kedrion's Code of Ethical Conduct. Furthermore, the effective adoption and implementation of Model 231 has required Kedrion itself to:

- integrate Model 231 with the pre-existing internal control system, also for the purpose of better monitoring and overseeing all business processes and functions, and to prevent any conduct not in compliance with the Laws and therefore also with Legislative Decree 231/2001;

- ensure that anyone operating in the name and on behalf of Kedrion:

    - has full awareness of the scope and effects of Legislative Decree no. 231/2001;
    - behaves in a way suitable for Kedrion's ethical policy aimed at disapproving any conduct, by anyone, prohibited by legal provisions and contrary to Kedrion's Ethical-Social Values represented by its Code of Ethical Conduct.

It is emphasized that the Board of Directors of Kedrion SpA has established, in implementing the Legislative Decree 231/2001, the Supervisory Body to which the necessary powers and responsibilities have been assigned for executing the activities entrusted to it by the decree regarding the operation, effectiveness, adequacy, and compliance with the Organization, Management, and Control Model adopted by the same Board of Directors.

Kedrion maintains an active Communication System with the Supervisory Body that allowing anyone (employees and third parties), through specifically dedicated channels and procedures regulated to:

- formulate questions or doubts about the principles contained in the Kedrion Ethical Code of Conduct and Model 231;
- formulate in advance questions or doubts related to the activities carried out or about to be carried out for Kedrion and therefore the behaviors that in carrying out the same could potentially

constitute an unlawful act and the occurrence of crimes covered by Legislative Decree 231/2001;
- report alleged or suspected violations of the ethical principles contemplated in the Kedrion Ethical Code of Conduct and the safeguards provided by Model 231;
- provide any other information related to the elements and contents of Model 231.

3.10. RESEARCH AND DEVELOPMENT ACTIVITIES

Innovation is a distinctive element for Kedrion within its industrial model and one of its main strategic levers. Through continuous innovation, the company has achieved excellent results by identifying some of the most advanced and effective technological and production solutions currently available, establishing a virtuous cycle of product and process continuous improvement.

In recent years, Kedrion's research and development focused on several areas:

- an industrial research activity aimed at identifying new products or new production processes;
- an industrial development activity aimed, on one hand, at optimizing the production process to achieve the highest levels of efficiency and, on the other, at ensuring the highest standards of quality and safety;
- an activity aimed at ensuring compliance in the field of safety from pathogens.

The research activity in 2024 mainly focused on the following projects:

- **Ongoing projects co-financed by MIMIT starting from August 2023:**
    - Project “new proteins from plasma processing intermediates”. Project included within the funded project “NATURAL”, Innovation Agreements MIMIT/Region of Tuscany, 2023-2026.
    - Project “Plasma-derived ceruloplasmin as replacement therapy in aceruloplasminemia”. Project included within the funded project “NATURAL”, Innovation Agreements MIMIT/Region of Tuscany, 2023-2026.
    - Project “Validation of the preclinical efficacy of haptoglobin as a treatment for hemoglobin toxicity following hemolytic events”. Project included within the funded project “NATURAL”, Innovation Agreements MIMIT/Region of Tuscany, 2023-2026.
- **Projects 2024 co-financed by Foundations:**
    - Project “Role of neuroinflammation mediated by myeloperoxidase in aceruloplasminemia”, with Prof. Alessio (San Raffaele Hospital, Milan). Project co-financed by Telethon Grant, 2023-2025.
    - Project “New recombinant variants of factor VIII with increased activity and stability”, with University of Pisa (Prof. Lai), EAHAD Grant (European Association for Hemophilia and Allied Disorders), 2022-2024.
- **Projects 2024 co-financed by the MUR:**
    - Project “Plasma fractionation unused intermediates proteome as a source of new therapeutics for rare diseases”, PNRR PhD with University of Siena co-funded by the MUR, 2022-2025.
    - Project “Mechanistic studies of ceruloplasmin biology”, PNRR PhD with University of Siena co-funded by the MUR, 2022-2025.
    - Project “New plasma-derived proteins from unused fractionation intermediates and use of recombinant variants thereof”, PON-RTDA with University of Pisa co-funded by the MUR, 2021-2024.

- Project “Comparative biochemical characterization of 10%IVIG products“. PNRR PhD with University of Pavia co-funded by the MUR, 2024-2027.

The development activity during 2024 focused on the following key projects:

- development of 10% Immunoglobulins starting from centrifuged paste (KIg10-C);
- development of isoagglutinins removal step to be implemented in the KIg10 purification process;
- development of Immunoglobulins 10% from Filtered Paste (KIg10-F);
- RhoGAM Nanofilter Replacement Project;
- Plasminogen Expanded Access Project;
- Factor V Project;
- Natural Project;
- Insourcing Potency Tests Project for IVIG 5% and 10%;
- Ryplazim QHF Column Removal Project;
- Ryplazim DP Tech Transfer Project;
- Plasma Safe Project Triton X100 Replacement.

3.11. REPORT ON OPERATIONS (PARENT COMPANY: KEDRION SPA)

Kedrion SpA is a pharmaceutical company active in the production and marketing of plasma derivatives.

3.11.1. MANAGEMENT TRENDS

(In thousands of Euros)	2024	% total revenues	2023	% total revenues	Delta 2024/2023
Revenue	409,903	100.0%	353,799	100.0%	56,104
Cost of sale	340,036	83.0%	299,281	84.6%	40,755
GROSS MARGIN (*)	**69,867**	**17.0%**	**54,518**	**15.4%**	**15,349**
Other income	26,873	6.6%	25,805	7.3%	1,068
General and administrative expenses	61,804	15.1%	53,784	15.2%	8,020
Sales and marketing expenses	16,347	4.0%	19,330	5.5%	(2,983)
Research and development expenses	19,843	4.8%	13,639	3.9%	6,204
Other operating costs	4,010	1.0%	3,583	1.0%	427
EBIT (**)	**(5,264)**	**(1.3%)**	**(10,013)**	**(2.8%)**	**4,749**
Financial expenses	76,444	18.6%	62,742	17.7%	13,702
Financial income	38,449	9.4%	40,048	11.3%	(1,599)
Net foreign exchange gain (loss)	(32,054)	(7.8%)	7,512	2.1%	(39,566)
NET FINANCIAL EXPENSES	**70,049**	**17.1%**	**15,182**	**4.3%**	**54,867**
RESULT BEFORE TAXES	**(75,313)**	**(18.4%)**	**(25,195)**	**(7.1%)**	**(50,118)**
Income taxes	(45,782)	(11.2%)	(10,149)	(2.9%)	(35,633)
NET PROFIT FOR THE PERIOD	**(29,531)**	**(7.2%)**	**(15,046)**	**(4.3%)**	**(14,485)**

(*) Gross Margin: is represented by the difference between revenues and cost of goods sold.

(**) EBIT: is represented by the difference between revenues, cost of goods sold, and operating costs net of other income.

REVENUE

The Company is engaged in the production and distribution of plasma derivatives, which are proteins extracted from human plasma such as albumin, immunoglobulins - both standard and specific - and coagulation factors. The Company also offers plasma processing services for third parties and, to a lesser extent, the sale of synthetic products.

Revenues arising from the production and commercialization of plasmaderivatives as of December 31, 2024, amounted to Euro 409.9 million (approximately +15.9% compared to 2023).

Among all products, in order of importance, the standard immunoglobulin and albumin maintained their leading positions, confirming the growth trend both in volumes and average prices (also due to effective allocation in higher-value geographic areas), followed by anti-D immunoglobulin and plasma-derived FVIII, mainly sold in countries in the Rest of the World.

Within the segment, revenues from plasma processing services for third parties are slightly improving (approximately +5%) thanks to activities with Iranian plasma and plasma processing services for the Portuguese Ministry of Health.

Below is the geographical breakdown of revenues:

REVENUE	**Financial Year Ended December 31**				
(In thousands of Euros)	**2024**	**% total revenues**	**2023**	**% total revenues**	**Delta 2024/2023**
USA	259	0.1%	930	0.3%	(671)
Italy	101,294	24.7%	99,905	28.2%	1,389
European Union	106,225	25.9%	74,342	21,0'%	31,883
Rest of the World	202,123	49.3%	178,622	50.5%	23,501
TOTAL	**409,903**	**100.0%**	**353,799**	**100.0%**	**56,104**

Sales in the USA market amounted to Euro 0.3 million and were entirely related to the supply of finished products to the local subsidiary.

As of December 31, 2024, the Italian market has a revenue of Euro 101.3 million (24.7% of total revenues, +1.4% compared to 2023). Results in this market are mainly achieved through contract manufacturing services for the National Health System and the sale of finished products. The contract manufacturing service saw a decline compared to last year, while direct sales are growing thanks to increased volumes of standard immunoglobulin.

Revenues in other European Union countries amounted to Euro 106.2 million as of December 31, 2024, representing 25.9% of the total, up by about 42.9% compared to the previous year. In 2024, this market is experiencing significant growth, particularly due to the sales of standard plasma in France and – in addition - of immunoglobulin and albumin.

Regarding the rest of the world, revenues for this geographical area as of December 31, 2024, amount to Euro 202.1 million (49.3% of the total), with an increase of almost 13.2% compared to the previous year.

The sales increase recorded this year is mainly attributable to the Contract Work conducted in Iran and the sale of some intermediate products in Russia and India. Sales of immunoglobulin faced challenges in some countries, especially due to competitive dynamics of some local tenders; the strategy adopted to mitigate these impacts was to reallocate volumes across different countries in order to preserve the average selling price and to maximize all network opportunities.

OPERATING COSTS

Operating costs were affected by a significant reduction in the costs of collection of raw materials, namely plasma, following the high costs recorded during the pandemic years, continuing the downward trend already seen in the prior fiscal year.

Meanwhile, the impact of other costs (Opex) on revenue remains essentially stable, mainly due to the increase in R&D expenses linked to significant momentum given to research and innovation projects during the year.

The dynamics described above, combined with cost efficiency strategies in production that also benefited from reduced utility costs and a slowdown in inflationary trends on other raw materials, led to a further increase in both the gross margin (whose impact on revenue rose from 15.4% to 17.0%) and the EBITDA, which reached Euro 24.8 million (Euro 21.2 million in the prior fiscal year), confirming the recovery trend already observed in 2023.

The significant deterioration in the result, both in terms of EBT and net loss, is exclusively due to unfavorable currency dynamics that resulted in both the recognition of net exchange losses and the increase in financial charges related to debt exposure, mainly denominated in USD currency.

ALTERNATIVE PERFORMANCE INDICATORS

The EBITDA stands at Euro 24.8 million, slightly up compared to the previous year due to increased revenue and improved margin. The adjusted EBITDA (excluding non-recurring management items and factoring costs) reaches Euro 36.6 million, equivalent to 8.9% of revenue. Depreciation amounts to Euro 30.8 million.

(In thousands of Euros)	2024	% of total revenue	2023	% of total revenue	Delta 2024/2023
Operating profit	(5,265)	(1.3%)	(10,012)	(2.8%)	4,747
+ Amortization and depreciation	30,792	7.5%	32,709	9.3%	(1,917)
- Capital grants	(706)	(0.2%)	(1,450)	(0.4%)	744
EBITDA (*)	**24,821**	**6.1%**	**21,247**	**6.0%**	**3,574**
Factoring costs	13,644	3.3%	13,361	3.8%	283
Non-recurring managerial items (**)	(1,856)	(0.5%)	(1,392)	(0.4%)	(464)
Adjusted EBITDA (***)	**36,609**	**8.9%**	**33,216**	**9.4%**	**3,393**

(*) EBITDA is represented by the operating profit before depreciation and net of contributions on plant account.
(**) Non-recurring operating items include non-recurring costs and revenues determined as per Consob resolution no. 15519 of July 27, 2006 (reported in the explanatory notes) and additional "non-recurring operating" and extraordinary elements such as costs linked to acquisitions, start-up costs of new plants, and plasma center set-ups, as well as releases of non-recurring funds and other active and passive contingencies.
(***) Adjusted EBITDA is represented by EBITDA before non-recurring operational items and including factoring costs.
The EBITDA and adjusted EBITDA as defined here are measures used by the company's management to monitor and evaluate its operational performance. EBITDA is not identified as an accounting measure under IFRS and, therefore, should not be considered an alternative measure for assessing the company's performance. Since the composition of EBITDA is not

regulated by the relevant accounting standards, the determination criteria applied by the company may not be consistent with that adopted by other entities and therefore not comparable.

FINANCIAL MANAGEMENT

Financial expenses in 2024 amount to Euro 76.4 million compared to Euro 62.7 million in 2023.

Financial expenses are mainly composed of:

- interest on the Bond of Euro 48.7 million;
- bank interest related to the TLA for Euro 4.7 million;
- interest on the RCF line for Euro 5.1 million, as well as the commitment fee on the same RCF for Euro 0.8 million;
- discounting interest for Euro 8.5 million;
- factoring interest for Euro 1.9 million;
- interest related to the application of the IFRS 16 standard for Euro 0.6 million;
- other interest towards subsidiaries and short-term credit lines.

Financial income for this 2024 fiscal year stands at Euro 38.4 million compared to Euro 40.0 million in 2023, largely attributable to interest accrued on loans granted to subsidiaries and the cash pooling system, as well as, to a lesser extent, dividend distributions from subsidiaries in which there are minority shareholders.

The net foreign exchange losses in this fiscal year 2024 amount to Euro 32.1 million compared to net foreign exchange gains of Euro 7.5 million in 2023, due to currency dynamics mainly related to the Dollar.

In 2024, there was thus an overall negative balance in financial management amounting to Euro 70.0 million.

NET PROFIT

The result before taxes is a loss of Euro 75.3 million (a loss of Euro 25.2 million in the previous year), primarily due to financial management.

In the 2024 fiscal year, current and net deferred tax assets amounting to Euro 45.8 million were recorded in the income statement, primarily attributable to the loss of the year and the losses carried forward losses including ACE of the former parent company Kevlar SpA, which merged into Kedrion SpA during the prior fiscal year, amounting to Euro 24.0 million; regarding the Kedrion SpA losses carryforwards, following the reverse merger executed on July 14, 2023, a ruling was submitted last year, which had a positive outcome in 2024.

The operating loss resulted in Euro 29.6 million (compared to a loss of Euro 15.0 million in the prior year).

3.11.2. FINANCIAL AND ASSET SITUATION

The reclassification of the statement of financial position based on financial criteria is as follows:

(In thousands of Euros)	12.31.2024		12.31.2023	
ASSETS				
Net working capital (*)	193,852	9.8%	201,167	10.7%
Fixed assets and other assets	1,814,244	91.4%	1,754,922	93.4%
Short-term liabilities	(486)	0.0%	(5,698)	(0.3%)
Long-term liabilities	(22,553)	(1.1%)	(70,599)	(3.8%)
NET INVESTED CAPITAL	**1,985,057**	**100.0%**	**1,879,792**	**100.0%**
SOURCES				
Net financial debt (**)	505,826	25.5%	371,323	19.8%
Equity	1,479,231	74.5%	1,508,469	80.2%
TOTAL FINANCING SOURCES	**1,985,057**	**100.0%**	**1,879,792**	**100.0%**

(*) Net working capital is calculated as current assets minus current liabilities, excluding overdrafts and loans maturing within a year, and financial assets and liabilities. Net working capital is not recognized as an accounting measure either under Italian Accounting Standards or within the IFRS adopted by the European Union. The determination criteria applied by the Company may not be consistent with those adopted by other entities and, therefore, the balance obtained by the Company may not be comparable with that determined by the latter.
(**) Net financial debt is calculated as the sum of overdrafts and loans maturing within one year and non-current financial liabilities, net of cash and cash equivalents, current and non-current financial assets, and the fair value of derivative financial instruments. Net financial debt is not identified as an accounting measure under either Italian Accounting Standards or the IFRS adopted by the European Union. The determination criterion applied by the Company may not be consistent with that adopted by other entities and, therefore, the balance obtained by the Company may not be comparable with that determined by the latter.

The details of the changes in allocations are shown in the following table:

(In thousands of Euros)	12.31.2024	12.31.2023
Trade receivables	137,513	136,050
Inventories	174,264	148,802
Trade payables	(107,641)	(83,085)
Other current assets / (liabilities)	(10,284)	(600)
NET WORKING CAPITAL	**193,852**	**201,167**
Tangible fixed assets	241,779	221,888
Goodwill	365,631	365,631
Other intangible assets	354,894	330,570
Right-of-use	6,421	7,554

Investments in subsidiaries and other	845,295	828,890
Other non-current assets	224	389
FIXED ASSETS AND OTHER ASSETS	**1,814,244**	**1,754,922**
Liabilities for employee benefits	(2,394)	(2,448)
Net deferred tax liabilities	(16,408)	(66,231)
Other non-current liabilities	(3,751)	(1,920)
NON-CURRENT LIABILITIES	**(22,553)**	**(70,599)**
Provision for risks and charges	(486)	(5,698)
CURRENT LIABILITIES	**(486)**	**(5,698)**

INVESTMENTS

In 2024, the Company made net investments totaling approximately 73.0 million Euros, primarily related to the following:

- **Bolognana plant (LU, Italy)** for a total amount of Euro 21.1 million, including Euro 11.9 million primarily for upgrades and enhancements on existing buildings and facilities, and Euro 9.2 million for a new plasma fractionation plant to increase production capacity;
- **Sant'Antimo plant (NA, Italy)** for a total amount of Euro 4.2 million related to upgrades and improvements on existing buildings and facilities;
- **Castelvecchio Pascoli plant (LU, Italy)** for a total amount of Euro 30.0 million related to the KIg10 project for the registration of the new 10% immunoglobulin for the American and European markets, as well as upgrades and enhancements on the production department of the same 10% immunoglobulin;
- **Other investments** for a total amount of Euro 17.7 million, which relate to IT hardware and software investments of Euro 14.6 million, including Euro 6.3 million for license renewals, to ImmunoRho medicinal specialty registration projects for Euro 2.0 million, logistics for Euro 0.4 million, Global Manufacturing Sciences & Development for Euro 0.3 million, and various others for Euro 0.4 million.

Considering the investments previously outlined, the net invested capital is a total of Euro 1,985.1 million (Euro 1,880.0 million as of December 31, 2023).

NET WORKING CAPITAL

The net working capital slightly decreases from Euro 201.2 million in 2023 to Euro 193.9 million in this fiscal year, with the percentage of revenue improving to 47.3% (56.9% in the previous year).

FINANCIAL POSITION

The carrying amount of the Bond as of December 31, 2024, measured under the amortized cost method, amounts to Euro 720.6 million, while the TLA amounts to Euro 68.8 million; additionally, during the fiscal year, two new loans were signed with BPER and CDP for amounts of Euro 10 and 30 million respectively. Lastly, among the short-term financial liabilities, a RCF line with a total value of Euro 175 million was drawn for Euro 34.6 million as of December 31, 2024. Other current financial liabilities include the negative balances of the cash pooling accounts towards subsidiaries. *cash pooling* towards subsidiaries.

The net financial position is Euro 505.8 million, an increase compared to the year 2023 (Euro 371.3 million). The following table shows the data for the medium-long term loans granted to the Company and outstanding as of December 31, 2024:

(In thousands of Euros)	12.31.2024	12.31.2023
Medium-long term financial debts to banks and other lenders - current portion	16,462	3,356
Current financial debts to banks and other lenders	87,024	95,345
Other current financial liabilities	138,913	39,224
Current financial debt	**242,399**	**137,925**
Medium to long-term financial debts to banks and other lenders - non-current portion	820,948	743,204
Non-current financial debt	**820,948**	**743,204**
TOTAL GROSS FINANCIAL DEBT	**1,063,347**	**881,129**
Cash and cash equivalents	(74,485)	(74,919)
Current financial assets	(96,021)	(48,375)
Non-current financial assets	(387,015)	(386,512)
NET FINANCIAL LIABILITIES (*)	**505,826**	**371,323**

(*) Net financial debt is calculated as the sum of overdrafts and loans due within a year and non-current financial liabilities net of liquid assets and cash equivalents, current and non-current financial assets, and the fair value of derivative financial instruments. Net financial debt is not identified as an accounting measure either under the Italian Accounting Standards or under the IFRS adopted by the European Union. The determination criterion applied by the Company might not be consistent with that adopted by other entities, and therefore, the balance obtained by the Company might not be comparable with that determined by others.

FINANCIAL INDICATORS

	12.31.2024	12.31.2023
Short-term ratio *Short-term financial liabilities and current portion of long-term loans/Net financial debt*	47.9%	37.1%
Long-term ratio *Long-term financial liabilities/Net financial debt*	162.3%	200.2%
Net financial debt/Net equity ratio	0.34x	0.25x
Net financial debt/Total funding sources ratio	0.25x	0.20x
Leverage Ratio *Net financial debt/Adjusted EBITDA*	13.82x	11.18x
Net Interest Cover Ratio *Adjusted EBITDA/Net financial management*	1.10x	1.38x
ROE	(2.0%)	(1.0%)

ROS	(1.3%)	(2.8%)
Capital turnover	21.8%	31.9%
ROI	(0.3%)	(0.9%)
Net Working Capital/Total revenue	47.3%	56.9%

Regarding the financial indices, there is a slight decrease in the weight of short-term debts compared to long-term ones, due to the reduced draw on the RCF line by Euro 34.6 million (Euro 50 million as of December 31, 2023), classified among short-term liabilities.

Both the financial debt/equity ratio and the financial debt/funding sources ratio worsen, as does the Leverage Ratio, all primarily linked to the revaluation of the United States Dollar against the Euro, since most of the Group's debt is denominated in dollars.

Conversely, the Net Interest Cover Ratio improves significantly, despite the heavier financial management burden from dollar-denominated debt charges, thanks to the increase in EBITDA compared to the previous year.

The other indices remain negative in the presence of an operating loss, while the impact of working capital on revenue improves.

3.12. PERFORMANCE OF THE MANAGEMENT OF SUBSIDIARIES/AFFILIATED COMPANIES

3.12.1. KEDRION BIOPHARMA INC. GROUP (USA)

The subgroup led by Kedrion Biopharma Inc., wholly owned by Kedrion SpA, owns the production facility in Melville with a fractionation capacity of about 1 million liters, acquired as part of a framework agreement made in 2011 with Grifols, which allowed the Kedrion Group to enter the most important market in the sector. Its subsidiary Kedplasma LLC owns 67 plasma collection centers located in the United States, following the corporate integration with BPL Plasma Inc.
During the 2024 fiscal year, the companies belonging to the Kedrion Biopharma group achieved the following results:

- Kedrion Biopharma Inc. achieved a revenue of Euro 391.9 million, ending with a loss of Euro 1.2 million (revenue of Euro 340.7 million and a profit of Euro 58.0 million in 2023, when the entity received dividends distributed by its subsidiary Kedplasma LLC and recognized deferred tax assets on losses carryforwards). The 2024 revenue was mainly contributed by standard immunoglobulins (59%), which remain the main development driver, anti-rabies immunoglobulin (19%), anti-D immunoglobulin (5%), and albumin (7%); during the current fiscal year, Ryplazim sales in the U.S. market resumed (5% of total revenue);
- Kedplasma LLC achieved a revenue of Euro 555.8 million in 2024, closing with a loss of Euro 0.3 million (revenue of Euro 566.8 million and a profit of Euro 21.7 million in 2023).

3.12.2. GROUP SEVENPLATFORM VI LTD (BPL) (UK)

The English company Sevenplatform VI Limited was established as a vehicle to acquire the BPL Group, a transaction completed on August 31, 2022, and therefore controls the following companies:

- The three holdings of the BPL Group: Naga UK Topco Limited, Naga UK Bidco Limited, and Bio Products Laboratory Holdings Limited;

- The English company Bio Production Laboratory Limited, which holds the commercial licenses through which the BPL Group operates in the markets where it is present; the company also owns the Elstree production facility, which is vertically integrated (like the Bolognana facility) and has a fractionation capacity of approximately 1.3 million liters;
- The commercial company Bio Products Laboratory Mexico S.de.R.L. (Mexico).

During the fiscal year ending December 31, 2024, the subgroup led by Sevenplatform VI Ltd achieved total revenues of Euro 555.7 million (Euro 510.1 million in 2023). The increase of approximately 9% compared to the previous year is mainly due to standard immunoglobulins 10% (Gammaplex, 68% of total revenue), Factor X (orphan drug Coagadex, 15% of total revenue), and albumin (12% of total revenue, growing due to a greater presence in China). The United States accounts for about 78% of sales and represents the most significant market.

The subgroup Sevenplatform VI Ltd closed the fiscal year with a profit of Euro 66.5 million (a loss of Euro 2.6 million in 2023).

3.12.3. HUMAN BIOPLAZMA KFT (HUNGARY)

Kedrion SpA acquired 100% of HUMAN BioPlazma Kft. shares on December 31, 2007, thus increasing its overall production capacity thanks to the facility located in Godollo near Budapest, which has a fractionation capacity of about 0.4 million liters of plasma, mainly intended for contract manufacturing on behalf of Kedrion SpA.

During the 2024 fiscal year, the company achieved a turnover of 55.2 million Euros (101.6 million Euros in 2023), a decrease compared to the previous year due to the change in business model, now primarily based on contract manufacturing for the Parent Company, which led to a net profit of Euro 0.4 million (against a loss of 4.0 million Euros in 2023).

3.12.4. KEDRION BIOPHARMA GMBH (GERMANY)

This company100% owned by Kedrion SpA, was established under German law in June 2008. To date, the company engages in the distribution of the group's products in the main Northern European markets, particularly Germany, Austria, Poland, and Portugal.

During the fiscal year 2024, the company generated revenues of Euro 83.4 million (Euro 85.9 million in 2023), including the revenue recorded by the *commercial branches* in the Austrian, Portuguese, and Polish markets.

The net profit amounted to Euro 2.7 million (profit of Euro 2.6 million in 2023).

From January 1, 2024, the company also controls the German-registered company BPL Bio Products Laboratory GmbH, a distribution company that was part of the former BPL Group, holding the license to sell Coagadex in Germany. The total revenue for this company in the fiscal year 2024 was Euro 13.0 million, while the net profit was Euro 0.2 million.

3.12.5. UNICA PLASMA (CZECH REPUBLIC)

Unica Plasma s.r.o, wholly owned by Kedrion SpA, is based in Prague in the Czech Republic. The company, acquired by Kedrion SpA on November 30, 2022, owns and operates five plasma collection centers in the country.

The company's revenue for the fiscal year 2024 was Euro 11.1 million Euros (Euro 8.9 million in 2023), with a net profit of Euro 0.3 million (a net loss of Euro 0.4 million in 2023).

On September 16, 2024, the company completed the acquisition of Plasmafera s.r.o., a private Czech company that operates three plasma collection centers in the Czech Republic, bringing the total number of plasma collection centers in that territory to eight. The total revenue of this company for the 2024 fiscal year, starting from the acquisition date, amounted to Euro 0.6 million, while the net loss was Euro 0.1 million.

3.12.6. PROMETIC BIOPRODUCTION INC. (CANADA)

Prometic BioProduction Inc. is headquartered in Laval, Quebec (Canada) and was acquired by Kedrion SpA on July 9, 2021, as part of the Ryplazim transaction concluded with Liminal Biosciences. The company owns the FDA-approved production facility for the production of plasminogen registered under the trade name “Ryplazim”.

The company's first sales were recorded in January 2022 to the affiliated Prometic Biotherapeutics Inc. (now incorporated into Kedrion Biopharma Inc.), holder of the FDA license to sell the Ryplazim product on the US market.

The revenue for the fiscal year 2024 was Euro 21.2 million (Euro 2.4 million in 2023), significantly increasing compared to the previous year due to some delays related to production issues with an external supplier responsible for the final part of the process (filling and bottling), which affected almost the entire 2023 fiscal year and a good portion of 2024; consequently, this year also resulted in an operating loss of Euro 2.4 million (a loss of Euro 7.7 million in 2023).

Furthermore, the finalization of a new lease agreement with emphyteutic lease terms for the Laval facility is underway, with a term of 25 years; this contract stipulates that the parties cannot terminate it before 10 years from signing, and in any case, a penalty applies if termination occurs before 20 years. This underscores the Group's commitment to investing in this project.

3.12.7. KEDRION MEXICANA S.A. DE C.V. (MEXICO)

This Mexican company was established in June 2008 with the aim of distributing Kedrion products in Mexico.

Sales for the fiscal year 2024 remained steady, amounting to Euro 84.4 million (Euro 86.8 million in 2022), bringing the net profit to Euro 2.3 million (profit of Euro 3.1 million in 2023). Additionally, the company won a significant international Open Public Tender for the purchase by the Mexican government of medications, therapeutic products, dressing materials, and diagnostic aids for the years 2025 and 2026.

3.12.8. KEDRION BETAPHAR BIYOFARMASÖTIK İLAÇ SANAYI VE TICARET ANONIM ŞIRKETI (TURKEY)

Kedrion SpA acquired a share of the capital of this company, based in Ankara, Turkey, in November 2012 and currently holds 60% of it, while the remaining 40% is held by a local partner, Betaphar İLAÇ. The company engages in the distribution of the Group's products in Turkey.

During the 2024 fiscal year, the company achieved a turnover of Euro 62.8 million (Euro 51.7 million in 2023), closing with a net profit of Euro 3.8 million (profit of Euro 3.9 million in 2023).

3.12.9. KEDRION BRASIL LTDA (BRAZIL)

In November 2013, Kedrion SpA acquired a share of the capital of this company registered with the Chamber of Commerce of the State of Goias in Brazil and currently holds 100% of it. The Brazilian company was purchased to strengthen the presence of the Kedrion Group in Latin America.

During the 2024 fiscal year, the company achieved a turnover of approximately Euro 5.7 million compared to Euro 3.8 million in the previous year), closing the fiscal year with a loss of Euro 1.1 million (profit of Euro 0.6 million in the prior year), mainly due to currency exchange differences.

3.12.10. KEDRION DE COLOMBIA S.A.S. (COLOMBIA)

Kedrion De Colombia S.A.S. was established in Colombia with its headquarters in Bogotá in 2015 to strengthen the presence of the Kedrion Group in Latin America.

During the fiscal year 2024, the company achieved a turnover of Euro 2.3 million (Euro 2.4 million in the previous year), closing the fiscal year with a net loss of Euro 0.1 million (a profit of Euro 0.5 million Euros in the prior year).

3.12.11. KEDRION BIOPHARMA INDIA PRIVATE LIMITED (INDIA)

On December 6, 2013, this company was established in India, with Kedrion SpA holding 60%, HUMAN BioPlazma Kft. holding 20%, and Kedrion Biopharma Inc. holding the remaining 20%. As of December 31, 2024, the company was in the process of liquidation.

The revenue for the fiscal year 2024 was effectively zero, just like in 2023, with a profit of Euro 0.3 million (Euro 0.2 million in 2023), due exclusively to the write-off of intercompany debts still recorded in the 2023 financial statements.

3.13. SHAREHOLDING STRUCTURE

The company is 100% controlled by Kedrion Holding SpA, formed by the Permira Fund together with former shareholders of Kedrion SpA; therefore, the Kedrion Group is ultimately controlled by the following entities:

■ Permira VII Investment Platform Limited [11]	63,21%
■ Sestant SpA	16.30%
■ FSI S.G.R SpA[12]	13.20%
■ CDP Equity SpA	6,60%
■ Refin S.r.l.	0.20%
■ PIPS S.r.l.	0.07%
■ Cordusio Fiduciaria SpA [13]	0,43%

3.14. SUBSEQUENT EVENTS

In line with the corporate integration and simplification program, on January 1, 2025, the merger by incorporation of Plasmafera s.r.o. into Unica Plasma s.r.o. was completed, both companies being resident in the Czech Republic.

[11] Permira VII Fund
[12] On behalf of and for the closed-end reserved investment fund “FSI I”
[13] On behalf of and for the management of the Group that has subscribed to the Management Equity Plan, as described in paragraph 3.3.1

On January 14, 2025, the dissolution application for Kedrion India Private Ltd. was submitted to the local authority; we are currently awaiting the final liquidation of the company.

It is noted that on January 8, 2025, the Go Live was successfully executed project technician for the “SAP BPL”; therefore, starting from January 1, 2025, SAP 4/HANA has been implemented as the ERP for all UK-based companies, in line with the Parent Company and other major companies of the Group. This project marks the completion of the integration activities of Kedrion and BPL groups, including the technical aspect of IT systems.

There are no other significant subsequent events and/or impacts on the 2024 financial statements.

3.14.1. PERFORMANCE OF THE FIRST TWO MONTHS AND FORESEEABLE MANAGEMENT DEVELOPMENTS

The year 2025 is expected to grow consistently with previous years’ trend. Growth will be mainly driven by the plasma derivatives segment, while in the plasma segment, a reduction in sales to third parties is expected in favor of intra-group sales, aligning with the increased focus on internal production for the first segment. The key growth drivers will mainly concern immunoglobulins in the American market: indeed, in addition to the Group's historical products such as Gammaked and Gammaplex, the product Yimmugo will be added, stemming from the agreement with Biotest described in paragraph 3.3.1.; furthermore, growth is expected for products related to rare diseases such as Ryplazim and Coagadex, as well as an increase in contract work activities.

In terms of profitability, a significant increase in EBITDA is expected due to additional production volumes, which will be possible thanks to improved utilization of production capacity across all Group facilities, the distribution of Yimmugo, expected price growth primarily in the American market, and expansion in the rare disease market both in the United States and globally, all linked to strict control over operating expenses (Opex).

In the first two months of the 2025 fiscal year, the consolidated revenue of the Kedrion Group was Euro 192 million, or 14% higher than the budget forecasts for the period and in line with the corresponding period of the previous fiscal year, mainly due to increased sales of plasma derivatives (immunoglobulins and albumin) in the United States.

3.15. NON-RECURRING OPERATIONAL ITEMS

Below we summarize the non-recurring revenues and costs determined for management purposes as indicated in the definition.

Regarding the fiscal year 2024, net non-recurring charges and other extraordinary items have been identified with a total net value of Euro 58.1 million, of which Euro 53.2 million impacting EBITDA. These items include the following:

- **New plasma centers startup and pre-opening** (Euro 17.9 million): relate to the higher plasma collection costs incurred at new centers opened or acquired that are not yet fully operational and the restructuring and integration costs of former BPL centers;
- **Non-recurring operating costs** (Euro 14.5 million): this refers to extraordinary events related to production, identified by quality control and product release processes, and costs related to increased testing conducted following the Parvovirus B19 outbreak recorded during the year, especially at the European level;
- **Costs related to the Rhogam line:** represent the tail end of the \u201c*extension fees*\u201d paid to the supplier due to the extension of the supply contract, in line with the timeline for completing the insourcing project, and the unabsorbed costs of the production structure;

non-recurring costs for the period amount to Euro 8.6 million, of which Euro 2.9 million relate to depreciation;

- **Strategic development and growth initiatives:** primarily include projects related to the development and launch of new products totaling Euro 8.3 million, of which Euro 2 million related to depreciation;
- **Costs associated with the remediation and ramp-up of Ryplazim** (Euro 5.8 million): includes non-recurring items related to the production of Ryplazim and the ramp-up of capacity;
- **Costs of integration, legal transactions/litigation, and other costs** (Euro 3 million): refer to extraordinary non-operational costs, such as consultancy and other expenses incurred to complete integration, provisions or releases for legal cases and litigation, and settlement payments.
- **Discontinued operations** (Euro 0.1 million): relate to the liquidation of the Indian subsidiary and other corporate simplification projects.

The following table illustrates the impacts on operating income of the charges identified above:

Effects of management non-recurring items for the financial year ending 12.31.2024

(In thousands of Euros)	TOTAL	Including impact on EBITDA	Including Depreciation
New plasma centers start up and pre-opening	17,858	17,858	
Non-recurring operating costs	14,499	14,499	
Costs related to the Rhogam line	8,587	5,650	2,937
Strategic development and growth initiatives	8,300	6,275	2,025
Costs related to the remediation and ramp-up of Ryplazim	5,800	5,800	
Integration costs, legal disputes/transactions and other costs	2,988	2,988	
Discontinued operations	86	86	
TOTAL	**58,118**	**53,157**	**4,962**

3.16. TRANSACTIONS WITH RELATED PARTIES

During 2024, the Group's companies engaged in various types of relationships both with other companies within the same Group and with other related parties identified based on the guidance included in IAS 24, as detailed in the explanatory notes.

It is believed that the terms under which these transactions were actually carried out are consistent with current market conditions. However, there is no guarantee that if such transactions had been concluded between or with third parties, they would have negotiated or executed the transactions under the same terms and conditions.

3.17. TRANSACTIONS WITH SUBSIDIARIES AND PARENTS

Regarding the transactions between the Parent Company and the companies it controls, these are detailed in the Explanatory Notes in the comments on the individual items of the Statement of financial position and statement of profit and loss, and primarily consist of:

- commercial relationships concerning purchases of raw materials, acquisitions and sales of semi-finished and finished products, and the execution of construction works;

- relationships related to service provision contracts, particularly of a productive nature;
- financial relationships represented by loans within the centralized treasury management.

The relationships in question are governed by specific contracts whose terms are in line with market conditions.

(In thousands of Euros)	Trade receivables	Trade payables	Financial receivables	Financial payables
HUMAN BioPlazma Kft.	1,028	(2,426)	40,612	(633)
Kedrion Betaphar Biyofarmasötik İlaç Sanayi ve Ticaret Anonim Şirketi	9,970	(44)	-	-
Kedrion Biopharma Inc.	5,427	(4,268)	291,315	13
BPL Bio Products Laboratory GmbH	31	-	-	-
KEDPLASMA LLC	5,632	(2,398)	348	(39,484)
Kedrion Biopharma Gmbh	17,774	(421)	3,551	(17,224)
UnicaPlasma s.r.o Group	142	(709)	-	-
Sevenplatform VI Limited Group	8,352	(1,724)	100,922	(81,684)
Kedrion Brazil Ltda	6,591	-	-	-
Kedrion of Colombia S.A.S.	2,950	-	-	-
Kedrion Mexican S.A. de C.V.	13,049	(95)	1,487	-
Prometic BioProduction Inc.	936	(13)	42,544	-
TOTAL	**71,882**	**(12,098)**	**480,779**	**(139,012)**

(In thousands of Euros)	Revenue	Costs	Financial income	Financial charges
HUMAN BioPlazma Kft.	2,120	(45,550)	4,573	(634)
Kedrion Betaphar Biyofarmasötik İlaç Sanayi ve Ticaret Anonim Şirketi	46,030	-	-	-
Kedrion Biopharma Inc.	4,983	(7,153)	20,101	-
BPL Bio Products Laboratory GmbH	-	(841)	-	-
KEDPLASMA LLC	5,178	(42,486)	348	(898)
Kedrion Biopharma Gmbh	71,508	(520)	116	(363)
UnicaPlasma s.r.o Group	78	(9,910)	-	-
Sevenplatform VI Limited Group	8,321	(9,706)	6,818	(1,335)
Kedrion Brazil Ltda	6,960	-	-	-
Kedrion of Colombia S.A.S.	1,128	-	-	-
Kedrion Mexican S.A. de C.V.	44,684	(44)	-	-
Prometic BioProduction Inc.	834	(10)	2,505	-
TOTAL	**191,824**	**(116,220)**	**34,461**	**(3,230)**

Refer to the explanatory notes for the transactions with the parent entity Kedrion Holding S.p.A.

3.18. INFORMATION ON TREASURY SHARES

In relation to the obligations under art. 2428 of the Civil Code, it is specified that the Parent Company and its subsidiaries do not hold own shares either directly or indirectly; furthermore, the Company has neither acquired nor disposed of own shares during the financial year.

3.19. SHARE CAPITAL STRUCTURE

The share capital of the Parent Company Kedrion SpA amounts to Euro 60,453,901 and is fully subscribed and paid by the shareholders. Pursuant to points 17 and 18 of art. 2427 of the Civil Code, it is specified that the share capital is divided into 60,453,901 shares of Euro 1.00 each.

3.20. SECONDARY OFFICES OF THE HOLDING

The Parent Company does not have branch offices. The administrative offices are located at the local unit in Castelvecchio Pascoli, production activities are carried out at the local units in Bolognana (LU) and Sant' Antimo (NA); representative offices are located in Hanoi for managing relations in Vietnam, Viareggio and Milan; the Parent Company has its own warehouse in Castelvecchio Pascoli, while in Padua a third-party raw material depot is used; lastly, industrial research and development activities are concentrated in Bolognana, including also a unit in Siena.

3.21. RECONCILIATION BETWEEN THE GROUP'S FINANCIAL RESULTS AND NET EQUITY WITH THE PARENT COMPANY'S EQUIVALENT VALUES

The following is the reconciliation statement between the result for the period and the group's equity compared with similar values of the parent company:

Reconciliation of operating result and equity

(In thousands of Euros)	Equity 2023	Dividends	Other equity movements 2024	OCI items 2024	Net result 2024	Equity 2024
Kedrion SpA Statement of financial position	**1,508,469**		**315**	**(22)**	**(29,531)**	**1,479,231**
Net results of subsidiaries after establishment/acquisition	227,119	(3,737)	(9,134)	51,593	68,815	334,656
Elimination of distributed intercompany dividends	-	3,737			(3,737)	-
Elimination of other intercompany balances	(338)			(2,818)	3,115	(41)
Elimination of intercompany profits on inventory	(13,046)				(9,257)	(22,303)
Elimination of other intercompany profits	(2,005)			(107)	517	(1,595)
Effects from PPAs	(33,187)			17,770	(14,459)	(29,876)
Other consolidation adjustments	852			(10)	170	1,012
TOTAL ATTRIBUTABLE TO THE GROUP	**1,687,864**	**-**	**(8,819)**	**66,406**	**15,633**	**1,761,084**
Minority shareholders' interest	6,887	(2,468)	(1,154)	2,611	2,490	8,366
TOTAL CONSOLIDATED FINANCIAL STATEMENTS	**1,694,751**	**(2,468)**	**(9,973)**	**69,017**	**18,123**	**1,769,450**

Castelvecchio Pascoli, March 13, 2025

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

4. CONSOLIDATED FINANCIAL STATEMENTS

4.1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(In thousands of Euros)	NOTES	12.31.2024	12.31.2023
NON-CURRENT ASSETS			
Property, plant, and equipment	5.4.1	769,478	704,014
Investment property	5.4.2	1,461	2,103
Goodwill	5.4.3	639,164	623,316
Right-of-use	5.4.4	179,625	165,091
Intangible assets with a definite useful life	5.4.5	712,112	697,826
Other non-current financial assets	5.4.6	6,161	5,439
Deferred tax assets	5.4.20	8,002	768
Tax receivables	5.4.7	1,334	2,385
Other non-current assets	5.4.8	926	858
TOTAL NON-CURRENT ASSETS		**2,318,263**	**2,201,800**
CURRENT ASSETS			
Inventories	5.4.9	598,896	575,246
Trade receivables	5.4.10	101,517	155,177
Contract assets	5.4.11	22,260	27,748
Tax receivables	5.4.12	11,282	24,508
Other current assets	5.4.13	80,040	30,914
Other current financial assets	5.4.14	353	4,803
Cash and cash equivalents	5.4.15	178,212	141,532
TOTAL CURRENT ASSETS		**992,560**	**959,928**
TOTAL ASSETS		**3,310,823**	**3,161,728**

(In thousands of Euros)	NOTES	12.31.2024	12.31.2023
SHAREHOLDERS' EQUITY			
GROUP SHAREHOLDERS' EQUITY			
Share capital	5.4.16	60,454	60,454
Reserves	5.4.16	1,684,997	1,627,734
Net result attributable to Group	5.4.16	15,633	(324)
TOTAL GROUP SHAREHOLDERS EQUITY		**1,761,084**	**1,687,864**
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS			
Capital and reserves of non-controlling interests	5.4.16	6,853	4,071
Net result attributable to non-controlling interests	5.4.16	1,513	2,816
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		**8,366**	**6,887**
TOTAL SHAREHOLDERS' EQUITY		**1,769,450**	**1,694,751**
NON-CURRENT LIABILITIES			
Medium-long term loans	5.4.17	993,634	895,214
Provisions for risks and charges	5.4.18	-	1,379
Employee benefit liabilities	5.4.19	3,453	3,497
Deferred tax liabilities	5.4.20	43,413	113,026
Other non-current liabilities	5.4.21	4,127	2,715
TOTAL NON-CURRENT LIABILITIES		**1,044,627**	**1,015,831**
CURRENT LIABILITIES			
Payables to banks and other lenders	5.4.17	106,738	119,373
Current portion of medium - long term loans	5.4.17	30,157	14,366
Provisions for risks and charges	5.4.2	2,462	15,519
Trade payables	5.4.23	284,604	235,484
Income tax payables	5.4.24	4,233	5,590
Other current liabilities	5.4.25	68,552	60,814
TOTAL CURRENT LIABILITIES		**496,746**	**451,146**
TOTAL LIABILITIES		**1,541,373**	**1,466,977**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,310,823**	**3,161,728**

4.2. CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR

(In thousands of Euros)	NOTES	12.31.2024	12.31.2023
Revenue	5.5.1	1,578,241	1,429,303
Cost of sales	5.5.2	1,163,212	1,104,642
GROSS MARGIN		**415,029**	**324,661**
Other income	5.5.3	7,147	9,626
General and administrative expenses	5.5.4	171,267	155,130
Sales and marketing expenses	5.5.5	87,790	95,000
Research and development expenses	5.5.6	46,344	39,767
Other operating costs	5.5.7	17,901	11,422
OPERATING INCOME		**98,874**	**32,968**
Interest expenses	5.5.8	104,112	83,957
Interest income	5.5.9	3,295	1,224
Net foreign exchange gains (losses)	5.5.10	(38,864)	13,122
RESULT BEFORE TAXES		**(40,807)**	**(36,643)**
Income taxes	5.5.11	(58,930)	(39,135)
NET RESULT FOR THE YEAR		**18,123**	**2,492**
Including:			
Net result attributable to the Group		15,633	(324)
Net result attributable to non - controlling interests		2,490	2,816

4.3. CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(In thousands of Euros)	NOTES	12.31.2024	12.31.2023
NET RESULT FOR THE YEAR		**18,123**	**2,492**
OTHER COMPONENTS OF COMPREHENSIVE INCOME			
Other components of comprehensive income that will be subsequently reclassified to profit/(loss) for the year:			
Foreign currency translation differences	5.4.16	60,993	(36,288)
Total other components of comprehensive income that will be subsequently reclassified to profit/(loss) for the year net of taxes		**60,993**	**(36,288)**
Other components of comprehensive income that will not be subsequently reclassified to profit/(loss) for the period:			
Revaluations related to hyperinflationary economies	5.6.1	8,046	4,112
Actuarial gains/losses on employee benefit plans	5.4.19	(29)	(13)
Income taxes		7	3
Total other components of comprehensive income that will not be subsequently reclassified to profit/(loss) for the period net of taxes		**8,024**	**4,102**
TOTAL OTHER COMPONENTS OF COMPREHENSIVE INCOME NET OF TAXES		**69,017**	**(32,186)**
TOTAL COMPREHENSIVE INCOME/(LOSS) NET OF TAXES		**87,140**	**(29,694)**
Attributable to:			
Group		82,039	(32,774)
Non-controlling interests	5.4.16	5,101	3,080

4.4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of Euro)	Share capital	Legal reserve	Share premium reserve	Other reserves	Conversion reserve	IAS 19 severance indemnity reserve	Result for the year	Total Group Net Assets	Total Net Assets attributable to non-controlling interests	Total shareholders' equity
Notes	5.4.16	5.4.16	5.4.16	5.4.16	5.4.16	5.4.19				
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 for reverse merger	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
Conversion difference	-	-	-	-	(34,909)	-	-	(34,909)	(1,379)	(36,288)
Employee Severance Indemnity Reserve IAS 19	-	-	-	-	-	(10)	-	(10)	-	(10)
Profit / (loss) for the year	-	-	-	-	-	-	(324)	(324)	2,816	2,492
Total profit/(loss) for the year and other components of 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	-	-	-	-	-	-	-	-	(2,468)	(2,468)
Acquisition of non-controlling interests	-	-	-	(9,246)	-	-	-	(9,246)	(1,154)	(10,400)
IFRS 2 Reserve	-	-	-	427	-	-	-	427	-	427
IAS 29 Reserve	-	-	-	4,827	-	-	-	4,827	3,219	8,046
Currency translation adjustment	-	-	-	351	61,250	-	-	61,601	(608)	60,993
IAS 19 employee benefits	-	-	-	-	-	(22)	-	(22)	-	(22)
Profit / (loss) for the year	-	-	-	-	-	-	15,633	15,633	2,490	18,123
Total profit/(loss) for the year and other components of comprehensive income	**-**	**-**	**-**	**5,178**	**61,250**	**(22)**	**15,633**	**82,039**	**5,101**	**87,140**
Balance as of December 31, 2024	**60,454**	**11,734**	**77,901**	**1,641,038**	**(45,087)**	**(589)**	**15,633**	**1,761,084**	**8,366**	**1,769,450**

CONSOLIDATED STATEMENT OF CASH FLOW *(In thousands of Euros)*	**NOTES**	**12.31.2024**	**12.31.2023**
PROFIT (LOSS) BEFORE TAX		**(40,807)**	**(36,643)**
Adjustments to reconcile Profit (Loss) before tax to net cash generated / (absorbed) by operating activities:			
Depreciation and amortization	5.5.8	134,196	150,359
Interest expense	5.5.9	104,112	83,957
Interest income	5.5.10	(3,295)	(1,224)
Net exchange gains or losses	5.5.11	38,864	(13,122)
Other non-monetary items		5,724	(1,997)
Provisions/(Payments) for employee benefits	5.4.19	(151)	(192)
Net change in provisions for risks and charges	5.4.18 - 5.4.22	(14,436)	(19,056)
Net change in other non-current liabilities	5.4.21	1,412	(478)
Net change in other non-current assets	5.4.8	(68)	256
Changes in working capital			
Trade receivables	5.4.10	55,266	18,009
Inventories	5.4.9	(23,508)	(44,811)
Trade payables	5.4.23	47,557	33,976
Other current assets and liabilities	5.4.13 - 5.4.25	(43,758)	24,877
Other cash flows from operating activities			
Income taxes paid		(6,955)	(10,595)
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES (A)		**254,153**	**183,316**
Investments in tangible assets	5.4.1	(102,782)	(80,305)
Disposal of tangible assets	5.4.1	2,556	5,287
Purchase of plasma collection centers net of cash acquired	5.2.2	(3,387)	(10,051)
Investments in intangible assets	5.2.2	(39,544)	(16,848)
Disposal of intangible assets	5.4.5	-	656
Acquisition of non-controlling interests	5.4.5	(5,200)	-
CASH FLOW ABSORBED IN INVESTING ACTIVITIES (B)		**(148,357)**	**(101,261)**

(In thousands of Euros)	NOTES	12.31.2024	12.31.2023
Dividends paid	5.4.16	(2,575)	(2,287)
New medium-long term borrowings	5.4.17	40,000	-
Repayment of medium-long term financing	5.4.17	(19,051)	(15,363)
Interest collected	5.5.10	3,295	1,022
Interest paid	5.5.9	(90,011)	(76,848)
Change in non-current financial assets	5.4.6	127	(108)
Change in short-term financial liabilities	5.4.17	(13,506)	4,154
Change in short-term financial assets	5.4.14	(672)	(36)
NET CASH FLOW GENERATED/(ABSORBED) FROM FINANCING ACTIVITIES (C)		**(82,393)**	**(89,466)**
Net cash flow generated from operating activities (A)		254,153	183,316
Net cash flow absorbed by investing activities (B)		(148,357)	(101,261)
Net cash flow generated by financing activities (C)		(82,393)	(89,466)
TOTAL CASH FLOW D = (A+B+C)		**23,403**	**(7,411)**
Cash and cash equivalents at the beginning of the period (E)	5.4.15	141,532	149,175
Net effect of foreign currency conversion on cash and cash equivalents (F)		13,277	(232)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD G = (D+E+F)		**178,212**	**141,532**
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD			
Cash and cash equivalents		141,532	149,175
Bank overdrafts and demand repayable liquidity		-	-
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**141,532**	**149,175**
NET CASH AT THE END OF THE PERIOD			
Cash and cash equivalents	5.4.15	178,212	141,532
Bank overdrafts and demand repayable liquidity		-	-
NET CASH AT THE END OF THE PERIOD		**178,212**	**141,532**

Castelvecchio Pascoli, March 13, 2025

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

Ugo Di Francesco

5. EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5.1. INTRODUCTION

Kedrion SpA is a joint stock company established and domiciled in Italy and, together with its subsidiaries (the “Kedrion Group”), engages in the production and distribution of biological medicines derived from the industrial plasma fractionation process. The Group is also involved in the marketing of synthetic pharmaceutical products and operates in the collection and marketing of plasma in foreign markets and other activities, including the transfer of technology related to the production of plasma derivatives. Please refer to the management report for more details on the activities carried out by the Group.

The consolidated financial statements of Kedrion as of December 31, 2024, prepared by its directors, therefore include, in addition to Kedrion SpA, the following companies:

- the American subsidiary Kedrion Biopharma Inc., of which Kedrion SpA holds 100%;
- The indirect American subsidiary KEDPLASMA LLC, wholly owned by Kedrion Biopharma Inc.;
- the Hungarian subsidiary HUMAN BioPlazma Kft., wholly owned by Kedrion SpA;
- the German subsidiary Kedrion Biopharma Gmbh, wholly owned by Kedrion SpA;
- the indirect German subsidiary BPL Bio Products Laboratory GmbH, wholly owned by Kedrion Biopharma Gmbh;
- the Mexican subsidiary Kedrion Mexicana S.A. de C.V. (hereinafter Kedrion Mexicana), wholly owned by Kedrion SpA;
- the Brazilian subsidiary KEDRION BRASIL LTDA (hereinafter Kedrion Brasil), wholly owned by Kedrion SpA;
- the Indian subsidiary Kedrion Biopharma India Private Limited (in liquidation) owned 60% by Kedrion SpA, 20% by HUMAN BioPlazma Kft., and the remaining 20% by Kedrion Biopharma Inc.;
- the Turkish subsidiary Kedrion Betaphar Biyofarmasötik İlaç Sanayi ve Ticaret Anonim Şirketi (hereinafter Kedrion Betaphar), of which Kedrion SpA holds 60%; the remaining 40% is owned by third parties;
- the Colombian subsidiary KEDRION DE COLOMBIA S.A.S. (hereinafter Kedrion Colombia), of which Kedrion SpA holds 100%;
- the Canadian subsidiary Prometic BioProduction Inc., of which Kedrion SpA holds 100%;
- the English subsidiary Sevenplatform VI Limited, of which Kedrion SpA holds 100%;
- the indirect English subsidiary Bio Production Laboratory Limited (hereinafter BPL), which Sevenplatform VI Limited indirectly owns 100% of, through a cascading holding structure (Naga UK Topco Limited, Naga UK Bidco Limited, and Bio Products Laboratory Holdings Limited); the company is based in Elstree (UK) and in turn controls 1% of the commercial company Bio Products Laboratory Mexico S.de.R.L. (Mexico), while the remaining 99% is held by Bio Products Laboratory Holdings Limited;
- the Czech subsidiary UNICAplasma s.r.o., which Kedrion SpA owns 100%;
- the indirect Czech subsidiary Plasmafera s.r.o., which UNICAplasma s.r.o. owns 100%.

The parent company Kedrion Holding SpA, based in Italy, Via San Paolo 10, Milan (MI), was established by the Permira Fund together with the former partners of Kedrion SpA; therefore, the Kedrion Group is ultimately controlled by the following entities:

- Permira VII Investment Platform Limited [14] 63,21%

[14] Permira VII Fund

- Sestant SpA 16.30%
- FSI S.G.R SpA[15] 13.20%
- CDP Equity SpA 6,60%
- Refin S.r.l. 0.20%
- PIPS S.r.l. 0.07%
- Cordusio Fiduciaria SpA [16] 0,43%

The financial statements, which refers to the period from January 1, 2024 through December 31, 2024, was approved by the Board of Directors on March 13, 2025, and will be submitted for approval by the Shareholders' Meeting on April 10, 2025. This financial statement is subject to statutory audit.

With the aim of improving the understanding and comparability of financial reporting, revisions have been made to the presentation methods of comparative data as of December 31, 2023. These revisions mainly concern the reclassification of checks from cash equivalents to trade receivables for an amount of Euro 14,847 thousand, following the early adoption of the new amendments to IFRS 7 and IFRS 9. The Group has opted for the retrospective application of these amendments to achieve better data comparability.

5.2. SIGNIFICANT EVENTS OF THE YEAR

5.2.1. ACQUISITION OF NON-CONTROLLING INTERESTS IN KEDRION MEXICANA

On May 31, 2024, the acquisition of the 40% minority stake in Kedrion Mexicana S.A. de C.V. from the former local partner, Medici Pharma, S.A.P.I. de C.V., was completed.

The structure of the deal involved the payment of a total amount of Euro 10.4 million to be paid in two tranches; the first tranche, amounting to 50% of the total, was paid in October 2024, while the second tranche is scheduled for payment by the end of April 2025. Therefore, as of December 31, 2024, a liability of Euro 5.2 million remains on the statement of financial position regarding this transaction. The agreement also included the payment of dividends for the year 2023, totaling Euro 1.2 million.

As of December 31, 2024, although the second installment of the payment, which formally corresponds to the remaining 20% of the shares of the Mexican subsidiary, is still outstanding, the Group presents and consolidates a 100% interest in its share capital, by virtue of the fact that, according to the agreement structure, the former minority shareholders are deemed at the time of signing to have lost (IFRS 10 par. 5-18):

- control over the investee entity;
- exposure or rights to variable returns from its relationship with the investee entity;
- the ability to use their power over the investee entity to affect the amount of its returns.

Lastly, since the Group already controls the Mexican company, this operation does not qualify as a business combination under IFRS 3, and therefore, the preparation of a purchase price allocation on the consideration paid was not required. This amount, in fact, has been recorded as a reduction to the non - controlling interest allocated to the Mexican company as of May 31, 2024, for an amount of Euro 1.2 million, and as a reduction of the Group's equity for the excess portion up to the total amount, for a value of Euro 9.2 million.

[15] On behalf of and for the closed-end reserved investment fund “FSI I”
[16] On behalf of and for the management of the Group that has subscribed to the Management Equity Plan, as described in paragraph 3.3.1

5.2.2. BUSINESS COMBINATIONS

ACQUISITION OF PLASMA CENTERS

On September 16, 2024, the subsidiary UNICAplasma s.r.o. acquired Plasmafera s.r.o., a private Czech company operating three plasma collection centers in the Czech Republic, primarily including the plants and related equipment, the personnel involved, existing contractual relationships, authorizations, and relationships with donors.

Considering the nature of the transaction, this has been treated as a business activities based on IFRS 3 guidance. The Group determines it has acquired a business when the integrated set of activities and assets includes at least one input and a substantive process that together significantly contribute to the ability to create outputs, in line with the new definition of a business.

The process of assessing the fair value of the assets and of the consideration paid for the aforementioned acquisition was completed by the end of the fiscal year based on an appraisal performed by an independent third party.

This acquisition was recognized in accordance with IFRS 3 by identifying goodwill as the difference between the acquisition price and the *fair value* of the identifiable acquired assets and assumed liabilities.

The new company Plasmafera s.r.o. was consolidated effective from the acquisition date.

Fair value recognized in acquisitions

(In thousands of Euros)	**Plasmafera**
NET ASSETS ACQUIRED	
Property, plant, and equipment	**205**
Intangible assets with definite life	**1,103**
- Including Donor list	608
- Including Licenses	495
Deferred tax liabilities	**(232)**
Right-of-use	511
Lease liabilities	(511)
NET WORKING CAPITAL	**143**
TOTAL NET ASSETS IDENTIFIED AT FAIR VALUE	**1,219**
IDENTIFIED GOODWILL	**2,168**
PURCHASE CONSIDERATION	**3,387**
of which:- Gross consideration	**3,474**
- Acquired cash	**(87)**

The goodwill is attributable to the workforce and the strong profitability of the acquired business activities and is not deductible for tax purposes.

Cash outflow for acquisition operations

	2024	2023
Cash outflow related to acquisition operations	3,387	13,584
Offset with granted loans		(3,533)
Net cash flow - investment activities	**3,387**	**10,051**

There are no significant transaction costs related to this operation.

5.2.3. OECD PILLAR TWO RULES

Legislative Decree No. 209 of December 27, 2023, implementing the tax reform in the field of international taxation, has adopted Directive No. 2022/EU/2523, regarding the "*Global Minimum Tax*" (hereinafter "*Pillar 2 regulation*"), with the explicit aim of ensuring, as of January 1, 2024, a minimum level of taxation for multinational or national groups of companies.

In accordance with international agreements, as well as based on the guidelines provided by the Organization for Economic Cooperation and Development (OECD) and particularly the provisions of the aforementioned EU Directive 2022/2523, the Legislative Decree confirms that any additional taxation required by the «Pillar 2 regulation» shall be collected through the following forms of taxation:

- the national minimum tax (also known as "*Qualified Domestic Minimum Top-up Tax*" or "QDMTT"), payable in relation to companies of a multinational or national group located in Italy and subject to low taxation there;
- the supplementary minimum tax (also known as "*Income Inclusion Rule*" or "IIR"), payable by Italian-based controlling entities of multinational or national groups in relation to low-taxed group entities;
- the supplemental minimum tax (also known as "*Undertaxed Payments Rule*" or "UTPR") payable by one or more entities of a multinational group located in Italy in relation to foreign group entities subject to low taxation when the equivalent top-up tax has not been applied, in whole or in part, in other countries.

Having set the general terms, the new regulations affect businesses located in Italy that are part of a multinational or national group with annual revenues of 750 million euros or more. This revenue threshold must be met in at least two of the four fiscal years immediately preceding the one under consideration.

It is also important to highlight that exposure to Pillar 2 regulations is a direct consequence of the effective tax rate in each jurisdiction. The effective tax rate, moreover, is impacted by various concurrent and/or related factors such as, by way of example, the income produced there, the level of the nominal tax rate, the tax rules for determining the taxable base, or the establishment, form, and enjoyment of tax incentives or benefits.

According to the provisions of Article 10 and Article 40 of Legislative Decree No. 209 dated December 27, 2023, the Pillar 2 regulations apply to the Kedrion Group starting from the 2024 fiscal year. However, already in 2023, the Kedrion Group proactively began assessing the potential impacts of the Pillar 2 regulations in the jurisdictions where they operate, in order to ensure compliance with the current regulatory obligations.

In a particularly complex general regulatory context, the Pillar 2 rules allow - for the initial effective periods - the possibility of applying simplifications to the calculation of effective taxation, the so-called

"*Transitional CbCR Safe Harbour*". Passing at least one of the three tests provided by the *Transitional CbCR Safe Harbour* entails the automatic elimination of any additional tax due and simultaneously a reduction of compliance burdens for the Group. In view of these benefits, the Kedrion group has assessed the applicability of *safe harbours* in the jurisdictions where it operates.

Based on the analyses that the Group conducted using the information known or reasonably estimated as of the end of fiscal year 2024, Kedrion Group's exposure to taxes arising from the Pillar 2 regulations can be assessed as not significant, and therefore the Group has not allocated any *top up tax* in the financial statements. Specifically, the outcome of the *Transitional CbCR Safe Harbour* tests on the financial information as of December 31, 2024, confirmed the positive outcomes that had already emerged during the year, during which the Group promptly conducted preliminary tests based on the interim closures.

The only companies found unsuitable for the simplification of the effective tax calculation were those residing in the UK jurisdiction, exclusively due to the recognition in the financial statements of tax attributes from previous years, which significantly reduced the ETR (*effective tax rate*). For these companies, a *full compliance* calculation was therefore carried out, based on which there was no need to recognize any *top-up tax* in the financial statements as of December 31, 2024.

Lastly, the Group has started, with the support of its tax advisors, to monitor the impacts arising from the application of the regulations on hybrid tax instruments; preliminarily, based on the information currently available, the Group does not expect significant impacts from the application of such regulations. The Group will continue to monitor the situation in the coming months.

5.3. ACCOUNTING PRINCIPLES AND EVALUATION CRITERIA

5.3.1. CONTENT AND FORM OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of Kedrion SpA as of December 31, 2024 were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Union, as well as in compliance with the provisions issued in implementation of art. 9 of Legislative Decree no. 38/2005.

The term IFRS also includes all revised international accounting standards (“IAS”), all interpretations of the International Financial Reporting Standards Interpretations Committee (“IFRS IC”) including those previously issued by the Standing Interpretation Committee (“SIC”).

These consolidated financial statements consist of the following primary statements: (i) consolidated statement of financial position, (ii) consolidated statement of profit or loss, (iii) consolidated statement of comprehensive income, (iv) consolidated statement of changes in equity, (v) consolidated statement of cash flows and (vi) the explanatory notes.

In presenting the statement of financial position, the format that classifies assets and liabilities into “current” and “non-current” was elected. Assets and liabilities are considered non-current if they have a monetary outcome beyond 12 months.

The consolidated statement of profit or loss for the fiscal year ended December 31, 2024 is presented according to a classification of costs by destination, a form considered more representative than the so-called presentation by nature of expenditure. The chosen form is aligned with internal reporting and business management. The statement of cash flows is prepared according to the indirect method and is presented in accordance with IAS 7, classifying cash flows between operating, investing and financing activities. The flow related to finance costs and income paid and collected is shown among financing activities and not among operating activities.

The accounting principles adopted for the preparation of the consolidated financial statements as of December 31, 2024 are consistent with those used for the preparation of the annual consolidated financial statements as of December 31, 2023, with the exception of the adoption of the new principles, amendments and interpretations in force from January 1, 2024.

The consolidated financial statements are prepared on the basis of historical cost principle, except for measurement of financial assets and liabilities where the application of the fair value basis is compulsory.

These consolidated financial statements have been prepared on the assumption of going concern, as the directors have concluded on the absence of indicators that may cast doubts about the Group's ability to meet its obligations in the near future, and specifically in the next 12 months. Please refer to the Management Report for considerations regarding the expected development of management.

The consolidated financial statements are presented in Euro, which is also the functional currency, and all values are rounded up to the nearest thousand Euro unless otherwise indicated. The amounts contained in these explanatory notes are reported in thousands of Euros, without decimal figures, unless otherwise indicated.

5.3.2. CONSOLIDATION AREA

The consolidated financial statements include the financial statements of Kedrion SpA and its subsidiaries as of December 31, 2024. Control is achieved when the Group is exposed or has rights to variable returns from its relationship with the investee and, at the same time, has the ability to affect those returns by exercising its power over the investee.

Specifically, Kedrion SpA controls an entity if, and only if, the company has:

- power over the investee (i.e. it holds valid rights that give it the current ability to direct the relevant activities of the investee);
- exposure or rights to variable returns from its relationship with the investee;
- the ability to use its power over the investee to affect the amount of its returns.

Generally, there is the presumption that the majority of voting rights imply control. In support of this presumption and when the Group holds less than the majority of voting rights (or similar rights), the Group considers all relevant facts and circumstances to determine whether it controls the entity being invested in, including:

- contractual agreements with other voting rights holders;
- rights arising from contractual agreements;
- the Group's voting rights and potential voting rights.

The Group reconsiders whether it has control of a subsidiary if the facts and circumstances indicate that there have been changes in one or more of the three elements relevant for the definition of control. The consolidation of a subsidiary begins when the Group gains control and ends when the Group loses the same control. The activities, liabilities, revenues and costs of the acquired or disposed subsidiary during the financial year are included in the consolidated financial statements from the date the Group gains control until the date the Group no longer exercises control over the company.

The profit (loss) for the year and each of the other components of the statement of comprehensive income are allocated to the shareholders of the parent company and to non-controlling interests, even if this implies that non-controlling interests have a net equity share with a negative balance. When necessary, appropriate adjustments are made to the financial statements of the subsidiaries, to ensure compliance with the group's accounting policies. All intra-group assets and liabilities, net equity, revenues, costs and cash flows relating to transactions between group entities are fully eliminated during the consolidation process.

Changes in interest in a subsidiary that do not result in the loss of control are accounted for as capital transactions.

If the Group loses control of a subsidiary, it eliminates the corresponding activities (including goodwill), liabilities, non-controlling interests, and other components of net equity, while any profit or loss is recorded in the statement of profit or loss. The portion of investment that may be retained is then measured at fair value.

The following table summarizes, for subsidiaries, the information as of December 31, 2024, relating to their name, registered office and percentage of share capital held directly and indirectly by the Group.

Subsidiaries (consolidated using the full method)

Name	Location	Functional currency	Share capital currency unit	Percentage of control		Notes
				Direct	Indirect	
Kedrion Biopharma Inc.	New Jersey – United States	United States Dollar	3	100%		
KEDPLASMA LLC	Delaware - United States	United States Dollar	10,592,796		100%	
Sevenplatform VI Limited	Watford - United Kingdom	United States Dollar	1,652,097	100%		
Naga UK Topco Limited	Watford - United Kingdom	United States Dollar	3,856,477		100%	
Naga UK Bidco Limited	Watford - United Kingdom	United States Dollar	25,687,319		100%	
Bio Products Laboratory Holdings Limited	Watford - United Kingdom	United States Dollar	223,108,063		100%	
Bio Production Laboratory Limited	Watford - United Kingdom	United States Dollar	206,428,001		100%	
Bio Products Laboratory Mexico S.de.R.L.	Mexico City - Mexico	Mexican Peso	1,000		100%	
BPL Bio Products Laboratory GmbH	Neu-Isenburg - Germany	Euro	25,000		100%	
HUMAN BioPlazma Kft.	Gödöllő – Hungary	Euro	12,461,836	100%		
Kedrion Biopharma Gmbh	Grafelfing – Germany	Euro	25,000	100%		
UnicaPlasma s.r.o	České Budějovice – Czech Republic	Czech koruna	200,000	100%		
Plasmafera s.r.o.	Prague – Czech Republic	Czech koruna	200,000		100%	

Prometic BioProduction Inc.	Quebec – Canada	Canadian dollar	230,643,549	100%		
Kedrion Mexican S.A. de C.V.	Mexico City – Mexico	Mexican Peso	2,061,320	100%		
Kedrion Betaphar Biyofarmasötik İlaç Sanayi ve Ticaret Anonim Şirketi	Ankara – Turkey	Turkish lira	40,000,000	60%		
Kedrion Brazil Ltda	Goiania – Brazil	Brazilian real	2,734,000	100%		
Kedrion of Colombia S.A.S.	Bogotá – Colombia	Colombian peso	30,000,000	100%		
Kedrion Biopharma India Private Limited	Gurgaon – India	Indian Rupee	13,900,000	60%	40%	

5.3.3. CONSOLIDATION CRITERIA

These consolidated financial statements include the financial statements of Kedrion SpA, the parent company, and the financial statements of the companies directly and indirectly controlled by it. The financial statements of the subsidiaries are prepared with reference to the same accounting period and adopting the same accounting principles of the parent company. The subsidiaries are fully consolidated from the date of acquisition, or the date on which the Group acquires control, and cease to be consolidated on the date on which control is transferred out of the Group.

In particular, for the consolidated companies, the following consolidation criteria were applied:

- the book value of the shares included in the consolidation area was eliminated against the net assets of the subsidiaries according to the global integration method and where the direct or indirect investment is less than 100%, the share of income and net assets attributable to third parties is assigned, which is shown in a separate item of the consolidated statement of profit or loss and the consolidated financial position;
- any difference between the acquisition cost and the book value of the subsidiaries' net assets at the time of acquisition of the investment, if positive, is allocated to the specific activities of the acquired companies on the basis of their current values at the acquisition date and, for the remaining part, if the conditions exist, to the "Goodwill" item. In this case, these amounts are not amortized but subjected to an impairment test at least annually and in any case whenever the need arises from a permanent loss of value. If the elimination of the investment leads to a negative difference, this is recorded in the statement of profit or loss;
- receivable and payables, costs and revenues and profits and losses resulting from transactions carried out between Group (including the profit on inventory sold intragroup) companies are eliminated, taking into account the related tax effects;
- the effects deriving from extraordinary operations carried out between Group companies (mergers, contributions etc.) are eliminated in the case of business combinations under common control.

5.3.4. EURO TRANSLATION OF FINANCIAL INFORMATION PREPARED IN FOREIGN CURRENCY

The consolidated financial statements are presented in Euro, which is also the functional currency of Kedrion SpA. Each Group company defines its own functional currency, which is used to evaluate the items included in the individual balances.

The financial statements of foreign companies expressed in a currency other than Euro are converted into Euro in the following ways:

- statement of profit or loss items are converted at average exchange rates for the period, while statement of financial position items is converted at current end-of-period exchange rates, excluding net assets (including the result of the year);
- equity items, including the result of the year, are converted at historical exchange rates.

The translation difference resulting from this conversion process is recorded in consolidated net assets under the Currency Translation Adjustment Reserve item, which is classified under Other Reserves. At the time of disposal of a foreign company or business, the exchange differences accumulated in this reserve, and relating to the company or business sold, are charged to the statement of profit or loss.
The exchange rates used to determine the equivalent in Euro of the financial statements expressed in foreign currency of the subsidiaries (currency for 1 Euro) are shown in the following table:

	Average exchange rates for the year ended December 31		Year-end exchange rates as of December 31	
Currency *(per 1 Euro)*	**2024**	**2023**	**2024**	**2023**
US Dollar	1.08	1.08	1.04	1.11
Czech Koruna	25.12	24	25.19	24.72
Mexican Peso	19.83	19.18	21.55	18.72
Brazilian Real	5.83	5.4	6.43	5.36
Indian Rupee	90.56	89.3	88.93	91.90
Canadian Dollar	1.48	1.46	1.49	1.46
Turkish Lira	35.57	25.76	36.74	32.65
Colombian Peso	4,327.60	4,675.00	4,559.16	4,267.52

TRANSACTION AND BALANCES

Transactions in foreign currency are initially recorded in the functional currency, applying the spot exchange rate at the date of the transaction. Monetary assets and liabilities, denominated in foreign currency, are converted into the functional currency at the exchange rate on the balance sheet date.

Realized exchange rate differences or those arising from the conversion of monetary items are recorded in the statement of profit or loss. Non-monetary items valued at historical cost in foreign currency are converted at the exchange rates at the date of initial recognition of the transaction. Non-monetary items recorded at fair value in foreign currency are converted at the exchange rate at the date of determination of such value. The gain or loss arising from the conversion of non-monetary items is treated consistently with the recognition of gains and losses relative to the change in fair value of the aforementioned items (i.e. conversion differences on the items whose change in fair value is recorded in the comprehensive income or in the statement of profit or loss are recorded, respectively, in the comprehensive income or in the statement of profit or loss).

ADOPTION OF IAS 29 RELATING TO THE HYPERINFLATIONARY ECONOMIES OF THE SUBSIDIARY KEDRION BETAPHAR

The Turkish economy was identified as hyperinflationary from January 1, 2022. As a result, IAS 29 - Financial Reporting in Hyperinflationary Economies - was applied to Kedrion Betaphar Biyofarmasötik İlaç Sanayi ve Ticaret Anonim Şirketi whose functional currency is the Turkish lira.

IAS 29 requires that adjustments be applicable from the beginning of the entity's reference period, or from January 1, 2022 for the Kedrion Group.

The application of IAS 29 provides:

- adjustment of non-monetary assets and liabilities at historical cost for the change in purchasing power caused by inflation from the date of initial recognition to the reporting date;
- adjustment of the statement of profit or loss to the inflation of the reference period;
- conversion of statement of profit or loss results using the end-of-period exchange rate instead of the average rate;
- adjustment of the statement of profit or loss to reflect the impact of inflation and the movement of exchange rates on holding monetary assets and liabilities in local currency.

5.3.5. CHANGES IN INTERNATIONAL ACCOUNTING STANDARDS

The following are the changes to international accounting standards issued by the IASB, effective from the 2024 financial year, and information is provided as to whether these changes have an impact on the Group's financial statements.

CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT AND NON-CURRENT LIABILITIES WITH COVENANTS – AMENDMENTS TO IAS 1

The amendments to IAS 1 *Presentation of Financial Statements* in 2020 and 2022 clarify that liabilities in the statement of financial position should be classified as current or non-current, depending on the rights existing at the reporting date.

Thus, the classification should not be influenced by the company's expectations or events occurring after the end of the period (for example, receiving a waiver or breaching a covenant that the company is required to comply with only after the period has ended).

Financial covenants should not affect the classification of a liability as current or non-current as of the end date of the period if the company is obligated to comply with such covenants only after the period ends. However, if the company must comply with a covenant by the end date of the period or earlier, this factor must be considered in the classification as current or non-current even if the covenant is tested only after the period ends.

The amendments require disclosure if a company classifies a liability as non-current and such liability is subject to covenants that the company must comply with within 12 months from the reporting period end. This disclosure should include:

- the carrying amount of the liability;
- information about the covenants (including their nature and when the company is required to comply with them); and
- any facts and circumstances indicating that the company might have difficulty complying with such covenants.

The amendments must be applied retrospectively in accordance with the requirements of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.
Special transitional provisions apply if a company has early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

This amendment had no impact on the Group's consolidated financial statements.

LEASE LIABILITY IN SALE AND LEASEBACK – AMENDMENTS TO IFRS 16

In September 2022, the IASB finalized limited scope amendments to the requirements for sale and leaseback transactions under IFRS 16 *Leases*, which explain how a company should account for such a transaction.

The amendments specify that, in measuring the lease liability subsequent to a sale and leaseback transaction, the seller-lessee must determine the "lease payments" and "revised lease payments" in such a way that does not result in the recognition of any profit or loss amount concerning the right of use retained. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.
This amendment did not have any impact on the Group's consolidated financial statements as there were no *sale and leaseback* transactions during the current fiscal year.

IAS 8 SUPPLIER FINANCE ARRANGEMENTS - AMENDMENTS TO IAS 7 AND IFRS 7

On May 25, 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require specific disclosures about Supplier Finance Arrangements (SFA – *Supplier Finance Arrangements*). These amendments address investors' need for more information on SFA to assess how these arrangements affect a company's liabilities, cash flows, and liquidity risk.

The new disclosure requirements therefore concern:

1) terms and conditions of the SFA;
2) the carrying amount of financial liabilities that are part of the SFA and the line items in which these liabilities are classified;
3) the carrying amount of the financial liabilities mentioned in point (2), for which the suppliers have already received payment from the financiers;
4) the range of due dates for payments both for the financial liabilities that are part of the SFAs and for comparable trade payables that are not part of such agreements;
5) the non-monetary changes in the carrying amounts of the financial liabilities as per point (2);
6) access to SFA lines and the concentration of liquidity risk with lenders.

Companies are required to aggregate the information they provide on SFAs. However, companies must disaggregate such information where the terms and conditions differ, provide disclosure when the range of due dates for payments is broad, and provide disclosure on the type and effect of non-monetary changes necessary for comparability between periods.

The IASB has provided a transitional simplification by not requiring comparative information in the first year and not requiring disclosure on specific opening balances. Furthermore, the required disclosure is applicable only for annual periods during the first year of application. Therefore, the first application of such amendments concerns financial statements ending on December 31, 2024, unless a company has a fiscal year shorter than 12 months.

The Group has acknowledged this change and has provided the required disclosure as described above in note 5.4.23.

5.3.6. ISSUED STANDARDS NOT YET EFFECTIVE

The following outlines the standards that, as of the date of the Group's consolidated financial statements, were already issued but not yet effective, and provides information on the Group's expectations regarding any impacts arising from the application of such standards.

The Group has not early adopted any standard, interpretation, or amendment that has been published but is not yet effective. However, it intends to adopt these standards when they become effective, except for the amendments to IFRS 9 and IFRS 7 as described below.

AMENDMENTS TO IAS 21 - LACK OF EXCHANGEABILITY

In August 2023, the IASB amended IAS 21 to add certain requirements to help companies determine whether a currency is convertible into another currency and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 stipulated the exchange rate to use when the exchange rate is temporarily absent, but not what to do when the absence of the exchange rate is not temporary.

The new requirements will apply to annual reporting periods starting on January 1, 2025, or later, but early application is permitted subject to any approval process.

The Group does not have any such transactions at the reporting date.

AMENDMENTS TO THE CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS – AMENDMENTS TO IFRS 9 AND IFRS 7

On May 30, 2024, the IASB issued targeted amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* to address recent questions arising in practice and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

a) clarify the recognition and *derecognition* date of certain financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic money transfer system;
b) clarify and add further guidelines to assess whether a financial asset meets the solely payments of principal and interest (SPPI – *Solely Payments Of Principal And Interest*);
c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to achieving environmental, social, and governance objectives); and
d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI – *Fair Value Through Other Comprehensive Income*).

The changes mentioned in point (b) are the most significant for financial institutions, while the changes mentioned in points (a), (c), and (d) are significant for all other companies.
The amendments to IFRS 9 and IFRS 7 will be effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted.

Given the significance of the impact of this amendment, for better representation, the Group has proactively aligned itself with it, which resulted in the reclassification as of December 31, 2023, of the checks, previously classified among cash equivalents within trade receivables, amounting to Euro 14,847 thousand, while the amount of checks as of December 31, 2024, classified within trade receivables is Euro 8,046 thousand. Additionally, it is specified that the financial indicators presented in the Management Report have been adjusted in line with this reclassification.

IFRS 18 – PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS

IFRS 18 represents the new standard for presentation and financial statement disclosure, replacing IAS 1, focusing on updates to the income statement presentation.

The new key concepts introduced in IFRS 18 concern:

- the structure of the income statement format with defined subtotals;
- the requirements for determining a more useful summary structure for presenting costs in the income statement format;
- the required disclosures to be presented in a single note within the financial statement regarding the determination of performance measures of the income statement that are reported outside a company's financial statements (i.e., performance measures defined by management);

- and advanced principles of aggregation and disaggregation that apply to the main financial statement formats and the general explanatory note.

The Group is currently assessing the impacts arising from the application of this new principle but does not expect any significant changes compared to the current presentation and disclosure structure of the financial statements.

IFRS 19 - SUBSIDIARIES WITHOUT PUBLIC ACCOUNTABILITY: DISCLOSURES

This new standard applies together with other IFRS accounting standards, meaning an eligible subsidiary applies the requirements of other IFRS accounting standards except for the disclosure requirements for which it applies the reduced disclosure requirements under IFRS 19. The reduced disclosure requirements under IFRS 19 balance the informational needs of the users of the financial statements of eligible subsidiaries with cost savings for the preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it is not a public interest entity; and
- it is part of a parent company (ultimate or intermediate) that prepares a consolidated financial statement available for public use in compliance with IFRS accounting standards.

The Group is currently assessing the impacts arising from the application of this new principle, and it is expected that it will be applicable to some subsidiaries within the Group itself, benefiting from cost savings in the preparation of such financial statements starting from the 2027 financial year.

5.3.7. DISCRETIONARY ASSESSMENTS AND SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the Group's financial statements requires the directors to make judgement calls, estimates and assumptions that impact the values of revenues, expenses, assets and liabilities as well as the information related to contingent assets and liabilities at the reporting date. In the financial year, the most significant discretionary assessments concerned, in particular, the following aspects.

PURCHASE PRICE ALLOCATION OF BUSINESS COMBINATIONS RELATED TO THE ACQUISITION OF PLASMA COLLECTION CENTERS

Business combinations are accounted for using the acquisition method, based on IFRS 3 guidance; according to this methodology, the consideration transferred in a business combination is measured at fair value, determined as the sum of the fair values of the assets transferred and the liabilities assumed by the Group as of the acquisition date. If the fair value of the net assets acquired and liabilities assumed at the date of acquisition exceeds the sum of the considerations transferred, this excess is immediately recognized in the statement of profit or loss as an income arising from the transaction.

The processes and methods of accounting for business combinations are based on complex assumptions and imply a judgement call of the directors, particularly with reference to the identification of the acquired activities, the allocation of the purchase price to the fair value of the acquired assets and assumed liabilities, the examination of contractual agreements with the counterpart, as well as the determination of the depreciation rates of tangible and intangible assets, especially with reference to the confirmation or revision of the useful lives attributed to the assets identified as part of the PPA at the time of the business combination.

IMPAIRMENT LOSS ON GOODWILL AND OTHER ASSETS

Goodwill and other intangible assets with an indefinite useful life (or not yet available for use) are subject to verification for any impairment losses on a at least annual basis, while other assets with a finite useful life are subject to assessment related to the existence of events or changes that may indicate that the carrying amount of such an asset is no longer recoverable (impairment indicators);

this assessment ("impairment test") involves an estimate of the fair value or the value in use of the cash generating unit to which the goodwill (or other assets) is attributed, based on the DCF cash flow discounting model; the most relevant estimates and assumptions are related to cash flows projections, growth rates to be applied beyond the explicit forecast period and the determination of the discount rate.

EVALUATIONS RELATED TO MAJOR ONGOING PROJECTS

The ongoing projects, particularly with reference to the set-up of the Castelvecchio Pascoli plant and the development of KIG 10, have significant accounting implications on the consolidated statement of financial position and involve recourse to the judgment of the directors, in particular with reference (i) to the evaluation of the expected outcome of the projects themselves, in relation to the achievement of the necessary authorizations by the competent bodies, (ii) to the identification of the requirements for the capitalization of capital expenditures, (iii) to the determination of the date from which such activities become available for use and the definition of their useful life, (iv) to the evaluation of the recoverability of ongoing investments, and (v) to the identification of additional charges attributable to such projects included in non-recurring charges.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS WITH DEFINITE USEFUL LIFE

Within the scope of the ongoing strategic projects, the Group has been monitoring the costs associated with them, splitting capitalized amounts ("Capex") and expenses charged to the statement of profit or loss of the financial year ("Opex").

All expenses that do not meet the capitalization requirements set out by accounting principles and described in the subsequent note 5.3.8 were considered as Opex.

The Group assesses the availability for use of the investments made for the purpose of determining the date from which to start the depreciation process.

The Group has also verified the recoverability of the carrying value of capitalized costs in relation to such projects through an impairment test. Lastly, the Group has checked the appropriateness of the useful life and of the applied depreciation.

INVENTORIES

Inventories of raw materials, work in progress and finished products are generally subject to an expiration date for which the management considers the expiration date associated with each batch a key element in the recoverability assessment. It should be noted that the expiration dates of raw materials are no longer relevant once these are transferred into production. In such cases, the expiration date is assigned in the production process to the work in progress and finished products. The same applies to work in progress, whose expiration date is renewed once they move to the next stage of the production process.

Therefore, expiration dates are binding and non-renewable only for finished products.

Inventories with upcoming expiry dates (usually three months for finished products and two months for semi-finished goods and raw materials) are fully impaired to take into account their difficult recoverability. In assessing the risk of obsolescence, other factors such as turnover levels, quality, and surplus to the needs of production or the market are also assessed.

The evaluation is based on the most reliable evidence available and takes into account further evidence made available after the end of the period only to the extent that additional results confirm the conditions existing at the end of the period. In the unlikely event that the circumstances that previously caused an impairment of inventories no longer exist, the amount of the impairment loss is reversed.

DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets are recognized for all temporary differences and tax losses carried forward, to the extent that it is probable that there will be sufficient future taxable profits against which these losses can be utilized. A significant degree of judgement is required from the directors to determine the amount of deferred tax assets that can be recognized. They must estimate the probable timing and amount of future taxable profits and a future tax planning strategy. Deferred tax assets and deferred tax liabilities are off set where there is a legal right to offset current tax assets against current tax liabilities, and the deferred taxes refer to the same taxpayer and the same tax jurisdiction. Deferred tax assets are recognized to the extent that it is probable that there will be sufficient future taxable profits against which the temporary differences and tax losses can be utilized or there are sufficient deferred tax liabilities relating to the same legal entity. In this regard, the Group estimates the probable timing and amount of future taxable profits.

Further details are provided in paragraph 5.4.20.

OTHER ACCOUNTING ESTIMATES

Estimates are also used to measure impairment of financial assets, product returns and potential liabilities, depreciation of tangible and intangible assets with a definite life, valuation of accrued service credits, invoices to be received for services rendered and current income tax of the year.

Furthermore, they concern the development costs that are capitalized based on the accounting principle referred to in note 5.3.8. To determine the values to be capitalized, the directors formulate assumptions regarding the future cash flows expected from the assets, the discount rates to be applied and the periods of outcome of the expected benefits.

EVALUATION OF THE IMPACTS OF CLIMATE CHANGE

Currently, the impact of climate-related issues is not significant on the Group's financial information. The Group will assess whether and how the introduction of regulations on emission reductions can increase production costs and, if they have a significant impact, will include these assumptions in the estimates.

In the future, should these estimates and assumptions, which have been based on the best evaluation currently available and are periodically reviewed, differ from the actual results, they will be adjusted accordingly in the period of change of the circumstances themselves. The effect of any change will be charged to the statement of profit or loss.

5.3.8. EVALUATION CRITERIA

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recorded at the historical cost, including all directly attributable and necessary costs for the operation of the asset for which it was purchased. This cost includes the costs for the replacement of parts of machinery and equipment when incurred if they meet the recognition criteria.

Maintenance and repair expenses are recognized in the period in which they are incurred, unless they are repair or replacement costs of equipment and machinery related to long-term projects where the criteria for capitalization are met.

Tangible assets are shown net of accumulated depreciation and any impairment losses determined according to the methods described below. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset for the company, which is reviewed annually and any changes, if necessary, are made with a prospective approach. The estimated useful life can vary from site to site and is generally in the range between 5 and 10 years for equipment and tools.

The useful lives of the main classes of property, plant and equipment are as follows:

Asset Class	Useful Life
Buildings	18-30 years
Light constructions and generic plants	10 years
Non-corrosive equipment	8 years
Highly corrosive equipment	5-6 years
Various small and laboratory equipment	2.5 years
Industrial and commercial equipment	5-6 years
Office furniture and furnishings	8 years
Electronic machines	5 years
Vehicles and internal transport machines	5 years

When significant parts of these tangible assets have different useful lives, these components are accounted for separately. Lands, whether free from construction or attached to buildings, are recorded separately and are not depreciated as they are elements with an unlimited useful life.

The carrying value of tangible assets is subject to an assessment aimed at detecting any impairment losses, if events or changes in circumstances indicate that the carrying value cannot be recovered. If there is an indication of this kind and, in the case where the carrying value exceeds the recoverable amount, the assets are written down to reflect their recoverable amount. The recoverable value of tangible assets is represented by the higher of the net selling price ("fair value") and the value in use.

The value in use is calculated by discounting the expected future financial flows, using a pre-tax discount rate that reflects the current market estimate of the cost of money related to time and the specific risks of the asset. For an asset that does not generate widely independent financial flows, the value in use is determined in relation to the cash-generating unit to which such an asset belongs.

Impairment losses are accounted for in the statement of profit or loss among depreciation expenses and impairment based on the destination to which the asset refers.

These impairment losses are reversed in case the reasons that generated them cease to exist.

At the time of sale or when there are no future economic benefits expected from the use of an asset, this is removed from the statement of financial position and any loss or gain (calculated as the difference between the transfer value and the carrying amount) is recognized in the statement of profit or loss in the year of the disposal.

Spare parts are accounted for as plant and machineries as far as:

- spare parts are not consumed in a production process (either to produce goods or provide services), but are kept for the operation of the related plant and machinery;
- the spare parts are used for more than one year.

The Group accounts for the spare parts purchased on an annual aggregate basis and starts depreciation after purchase over a period equal to the average technical-economic life of plant and machineries.

INVESTMENT PROPERTIES

Property held for income purposes and not for operational use is classified in a special class called "Investment properties", according to IAS 40, and is accounted for at cost reduced by depreciation and impairment losses.

These types of properties are classified separately from other real estate owned.

Investment properties are initially recorded at historical cost, including negotiation costs.

Investment properties that meet the criteria to be classified as held for sale (or are included in a disposal group classified as held for sale) are valued in accordance with IFRS 5.

Investment properties are eliminated from the statement of financial position through disposal or when the investment is permanently unusable, and no future economic benefits are expected from its disposal. Any gains or losses arising from the withdrawal or disposal of a real estate investment are recognized in the statement of profit or loss in the fiscal year in which the withdrawal or disposal occurs.

LEASES

The Group assesses at the beginning of the contract whether the contract is, or contains, a lease.

The contract is, or contains, a lease if it gives the right to control the use of a specified asset for a period of time in exchange for consideration.

The Group takes advantage of the exemption provided by IFRS16 for immaterial assets and for low-value goods; low-value goods are those goods whose value is less than Euro 5 thousand, such as photocopiers for example.

The Group applies a single accounting model for all lease contracts in which it is a lessee, except for short-term contracts and lease contracts for low-value goods. The Group records a financial liability for leases and an asset for rights of use.

For each lease contract, the duration of the lease contract is determined by considering:

- the non-cancellable period of the lease contract;
- the effective period of the lease contract;
- the lessee's extension and termination options in case they are evaluated as "reasonably certain" to be exercised.

The entity should determine the lease duration as the non-cancellable period of the lease, to which both of the following periods must be added (IFRS 16, paragraph 18):

a) periods covered by an option to extend the lease, if the lessee has reasonable certainty of exercising the option; and

b) periods covered by the lease termination option, if the lessee has reasonable certainty of not exercising the option.

If resolution and/or extension options are "applicable", the entity will consider all relevant facts and circumstances that create an economic incentive for the entity to exercise or not exercise the option, including any expected changes in facts and circumstances from the start date to the option exercise date. In particular:

- for plasma collection centers, the general accounting policy provides for considering only the initial non-cancellable multi-year period as the lease duration, unless the remaining duration is less than the renewal option period; in this case, when determining the lease contract duration, the renewal option is taken into account;
- for lease contracts other than plasma collection centers (e.g., buildings, offices, and warehouses), the lease contract duration is generally equal to the non-cancellable period provided for in the contract, as resolution or extension options are not usually included.

RIGH OF USE

The Group recognizes a right of use asset at the start date of the lease contract (i.e., the date on which the underlying asset is available to the lessee). Rights of use are measured at cost, net of the related accumulated depreciation and any accumulated impairment losses determined according to the methods described below and adjusted to take into account any remeasurement of the lease liability. The cost of rights of use includes the value of the recognized leasing liability, the direct initial costs incurred, the payments due for the lease made at the date or before the start date net of the leasing incentives received, and the estimate of the costs that the Group will have to incur to restore the underlying activity to its original conditions, if provided for by the contract.

Unless the Group is reasonably certain to purchase the leased asset at the end of the lease contract, depreciation is calculated in equal instalments based on the lesser of the duration of the contract and the estimated useful life of the asset.

The value of rights of use is subject to an assessment, to detect any impairment losses, if events or changes in situation indicate that the carrying value cannot be recovered. If there is an indication of this type and in the event that the carrying value exceeds the estimated realizable value, the assets are impaired to reflect their realizable value. The realizable value is represented by the higher of the net selling price and the value in use. In defining the value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the current market estimate of the cost of money in relation to time and the specific risks of the asset. For an asset that does not generate largely independent cash flows, the realizable value is determined in relation to the cash-generating unit to which such asset belongs. Impairment losses are accounted for in the statement of profit or loss among the costs for depreciation and impairment. Such impairment losses are reversed if the reasons that generated them no longer exist.

LEASE LIABILITY

At the contract inception, the Group recognizes a lease liability calculated as the present value of the remaining future payments until the end of the contract. Future payments include fixed payments, net of any lease incentives to be received, variable payments that depend on an index or a rate and the amounts that the Group is expected to pay for residual value guarantees. Future payments also include the exercise price of any purchase option, if the Group is reasonably certain to exercise the option, and the payments of lease termination penalties, if the Group is reasonably certain to exercise the termination option. Variable payments, which do not depend on an index or rate, but which for the Group mainly depend on the volume of sales, continue to be accounted for as expenses in the statement of profit or loss, among the costs for services. To calculate the present value of future payments, the Group uses the Incremental Borrowing Rate (IBR) at inception. Subsequently, the lease liability is increased for interest and decreased for payments made. In addition, the lease liability is remeasured to take into account changes to the contractual terms.

SHORT-TERM CONTRACTS AND CONTRACTS FOR LOW-VALUE GOODS

The Group opted for the exemption from the application of IFRS 16 for short-term contracts (less than 12 months) and for contracts where the single leased asset is of low value (less than Euro 5,000). Lease payments related to these contracts are accounted for as incurred as expenses in the statement of profit or loss, based on the terms and conditions of the contract.

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. This requires the determination of the fair value of identifiable assets (including previously unrecognized definite and indefinite life intangible assets) and identifiable liabilities (including contingent liabilities and excluding future restructuring) of the acquired company.

Acquisition costs are expensed as incurred and presented within administrative expenses.

The Group determines to have acquired a business when the integrated set of activities and assets includes at least one production factor and a substantial process that together contribute significantly to the ability to generate an output.

The acquired process is considered substantial if it is crucial for the ability to continue generating an output and the acquired production factors include an organized workforce that has the necessary skills, knowledge or experience to perform such process or contributes significantly to the ability to continue generating an output and is considered unique or scarce or cannot be replaced without significant costs, efforts or delays for the ability to continue generating an output.

When the Group acquires a business, it classifies or designates the acquired financial assets or assumed liabilities in accordance with the contractual terms, economic conditions and other pertinent conditions in existence at the acquisition date. This includes verifying whether an embedded derivative should be separated from the primary contract.

If the business combination is carried out in multiple stages, the previously held investment is accounted for at fair value at the date of acquisition and any resulting profit or loss is recognized in the statement of profit or loss.

Any contingent consideration to be recognized is accounted for by the acquirer at fair value at the acquisition date. The change in the fair value of contingent consideration classified as an asset or liability, as a financial instrument that is the subject of IFRS 9 Financial Instruments, is recognized in the statement of profit or loss in case it happens within the twelve months starting from the business combination date.

The goodwill acquired in a business combination is initially measured at cost represented by the excess of the cost of the business combination over the share of relevance of the fair value of the identifiable assets, liabilities and contingent liabilities (of the acquiree). If the consideration is less than the fair value of the net assets of the acquired subsidiary, the difference is recognized in the statement of profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, the goodwill acquired in a business combination is allocated, from the date of acquisition to each cash-generating unit that is expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquired entity are assigned to such units.

Goodwill is tested for impairment losses at least once a year (on December 31) and, more frequently, when circumstances suggest that the carrying value may be subject to impairment losses.

The impairment of goodwill is determined by assessing the recoverable amount of the cash generating unit (or group of cash generating units) to which the goodwill can be attributed. Where the recoverable amount of the cash generating unit is less than the carrying amount of the cash generating unit to which the goodwill has been allocated, an impairment loss is recognized.

The reduction in the value of goodwill cannot be reversed in future years.

If the goodwill has been allocated to a cash generating unit and the entity disposes of part of the unit's operations, the goodwill associated with the disposed operations is included in the carrying amount of the activity when determining the gain or loss on disposal. The goodwill associated with the disposed activity is determined based on the relative values of the disposed operations and the retained part of the cash generating unit.

INTANGIBLE ASSETS WITH A FINITE LIFE

Intangible assets with a finite life are accounted for as assets at cost when it is likely that the use of the asset will generate future economic benefits and when the cost of the asset can be determined reliably. Intangible assets acquired through business combinations are measured at fair value determined at the acquisition date, if such value can be determined reliably. Intangible assets with a finite life are amortized on a straight-line basis over their estimated useful life; the useful life is reviewed on an annual basis and any changes, where necessary, are made prospectively.

The useful lives of the main classes of intangible assets are as follows:

Asset class	Useful life
Development costs	5 years
Rights and trademarks	5-10 years
Market authorization	20 years
Trademarks related to plasma collection centers	5 years
Licenses related to plasma collection centers	10 years
Donor lists related to plasma collection centers	1 year
Other intangible assets	Specific

Intangible assets with a definite useful life are subject to impairment test upon identification of impairment indicators.

DEVELOPMENT COSTS

Research costs are charged to the statement of profit or loss as incurred.

Development costs incurred in relation to a specific project are capitalized only when the Group can demonstrate:

- the technical possibility of completing the intangible asset to make it available for use or for sale;
- its intention to complete said asset for use or sale,
- the ways in which it will generate probable future economic benefits,
- the availability of technical, financial or other resources to complete the development and
- its ability to reliably evaluate the cost attributable to the asset during its development.

Among other factors, the entity must be able to demonstrate the existence of a market for the output of the intangible asset or for the intangible asset itself or, if it is to be used internally, it must be able to demonstrate the usefulness of the intangible asset.

During the development period, the asset is tested for impairment on an annual basis. Subsequent to the initial recognition, development costs are valued at cost less any accumulated depreciation or loss. The amortization of the asset starts when the development is completed and the asset is available for use, or the asset should be in the position and condition necessary for it to be able to operate in the manner intended by management; in the case of projects requiring regulatory approval (e.g. development of new products), such approval gives rise to the beginning of amortization.

Once the asset is available for use, for the purpose of determining its useful life, the asset is amortized with reference to the period in which it is expected that the related project will generate revenue for the Group. During the period in which the asset is not yet available for use, it will be tested annually for impairment.

RIGHTS AND TRADEMARKS

The item under consideration mainly refers to the rights for marketing, to regulatory licenses (Authorizations for Marketing - A.I.C.) of medical specialties and to trademarks for the registration of pharmaceutical products.

The item also includes licenses and trademarks related to plasma collection centers acquired through business combination, as described in paragraph 5.2.2.

OTHER INTANGIBLE ASSETS

The item under consideration refers to:

- purchase of application software programs;
- sales contracts concluded with customers and the list of plasma donors enrolled recognized upon acquisition at the time of the purchase of plasma collection centers.

IMPAIRMENT TEST

Goodwill, along with indefinite-life intangible assets and intangible assets in progress, is subject to annual impairment test, based on the reference date of December 31. All other assets within the scope of IAS 36 are subject to impairment testing when impairment indicators are identified. In this case, the carrying amount of these assets is compared with their estimated recoverable value and, if higher, an impairment loss is recorded.

Tangible and intangible assets with a defined useful life are subject to depreciation and tested for impairment in case of events or changes in circumstances indicate that their carrying amount may not be recoverable.

The impairment loss equals the amount by which the carrying amount of the intangible asset exceeds its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market conditions of the time value of money and the risks specific to the asset. The Group bases its impairment tests on detailed business plans and forecast calculations, prepared separately for each of the Group's cash-generating units to which individual assets are allocated. These business plans and forecast calculations generally cover a period equal to or longer than three years.
In order to identify any impairment loss, intangible and tangible assets are grouped at the level of the smallest identifiable cash-generating unit (Cash Generating Unit or CGU). Intangible assets with a definite useful life are tested for impairment at each reporting date to assess whether impairment

losses recognized in previous periods no longer exist or have reversed. If such indication exists, the loss is reversed and the carrying amount of the asset is restored to an extent not exceeding its recoverable amount, which cannot be higher than the carrying amount that would have been determined if the loss had not been recognized.

The restoration of a loss in value is immediately accounted for in the consolidated statement of profit or loss.

INVENTORIES

Inventories are measured at the lower of the purchase and/or production cost, determined using the weighted average cost method, and net realizable value. The net realizable value is the estimated selling price less the estimated costs of completion and the estimated costs to make the sale. Raw materials and consumables are recorded at the purchase cost, including attributable expenses. Work in progress, semi-finished and finished products are recorded based on the directly attributable production costs and a portion of the indirect production costs incurred during the year and reasonably attributable to the products.
The value of the inventory is adjusted, where necessary, by recording a specific reserve to take into account factors of obsolescence.

TRADE RECEIVABLES

Receivables are initially recorded at fair value, which generally corresponds to the nominal value and, subsequently, measured at amortized cost and written-down in case of impairment. The Group records an impairment for expected losses (expected credit loss 'ECL') using the simplified method. The ECLs are based on the difference between the contractual financial flows due in accordance with the contract and all the financial flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The Group determines impairment losses on trade receivables considering the amount of doubtful debts, analyzing the specific conditions of the Group's customers, any guarantees granted in favor of the Group's companies, appropriately assessing ongoing disputes and the possibilities of recovery of past due receivables, as well as determining the expected default rate by analyzing the average loss rate on loans consumed in recent years.
Receivables in a currency other than the functional currency are recorded at the exchange rate on the day of the transaction and, subsequently, converted at the year-end exchange rate. The profit or loss resulting from the conversion is charged to the statement of profit or loss.

In the case of national receivables from Public Entities characterized by an average collection period of over 12 months, an analytical discounting process based on assumptions and estimates is applied.

CASH AND CASH EQUIVALENTS

Cash and short-term deposits include cash on hand and on-demand and short-term deposits, in the latter case with original maturity not exceeding three months.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are set-up when the Group has a current obligation (legal or implicit) arising from a past event and it is probable that there will be an outflow of resources to meet this obligation and it is possible to make a reliable estimate of its amount.

When the Group believes that a provision to the risk and charges fund will be partially or fully reimbursed, for example in the case of risks covered by insurance policies, the indemnity is recorded separately and separately from the assets which is recorded if, and only if, it is virtually certain. In this case, in the statement of profit or loss, the cost of the possible provision is presented net of the amount recorded for the indemnity.

If the effect of the time value of money is significant, provisions are discounted using a pre-tax discount rate that reflects, where appropriate, the specific risks of the liabilities. When discounting is carried out, the increase in the provision due to the passage of time is recorded as an interest expense.

Provisions for risks and charges, for which the outflow of resources is expected to occur after twelve months from the reporting date, are presented in the statement of financial position as "non-current liabilities", while those for which the outflow of resources is expected to occur before twelve months from the reporting date are presented as "current liabilities".

LIABILITIES FOR EMPLOYEE BENEFITS

Benefits granted after the termination of the employment relationship are classified according to their economic nature into defined contribution plans or defined benefit plans.

In defined contribution plans, the legal or implicit obligation of the company is limited to the amount of contributions to be paid: consequently, the actuarial risk and the investment risk fall on the employee. In defined benefit plans, the company's obligation consists in granting and ensuring the agreed benefits to employees: as a result, the actuarial risk and investment risk fall on the company. Italian legislation (art. 2120 CC) provides that, upon termination of the employment contract with the company, employees receive a leaving indemnity (Trattamento di fine rapporto or “TFR”), which would fall under the definition of a defined benefit plan according to IAS 19. The calculation of this indemnity is based on elements that form the annual remuneration of the employee for each year of work (appropriately revalued) and on the length of the employment relationship. According to the Italian Civil Code, this indemnity is reflected in the statement of financial position based on a calculation methodology where the indemnity is accrued by each employee at the statement of financial position date, assuming that all employees terminate the employment contract at that date. The IFRIC of the IASB has addressed the issue of the Italian TFR and concluded that, in accordance with IAS 19, it must be calculated according to a methodology, called the Projected Unit Credit Method (the so-called PUCM) in which the amount of the liability for the acquired benefits must reflect the expected resignation date and must be discounted.

Starting from the 2007 financial year, the Group has incorporated the effects of the changes introduced by the "2007 Finance Law" and subsequent decrees and regulations, relating to the allocation of the TFR shares accrued from 1 January 2007. In particular, for the application of IAS 19 the new legislation changes, from 1 January 2007, the nature of the TFR from a "defined benefit plan" to a "defined contribution plan", with particular reference to companies with a number of employees more than 50.

Starting from the 2012 financial year actuarial gains and losses are recognized in the Comprehensive Statement of profit or loss.

The Group's net obligation arising from defined benefit plans is calculated separately for each plan by estimating the amount of the future benefit that employees have accrued in exchange for the services provided in the current and previous years; this benefit is discounted to calculate the present value.

The actuarial valuations of liabilities have been entrusted to independent actuaries.

SHARE-BASED PAYMENTS

The Group has in place with some employees incentive plans which, depending on their features, are qualified as share-based payments of the equity-settled type and accounted for in accordance with the provisions of IFRS 2 - Share-Based Payment.

In the matter of stock option allocation, the Company uses the IFRS 2 - Share-Based Payment - accounting principle, which stipulates that acquisition transactions of goods and services with payment regulated through instruments representing the share capital (stock options of the equity-settled type) which are evaluated at the fair value of the goods or services received or of the instruments representing the capital at the grant date. This value is allocated to the statement of profit or loss in a linear way over the period of the rights ("vesting period") with a corresponding increase in the equity reserves; this allocation is carried out based on an estimate from management, taking into consideration the conditions of usability of the same. The determination of the fair value is carried out using the "binomial model" or the "Montecarlo method".

Based on the IFRS 2 - Share-based Payment - the total amount of the fair value of the incentive plans, granted to the employees of the Group at the date of assignment is recorded in the statement of profit or loss among the personnel costs in the "general and administrative expenses" section, with a corresponding specific item of net equity.

FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or a capital instrument for another entity.

FINANCIAL ASSETS

INITIAL RECOGNITION AND MEASUREMENT

At the time of initial recognition, financial assets are classified, as appropriate, according to subsequent measurement methods, i.e. at amortized cost, at fair value recognized in the comprehensive income OCI or at fair value recognized in the statement of profit or loss.

SUBSEQUENT EVALUATION

For the purposes of subsequent evaluation, financial assets are classified into four categories:

- financial assets at amortized cost (debt instruments);
- financial assets at fair value recognized in the comprehensive income;
- financial assets at fair value recognized in the comprehensive income without reversal of accumulated gains and losses at the time of elimination (equity instruments);
- financial assets at fair value recognized in the statement of profit or loss.

The Group exclusively holds financial assets at amortized cost. Financial assets at amortized cost are subsequently evaluated using the effective interest method and are subject to impairment. Gains and losses are recognized in the statement of profit or loss when the asset is eliminated, modified or revalued.

Among the Group's financial activities at amortized cost are trade receivables and other minor activities.

CANCELLATION

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is cancelled (e.g. removed from the Group's statement of financial position) when:

- the rights to receive financial flows from the asset have been extinguished, or
- the Group has transferred to a third party the right to receive financial flows from the asset or has undertaken the contractual obligation to pay them in full and without delay and (a) has substantially transferred all the risks and benefits of ownership of the financial asset, or (b) has neither transferred nor retained substantially all the risks and benefits of the asset but has transferred control of it.

In cases where the Group has transferred the rights to receive financial flows from an asset or has entered into an agreement under which it retains the contractual rights to receive the financial flows of the financial asset but assumes a contractual obligation to pay the financial flows to one or more beneficiaries (pass-through), it evaluates whether and to what extent it has retained the risks and benefits inherent in ownership. If it has neither transferred nor substantially retained all the risks and benefits or has not lost control over it, the asset continues to be recognized in the Group's statement of financial position to the extent of its residual involvement in the asset itself. In this case, the Group also recognizes an associated liability. The transferred asset and the associated liability are evaluated to reflect the rights and obligations that remain relevant to the Group.

When the entity's residual involvement is a guarantee on the transferred asset, the involvement is measured on the basis of the lesser of the amount of the asset and the maximum amount of the consideration received that the entity may have to repay.

IMPAIRMENT OF FINANCIAL ASSETS

The Group recognizes impairment charges in respect of expected credit losses (ECL) for all financial assets represented by debt instruments not held at fair value recognized in the statement of profit or loss. The ECLs are based on the difference between the contractual financial flows due in accordance with the contract and all the financial flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include the financial flows resulting from the execution of the real guarantees held or other credit guarantees that are an integral part of the contractual conditions.
Expected losses are recognized in two phases. For credit exposures for which there has not been a significant increase in credit risk from initial recognition, losses on credits are recognized that result from the estimate of default events that are possible within the next 12 months (12-month Expected Credit Losses). For credit exposures for which there has been a significant increase in credit risk from initial recognition, the expected losses related to the remaining duration of the exposure are fully recognized, regardless of when the default event is expected to occur ("Lifetime Expected Credit Losses").

For trade receivables and contract assets, the Group applies a simplified approach in calculating expected losses. Therefore, the Group does not monitor credit risk changes, but fully recognizes the expected loss at each reporting date.

The Group calculate impairment losses on trade receivables considering the amount of doubtful receivables, analyzing the specific conditions of the Group's customers, any guarantees granted in favor of the Group and appropriately evaluating ongoing disputes and likelihood of recovery of expired receivables.

The Group has also analyzed the average rate of customer insolvency and loss on receivables in the last few years, to assess the consistency of the results of the analysis carried out on the expectation of expected loss on each customer's receivables with the historical loss rate.

The impairments made under IFRS 9 are recognized in the consolidated statement of profit or loss net of any positive effects linked to releases or reversal of value and are represented in the line "Allowances (releases) to loan impairment fund" in the "general and administrative expenses" section.

FINANCIAL LIABILITIES

INITIAL RECOGNITION AND MEASUREMENT

All financial liabilities are initially recognized at fair value, to which are added, in the case of mortgages, loans and debts, the transaction costs directly attributable to them.

The Group's financial liabilities include trade payables and other payables, mortgages and loans, including overdrafts and granted guarantees.

SUBSEQUENT MEASUREMENT

The valuation of financial liabilities depends on their classification, as described below:

FINANCIAL LIABILITIES AT FAIR VALUE RECOGNIZED IN THE STATEMENT OF PROFIT OR LOSS

Financial liabilities at fair value with changes recognized in the statement of profit or loss include liabilities held for trading and financial liabilities initially recognized at fair value with changes recognized in the statement of profit or loss.

Liabilities held for trading are all those incurred for the purpose of their resale in the short term. The gains or losses on liabilities held for trading are recognized in the statement of profit or loss for the year.

Financial liabilities are designated at fair value with changes recognized in the statement of profit or loss from the inception date, only if the criteria of IFRS 9 are met. At the time of initial recognition, the Group has not designated financial liabilities at fair value with changes recognized in the statement of profit or loss.

LOANS

Borrowings are recorded at the fair value of the consideration received, net of the transaction costs of acquiring the borrowing. After initial recognition, borrowings are measured at amortized cost method using the effective interest rate method.

Any profit or loss is recognized in the statement of profit or loss when the liability is extinguished, as well as through the amortization process.

Liabilities with bondholders have been recorded at the fair value of the consideration net of the transaction costs of obtaining the funding. After initial recognition, bonds are measured at amortized cost using the effective interest rate method.

CANCELLATION

A financial liability is cancelled when the obligation underlying the liability is extinguished, cancelled or fulfilled. Where an existing financial liability were replaced by another from the same lender, under substantially different conditions, or the conditions of an existing liability were substantially modified, such exchange or modification is treated as an accounting cancellation of the original liability, accompanied by the recognition of a new liability, with any differences between the book values being recognized in the statement of profit or loss.

CLEARING OF FINANCIAL INSTRUMENTS

A financial asset and liability can be offset, and the net balance presented in the statement of financial position, if there is a current legal right to offset the amounts recognized in the accounts and there is an intention to settle the net balance, or realize the asset and simultaneously extinguish the liability.

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group generally acts as a "Principal" in the agreements from which revenue arises, as it usually controls the goods and services before the transfer of the same to the customer. Based on the five-stage model introduced by IFRS 15, it recognizes revenue after having identified the contracts with its own customers and the related performance obligations to be fulfilled (transfer of goods and/or services), determined the consideration it believes it has a right to in exchange for the fulfillment of each of these performance obligations, as well as evaluated the way of fulfilling these performance obligations (performance at a certain moment versus performance over time).

In particular, the Group proceeds to the recognition of revenue only when the following requirements are met (so-called requirements for identifying the "contract" with the customer):

a) the parties to the contract have approved the contract (in writing, orally or in accordance with other usual business practices) and are committed to fulfilling their respective obligations; therefore, there is an agreement between the parties that creates enforceable rights and obligations regardless of the form in which such agreement is documented;
b) the Group can identify the rights of each of the parties with respect to the goods or services to be transferred;
c) the Group can identify the payment terms for the goods or services to be transferred;
d) the contract has commercial substance; and
e) it is likely that the Group will receive the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

If the above requirements are not met, the related revenues are recognized when: (i) the Group has already transferred goods and/or provided services to the customer and all, or almost all, of the consideration promised by the customer has been received and is not refundable; or (ii) the contract has been terminated and the consideration that the Group has received from the customer is not refundable.

If the above requirements are instead met, the Group applies the recognition rules described below.

SALE OF GOODS

Revenues from the sale of finished products and goods are recognized when control of the goods passes to the customer.

The Group considers whether there are other promises in the contract that represent performance obligations on which a part of the transaction consideration must be allocated. In determining the transaction sale price, the Group considers the effects arising from the possible presence of variable consideration, significant financing components, non-monetary considerations and considerations to be paid to the customer.

VARIABLE CONSIDERATION

If the consideration promised in the contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for the transfer of goods to the customer.

The variable consideration is estimated at the time of contract stipulation and cannot be detected until it is highly probable that, when the uncertainty associated with the variable consideration is subsequently resolved, a significant downward adjustment of the cumulative revenue that have been accounted for should not be detected. Volume discounts and other contractual discounts result in variable considerations, as does the Payback portion.

The Group may offer discounts to some customers where the quantity of products purchased during the period reaches certain turnover thresholds. To estimate the variable consideration related to the expected discounts, the Group applies the expected value method.

Examples of discounts considered as variable considerations and accounted for net of revenues and trade receivables are:

- Early pay discounts,
- Chargebacks,
- Distributor fees,
- Medicare/Medicaid/Tricare,
- Payback or other forms of government discounts or volume-related taxes.

Conversely, costs related to the Group Purchasing Organization (GPO), the data fees, distribution costs and commissions are generally considered as operating expenses (S&M).

AMOUNTS TO BE PAID TO THE CUSTOMER

Contracts with customers may provide for the payment of amounts to customers. The Group recognizes the amount to be paid to the customer as a reduction in the price of the transaction and, consequently, of the revenue, unless the payment to the customer is made in exchange for a distinct good or service transferred from the customer to the Group. If the amount to be paid to the customer includes a variable amount, this is estimated by the Group.

PROVISION OF SERVICES

The Group provides plasma processing services on behalf of third parties. The Group recognizes revenue from these services over time, using an input-based method to assess the progress of the service.

The Group considers whether there are other promises in the contract that represent obligations to do on which a part of the transaction consideration must be allocated. In determining the transaction price, the Group takes into account the effects of any variable consideration, significant financing components, non-monetary considerations, and amounts to be paid to the customer.

The recognition of revenue for the provision of services is based on the stage of progress of ongoing service operations at the balance sheet date, measured as a percentage with reference to various variables, depending on the services provided and the contracts concluded with the customer. The provision of services, which are not yet completed at the reference date of the statement of financial position, constitute 'work in progress on order' and are classified among the "trade receivables" (as "contractual assets"). Any revenues possibly invoiced, at the balance sheet date, in excess of what has matured based on the stage of progress of the service are suspended among the “advances from customers”, classified among the “trade payables” (as “contractual liabilities”). When the outcome of a service operation cannot be reliably measured, revenues are recognized only to the extent that it is believed that the costs incurred are recoverable.

CONTRACTUAL ASSETS AND LIABILITIES

CONTRACTUAL ASSETS

Contractual assets represent the entity's right to obtain the agreed consideration in exchange for the transfer of control of goods or services to the customer.

If the Group meets its obligation by transferring goods or services to the customer before the latter pays the consideration or before payment is due, the entity must record a contractual asset, excluding amounts presented as receivables.

TRADE RECEIVABLES

A receivable represents the Group's unconditional right to receive the consideration (that is, only time must pass to obtain payment of the consideration).

CONTRACTUAL LIABILITIES

The contractual liability is an obligation to transfer goods or services to the customer for which the Group has already received the consideration (or for which a portion of the consideration is due). If the customer pays the consideration before the Group has transferred control of the goods or services, the contractual liability is recognized when the payment is made or (if earlier) when it is due. Contractual liabilities are recognized as revenue when the Group fulfills its obligations to perform under the relevant contract.

Some contracts allow the customer to return the goods within a certain period of time. The Group uses the expected value method to estimate the goods that will not be returned because this method is the best for predicting the amount of variable consideration to which the Group will be entitled. For the goods that are expected to be returned, the Group adjusts the revenues and records a contractual liability.

COSTS FOR OBTAINING A CONTRACT

The Group may pay third parties commissions for securing contracts. For such costs, the Group applies the practical expedient that allows it to immediately expense the costs for obtaining contracts, as the amortization period of the asset that the Group would have otherwise used would have been less than a year.

Revenues are recognized in accordance with IFRS 15 to the extent that it is probable that the economic benefits will be obtained by the Group and the related amount can be reliably determined, regardless of the collection date. Revenues are valued at the fair value of the consideration received or to be received, taking into account the contractually defined payment terms and excluding taxes and duties. The Group has concluded that it is operating on its own in all sales contracts as it is the primary obligor, has discretion over pricing policy and is also exposed to inventory and credit risk.

Revenue is recognized when the company has transferred all significant risks and benefits related to the property of the good, generally at the date of delivery of the goods. The revenue is valued at the fair value of the consideration received or to be received, net of returns and allowances, trade discounts and volume reductions.

In the case of domestic revenues towards Public Entities characterized by an average collection period of over 12 months, an analytical discounting process based on assumptions and estimates for determining the implicit financial component has been applied.

INTEREST INCOME

For all financial instruments measured at amortized cost and income-producing financial assets classified as available for sale, interest income is recognized using the effective interest rate, which is the rate that precisely discounts future cash flows, estimated over the expected life of the financial instrument or over a shorter period, when necessary, compared to the net book value of the financial asset. Interest income is classified among interest income in the statement of profit or loss.

RENTAL INCOME

Rentals income from investment properties are recognized in constant installments over the duration of the lease contracts in place at the reporting date and are classified among revenues, taking into account their operational nature.

GOVERNMENT GRANTS

Government grants are recognized when there is reasonable certainty that they will be received, and all the conditions related to them are satisfied. When grants are related to cost components (operating grants), they are recognized as revenues in the fiscal years to off-set the costs they intend to compensate. In the case where the contribution is related to an asset (capital grants), the asset and the contribution are recognized separately among assets and liabilities for their nominal values and

the release to the statement of profit or loss occurs progressively over the expected useful life of the reference asset on a linear basis. This treatment also applies to contributions received as Tax Credit for research and development and technological innovation activities, carried out by the subsidiary Kedrion SpA.
The operating grants and the capital grants are recorded in the statement of profit or loss in the "other income" section.

INCOME TAXES

CURRENT TAXES

The taxes reflect a realistic estimate of the tax burden, determined by applying the current regulations in the countries where the Kedrion Group carries out its activities; the current tax liability is accounted for in the statement of financial position net of any tax advances paid.

DEFERRED TAXES

Deferred taxes are calculated on the temporary differences resulting at the reporting date between the tax books used for reference for assets and liabilities and the values reported in the statement of financial position.

Deferred tax liabilities are recognized for all taxable temporary differences, except for the following cases:

- deferred tax liabilities arising from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction itself, does not affect either the profit for the year calculated for statement of financial position purposes or the profit or loss calculated for tax purposes;
- with reference to taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, in the case where the reversal of temporary differences can be controlled, and it is probable that it will not occur in the foreseeable future.

Deferred tax assets are recognized against all deductible temporary differences and for carried forward tax assets and liabilities, to the extent that the existence of future taxable profits is likely, which can make deductible temporary differences and carried forward tax assets and liabilities applicable, except in the case where the deferred tax asset linked to deductible temporary differences stems from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, does not affect either the profit for the year calculated for accounting purposes or the profit or loss calculated for tax purposes.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available in the future to allow all or part of such credit to be utilized. Unrecognized deferred tax assets are reviewed on an annual basis at the balance sheet date and are recognized to the extent that it has become probable that future taxable profit will be sufficient to allow such deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured based on the tax rates expected to be applied in the fiscal year in which such assets are realized, or such liabilities are extinguished, considering the rates in effect and those already issued or substantially issued at the reporting date.

Deferred tax assets and liabilities are off set, if there is a legal right to offset current tax assets against current tax liabilities and deferred taxes refer to the same fiscal entity and the same tax jurisdiction.

Income taxes related to items recognized directly to equity are charged directly to equity and not to the statement of profit or loss.

Deferred tax liabilities on reserves of undistributed profits from subsidiaries are not reflected in the statement of financial position to the extent that the Group is able to control the timing of the reversal of temporary differences by controlling the dividend policy and if there is no expectation of dividend distribution in the foreseeable future.

VALUE ADDED TAX

Revenues, costs and assets are recognized net of value added tax except when such tax applied to the purchase of goods or services is not recoverable, in which case it is recognized as part of the purchase cost of the asset or part of the expense item recognized in the statement of profit or loss.

The net amount of indirect taxes on sales and purchases that can be recovered from or paid to the Treasury is included in the statement of financial position in other current assets or liabilities depending on the sign of the balance at the balance sheet date. The value added tax (VAT) connected to the invoicing to Public Entities is subject to the split payment regime, according to which the public entity is required to pay the supplier only the agreed consideration while the due VAT must be credited by the entity into a specific restricted bank account to be acquired by the Treasury.

5.4. COMMENTARY ON THE MAIN ITEMS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

5.4.1. PROPERTY, PLANT, AND EQUIPMENT

The historical cost, accumulated depreciation, and net book value of the item property, plants and equipment as of December 31, 2024, December 31, 2023, and December 31, 2022, are shown in the following table:

(In thousands of Euros)	Land and buildings	Plants and machinery	Industrial and commercial equipment	Other assets	Assets under construction and advances	Total
COST						
Balance as of January 1, 2023	**474,703**	**589,138**	**42,107**	**45,402**	**118,665**	**1,270,015**
Change in consolidation area	-	-	-	-	-	-
Reclassifications	2,429	15,946	3,079	(898)	(21,826)	(1,270)
Additions	7,467	16,819	5,937	3,596	64,928	98,747
Translation difference	(10,102)	(12,531)	(577)	(973)	(1,788)	(25,971)
IAS 29	-	-	49	245	-	294
Disposals	(7,727)	(714)	(144)	(249)	(522)	(9,356)
Balance as of January 1, 2024	**466,770**	**608,658**	**50,451**	**47,123**	**159,457**	**1,332,459**
Change in consolidation area	202	296	-	-	-	498
Reclassifications	6,845	28,342	3,414	141	(38,740)	2
Additions	11,763	22,603	3,385	2,273	63,517	103,541
Translation difference	17,626	22,649	1,271	1,464	4,637	47,647
IAS 29	-	-	45	189	-	234
Disposals	(3,342)	(17,067)	(23)	(838)	(62)	(21,332)
Balance as of December 31, 2024	**499,864**	**665,481**	**58,543**	**50,352**	**188,809**	**1,463,049**
ACCUMULATED DEPRECIATION AND IMPAIRMENT						
Balance as of January 1, 2023	**188,291**	**331,260**	**26,081**	**35,307**	**-**	**580,939**

Change in consolidation area	-	-	-	-	-	-
Depreciation	22,465	33,213	4,000	3,634	-	63,312
Impairment	-	-	-	-	-	-
Disposals	(3,261)	(641)	(142)	(227)	-	(4,271)
Translation difference	(4,757)	(5,831)	(217)	(772)	-	(11,577)
IAS 29	-	-	8	35	-	43
Reclassifications	-	-	805	(806)	-	(1)
Balance as of January 1, 2024	**202,738**	**358,001**	**30,535**	**37,171**	**-**	**628,445**
Change in consolidation area	79	214	-	-	-	293
Depreciation	20,474	33,847	3,877	3,422	-	61,620
Impairments	-	-	-	-	-	-
Disposals	(1,098)	(16,922)	25	(779)	-	(18,774)
Translation difference	8,799	11,480	466	1,202	-	21,947
IAS 29	-	-	7	33	-	40
Reclassifications	-	-	-	-	-	-
Balance as of December 31, 2024	**230,992**	**386,620**	**34,910**	**41,049**	**-**	**693,571**
BOOK VALUES AS OF 01.01.2024	**264,032**	**250,657**	**19,916**	**9,952**	**159,457**	**704,014**
BOOK VALUES AS OF 12.31.2024	**268,872**	**278,861**	**23,633**	**9,303**	**188,809**	**769,478**

In 2024 the Group made investments in tangible and intangible assets totaling Euro 143.1 million, mainly related to the following:

- **Melville plant (NY, USA)** for a total amount of Euro 13.0 million mainly related to upgrades and improvements on existing buildings and facilities, concerning both the fractionation and the production line of the RhoGAM specialty;
- **Bolognana plant (LU, Italy)** for a total amount of Euro 21.1 million, of which 11.9 million mainly related to upgrades and improvements on existing buildings and facilities and Euro 9.2 million related to the new plasma fractionation plant to increase production capacity;
- **Sant'Antimo plant (NA, Italy)** for a total amount of Euro 4.2 million related to upgrades and improvements on existing buildings and facilities;
- **Godollo plant (Hungary)** for a total amount of Euro 1.9 million related to upgrades and improvements on existing facilities;
- **Laval plant (QB, Canada)** for a total amount of Euro 3.2 million related to upgrades and improvements on existing facilities and building expansion to support increased production capacity;
- **Castelvecchio Pascoli plant (LU, Italy)** for a total amount of Euro 30.0 million related to the KIg10 project for the registration of the new 10% immunoglobulin for the American and European markets, as well as upgrades and improvements in the production department of the newe 10% immunoglobulin;
- **Elstree plant (UK)** for a total amount of Euro 32.4 million related to upgrades and improvements on existing facilities, as well as the installation of a new filling line for liquids and lyophiles;
- **Plasma collection centers** (**US**) for a total amount of Euro 14.1 million resulting from the development of additional four centers opening in 2025 for Euro 1.4 million, upgrades on existing plasma collection centers for Euro 2.3 million, adaptation and rebranding of former BPL perimeter centers for a total amount of Euro 9.4 million, development and implementation of the Marketing Donor App for a total amount of Euro 1.0 million;

- **Plasma collection centers (CZ)** for a total amount of Euro 0.1 million resulting from upgrades on the eight existing plasma collection centers;
- **Other investments** for a total amount of Euro 23.1 million, mainly related to IT hardware and software investments of Euro 17.4 million, including Euro 6.3 million for license renewal, and other investments linked to research and development projects for Euro 4.1 million, logistics for Euro 0.4 million, Global Manufacturing Sciences & Development for Euro 0.5 million, and miscellaneous for Euro 0.7 million.

The work-in-progress assets include investments related to ongoing projects, mainly referring to the KIg10 project, the construction of the new plant in Castelvecchio Pascoli (which will be dedicated to the purification of this product), and the building of new production lines at the Elstree plant. The recognition and maintenance of these assets in the financial statements required the evaluation of the positive expected outcome of the projects, particularly regarding the issuance of the necessary authorizations by the competent authorities, considered highly probable, as well as the confirmation of their recoverability through expected future cash flows and/or their fair value.

The Hungarian subsidiary Human BioPlazma has benefited in past years from a government grant for tangible assets, with a remaining amount of Euro 337 thousand as of December 31, 2024, recorded under deferred income.

During the year 2024, tax credits due to the subsidiary Kedrion SpA for expenses incurred for investment in new tangible assets amounted to Euro 860 thousand. As of December 31, 2024, total deferred income for tax credits amounted to Euro 3,047 thousand, of which Euro 685 thousand related to credits accrued during the year.

There are no restrictions on the ownership of real estate, plants, and machinery pledged as security for liabilities and contractual commitments in place for the purchase of such types of assets. At the end of the year, the Group evaluates the existence of impairment indicators identifiable through internal or external sources of information. Typically, external sources may consist of changes in the technological, economic, and legal environment in which it operates, while internal sources are represented by business strategies that may or may not alter the intended use of the assets.

Based on the outcome of the above evaluations, no impairment indicators were identified.

Regarding irrevocable contractual commitments related to the purchase of tangible assets, refer to note 5.6.7. Commitments and Risks.

5.4.2. INVESTMENT PROPERTIES

The historical cost, accumulated depreciation, and net book value of the investment properties as of December 31, 2024, December 31, 2023, and December 31, 2022, are shown in the following table:

(In thousands of Euros)	**Land and buildings**
COST	
Balance as of January 1, 2023	**2,386**
Change in consolidation area	-
Reclassifications	-
Additions	-
Translation difference	(30)
Disposals	(204)
Balance as of January 1, 2024	**2,152**
Change in consolidation area	-
Reclassifications	-
Additions	-
Translation difference	40
Disposals	(683)
Balance as of December 31, 2024	**1,509**
DEPRECIATION AND IMPAIRMENT LOSSES	
Balance as of January 1, 2023	**48**
Change in consolidation area	-
Depreciation	-
Impairment	-
Disposals	-
Translation difference	-
Reclassifications	-
Balance as of January 1, 2024	**48**
Change in consolidation area	-
Depreciation	-
Impairments	-
Disposals	-
Translation difference	-
Reclassifications	-
Balance as of December 31, 2024	**48**
BOOK VALUES AS OF 01.01.2024	**2,104**
BOOK VALUES AS OF 12.31.2024	**1,461**

Land included in investment properties, with indication of their fair value, are located in the following areas:

- San Pietro in Campo (LU) - historical cost of Euro 104 thousand; fair value of Euro 453 thousand.
- Monsagrati (LU) - historical cost of Euro 1,357 thousand; fair value of Euro 1,733 thousand.

The buildings classified among investment properties are instead related to:

- a residential flat located in Monsagrati (LU) with a residual value equal to zero; fair value of 35 thousand Euros.

The fair value of real estate investments is determined using valuation models and market-observable parameters. Therefore, according to the IFRS 13 fair value hierarchy, they are Level 2 investment property at fair value.

5.4.3. GOODWILL

The goodwill recorded in the statement of financial position is subject to an annual impairment test. Below are the carrying amounts as of the reference dates for the Goodwill recorded in the consolidated financial statements and their allocations to the specific cash-generating units ("CGU"), as well as the changes occurred during the period are shown below:

(In thousands of Euros)	Balance as of 01.01.2024	Business Combinations	Translation difference	Decreases	Balance as of 12.31.2024
Goodwill CGU plasmaderivatives	463,443	2,168	5,284	-	470,895
Goodwill CGU plasma	159,873		9,829	(1,433)	168,269
TOTAL	**623,316**	**2,168**	**15,113**	**(1,433)**	**639,164**

The change related to the CGU “plasma derivatives” is due to the following:

- Business combination related to the Plasmafera collection centers for Euro 2,168 thousand; the collection centers located in the Czech Republic, consistent with similar transactions regarding the Unica Plasma Business Combination, are classified within the CGU plasmaderivatives, as the plasma collected in these centers is for the exclusive use of the Group's European production sites;

- Positive conversion differences for Euro 5,284 thousand.

The change related to the CGU “plasma” is due to the following movements:

- favourable conversion differences for Euro 9,829 thousand;
- write-down of the goodwill portion related to 2 plasma collection centers that were closed in December 2024, for a total amount of Euro 1,433 thousand.

The Plasmaderivatives products CGU includes activities related to the fractionation and/or purification of plasma-derived products (located in the four production hubs in Italy, USA, UK, and Hungary) and their distribution on the market. The group's production allocation of plasma-derived products is independent of geographical location and aims to optimize overall efficiency and the group's ability to meet market demand. The CGUs related to activities related to the collection and the commercialization of plasma collected through centers based in the US, for the purposes of the impairment test, are assessed in aggregate within the broader context of the plasma CGU.

Goodwill attributable to the Plasmaderivatives CGU amounts to a total of Euro 470,895 thousand, and the one related to the plasma CGU Plasma amount to a total of Euro 168,269 thousand.

In the context of the impairment test, the recoverable amount was determined based on the value in use; for its calculation, the Discounted Cash Flow (DCF) method net of taxes was adopted. The expected cash flows used in the DCF calculation were estimated based on the strategic plan 2025 -

2032 (approved on July 31, 2024), and revised with reference to the year 2025 based on budget information (approved on December 17, 2024)..

Regarding the CGU Plasma Derivatives, profitability (EBIT) is expected to grow as a result of completing the current development projects, which include optimizing the capacity of the Elstree plant, restarting the Laval plant, and the subsequent market penetration of Ryplazim. One of the key projects is the new purification plant in Castelvecchio Pascoli and the related development of KIg10. On the statement of financial position side, an increase in working capital is anticipated due to growth from these projects and the investments for their completion. However, impacts related to projects concerning the new Bolognana fractionation plant, aimed at increasing the production capacity of that facility, and the development of new therapies (“NPD”), have been ignored, in accordance with IAS 36.

Regarding CGU Plasma, profitability (EBIT) is expected to grow simply as a consequence of the increasing plasma collection capacity associated with the opening of new centers, in order to meet the full production capacity as previously described for the CGU Plasma derivatives. Similarly, the effects related to the opening of new plasma collection centers, which will support the expansion of production capacity linked to previously mentioned excluded projects, have been adjusted.

Value in use of the CGUs was determined based on the discounted cash flows for the explicit projection years from 2025 to 2028, including a terminal value assumed to be equal to the present value of the perpetual annuity of the flow generated in the last year under explicit forecast, assuming a long-term growth rate “g” of 0%.

The discount rates applied to the projected cash flows have been defined based on the post-tax weighted average cost of capital (WACC) as indicated below (applicable to both CGUs):

	2024	2023
WACC	**6.17%**	**6.75%**

The most sensitive elements are the change in the pre-tax weighted average cost of capital (WACC) and the *terminal value*. The definition of these two elements is based on a conservative approach both in modelling rationale and in absolute value.

The WACC of the CGUs has been determined based on the following assumptions:

- expected return on equity;
- cost of third-party debt;
- sector beta;
- weight of debt and equity.

Based on the outcome of the impairment test, significant headroom of the recoverable amount compared to the book value were identified for both the CGU Plasmaderivatives CGU and the Plasma CGU; therefore, in both cases, no impairment losses were recognized.

The Group also conducted a *sensitivity analysis* of the relevant assumptions mentioned above used for the determination of the recoverable amount (change in growth rate equal to +/-0.5% and changes in WACC of +/-0.5%) based on which the directors concluded that, even in the range of reasonable changes in key assumptions, book value remained below the recoverable amount.

5.4.4. RIGHT-OF-USE

The historical cost, accumulated amortization, and net book value of the item Right-of-use at December 31, 2024, December 31, 2023, and December 31, 2022, are highlighted in the following table:

(In thousands of Euros)	Buildings	Other assets	Total
COST			
Balance as of January 1, 2023	**142,782**	**1,788**	**144,570**
Change in consolidation area	-	-	-
Reclassifications	-	-	-
Additions	51,543	1,213	52,756
Translation difference	(4,415)	(11)	(4,426)
IAS 29	(34)	187	153
Disposals	(6,023)	(259)	(6,282)
Balance as of January 1, 2024	**183,853**	**2,918**	**186,771**
Change in consolidation area	511	-	511
Reclassifications	34	(108)	(74)
Additions	50,376	1,688	52,064
Translation difference	10,057	(59)	9,998
IAS 29	(34)	187	153
Disposals	(28,688)	(471)	(29,159)
Balance as of December 31, 2024	**216,109**	**4,155**	**220,264**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES			
Balance as of January 1, 2023	**5,087**	**225**	**5,312**
Change in consolidation area	-	-	-
Depreciation	16,343	802	17,145
Impairment	-	-	-
Disposals	(281)	(138)	(419)
Translation difference	(436)	(2)	(438)
IAS 29	(3)	83	80
Reclassifications	-	-	-
Balance as of January 1, 2024	**20,710**	**970**	**21,680**
Change in consolidation area	-	-	-
Depreciation	20,948	1,039	21,987
Impairment	-	-	-
Disposals	(4,481)	(370)	(4,851)
Translation difference	1,764	(16)	1,748
IAS 29	(3)	83	80
Reclassifications	3	(8)	(5)
Balance as of December 31, 2024	**38,941**	**1,698**	**40,639**
BOOK VALUES AS OF 01.01.2024	**163,143**	**1,948**	**165,091**
BOOK VALUES AS OF 12.31.2024	**177,168**	**2,457**	**179,625**

Right-of-use assets are mainly related to the lease agreements of the US plasma collection centers, as well as offices and other company premises.
Increases refer to new contracts and/or adjustments to existing contracts; decreases refer to the termination or modifications of existing contracts.

5.4.5. INTANGIBLE ASSETS WITH DEFINITE LIFE

The historical cost, the accumulated amortization and net book value of intangible assets with finite useful life as of December 31, 2024, December 31, 2023, and December 31, 2022, are shown in the following table:

(In thousands of Euros)	Development costs	Rights and trademarks	Assets under construction and advances	Other	Total
COST					
Balance as of January 1, 2023	**224,436**	**294,689**	**290,301**	**136,005**	**945,431**
Change in consolidation area	-	-	-	-	-
Reclassifications	(3,517)	8,207	(20,830)	5,335	(10,805)
Additions	-	858	8,615	9,718	19,191
Translation difference	(7,480)	(11,425)	(933)	(3,240)	(23,078)
IAS 29	-	3,829	3	-	3,832
Disposals	-	(6,889)	(4,305)	(21,715)	(32,909)
Balance as of January 1, 2024	**213,439**	**289,269**	**272,851**	**126,103**	**901,662**
Change in consolidation area	-	495	-	638	1,133
Reclassifications	155	-	(501)	345	(1)
Additions	-	55	26,138	13,351	39,544
Translation difference	13,279	11,677	77	4,679	29,712
IAS 29	-	3,352	-	-	3,352
Disposals	-	(1,355)	-	(10,814)	(12,169)
Balance as of December 31, 2024	**226,873**	**303,493**	**298,565**	**134,302**	**963,233**
DEPRECIATION AND IMPAIRMENT LOSSES					
Balance as of January 1, 2023	**16,719**	**58,266**	**-**	**96,752**	**171,737**
Change in consolidation area	-	-	-	-	-
Depreciation	14,058	19,712	-	31,334	65,104
Impairment	-	-	3,786	-	3,786
Disposals	-	(6,838)	(3,705)	(21,710)	(32,253)
Translation difference	(554)	(2,363)	(81)	(2,729)	(5,727)
IAS 29	-	1,189	-	-	1,189
Reclassifications	(6,246)	6,246	-	-	-
Balance as of January 1, 2024	**23,977**	**76,212**	**-**	**103,647**	**203,836**
Change in consolidation area	-	-	-	28	28
Depreciation	14,191	23,437	-	11,529	49,157
Impairment	-	-	-	-	-
Disposals	-	(1,355)	-	(10,814)	(12,169)
Translation difference	1,876	3,348	-	4,243	9,467

IAS 29	-	802	-	-	802
Reclassifications	-	-	-	-	-
Balance as of December 31, 2024	**40,044**	**102,444**	**-**	**108,633**	**251,121**
BOOK VALUES AS OF 01.01.2024	**189,462**	**213,057**	**272,851**	**22,456**	**697,826**
BOOK VALUES AS OF 12.31.2024	**186,829**	**201,049**	**298,565**	**25,669**	**712,112**

Development costs as of December 31, 2024 amounts to Euro 186.8 million and mainly includes capitalized costs related to product development.

Rights and trademarks as of December 31, 2024, amounts to Euro 201,049 thousand and consists of the following:

(In thousands of Euros)	**12.31.2024**
Rights	192,506
Trademarks	8,543
RIGHTS AND TRADEMARKS	**201,049**

The rights mainly include:

- the commercial license and rights related to the product “Ryplazim”, recorded at the fair value identified during the PPA on August 31, 2022, with a residual value as of December 31, 2024, of Euro 95,042 thousand;
- the commercial license and rights related to the product “IG Vena”, recorded at the fair value identified during the PPA on August 31, 2022, with a residual value as of December 31, 2024, of Euro 26,667 thousand;
- the commercial license and rights related to the product “Gammaked”, recorded at the fair value identified during the PPA on August 31, 2022, with a residual value as of December 31, 2024, of Euro 16,893 thousand;
- the commercial license and rights related to the product "Immunorho", recorded at fair value identified during the PPA as of August 31, 2022, with a residual value as of December 31, 2024, of Euro 14,023 thousand;
- the commercial license and rights related to the product "RhoGAM", purchased in fiscal year 2012 and at that time valued at fair value during the PPA considering a 5% royalty on expected revenue for a period of 15 years; as of December 31, 2024, the residual value amounts to Euro 2,631 thousand;
- the regulatory licenses for US plasma collection centers recorded at fair value identified during the PPA as of August 31, 2022, and for those acquired after that date, with a residual value as of December 31, 2024, of Euro 21,882 thousand;
- the licenses for collection centers in the Czech Republic acquired in 2022, with a residual value as of December 31, 2024, of Euro 2,010 thousand;
- the commercial license and the rights related to products sold in the Turkish market, with a residual value as of December 31, 2024, amounting to Euro 8,621 thousand;
- the licenses for the Marketing Authorizations (MA) of other medicinal specialties, for Euro 5,379 thousand.

The brands mainly include the “RhoGAM” brand, the brands related to plasma collection centers, and the Koate brand. No impairment indicators were identified by management.

Assets under construction mainly included the following:

- costs incurred for the development of KIg10 amounting to Euro 280,354 thousand, evaluated at fair value during the PPA; the fair value assessment of the product, not yet approved, took into account the expected future cash flows following the acquisition of the commercial license from the relevant authorities, which is deemed highly probable;
- for the remaining part, primarily from costs for obtaining marketing authorizations and software costs.

Management carried out all the required impairment test without identifying impairment losses in relation with the above items.

Other intangible assets mainly included the customer lists related to the acquisition of RhoGAM for Euro 3,556 thousand and application software programs for Euro 16,470 thousand.

5.4.6. OTHER NON-CURRENT FINANCIAL ASSETS

(In thousands of Euros)	12.31.2024	12.31.2023
Security deposits	3,110	3,185
Financial accruals	3,051	2,254
OTHER NON-CURRENT FINANCIAL ASSETS	**6,161**	**5,439**

Security deposits mainly relate to lease arrangements for plasma collection centers and offices.

The financial accruals pertain to the long-term portion of prepaid banking expenses related to the acquisition of the revolving credit facility used as of December 31, 2024, for 34.6 million Euros.

5.4.7. TAX RECEIVABLES

Below is the detail of tax receivables due beyond the fiscal year as of December 31, 2024, and December 31, 2023:

(In thousands of Euros)	12.31.2024	12.31.2023
Tax credits on investments	507	606
R&D tax credits	827	1,779
TAX RECEIVABLES	**1,334**	**2,385**

5.4.8. OTHER NON-CURRENT ASSETS

Below is the detail of other non-current assets as of December 31, 2024, and December 31, 2023:

(In thousands of Euros)	12.31.2024	12.31.2023
Prepaid expenses	848	808
Other non-current assets	78	50
OTHER NON-CURRENT ASSETS	**926**	**858**

Prepaid expenses mainly related to the renewal rights of commercial licenses (AIC and other market authorizations).

5.4.9. INVENTORIES

Below is the detailed breakdown of inventories as of December 31, 2024, and December 31, 2023:

(In thousands of Euros)	12.31.2024	12.31.2023
Raw materials and consumables	190,114	222,325
Work in progress	285,331	242,430
Finished products and goods	123,451	110,491
INVENTORIES	**598,896**	**575,246**

The value of inventories is expressed net of a provision for obsolescence or slow moving, totaling Euro 39,739 thousand, of which primarily Euro 7,551 thousand relates to inventories at the Melville plant and Euro 30,537 thousand relates to inventories at the Elstree plant.

Below is the composition of the provision for obsolescence or slow moving as of December 31, 2024, and December 31, 2023:

(In thousands of Euros)	12.31.2024	12.31.2023	Delta
Provision for obsolescence and slow moving	39,739	23,931	15,808

Inventories of raw materials, semi-finished, and finished products are generally subject to expiration, so management considers the expiration date associated with each batch to be a key factor in evaluating their recoverability. Expiration dates of raw materials are no longer relevant once they are placed into production. In such cases, the expiration date assigned during the production process to semi-finished and finished products is considered.

Inventories with upcoming expiration dates are fully written down to consider difficult recoverability.

Inventory is valued at the lower of purchase and/or production cost, determined according to the weighted average cost method, and net realizable value. The adjustment of inventories to net realizable value resulted in inventories being recorded at fair value for a total amount of Euro 9 million lower than their cost.

5.4.10. TRADE RECEIVABLES

Breakdown of trade receivables as of December 31, 2024, and December 31, 2023, are presented below:

(In thousands of Euros)	12.31.2024	12.31.2023
Receivables from customers	101,517	155,177
TRADE RECEIVABLES	**101,517**	**155,177**

For terms and conditions related to receivables from related parties, refer to note 5.6.3.

Trade receivables are non-interest bearing and generally have a contractual maturity of 30 to 120 days.

In light of expected credit losses, the Group has set up a specific allowance for doubtful accounts amounting to Euro 2,820 thousand Euros, which is deemed appropriate in relation to risk known at the reporting date and the expected default rate.

The utilization of the year pertains to the write-off of a number of small receivables considered unrecoverable, relating to previous years.

Below is the movement of the provision for doubtful receivables for the period ending December 31, 2024:

(In thousands of Euros)	**Provision for doubtful receivables**
Balance as of 12.31.2023	**7,015**
Utilization during the period	(4,740)
Additions	211
Translation difference	334
BALANCE AS OF 12.31.2024	**2,820**

The Group determines impairment losses on trade receivables by considering the amount of doubtful receivables, analyzing the specific conditions of the Group's clients, any guarantees provided in favor of the Group's companies, appropriately evaluating ongoing disputes and the possibilities of recovering overdue receivables, as well as determining the expected default rate by analyzing the average loss rate on receivables recorded in recent years and applying the estimation methodologies of *expected credit losses* discussed in note 5.3.8.

The amount of the outstanding receivables transferred under non-recourse factoring as of December 31, 2024 and, therefore, derecognized from the balance sheet, was Euro 106.7 million.

5.4.11. CONTRACT ASSETS

Below is the breakdown of contractual assets as of December 31, 2024, and December 31, 2023:

(In thousands of Euros)	**12.31.2024**	**12.31.2023**
Contract assets	22,260	27,748
CONTRACTUAL ASSETS	**22,260**	**27,748**

In line with IFRS 15, receivables for work in progress are represented as "contract assets" separately from trade receivables.

Contract assets are initially recognized for revenue from contract work services as the receipt of payment is contingent upon the successful completion of the service. Upon completion of the service and acceptance by the customer, amounts recognized as contract assets are reclassified to trade receivables.

5.4.12. TAX RECEIVABLES

Below is a breakdown of tax receivables as of December 31, 2024, and December 31, 2023:

(In thousands of Euros)	**12.31.2024**	**12.31.2023**
Foreign taxes	3,583	10,029

National taxes (IRES-IRAP)	4,727	10,197
Tax credits on investments	1,181	635
R&D tax credits	1,791	3,637
Other tax credits	-	10
TAX RECEIVABLES	**11,282**	**24,508**

The credit is mainly related to:

- IRES tax credits for withholding taxes amounting to Euro 4,187 thousand and other credits for national taxes totaling Euro 540 thousand;
- tax credits accrued by the subsidiary Kedrion SpA on research and development activities amounting to Euro 1,791 thousand and investment tax credits amounting to Euro 1,181 thousand;
- credits mainly accrued for advances paid by foreign subsidiaries, which amount to Euro 3,583 thousand.
-

These credits are shown net of debts where there is a legal right to offset. The reduction recorded in the current period relates to the use of these tax credits for offsetting, concerning both the Parent Company and other Group companies.

5.4.13. OTHER CURRENT ASSETS

The breakdown of other current assets as of December 31, 2024, and December 31, 2023 is reported below:

(In thousands of Euros)	12.31.2024	12.31.2023
Employee receivables	64	768
Social security receivables	86	225
Other receivables	50,062	8,742
VAT and other tax credits	15,324	10,454
Prepaid expenses	14,504	10,725
OTHER CURRENT ASSETS	**80,040**	**30,914**

Other current assets are considered recoverable and therefore have not been impaired.

Other receivables, mainly include the following:

- the advances paid to Grifols amounting to 38,984 thousand Euros, as described in note 3.3.1. of the management report;
- the receivable from the sellers of the former Kedrion Group for Euro 4,120 thousand linked to a dispute closed with the previous distributor in Turkey, for which the amount paid as a settlement resulted in an adjustment of the purchase price for the stake in Kedrion by Kevlar, borne by the former partners under the terms of the Group's sales agreement; this amount was advanced by the Company and was reimbursed in early 2025;
- the receivable accrued from the Ministry of Economic Development for Euro 1,694 thousand for certain research projects;
- the receivable from the parent company Kedrion Holding SpA amounting to Euro 1,038 thousand related to tax consolidation.

The prepaid expenses mainly refer to advance payments related to leases, *regulatory* fees and other costs pertaining to the next fiscal year.

5.4.14. OTHER CURRENT FINANCIAL ASSETS

(In thousands of Euros)	**12.31.2024**	**12.31.2023**
Accruals and other financial activities	353	4,803
OTHER CURRENT FINANCIAL ASSETS	**353**	**4,803**

Reduction is due to the write-down of loans granted in previous years by Bio Products Laboratory Limited to a foreign company for a project to develop new plasma collection centers. The project was discontinued and the receivables are now considered as no longer recoverable.

5.4.15. CASH AND CASH EQUIVALENTS

Breakdown as of December 31, 2024, and December 31, 2023 is reported below:

(In thousands of Euros)	**12.31.2024**	**12.31.2023**
Bank and post deposits	178,108	126,610
Cash on hand	104	14,922
CASH AND CASH EQUIVALENTS	**178,212**	**141,532**

Cash is unrestricted and not subject to pledges.

Checks classified in prior years under this category have been reclassified in the comparative information as of December 31, 2023 under trade receivables for an amount of Euro 14,847 thousand.

5.4.16. CAPITAL AND RESERVES

Changes in consolidated equity during the financial year ended December 31, 2024, relates to:

- distribution of dividends amounting to Euro 2,468 thousand, entirely attributable to non-controlling interests;
- acquisition of the minority share of the Mexican subsidiary for Euro 10,400 thousand, of which Euro 9,246 thousand impacted the Group's equity and Euro 1,154 thousand impacted minority interests' equity;
- IFRS 2 reserve for Euro 427 thousand, entirely attributable to the Group's equity;
- IAS 29 reserve for Euro 8,046 thousand, of which Euro 4,827 thousand related to the Group and Euro 3,219 related to non-controlling interests;
- translation reserve of Euro 60,993 thousand, of which Euro 61,601 thousand related to the Group and negative Euro 608 related to non-controlling interests;
- IAS 19 reserve for negative Euro 22 thousand, entirely related to the Group's equity;
- net profit for the year amounting to Euro 18,123 thousand, of which Euro 15,633 attributable to the Group and Euro 2,490 attributable to non-controlling interests which includes the profit realized by the subsidiary Kedrion Mexicana up to May 31, 2024 (acquisition date of the minority shares).

Other reserves included the following:

- capital contribution reserve by the shareholders for Euro 454,459 thousand;
- extraordinary reserve for Euro 107,245 thousand;
- IAS 29 reserve for Euro 9,271 thousand;
- IFRS 2 reserve for Euro 862 thousand;
- FTA reserve for Euro 8,248 thousand;
- revaluation reserve related to the subsidiary Kedrion Biopharma Inc. for Euro 1,266 thousand;
- capital contribution reserve made in 2012 by the partners Sestant and Investitori Associati IV through the waiver of a financial receivable of Euro 5,000 thousand;
- consolidation reserve arising from the transfer of Kedrion shares to Kedrion Group, off-set by the acquisition of non-controlling interests in the Mexican subsidiary, for Euro 14,163 thousand;
- merger deficit generated by the reverse merger of Kedrion Group SpA into Kedrion SpA which occurred in 2014 for Euro 6,708 thousand;
- merger deficit generated by the reverse merger of Kevlar SpA into Kedrion SpA that occurred in 2023 for Euro 756,346 thousand;
- consolidated retained earnings of Euro 277,470 thousand.

The net equity attributable to non-controlling interests, amounting to Euro 8,366 thousand as of December 31, 2024, is related to the 40%, held by Betaphar İlaç San. ve Tic. A.Ş. in Kedrion Betaphar.

Dividends paid and proposed

(In thousands of Euros)	12.31.2024	12.31.2023
Paid during the year	2,575	2,287
Proposed for approval at the Shareholders' Meeting (*)	1,102	1,157

(*) Recognized as liabilities as of December 31.

Below are the details of subsidiaries with significant non - controlling interests:

Share of equity interests held by minority shareholders

Company Name	Location	2024	2023
Kedrion Betaphar	Turkey	40%	40%

Key financial information related to subsidiaries with significant non-controlling interests is reported below (for the entire twelve-month period). These figures are based on the balance sheet amounts before intra-group eliminations.

Statement of profit or loss	**Kedrion Betaphar**	
(In thousands of Euros)	2024	2023
Revenue	62,795	51,748
Cost of goods sold	50,470	38,993
GROSS MARGIN	**12,325**	**12,755**
Other income	56	486
General and administrative expenses	3,174	1,626
Sales and marketing expenses	880	593
Research and development expenses	49	20
Other operating costs	265	174

OPERATING PROFIT	**8,013**	**10,828**
Interest expenses	4,324	3,634
Interest income	1,872	363
Net profit / (loss) on exchange rates	(346)	(28)
FINANCIAL MANAGEMENT	**(2,798)**	**(3,299)**
PROFIT BEFORE TAXES	**5,215**	**7,529**
Income taxes	1,433	3,601
NET PROFIT FOR THE PERIOD	**3,782**	**3,928**
Total profit/(loss) net of taxes	**3,782**	**3,928**
Attributable to non-controlling interests	1,513	1,571
Dividends paid to minority shareholders	1,263	315

Statement of financial position	**Kedrion Betaphar**	
(In thousands of Euros)	**2024**	**2023**
Non-current assets	10,383	8,541
Trade receivables and other current assets	9,593	43
Cash and cash equivalents	12,348	17,644
Bank and other borrowings	(177)	(85)
Trade and other payables	(10,959)	(9,824)
Non-current liabilities	(281)	(2,526)
EQUITY	**20,907**	**13,793**
Attributable to:		
Shareholders of the Parent Company	12,541	8,273
Non - controlling interests	8,366	5,519

5.4.17. GROSS FINANCIAL INDEBTEDNESS

The breakdown of gross financial indebtedness by type of instrument and split between current and non-current portions as of December 31, 2024, and December 31, 2023, is shown in the following table:

Financial indebtedness		**2024**			**2023**	
€/000	**Current portion**	**Non-current portion**	**Total**	**Current portion**	**Non-current portion**	**Total**
Bonds	-	720,556	720,556	-	670,902	670,902
Total debts to bondholders	**-**	**720,556**	**720,556**	**-**	**670,902**	**670,902**
BPER financing	3,228	5,231	8,459	-	-	-
CDP financing	10,000	20,000	30,000	-	-	-
Term Loan	-	68,804	68,804	-	64,086	64,086
Total medium-long term financings	**13,228**	**94,035**	**107,263**	**-**	**64,086**	**64,086**
Finance lease debts	1,104	1,678	2,782	1,428	2,317	3,745

IFRS 16 operating lease liabilities	15,825	177,365	193,190	12,938	157,909	170,847
Total debts for leasing	**16,929**	**179,043**	**195,972**	**14,366**	**160,226**	**174,592**
MEDIUM-LONG TERM FINANCINGS	**30,157**	**993,634**	**1,023,791**	**14,366**	**895,214**	**909,580**
Revolving Credit Facility	34,626	-	34,626	50,000	-	50,000
Banks overdrafts and short-term borrowings	42,424	-	42,424	45,548	-	45,548
Other financial debts	29,688	-	29,688	23,772	-	23,772
DEBTS TO BANKS AND OTHER LENDERS	**106,738**	**-**	**106,738**	**119,320**	**-**	**119,320**
GROSS FINANCIAL INDEBTEDNESS	**136,895**	**993,634**	**1,130,529**	**133,686**	**895,214**	**1,028,900**

MEDIUM-LONG TERM LOANS

Debts for medium-long term financing amounted to Euro 1,023.8 million, of which 993.6 million are non-current and 30.2 million are current.

Of these, amounts due to bondholders amount to Euro 720.6 million, while those due to banks amount to Euro 107.3 million; lastly, debts related to lease contracts amount to Euro 196.0 million (of which Euro 193.2 million for IFRS 16 operating leases).

As of December 31, 2024, the medium-long term borrowings are as follows:

Medium-long term borrowings as of 12.31.2024

(In thousands of Euros)	Payables for leased assets	Due to bondholders	Due to banks and other debts	Total medium-long term financings
Within 12 months	16,929	-	13,228	30,157
Current portion	**16,929**	**-**	**13,228**	**30,157**
Within 24 months	17,590	-	13,434	31,024
Within 36 months	16,346	-	11,797	28,143
Within 48 months	15,235	-	-	15,235
Within 60 months	16,262	720,556	68,804	805,622
Over 60 months	113,610	-	-	113,610
Non - current portion	**179,043**	**720,556**	**94,035**	**993,634**
TOTAL MEDIUM - LONG TERM FINANCING	**195,972**	**720,556**	**107,263**	**1,023,791**

The following table includes information on borrowings granted to the Group:

Description	Maturity	Rate as of 12.31.2024	Outstanding as of 12.31.2024	Due within one year	Due within 5 years	Due beyond 5 years
Bond	09/01/2029	6.50%	720,556		720,556	
TLA	05/31/2029	6.50%	68,804		68,804	
RCF	03/31/2029	5.36% EUR 7.02% USD	34,626	34,626		
BPER	03/25/2027	5.11%	8,459	3,228	5,231	
CDP	10/23/2027	4.98%	30,000	10,000	20,000	
Total financial liabilities in the medium/long term			**862,445**	**47,854**	**814,591**	**-**

With reference to the loans reported above, there are no financial covenants that could affect the expiration of the benefit of the term.

The liabilities to leasing companies include contracts signed during the fiscal year ending December 31, 2024, totaling Euro 759 thousand to finance the investments made. The interest rates applied to these loans are in line with market rates. For commitments on financial risks, refer to note 5.6.5.

PAYABLES TO BANKS AND OTHER LENDERS

This caption includes bank overdrafts and short-term lines, to factoring companies, and other lenders.

The following table provides details of the current portion of this item for the fiscal years ending December 31, 2024, and December 31, 2023:

(In thousands of Euros)	12.31.2024	12.31.2023
RCF Line	34,626	50,000
Banks with advances on bills and invoices	42,424	45,601
Other borrowings	29,688	23,772
DEBTS TO BANKS AND OTHER LENDERS	**106,738**	**119,373**

Payables to banks and other lenders, amounting to Euro 106,738 thousand, consist of overdrafts and short-term loans, as indicated in the previous table.

Liabilities to other lenders are represented by payable to factoring companies and other financial liabilities.

The utilization of credit lines granted to the Group by financial institutions as of December 31, 2024, is 33.4%.

TABLE OF MOVEMENT OF LIABILITIES FROM FINANCING ACTIVITIES

Movement in liabilities related to financing activities, including both cash flow changes and non-monetary changes are reported in the table below:

(In thousands of Euros)	Value as of 12.31.2023	Cash flow	Other non-monetary movements	Effect of exchange rate changes	Capex	Value as of 12.31.2024
Bond	670,902	-	6,874	42,780	-	720,556
Term Loan	64,086	-	632	4,086	-	68,804
BPER financing	-	8,459	-	-	-	8,459
CDP financing	-	30,000	-	-	-	30,000
Other medium - long term financing IFRS 16	170,847	(15,788)	-	9,334	28,797	193,190
Liabilities to financial leasing companies	3,745	(1,722)	-	-	759	2,782
Change in short-term financial liabilities	119,373	(13,506)	1,018	(147)	-	106,738
Change in short-term financial assets	(4,803)	(672)	5,122	-	-	(353)
Change in non-current financial assets	(5,439)	127	(834)	-	(15)	(6,161)

Total liabilities from financing activities	**1,018,711**	**6,898**	**12,812**	**56,053**	**29,541**	**1,124,015**

5.4.18. NON – CURRENT PROVISIONS FOR RISKS AND CHARGES

Movements from December 31, 2023 to December 31, 2024 are shown below:

(In thousands of Euros)	Value as of 12.31.2023	Releases	Value as of 12.31.2024
Risks for commercial and administrative disputes	1,379	(1,379)	-
PROVISIONS FOR RISKS AND CHARGES	**1,379**	**(1,379)**	**-**

The release of the provision resulted from the confirmation of the absence of the potential liability for which it was allocated.

5.4.19. EMPLOYEE BENEFITS LIABILITIES

Employee benefits liabilities as of December 31, 2024, amounts to Euro 3,453 thousand and is mainly composed of the Employees' Severance Pay Fund (TFR) owed to the employees of Kedrion SpA, based on Article 2120 of the Civil Code for 2,394 thousand Euros.

TFR based on Article 2120 of the Civil Code, from a financial statement perspective, falls under the category of defined benefit pension plans as it is considered a defined benefit obligation and, as such, has been accounted for based on IAS 19 requirements, implying the measurement of the related liability based on actuarial techniques. Main assumptions adopted are summarized in the following tables:

Summary of Technical Economic Bases – Financial Assumptions	12.31.2024	12.31.2023
Annual Discount Rate	3.18%	3.08%
Annual Inflation Rate	2.00%	2.00%
Annual TFR Increase Rate	3.00%	3.00%

Summary of Technical Demographic Bases	Demographic Assumptions
Death	Mortality Tables RG48 published by the General Accounting Office
Disability	INPS Tables differentiated by age and gender
Retirement	100% upon meeting AGO requirements

Table Annual Turnover and TFR Advance Frequency	12.31.2024	12.31.2023
Advance Frequency	2.00%	2.00%
Turnover Frequency	2.00%	2.00%

For the purposes of the actuarial calculation, a discount rate determined with reference to a basket of Corporate bonds with a AA rating (iBoxx Corporate AA index with a duration of 7-10) was used and applied at the date of the measurement. For this purpose, a yield was applied with a duration comparable to the duration of the group of employees' part of the scheme.

Movements for the period ended December 31, 2024, and December 31, 2023, of the Employees' Severance Pay Fund are shown in the following table:

(In thousands of Euros)	12.31.2024	12.31.2023
Present value of the obligation at the beginning of the period	2,448	2,478
Interest cost	76	89
Benefits paid	(159)	(133)
Actuarial loss (gain) recognized	29	13
PRESENT VALUE OF THE OBLIGATION AT THE END OF THE PERIOD	**2,394**	**2,447**

In addition to the TFR mentioned above, a defined benefit plan is in place in the Hungarian subsidiary HBP amounting to Euro 514 thousand and for the UK subsidiary BPL amounting to Euro 544 thousand, which will be paid to employees (i) partly upon reaching certain employment milestones within the company, and (ii) partly at retirement.

The average number of employees of the Group, expressed in terms of full-time equivalent persons, is shown in the following table:

Workforce – FTE	12.31.2024	12.31.2023
Total FTE (employees, agency workers, temporary workers, and outsourced workers)	4,958	5,163
including Temporary workers:		
Kedrion BioPharma Inc.	8	17
Kedrion SpA	4	4
Unica	-	4
Human BioPlazma	-	1

5.4.20. DEFERRED TAX ASSETS AND LIABILITIES

Breakdown of deferred tax assets and liabilities as of December 31, 2024, and December 31, 2023 is reported below:

(In thousands of Euros)	12.31.2024	12.31.2023
Deferred tax assets	8,002	768
Deferred tax liabilities	(43,413)	(113,026)
NET DEFERRED TAX ASSETS/(LIABILITIES)	**(35,411)**	**(112,258)**

Tax assets and liabilities are recognized and measured separately and presented net in the statement of financial position according to the same conditions prescribed by IAS 12.

Below is the detail of deferred tax assets as of December 31, 2024, and December 31, 2023:

(In thousands of Euros)	Taxable 2023	Total deferred assets 2023	Increase	Decrease	Taxable 2024	Total deferred assets 2024
Non-deductible interest expenses	98,129	23,575	36,840	(20,854)	114,115	27,464

ACE	2,798	672	18,132	-	20,930	5,023
Unrealized exchange losses	39,371	9,449	-	(39,371)	-	-
Provision for risks	16,131	4,070	112	(13,265)	2,978	726
Inventory provision	10,388	2,497	1,950	(4,260)	8,078	1,974
Provision for doubtful receivables	4,681	1,126	-	(3,496)	1,185	286
Tax loss carryforwards	245,570	81,078	229,384	(36,694)	438,260	126,889
Payback provision	1,156	322	1,950	(16)	3,090	862
Elimination of intercompany profits	14,708	2,899	-	16,181	30,889	7,458
Non-deductible interest expenses (163(j) US)	22,097	5,317	22,371	-	44,468	10,210
Chargebacks provision	9,627	2,317	2,454	-	12,081	2,953
Other temporary differences	12,429	3,658	13,519	(9,192)	16,756	6,052
TOTAL DEFERRED TAX ASSETS	**477,085**	**136,980**	**326,712**	**(110,967)**	**692,830**	**189,897**

Breakdown of deferred tax liabilities as of December 31, 2024, and December 31, 2023 is reported below:

(In thousands of Euros)	Taxable 2023	Total deferred liabilities 2023	Increase	Decrease	Taxable 2024	Total deferred liabilities 2024
Non - deductible depreciation	524,617	136,558	189,707	(183,638)	530,686	140,306
Unrealized exchange gains	103,008	24,723	1,394	(100,930)	3,472	849
Dividends	87	21	92	(87)	92	22
Temporary differences on net assets from PPA	386,959	85,847	-	(24,531)	362,428	84,131
IAS 29 Turkey	10,445	2,089	-	(10,445)	-	-
TOTAL DEFERRED TAX LIABILITIES	**1,025,116**	**249,238**	**191,193**	**(319,631)**	**896,678**	**225,308**
TOTAL NET		**(112,258)**				**(35,411)**

Deferred tax liabilities arise mainly driven by the recognition of net assets identified in the Purchase Price Allocation of the Kedrion and BPL Group, as well as from acquisition of centers in Group in the Czech Republic.

There are no deferred taxes on undistributed earnings of subsidiaries or other temporary differences that could trigger them.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences and tax losses can be utilized or that there are sufficient deferred tax liabilities related to the same legal entity. In this regard, the Group estimates the likelihood of timing and magnitude of future taxable profits.

Following the favorable response to the advance tax ruling request submitted to the Revenue Agency at the end of 2023 in relation to a waiver on the limits on carrying forward Kevlar's tax losses in the post-merger period, deferred tax assets related to the tax losses accumulated by Kevlar pre-merger have been recognized, as indicated in the table above.

Following the changes to Italian legislation, introduced at the end of 2024, regarding the realization for tax purposes of gains and losses on unrealized exchange rate differences, the deferred taxes calculated on unrealized exchange rate differences have been entirely reversed in the current period.

The impact, although significant, did not result in any cash out, as the Parent Company used tax attributes to cover taxable amounts realized in this way. Lastly, as of December 31, 2024, deferred tax liabilities related to unrealized exchange gains pertain to jurisdictions other than Italy, for which no changes were enacted in the tax legislation.

Below is a breakdown of losses carryforwards as of December 31, 2024 by jurisdiction:

(In thousands of Euros)	Taxable amount	Deferred tax assets	Maturity
Italy	158,573	38,058	Unlimited
USA	114,253	47,193	Unlimited
UK	146,800	36,700	Unlimited
Canada	18,634	4,938	20 years
TOTAL DEFERRED TAX ASSETS	**438,260**	**126,889**	

As of December 31, 2024, there are no further significant losses carryforwards other than those triggering the recognition of deferred tax assets reported in the table above.

5.4.21. OTHER NON-CURRENT LIABILITIES

Breakdown for the years ending December 31, 2024, and December 31, 2023, is reported below:

(In thousands of Euros)	12.31.2024	12.31.2023
Government grants	3,502	2,437
Other	625	278
OTHER NON-CURRENT LIABILITIES	**4,127**	**2,715**

Other non-current liabilities relate to accrued liabilities, mainly for government grants.

Deferred liabilities for government grants include the credit accrued on investments for expenses incurred in capital expenditure, replacing the super-depreciation and hyper-depreciation measures; they represent the non-current portions of the grant attributable to subsequent years, which are systematically recorded in the statement of profit and loss over the expected useful life of the assets they relate to. They also include the non-current portion of the capital grant due under an agreement signed by the Hungarian subsidiary HUMAN BioPlazma with the government to fund investments made on the production plant, amounting to Euro 327 thousand.

5.4.22. CURRENT PROVISIONS FOR RISK AND CHARGE

(In thousands of Euros)	Value at 12.31.23	Provisions	Utiliz. / Releases	Transl. diff.	Value at 12.31.24
Risks for commercial and administrative disputes	15,519	427	(14,053)	569	2,462
PROVISIONS FOR RISKS AND CHARGES	**15,519**	**427**	**(14,053)**	**569**	**2,462**

Utilizations and releases for the period amounting to Euro 14.1 million mainly relate to unsubstantiated claims and payments of potential liabilities on commercial and administrative disputes previously reserved for.

Remaining risk provisions as of December 31, 2024, consist of residual potential liabilities for disputes initiated in previous years, primarily related to the American subsidiaries.

5.4.23. TRADE PAYABLES

Breakdown of trade payables as of December 31, 2024, and December 31, 2023 is reported below:

(In thousands of Euros)	12.31.2024	12.31.2023
Domestic suppliers	51,391	44,890
Foreign suppliers	233,213	190,594
TRADE PAYABLES	**284,604**	**235,484**

Trade payables do not accrue interest and are mainly settled within 60/90 days. This value includes the liabilities related to the normal course of business of the group companies, mainly arising from purchase of raw materials, components, services, and external processing.

The Group occasionally utilizes payment instruments such as letters of credit (or other similar tools) with its suppliers; through these instruments, the suppliers can request an advance payment from the issuer of the instrument (usually a bank). The terms and conditions of these instruments falls under the definition of supplier financing agreements (SFA –*Supplier Finance Arrangements*).
For the Group, the deadline for payment through such instruments is usually up to 120 days, thereby allowing an improvement in the management of net working capital, with reference to suppliers settled through these instruments, compared to those not included in such agreements, having shorter payment terms as indicated above.

As of December 31, 2024, the Group had the opportunity to use these instruments for a total amount of Euro 39.3 million, of which Euro 19.3 million were utilized and for which the company has obtained an extension of the payment terms while the suppliers have already received the payment.

To date, these instruments have been made available by two main banking entities, each providing approximately 50% of the total.

5.4.24. INCOME TAX LIABILITIES

Breakdown of liabilities for income taxes as of December 31, 2024, and December 31, 2023 is reported below:

(In thousands of Euros)	12.31.2024	12.31.2023
IRAP	-	812
Other current taxes related to foreign companies	4,233	4,778
LIABILITIES FOR INCOME TAXES	**4,233**	**5,590**

Liabilities are presented net of advance payments made for income taxes based on jurisdiction, to the extent offsetting on a tax basis is allowed.

5.4.25. OTHER CURRENT LIABILITIES

Breakdown of other current liabilities as of December 31, 2024, and December 31, 2023 is reported below:

(In thousands of Euros)	12.31.2024	12.31.2023
Payables to social security and welfare institutions	11,448	9,871
Payables to employees and collaborators	40,483	34,247
Dividends payables	1,102	1,157
Other liabilities	6,229	1,296
Accrued liabilities	2,107	3,419
Deferred income for capital government grants	688	1,550
VAT	1,699	1,922
Treasury account / Withholdings	4,796	7,352
OTHER CURRENT LIABILITIES	**68,552**	**60,814**

Payables to social security and welfare institutions mainly relate to contributions on December salaries and the 14th month pay, holiday leave accruals, company bonuses, and accrued severance incentives.

Payables to employee include salaries and wages related to December, provisions for the 14th month pay and holiday leave accruals, as well as payables for severance incentives and for TFR to employees ending their employment by December 31. The increase is linked to the higher personnel costs, both fixed and variable, compared to the previous year.

Payable to shareholders for dividends relate to dividends of Kedrion Mexicana amounting to Euro 1,102 thousand to the former minority shareholders, decided based on the result of the previous financial year.

Other liabilities include the payable related to the second installment for the purchase of the minority stake in Kedrion Mexicana amounting to Euro 5,200 thousand.

Deferred income for capital government grants refers to the short-term portion of expenses incurred for capital expenditures replacing super depreciation and hyper depreciation.

Liabilities related to Treasury for withholdings mainly refers to tax withholdings related to salaries for the months of November and December and the thirteenth month's salary.

5.5. COMMENTS ON THE MAIN ITEMS OF THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

5.5.1. REVENUES

In the fiscal year ended December 31, 2024, revenues from contracts with customers amounted to Euro 1,578,241 thousand, while in the fiscal year ended December 31, 2023, revenues from contracts with customers amounted to Euro 1,429,303 thousand.

Details are as follows:

	31-Dec-24			
REVENUES *(In thousands of Euros)*	Plasma derivatives	Plasma	Eliminations	Consolidated
Type of goods and services				
Plasmaderivatives	1,391,767			1,391,767

Plasma		583,345	(396,872)	186,474
Total revenues	**1,391,767**	**583,345**	**(396,872)**	**1,578,241**
Geographical area				
USA	817,896	199,035	(122,326)	894,605
Italy	101,295	35,229	(35,229)	101,295
Rest of the World	355,986	287,088	(232,010)	411,064
European Union	116,590	61,993	(7,306)	171,277
Total revenues	**1,391,767**	**583,345**	**(396,872)**	**1,578,241**
Timing of revenue recognition				
Goods transferred point in time	1,310,527	583,345	(396,872)	1,497,001
Services transferred over time	81,240			81,240
Total revenues	**1,391,767**	**583,345**	**(396,872)**	**1,578,241**

	31-Dec-23			
REVENUES *(In thousands of Euros)*	**Plasma derivatives**	**Plasma**	**Eliminations**	**Consolidated**
Type of goods and services				
Plasmaderivatives	1,275,578			1,275,578
Plasma		594,155	(440,430)	153,725
Total revenues	**1,275,578**	**594,155**	**(440,430)**	**1,429,303**
Geographic area				
USA	738,837	235,757	(142,442)	832,152
Italy	99,936	60,917	(60,917)	99,936
Rest of the World	316,096	254,518	(229,262)	341,352
European Union	120,709	42,963	(7,809)	155,863
Total revenues	**1,275,578**	**594,155**	**(440,430)**	**1,429,303**
Timing of revenue recognition				
Goods transferred point in time	1,195,705	594,155	(440,430)	1,349,430
Services transferred over time	79,873			79,873
Total revenues	**1,275,578**	**594,155**	**(440,430)**	**1,429,303**

The Group operates in two business sectors:

- the main one involves both the production and sale of plasmaderivatives (i.e., proteins extracted from human plasma such as albumin, immunoglobulins - standard and specific - coagulation factors, and human plasminogen), as well as plasma processing services on behalf of third parties; this category also includes, residually, the distribution of synthetic products;
- the collection, purchase, and sale of plasma, supported by the Group's network of collection centers, primarily secure the supply of plasma needed to meet the requirements of the plasmaderivatives products segment, with any surplus being sold to third parties.

The Group operates globally, segmenting markets into four major geographic areas: "United States," "Italy," "European Union," and "Rest of the World."

An analysis of revenue by business sector for the fiscal year ending December 31, 2024, is presented below:

"PRODUCTION AND SALE OF PLASMADERIVATIVE " SEGMENT

Revenues for the production and sale of plasmaderivative drugs segment as of December 31, 2024, amounts to Euro 1,391.8 million (88.2% of the total).
For further comments refer to the analysis reported at paragraph 3.4.1.

"COLLECTION AND SALE OF PLASMA" SEGMENT

Revenues of this segment as of December 31, 2024, amount to Euro 186.5 million (1.8 % of the total).
For further comments refer to the analysis reported at paragraph 3.4.1.

5.5.2. COST OF GOODS SOLD

Breakdown is included below:

	Year Ended December 31	
(In thousands of Euros)	2024	2023
Consumption of raw materials, accessories, and consumables	678,711	635,232
External manufacturing service from third parties	49,340	39,654
Costs for services	115,175	93,343
Labor costs and related charges	243,933	240,158
Amortization and depreciation	76,053	96,255
COST OF GOODS SOLD	**1,163,212**	**1,104,642**

Cost of goods sold for the 2024 fiscal year amounts to Euro 1,163.2 million (Euro 1,104.6 million in 2023) with a percentage weight on revenues decreasing from 77.3% to 73.7%.
Consumption of raw materials, accessories, and consumables includes the cost of plasma and all materials used during the production process.

Costs for external processing are attributable to purification and packaging activities carried out at external facilities and are primarily related to the Melville plant.
Costs for services are related to maintenance on the plants and other third-party services related to the production sites.

5.5.3. OTHER INCOME

The item is composed as follows:

	Financial Year Ended December 31	
(In thousands of Euros)	2024	2023
Expense recoveries	1,145	1,096
Insurance refunds	670	-
Government grants	1,619	3,692
Capital expenditure government grants	726	1,482
Services	2,987	3,356
OTHER INCOME	**7,147**	**9,626**

Expense recoveries and insurance reimbursements relate to refunds and recovery of expenses obtained from suppliers and customers and to reimbursements for claims involving finished and intermediate products.

Government grants are related to the tax credits accrued on research and development and technological innovation activities, and the grants on research projects.

Capital government grants mainly refer to the portion of the contribution related to investments for capital expenditures.

5.5.4. GENERAL AND ADMINISTRATIVE EXPENSES

Breakdown is included below:

	Financial Year Ended December 31	
(In thousands of Euros)	**2024**	**2023**
Legal and administrative services	10,537	10,179
Emoluments and expenses of corporate bodies	1,405	1,259
General and administrative insurances	4,781	6,561
Information systems expenses	7,925	6,812
Telephone and postal expenses	1,615	1,683
Third-party services	7,659	6,237
Other general and administrative services and costs	27,034	21,016
Rentals and leases	1,284	883
Labor costs and related charges	59,148	63,293
Depreciation	50,302	43,458
Provisions/(Releases) for bad debt provision	(2,923)	(7,660)
Provisions/(Releases) for risks and charges provisions	2	(1,050)
Taxes and duties (excluding income taxes)	2,498	2,459
GENERAL AND ADMINISTRATIVE EXPENSES	**171,267**	**155,130**

The percentage impact of this item on total revenues is in line with last year, amounting to 10.9%.

The item other services and general and administrative costs includes, among other things, cleaning expenses and membership contributions to industry organizations.

5.5.5. SALES AND MARKETING EXPENSES

Breakdown is included below:

	Financial Year Ended December 31	
(In thousands of Euros)	**2024**	**2023**
Consulting fees	9,030	8,675
Commissions	12,982	13,703
Conferences and congresses	3,578	2,541
Advertising and promotion	2,897	4,337
Others	27,560	34,516

Labor costs and related charges	30,511	30,420
Depreciation and amortization	1,232	808
SALES AND MARKETING EXPENSES	**87,790**	**95,000**

”Others" caption includes expenses for market research, transportation costs on sales, and annual membership fees to industry associations.

5.5.6. RESEARCH AND DEVELOPMENT EXPENSES

Breakdown is included below:

	Financial Year Ended December 31	
(In thousands of Euros)	**2024**	**2023**
Consulting fees	3,449	484
Clinical studies	706	684
Others	16,710	15,522
Labor costs and related charges	19,176	13,547
Depreciation and amortization	6,303	9,530
RESEARCH AND DEVELOPMENT EXPENSES	**46,344**	**39,767**

’Others' caption includes costs for purchasing materials for testing and services from third parties, as well as the costs incurred for the development of US collection centers. Reference is made to the management report for more details on ongoing research projects.

5.5.7. OTHER OPERATING COSTS

The item is composed as follows:

	Financial Year Ended December 31	
(In thousands of Euros)	**2024**	**2023**
Consulting fees	1,234	675
Expenses for registered products	4,917	3,560
Other regulatory costs	5,947	1,796
Labor costs and related charges	5,497	5,083
Depreciation and amortization	306	308
OTHER OPERATING COSTS	**17,901**	**11,422**

Other regulatory costs mainly include the costs related to maintaining production and product licenses.

COMPOSITION OF EXPENSES BY NATURE AND DESTINATION

	Financial Year Ended December 31	
(In thousands of Euros)	**2024**	**2023**
Purchases	655,203	590,421
Change in inventories	23,508	44,811
Services	314,481	273,237

Depreciation	134,196	142,699
Labor cost	358,265	352,501
Use of third-party assets	1,284	883
Provisions / (Releases) for risks	(2,921)	(1,050)
Other costs	2,498	2,459
TOTAL COSTS BY NATURE	**1,486,514**	**1,405,961**

Use of third-party assets includes costs for lease contracts where the underlying asset is classified as a “low value asset,” contracts that have a duration of less than 12 months (“short term lease”) and costs for services related to leases for which IFRS 16 has been applied to the lease portion of the asset.

	Financial Year Ended December 31	
(In thousands of Euros)	**2024**	**2023**
Cost of goods sold	1,163,212	1,104,642
General and administrative expenses	171,267	155,130
Sales and marketing expenses	87,790	95,000
Research and development expenses	46,344	39,767
Other operating costs	17,901	11,422
TOTAL EXPENSES BY CATEGORY	**1,486,514**	**1,405,961**

5.5.8. INTEREST EXPENSE

Interest expense as of December 31, 2024, and December 31, 2023, are detailed in the table below:

	Financial Year Ended December 31	
(In thousands of Euros)	**2024**	**2023**
Bank interest expenses	12,039	25,098
Interest expenses for factoring	6,146	5,149
Interest expenses to others	50,354	31,624
Net actuarial interest	8,496	2,465
Interest on lease contracts	14,905	12,299
Others	12,172	7,322
INTEREST EXPENSES	**104,112**	**83,957**

Bank interest expenses primarily include interest related to the Term Loan for Euro 4.7 million and interest related to the RCF for Euro 5.1 million.

Interest expenses towards others mainly include interest expenses towards bondholders for Euro 48.7 million.

Net accretion interest primarily includes the amortized cost related to the Bond and the Term Loan, as well as the release of the financial accruals for the RCF pertinent to the year.

Lastly, the ‘Other’ caption includes commitment fees related to the unused portion of the RCF line for Euro 0.8 million, the impact of applying IAS 29 to the subsidiary Kedrion Betaphar for Euro 4.3 million, and the write-down of active loans to third parties by the subsidiary Bio Products Laboratory Limited for Euro 5.1 million, as described in note 5.4.14.

5.5.9. INTEREST INCOME

Breakdown is included below:

	Financial Year Ended December 31	
(In thousands of Euros)	2024	2023
Interest income	1,423	861
IAS 29 Turkey effect	1,872	363
FINANCIAL INCOME	**3,295**	**1,224**

5.5.10. NET FOREIGN EXCHANGE GAINS / (LOSSES)

The item is detailed in the following table:

	Financial Year Ended December 31	
(In thousands of Euros)	2024	2023
Exchange gains	42,573	59,123
Exchange losses	81,437	46,001
NET EXCHANGE GAINS (LOSSES)	**(38,864)**	**13,122**

Below is a breakdown of realized and unrealized exchange gains and losses:

	Financial Year Ended December 31	
(In thousands of Euros)	2024	2023
Realized	(22,588)	(10,910)
Unrealized	(16,276)	24,032
NET EXCHANGE GAINS (LOSSES)	**(38,864)**	**13,122**

5.5.11. INCOME TAXES

Income taxes as of December 31, 2024, amount to Euro 58,930 thousand as broken down below:

	Financial Year Ended December 31	
(In thousands of Euros)	2024	2023
Current taxes	10,476	9,312
Deferred taxes	(69,406)	(48,447)
INCOME TAXES	**(58,930)**	**(39,135)**

Current taxes are accrued on profits of the Group's companies for the fiscal year, while the deferred taxes are calculated on the temporary and permanent fiscal differences, and include the recognition of prior and current year tax losses up to December 31, 2024.

The deferred taxes also include the recognition of the following tax attributes:

- previous losses and carry-forward ACE of the former parent company Kevlar SpA, merged into Kedrion SpA during the previous fiscal year, amounting to Euro 24.0 million; regarding the carry-forward of these tax attributes in Kedrion SpA, following the reverse merger that occurred on July 14, 2023, a ruling request had been submitted last year, which had a favorable outcome during 2024;
- previous losses related to the English subsidiary Bio Production Laboratory Limited amounting to Euro 21.7 million;
- previous losses related to the Canadian subsidiary Prometic BioProduction Inc. amounting to Euro 4.9 million, considered recoverable as of December 31, 2024.

The result before income taxes, the provision for income taxes for the fiscal year ended December 31, 2024 and the reconciliation between the theoretical tax rate and the effective tax rate as per the consolidated financial statements are presented in the following table:

	Financial Year Ended December 31	
(In thousands of Euros)	**2024**	**%**
Result before taxes	(40,807)	
Applicable IRES rate for the fiscal year	24%	
Theoretical tax charge	**(9,794)**	**24%**
IRAP	347	(1%)
Non-deductible costs	4,175	(10%)
Off-balance sheet tax deductions	(1,687)	4%
Carry-forward tax losses Kevlar	(23,402)	57%
Carry-forward ACE Kevlar	(621)	2%
Carry-forward interest expenses Kevlar	(484)	1%
ACE	(3,730)	9%
Exchange rate differences from valuation	(12,337)	30%
Utilization of tax loss FY 2023	1,417	(3%)
Separation of tax loss FY 2023 due to exchange rate effects	5,593	(14%)
Minor adjustments	(41)	0%
Tax on foreign dividends	279	(1%)
Non-deductible foreign dividend tax credit	5,220	(13%)
Carryforward of previous losses UK and Canada	(26,661)	65%
Effect of different theoretical tax rates in foreign jurisdictions	2,797	(7%)
Total differences	**(49,136)**	**120%**
TOTAL TAXES FROM INCOME STATEMENT	**(58,930)**	**144%**
Effective tax rate	**144%**	

5.6. OTHER INFORMATION

5.6.1. HYPERINFLATION

The Turkish economy has been designated as hyperinflationary from January 1, 2022. Consequently, with reference to the financial information of the subsidiary Kedrion Betaphar Biyofarmasötik İlaç Sanayi ve Ticaret Anonim Şirketi, whose functional currency is the Turkish lira, IAS 29 guideline has been applied. The reference index used for the revaluation was identified in the

Consumer Price Index published by the Turkish Statistical Institute (TUIK), with an official value of 44.38%. Application of IAS 29 requirements resulted in the in net inflation charges of Euro 2,879 thousand, recorded within interest expenses.

5.6.2. OPERATING SEGMENTS

The Group provides information for operating segments, consistent with the internal reporting flows regularly directed towards the top management at the highest operational decision-making level (so-called *Chief Operating Decision Maker*, in the case of Kedrion identified in the Executive Committee composed of top managers and led by the CEO). The executive committee reviews the financial performance and position of the Group, making strategic decisions that are then submitted for Board approval.

The sector results include elements attributable to a sector directly and through a reasonable allocation for costs common to several sectors. Revenues, costs, and sector results include transfers between sectors. Such transactions are eliminated during consolidation. Intragroup transfer prices are set similarly to those for transactions with third parties. The Group also provides information related to geographic areas.
The Group operates in two main business segments:

- the production and marketing of plasmaderivatives, which are proteins extracted from human plasma such as albumin, immunoglobulins – standard and hyperimmune – coagulation factors and human plasminogen;
- the collection, purchase, and sale of plasma, supported by the Group's network of collection centers, primarily secure the supply of plasma needed to meet the requirements of the plasma-derived products segment, with any surplus being sold to third parties.

The Group operates globally, segmenting markets into four major geographical areas: “USA”, “Italy”, “European Union”, and “Rest of the World”.

Sales to external customers are based on the geographical location of the customers themselves.
Intersegment revenues of the “Plasma” segment are realized towards the “Plasma Derivatives” segment.

Below is include the information related to operating segments as of December 31, 2024 and 2023:

Fiscal year ended on 12.31.2024

(In thousands of Euros)	Plasma derivatives	Plasma	Eliminations	Consolidated
Revenues from third parties	1,391,767	186,474		1,578,241
Inter-segment revenues		396,872	(396,872)	0
TOTAL REVENUES	**1,391,767**	**583,345**	**(396,872)**	**1,578,241**
COST OF GOODS SOLD	**1,046,224**	**513,860**	**(396,872)**	**1,163,212**
GROSS MARGIN	**345,544**	**69,485**	**0**	**415,029**
% OF REVENUES	**24.83%**	**11.91%**		**26.30%**
Other income	6,964	183		7,147
Operating costs				323,302
OPERATING INCOME				**98,874**
Net financial expenses				(139,681)
RESULT BEFORE TAXES				**(40,807)**

Income taxes	(58,930)
Net result for the year	**18,123**

Assets and liabilities as of 12.31.2024

(In thousands of Euros)	Plasma derivatives	Plasma	Unallocated	Consolidated
Operating assets	659,407	63,266	2,588,150	3,310,823
Operating liabilities allocated to sectors	243,466	41,138	1,256,769	1,541,373
Other sectoral information for the fiscal year ended 12.31.2024				
Intangible assets capital expenditure	38,679	865	-	39,544
Tangible assets capital expenditure	89,381	14,160	-	103,541
Investments in rights of use	6,699	45,365	-	52,064
Amortization of intangible and depreciation of tangible assets allocated to segments	103,163	31,033	-	134,196

Fiscal year ended 12.31.2023

(In thousands of Euros)	Plasmaderivatives	Plasma	Eliminations	Consolidated
Revenues from third parties	1,275,577	153,726		1,429,303
Inter-segment revenues		417,807	(417,807)	-
TOTAL REVENUES	**1,275,577**	**571,533**	**(417,807)**	**1,429,303**
COST OF GOODS SOLD	**1,031,860**	**490,589**	**(417,807)**	**1,104,642**
GROSS MARGIN	**243,717**	**80,944**	**-**	**324,661**
% OF REVENUES	**19.11%**	**14.16%**		**22.71%**
Other income	**9,082**	**544**		**9,626**
Operating costs				301,319
OPERATING INCOME				**32,968**
Net financial expenses				(69,611)
RESULT BEFORE TAXES				**(36,643)**
Income taxes				(39,135)
Net result for the year				**2,492**

Assets and liabilities as of 12.31.2023

(In thousands of Euros)	Plasma derivatives	Plasma	Unallocated	Consolidated
Operating assets	664,127	79,197	2,418,404	3,161,728
Operating liabilities allocated to sectors	201,962	33,522	1,231,493	1,466,977
Other segmental information for the year ended 12.31.2023				
Intangible assets capital expenditures	16,423	2,768	-	19,191
Tangible assets capital expenditure	85,878	12,869	-	98,747
Investments in rights of use	10,505	42,251	-	52,756
Amortization of intangible and depreciation of tangible assets allocated to segments	111,194	39,165	-	150,359

The Group is domiciled in Italy and achieved sales in the Italian territory totaling Euro 101,295 as of December 31, 2024 (2023: Euro 99,936 thousand).

For details on revenue segmentation by business sector and geographical area, refer to note 5.5.1.

5.6.3. RELATED PARTY TRANSACTIONS

The following tables provide details of the economic and financial relations with related parties for the fiscal year ended December 31, 2024, and for the fiscal year ended December 31, 2023. The companies listed have been identified as related parties because they are directly or indirectly linked to the reference shareholders.

	Fiscal year ended on 12.31.2024					
(In thousands of Euros)	Revenue	Cost of Goods Sold	General and Administrative Expenses	Sales and marketing expenses	Research and development expenses	Other operating costs
Kedrion Holding S.p.A.	-	3	5	-	-	-
Il Ciocco S.p.A.	-	-	438	54	-	-
Shaner Ciocco S.r.l.	-	31	46	13	-	-
Distilleria Indie S.r.l.	-	38	-	-	-	-
Tissuelab S.r.l.	6,876	-	-	365	-	-
Fondazione Campus	-	-	205	-	-	-
Il Ciocco International Travel Service S.r.l.	-	6	63	14	2	-
Maggio Re S.r.l.	-	-	1,026	95	161	103
Tecno Services S.r.l.	-	99	6	-	8	-
Tecno Real Estate S.r.l.	-	106	19	-	17	-
Validations and Technical Serv. S.r.l.	-	1,361	15	-	640	-
VTS USA Inc.	-	335	-	-	-	-
Studio Di Tanno	-	-	250	-	-	-
TOTAL	**6,876**	**1,979**	**2,073**	**541**	**828**	**103**
Total Group	**1,578,241**	**1,163,212**	**171,267**	**87,790**	**46,344**	**17,901**
% incidence	**0.44%**	**0.17%**	**1.21%**	**0.62%**	**1.79%**	**0.58%**

	12.31.2024				
(In thousands of Euros)	Financial receivables	Credits	Financial payables	Debts	CAPEX
Kedrion Holding S.p.A.	-	1,046	7,486	8	-
Il Ciocco S.p.A.	120	-	-	175	-
Shaner Ciocco S.r.l.	-	-	-	43	-
Distilleria Indie S.r.l.	-	-	-	-	-
Tissuelab S.r.l	-	4,961	-	706	-
Fondazione Campus	-	-	-	103	-
Il Ciocco International Travel Service S.r.l.	-	-	-	40	-
Maggio Re S.r.l.	65	-	-	1	-
Tecno Services S.r.l.	1	-	-	48	3
Tecno Real Estate S.r.l.	60	-	-	-	-
Validations and Technical Serv. S.r.l.	-	-	-	655	713

VTS USA Inc.	-	-	-	47	-
Sestant S.p.A.	-	4,211	-	-	-
Refin S.r.l.	-	11	-	-	-
CDPE Investments S.p.A.	-	878	-	-	-
Pips S.r.l.	-	9	-	-	-
Studio Di Tanno	-	-	-	121	-
TOTAL	**246**	**11,116**	**7,486**	**1,947**	**716**
Total Group	**6,514**	**182,483**	**1,130,529**	**357,283**	**143,086**
% incidence	**3.78%**	**6.09%**	**0.66%**	**0.54%**	**0.50%**

	Fiscal year ended 12.31.2023					
(In thousands of Euros)	Revenue	Cost of Goods Sold	General and Administrative Expenses	Sales and marketing expenses	Research and development expenses	Other operating costs
Kedrion Holding S.p.A.	-	-	49	-	-	-
Il Ciocco S.p.A.	-	-	609	95	-	-
Shaner Ciocco S.r.l.	-	-	17	34	2	1
Ancora S.r.l.	-	-	27	-	23	50
Borgo Ai Conti S.r.l.	-	-	60	-	-	-
Tissuelab S.r.l.	4,980	-	-	428	-	-
Fondazione Campus	-	-	167	40	3	-
Il Ciocco International Travel Service S.r.l.	-	-	603	7	4	2
Maggio Re S.r.l.	-	-	1,031	101	156	110
Tecno Services S.r.l.	-	78	-	-	9	-
Tecno Real Estate S.r.l.	-	102	19	-	16	-
Validations and Technical Serv. S.r.l.	-	1,552	62	-	612	-
VTS USA Inc.	-	265	-	-	-	-
Studio Di Tanno	-	-	253	-	-	-
TOTAL	**4,980**	**1,997**	**2,897**	**705**	**825**	**163**
Total Group	**1,429,303**	**1,104,642**	**155,130**	**95,000**	**39,767**	**11,422**
% incidence	**0.35%**	**0.18%**	**1.87%**	**0.74%**	**2.07%**	**1.43%**

	12.31.2023				
(In thousands of Euros)	Financial receivables	Credits	Financial payables	Debts	CAPEX
Kedrion Holding S.p.A.	-	-	-	65	-
Il Ciocco S.p.A.	120	-	-	328	-
Shaner Ciocco S.r.l.	-	-	-	1	-
Ancora S.r.l.	-	-	-	-	-
Borgo Ai Conti S.r.l.	-	-	-	-	-
Tissuelab S.r.l.	-	4,791	-	428	-
Fondazione Campus	-	-	-	124	-
Il Ciocco International Travel Service S.r.l.	-	-	-	192	-

Maggio Re S.r.l.	65	-	-	1	-
Tecno Services S.r.l.	1	-	-	42	30
Tecno Real Estate S.r.l.	60	-	-	-	-
Validations and Technical Serv. S.r.l.	-	-	-	540	618
VTS USA Inc.	-	-	-	-	-
Sestant S.p.A.	-	1,484	-	847	-
Studio Di Tanno	-	-	-	135	-
TOTAL	**246**	**6,275**	**-**	**2,703**	**648**
Total Group	**10,242**	**140,330**	**1,028,953**	**235,484**	**120,788**
% incidence	**2.40%**	**4.47%**	**0.00%**	**1.15%**	**0.54%**

Details related to the year end 2024 reporting related party transactions are reported below:

- Kedrion Holding S.p.A.: the costs and liabilities relate to service expenses; the receivables result from tax consolidation;
- Il Ciocco S.p.A.: the costs mainly relate to property rentals for Euro 20 thousand, surveillance, maintenance, and porterage services for Euro 210 thousand, hospitality for Euro 2 thousand, utilities for Euro 260 thousand. The liabilities are commercial in nature and refer to the services mentioned above;
- Shaner Ciocco S.r.l,.: the costs mainly relate to hotel and representation expenses amounting to Euro 90 thousand. The liabilities are commercial in nature and refer to the services mentioned above;
- Distilleria Indie S.r.l.: the costs mainly relate to corporate events amounting to Euro 38 thousand;
- Tissuelab S.r.l.: revenues are related to the sale of products while costs pertain to expenses for services for the marketing and distribution of recombinant factor VIII amounting to Euro 365 thousand. Payables and receivables are commercial in nature and relate to these transactions;
- Fondazione Campus Studi del Mediterraneo: costs are related to training courses for executives and middle management of Kedrion S.p.A., consultations, translations, and language courses amounting to Euro 205 thousand. Payables are commercial in nature and relate to the services mentioned above;
- Il Ciocco Travel S.r.l.: costs are primarily related to helicopter transport services for about Euro 8 thousand, transfer services totaling Euro 74 thousand, and car services for Euro 3 thousand. Payables are commercial in nature and relate to the services mentioned above;
- Maggio Re S.r.l.: are related to rental fees for Euro 1,385 thousand for the lease of some office properties;
- Tecno Servizi S.r.l.: costs related to the execution of construction works and maintenance of facilities amounting to Euro 116 thousand, of which Euro 3 thousand are investments;
- Tecno Immobiliare S.r.l.: costs related to property rentals for Euro 142 thousand; the receivables are related to security deposits;
- VTS S.r.l.: costs amounting to Euro 2,623 thousand are related to homologation and validation costs, maintenance of facilities and American plasma collection centers, of which Euro 713 thousand are investments;
- VTS USA Inc.: costs are related to homologation and validation carried out at American plasma collection centers for Euro 335 thousand;
- Sestant S.p.A.: the receivables refer to the tax consolidation interrupted with the loss of control (Euro 981 thousand) and the receivables recorded in other current assets for the amount paid under the clauses of the Group's sale agreement, relating to the settlement of a dispute with the former Turkish distributor, amount borne by the sellers and which was advanced by the Company and reimbursed at the beginning of 2025;

- Receivables from Refin S.r.l., Cdpe Investimenti S.p.A. and Pips S.r.l. relate to receivables from sellers as described in the point above for Sestant;
- Studio Di Tanno: the costs and payables are related to tax consultancy.

The compensation paid to executives with strategic responsibilities, on an annual basis, in the 2024 financial year amounts to Euro 5,801 thousand.

5.6.4. EMOLUMENTS TO THE DIRECTORS, THE STATUTORY AUDITORS, AND THE AUDIT FIRM (ON ANNUAL BASIS)

COMPENSATION TO THE DIRECTORS

Full Name	Role	Compensation	Bonus and other compensations	Total compensations
Paolo Marcucci	Chairman of the Board of Directors	390,000	-	390,000
Ugo Di Francesco (1)	CEO	206,000	411,500	617,500
Federico Latini (2)	Director	-	-	-
Ulrike Becker (3)	Director	-	-	-
Massimiliano Barberis (3)	Director	-	-	-
Evan Selig (3)	Director	-	-	-
TOTAL		**596,000**	**411,500**	**1,007,500**

(1) in office since December 20, 2022
(2) in office since August 31, 2022
(3) in office since March 27, 2023

COMPENSATION FOR THE BOARD OF STATUTORY AUDITORS

Full Name	Role	Compensation	Total compensations
Tommaso Di Tanno	Chairman	40,000	40,000
Giuseppe Galeano	Statutory auditor	30,000	30,000
Stefano Massarotto	Statutory auditor	30,000	30,000
TOTAL		**100,000**	**100,000**

FEES TO THE AUDITING FIRM AND OTHER GROUP AUDITORS

(amounts in thousands of Euros)	2024
Statutory audit of the Parent Company's annual accounts	158
Other assurance services	12
Audit of subsidiaries	814
TOTAL	**984**

5.6.5. FINANCIAL RISKS MANAGEMENT

EXCHANGE RATE RISK

The Group is active internationally and is therefore exposed to exchange rate risk arising from the different currencies in which it operates. The exposure to exchange rate risk stems from commercial and financial transactions in currencies other than the one used for accounting. The main currencies that generate exchange rate risk are the US Dollar, the Canadian Dollar, and the Mexican Peso. The sensitivity analysis conducted to assess the Group's exposure to exchange rate risk was performed assuming a 10% change in the exchange rates listed above relative to the Euro. The following tables show the impact on Profit before tax due to changes in the value of current assets and liabilities, foreign currency financings such as the Bond and the TLA, while keeping all other variables constant. In addition to current commercial assets and liabilities, financial items were included, mainly represented by balances of intercompany financial receivables and payables in currencies other than the one used for accounting.

12.31.2024		
Currency	**FX Change %**	**Impact on profit before taxes** *(in thousands of Euro)*
USD	revaluation 10%	(45,714)
	depreciation 10%	45,714
GBP	revaluation 10%	(2,159)
	depreciation 10%	2,159
HUF	revaluation 10%	86
	depreciation 10%	(86)
RUB	revaluation 10%	277
	depreciation 10%	(277)
TRY	revaluation 10%	626
	depreciation 10%	(626)
MXN	revaluation 10%	2,352
	depreciation 10%	(2,352)
CAD	revaluation 10%	5,273
	depreciation 10%	(5,273)
BRL	revaluation 10%	659
	depreciation 10%	(659)
COP	revaluation 10%	295
	depreciation 10%	(295)
CZK	revaluation 10%	(573)
	depreciation 10%	573
PLN	revaluation 10%	163
	depreciation 10%	(163)

INTEREST RATE RISK

The Group has in place a Bond and a TLA totaling USD 865.0 million at a fixed rate and the availability of an RCF equivalent to Euro 175.0 million at a variable rate, both under the responsibility of the Parent Company Kedrion SpA and maturing respectively in September 2029, May 2029, and March 2029.

As of December 31, 2024, the Group is covered against interest rate risk for most of its total long-term exposure. The interest rate risk to which the Group is exposed is therefore currently limited to the use of short-term financing, the rates of which are defined at each use based on the market conditions at that specific time, and some smaller medium-term variable rate loans.

The Group monitors financial market conditions related to interest rates in order to assess hedging opportunities to further reduce risk exposure.

LIQUIDITY RISK

The Group manages liquidity risk through the close monitoring of the components of the operating net working capital and maintains an adequate level of cash availability and funds obtainable through financing provided by various banks.

As of December 31, 2024, the Group has cash availability of Euro 178.2 million and available credit lines of Euro 159.1 million, of which Euro 140.4 million are related to the RFC line provided by a pool of banks and drawn at December 31, 2024, for Euro 34.6 million, and Euro 18.7 million in short-term lines.

With the aim of making cash flow management more efficient, avoiding the dispersion of liquidity, and minimizing financial burdens, the Group has also adopted systems for pooling and centralized management of the liquidity of the main companies of the Group (cash pooling) on the accounts of the Parent Company Kedrion SpA.

(In thousands of Euros)	On demand	Less than 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	Total
Loans and borrowings	23,415	388	169,718	1,231,343	3,367	1,428,231
Trade and other payables	255,089	77,090	25,210	4,127	-	361,516
TOTAL	**278,504**	**77,478**	**194,928**	**1,235,470**	**3,367**	**1,789,747**

For more details on the maturity profile of medium to long-term loans, reference is made to note 5.4.17.

CREDIT RISK

The majority of the Group's European receivables are from hospital companies and other public entities, whose solvency is considered reasonably certain and on which the Group has in fact never recorded credit losses, except for the waiver of late payment interest.

Similarly, receivables from US clients, given the very short payment terms and the financial solidity demonstrated by the clients themselves, are considered reasonably certain and solvent. The remaining receivables are mainly from foreign clients (Middle East, Asia, Africa, and Latin America) with well-established relationships and long-term collaborations. Furthermore, all receivables are constantly monitored by a recently implemented dedicated central structure capable of preventing exposures not in line with the Group's policies, such as unauthorized shipments in the presence of overdue positions or exceeding granted trade credit limits. The Group considers its credit risk management policies adequate, in relation to the degree of insolvency risk of its clientele.

The following table provides details of trade receivables for the financial year ended December 31, 2024:

Trade receivables		
(values in thousands of euros)	**Financial year ended December 31, 2024**	
Gross trade receivables	104,337	103%
Provision for bad debts	(2,820)	(3%)
Trade receivables	**101,517**	**100%**
Current	75,528	74%
Overdue within 60	10,188	10%
Overdue 61-120 days	9,319	9%
Overdue 121-180 days	2,617	3%
Overdue 181-240 days	659	1%
Overdue 241-360 days	1,681	2%
Overdue more than 365 days	1,525	2%
Net trade receivables	**101,517**	**100%**

CAPITAL MANAGEMENT POLICY

The primary objective of the Group's capital management is to ensure that adequate levels of capital indicators are maintained to support operations. The Group manages the capital structure and adjusts it in response to changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividends paid to shareholders, repay capital, or issue new shares.
The Group monitors its capital using a debt-to-equity ratio, which compares net debt to the total of capital plus net financial position.

The *gearing ratio* as of December 31, 2024, calculated as the ratio of net financial position to equity, is 53% (2023: 52%). The slight change is attributable to a slight increase of the net financial debt, larger than the increase of the equity.

FINANCIAL ASSETS AND LIABILITIES

To complete the information on financial risks, below is a reconciliation between classes of financial assets and liabilities and the types of financial assets and liabilities identified based on the IFRS 7 requirements:

As of December 31, 2024 *(values in thousands of Euros)*	**Financial Assets at amortized cost**	**Financial Liabilities at amortized cost**	**Derivatives**	**Total**	**Note**
Cash and cash equivalents	(178,212)			**(178,212)**	5.4.15
Receivables	(101,517)			**(101,517)**	5.4.10
Other financial assets	(6,514)			**(6,514)**	5.4.6.-5.4.14
Bank borrowings		107,263		**107,263**	5.4.17
Bondholders liability		720,556		**720,556**	5.4.17
IFRS16 lease liability		193,190		**193,190**	5.4.17
Payables due to financial leasing companies		2,782		**2,782**	5.4.17
Trade Payables		284,604		**284,604**	5.4.23
Other financial liabilities		106,738		**106,738**	5.4.17

As of December 31, 2023 *(values in thousands of Euros)*	Financial Assets at amortized cost	Financial Liabilities at amortized cost	Derivatives	Total	Note
Cash and cash equivalents	(141,532)			**(141,532)**	5.4.15
Receivables	(155,177)			**(155,177)**	5.4.10
Other financial assets	(10,242)			**(10,242)**	5.4.6.-5.4.14
Bank borrowings		64,086		**64,086**	5.4.17
Bondholders liability		670,902		**670,902**	5.4.17
IFRS16 lease liability		170,847		**170,847**	5.4.17
Payables due to financial leasing companies		3,745		**3,745**	5.4.17
Trade Payables		235,484		**235,484**	5.4.23
Other financial liabilities		119,373		**119,373**	5.4.17

* The numbers indicate the paragraphs within the notes where the financial assets and liabilities are detailed

FAIR VALUE HIERARCHY

IFRS 13 identifies a hierarchy of valuation techniques based on three levels:

- Level 1: the data used in valuations are represented by quoted prices in markets where identical assets and liabilities to those being valued are traded;
- Level 2: the data used in valuations, other than the quoted prices in Level 1, are observable for the financial asset or liability, either directly (prices) or indirectly (derived from prices);
- Level 3: “unobservable data” when observable data are not available, resulting in modest or non-existent market activity for the assets and liabilities being valued.

In this regard, it should be noted that, in choosing the valuation techniques to be used, the Group adheres to the following hierarchy:

- use of prices observed in markets (even if not active) for identical instruments (*Recent Transactions*) or similar ones (*Comparable Approach*);
- use of valuation techniques based predominantly on observable market parameters;
- use of valuation techniques based predominantly on non-observable market parameters.

The Group has no derivative instruments as of December 31, 2024. The bond loan with a nominal amount of USD 790 million, has been measured based on amortized cost for an amount of Euro 720.6 million as of December 31, 2024. The fair value of this debt as of December 31, 2024, is Euro 715.7 million, which is essentially not different from the value recorded in the financial statements.

5.6.6. SHARE-BASED PAYMENTS

The Board of Directors of the parent company Kedrion Holding SpA, on September 29, 2023, approved the 5 - year stock incentive plan for management with *vesting date* starting from the date of issuance of the shares (October 3, 2023). For the accounting treatment applied by the Group, refer to note 5.3.8.

5.6.7. COMMITMENTS AND RISKS

These include sureties, guarantees, and third-party assets held by the Group. For the fiscal year ended December 31, 2024, and December 31, 2023, they are summarized as follows:

	Financial Year Ended December 31	
(In thousands of Euros)	2024	2023
Risks	**804,581**	**790,518**
- Guarantees	799,317	783,777
- Sureties	5,264	6,741
Third-party assets held by the Group	**35,310**	**29,435**
TOTAL	**839,891**	**819,953**

RISKS

The shares issued by the subsidiary Kedrion Biopharma Inc., of corporate ownership, and the indirectly controlled companies Kedplasma LLC and Bio Production Laboratory Ltd., are pledged as collateral for the lines of credit granted to it by a pool of banks.

The pledge secures so-called *notes* with a nominal amount of USD 790,000,000, the so-called TLA credit line of nominal Euro 75,000,000 and the so-called RCF credit line of nominal Euro 175,000,000.

The amount of the guarantee indicated in the table corresponds to the carrying value in the Parent Company's financial statement of the pledged shares.

In addition to the above, as of December 31, 2024, the risks mainly consist of guarantees issued for joining public tenders amounting to Euro 26,039 thousand, and other insurance guarantees issued to Public Entities for Euro 24,139 thousand. Signature guarantees are issued to support foreign commercial activities, mainly for supply and lease contracts.

THIRD-PARTY ASSETS HELD BY THE GROUP

These refer entirely to third-party assets within the Group, primarily related to the processing of Italian plasma carried out by the subsidiary Kedrion SpA on behalf of the Regions.

COMMITMENTS

There are no significant commitments for the Group, except for ongoing investment contracts linked to existing projects and maintenance and improvement work on the Group's facilities.

5.6.8. DIVIDEND POLICY

No intra-group profit distributions have been made in recent years and none are currently planned from subsidiaries to the parent company Kedrion SpA, except for subsidiary Kedrion Betaphar (Turkey), where there is a minority shareholder and the distribution is limited to the profits of the financial year.

5.6.9. SUBSEQUENT EVENTS

In line with the corporate integration and simplification program, on January 1, 2025, the merger by incorporation of Plasmafera s.r.o. into Unica Plasma s.r.o. was completed, both companies being domiciled in the Czech Republic.

On January 14, 2025, the *dissolution application* for Kedrion India Private Ltd. was submitted to the local authority; we are currently awaiting the final liquidation of the company.

On January 8, 2025, "SAP BPL" project “Go live” was successfully completed; therefore, starting from January 1, 2025, SAP 4/HANA was implemented as the ERP for all companies governed by English law, in line with the Parent Company and other main Group companies. This project marks the completion of the integration activity of both Kedrion and BPL groups also in terms of IT systems.

There are no other significant subsequent events and/or impacts on the 2024 financial statements.

5.6.10. DISCLOSURE PURSUANT TO LAW 124/2017

The following table highlights public contributions received by the Parent Company during 2024:

Receiving Entity	Granting Entity	Amount Received	Date of Receipt	Reason
Kedrion S.p.A Tax Code 01779530466	Ministry of Enterprises and Made in Italy	1,002,021	11/27/2024	Project KIG10
Kedrion S.p.A Tax Code 01779530466	Ministry of Enterprises and Made in Italy	776,252	05/10/2024	Project Natural
Kedrion S.p.A Tax Code 01779530466	Ministry of Economy and Finance	648,738	12/19/2024	Program agreements (AIFA)

Castelvecchio Pascoli, March 13, 2025

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

6. FINANCIAL STATEMENTS

6.1. STATEMENT OF FINANCIAL POSITION

(In Euro)	NOTES	12.31.2024	Of which related parties	12.31.2023	Of which related parties
NON-CURRENT ASSETS					
Property, plant and equipment	7.4.1	240,318,153		220,427,140	
Investment properties	7.4.2	1,461,225		1,461,225	
Goodwill	7.4.3	365,631,182		365,631,182	
Right-of-use assets	7.4.4	6,421,040		7,554,261	
Intangible assets with a definite useful life	7.4.5	354,893,825		330,569,528	
Equity Investments	7.4.6	845,295,431	845,295,431	828,890,467	828,890,467
Other non-current financial assets	7.4.7	387,015,148	383,518,498	386,511,926	382,956,351
Tax receivables	7.4.9	1,333,514		2,385,241	
Other non-current assets	7.4.10	223,649		388,199	
TOTAL NON-CURRENT ASSETS		**2,202,593,167**	**1,228,813,929**	**2,143,819,169**	**1,211,846,818**
CURRENT ASSETS					
Inventories	7.4.11	174,263,789		148,801,814	
Trade receivables	7.4.12	115,253,399	76,849,774	108,302,090	71,974,432
Contract assets	7.4.13	22,259,892		27,748,273	
Tax receivables	7.4.14	7,698,296		14,478,489	
Other current assets	7.4.15	13,534,369	7,633,782	10,950,263	3,045,690
Other current financial assets	7.4.16	96,021,144	96,021,144	48,375,457	48,375,457
Cash and cash equivalents	7.4.17	74,464,049		74,918,740	
TOTAL CURRENT ASSETS		**503,494,938**	**180,504,700**	**433,575,126**	**123,395,579**
TOTAL ASSETS		**2,706,088,105**	**1,409,318,629**	**2,577,394,295**	**1,335,242,397**

(In Euro)	NOTES	12.31.2024	Of which, related parties	12.31.2023	Of which, related parties
SHAREHOLDERS' EQUITY					
Share capital	7.4.18	60,453,901		60,453,901	
Reserves	7.4.18	1,448,308,377		1,463,059,203	
Net result	7.4.18	(29,531,299)		(15,044,255)	
TOTAL SHAREHOLDERS' EQUITY		**1,479,230,979**		**1,508,468,849**	
NON-CURRENT LIABILITIES					
Medium-long to term loans	7.4.19	820,948,194		743,204,128	
Employee benefit liabilities	7.4.20	2,394,371		2,447,833	
Deferred tax liabilities	7.4.8	17,741,968		68,616,206	
Other non-current liabilities	7.4.21	3,751,004		1,920,577	
TOTAL NON-CURRENT LIABILITIES		**844,835,537**		**816,188,744**	
CURRENT LIABILITIES					
Payables to banks and other lenders	7.4.19	87,003,419		95,345,207	
Current portion of medium - long term loans	7.4.19	16,461,736		3,356,073	
Provisions for risks and charges	7.4.22	486,011		5,698,116	
Trade payables	7.4.23	107,640,750	13,995,356	83,084,718	24,225,484
Income tax payables	7.4.24	-		812,307	
Other current financial liabilities	7.4.25	138,913,177	138,698,116	39,223,654	39,223,654
Other current liabilities	7.4.26	31,516,496	-	25,216,627	846,874
TOTAL CURRENT LIABILITIES		**382,021,589**	**152,693,472**	**252,736,702**	**64,296,012**
TOTAL LIABILITIES		**1,226,857,126**	**152,693,472**	**1,068,925,446**	**64,296,012**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**2,706,088,105**	**152,693,472**	**2,577,394,295**	**64,296,012**

6.2. STATEMENT OF PROFIT OR LOSS

(In Euro)	NOTES	12.31.2024	Of which, related parties	12.31.2023	Of which related parties
Revenue	7.5.1	409,902,981	175,984,465	353,798,693	167,587,257
Cost of sales	7.5.2	340,035,916	117,327,346	299,281,368	142,490,109
GROSS MARGIN		**69,867,065**		**54,517,325**	
Other income	7.5.3	26,873,210	22,714,847	25,805,386	18,883,069
General and administrative expenses	7.5.4	61,804,383	2,184,301	53,783,587	6,775,114
Sales and marketing expenses	7.5.5	16,347,415	862,157	19,329,667	1,430,849
Research and development expenses	7.5.6	19,843,499	824,196	13,638,700	826,001
Other operating costs	7.5.7	4,009,492	102,815	3,583,016	162,974
OPERATING RESULT		**(5,264,514)**		**(10,012,259)**	
Interest expenses	7.5.8	76,444,405	3,229,553	62,742,273	932,826
Interest income	7.5.9	38,449,433	34,461,302	40,048,464	40,037,319
Net foreign exchange gains (losses)	7.5.10	(32,053,881)		7,512,491	
RESULT BEFORE TAXES		**(75,313,367)**		**(25,193,577)**	
Income taxes	7.5.11	(45,782,068)		(10,149,322)	
NET RESULT OF THE PERIOD		**(29,531,299)**		**(15,044,255)**	

6.3. STATEMENT OF OTHER COMPREHENSIVE INCOME

(In Euro)	NOTES	12.31.2024	12.31.2023
NET RESULT OF THE PERIOD		**(29,531,299)**	**(15,044,255)**
OTHER COMPONENTS OF COMPREHENSIVE INCOME			
Other components of comprehensive income that will be subsequently reclassified to profit/(loss) for the year:		**-**	**-**
Total other components of comprehensive income that will be subsequently reclassified to profit/(loss) for the year net of taxes		**0**	**0**
Other components of comprehensive income that will not be subsequently reclassified to profit/(loss) for the year:			
Actuarial gains/losses on employee benefit plans	7.4.20	(28,877)	(10,236)
Income taxes		6,930	2,457
Total other components of comprehensive income that will not be subsequently reclassified to profit/(loss) for the year net of taxes		**(21,947)**	**(7,779)**
TOTAL OTHER COMPONENTS OF COMPREHENSIVE INCOME NET OF TAXES		**(21,947)**	**(7,779)**
TOTAL COMPREHENSIVE INCOME/(LOSS) NET OF TAXES		**(29,553,246)**	**(15,052,034)**

6.4. STATEMENT OF CHANGES IN EQUITY

(In Euro)	Share capital	Legal reserve	Merger surplus	Extraordinary reserve	Share premium reserve	IFRS - FTA reserve	Employee Termination Indemnity Reserve (IAS 19)	Other reserves	Undistributed earnings reserve	Result of the period	Total Equity
NOTES	**7.4.18**	**7.4.18**	**7.4.18**	**7.4.18**	**7.4.18**	**7.4.18**	**7.4.20**	**7.4.18**	**7.4.18**	**7.4.18**	
BALANCE AS OF 12.31.2022	**60,453,901**	**11,734,007**	**6,707,795**	**141,460,567**	**77,901,370**	**21,606,218**	**(559,399)**	**459,458,669**	**7,267,587**	**(19,171,099)**	**766,859,616**
Allocation of profit for the year	0	0	0	(19,171,099)	0	0	0	0	0	19,171,099	0
Dividend distribution	0	0	756,345,892	0	0	0	0	0	0	0	756,345,892
IFRS 2 Reserve	0	0	0	0	0	0	0	315,375	0	0	315,375
Employee Severance Indemnity Reserve IAS 19	0	0	0	0	0	0	(7,779)	0	0	0	(7,779)
Profit / (loss) for the year	0	0	0	0	0	0	0	0	0	(15,044,255)	(15,044,255)
Total profit/(loss) for the year and other components of comprehensive income	**0**	**0**	**0**	**0**	**0**	**0**	**(7,779)**	**0**	**0**	**(15,044,255)**	**(15,052,034)**
BALANCE AT 12.31.2023	**60,453,901**	**11,734,007**	**763,053,687**	**122,289,468**	**77,901,370**	**21,606,218**	**(567,178)**	**459,774,044**	**7,267,587**	**(15,044,255)**	**1,508,468,849**
Allocation of profit for the year	-	-	-	(15,044,255)	-	-	-	-	-	15,044,255	-
IFRS 2 Reserve	-	-	-	-	-	-	-	315,376	-	-	315,376
Employee Severance Indemnity Reserve IAS 19	-	-	-	-	-	-	(21,947)	-	-	-	(21,947)
Profit / (loss) for the year	-	-	-	-	-	-	-	-	-	(29,531,299)	(29,531,299)
Total profit/(loss) for the year and other components of comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**(21,947)**	**-**	**-**	**(29,531,299)**	**(29,553,246)**
BALANCE AS OF 12.31.2024	**60,453,901**	**11,734,007**	**763,053,687**	**107,245,213**	**77,901,370**	**21,606,218**	**(589,125)**	**460,089,420**	**7,267,587**	**(29,531,299)**	**1,479,230,979**

6.5. STATEMENT OF CASH FLOW

(In Euro)		12/31/2024	12/31/2023
PROFIT/(LOSS) BEFORE TAX		**(75,313,367)**	**(25,193,577)**
Adjustments to reconcile Profit (Loss) before tax to net cash generated / (absorbed) by operating activities:			
Depreciation and amortization	7.5.7	30.792.042	32,708,540
Interest expense	7.5.8	76.444.405	62,742,273
Interest income	7.5.9	(38,449,433)	(40,048,464)
Net exchange gains or losses	7.5.10	32.053.881	(7,512,491)
Other non-monetary items		315.375	315,375
Provisions/(Payments) for employee benefits	7.4.20	(159,228)	(129,333)
Net change in provisions for risks and charges	7.4.22	(5,011,882)	(3,655,627)
Net change in other non-current liabilities	7.4.21	1.830.427	(665,996)
Net change in other non-current assets	7.4.10	164.580	(10,181)
Changes in working capital:			
Trade receivables	7.4.12	(5,240,091)	4,502,082
Inventories	7.4.11	(25,461,975)	(23,705,411)
Trade payables	7.4.23	26.608.980	(2,343,856)
Other current assets and liabilities	7.4.14- 7.4.26	1.400.028	(910,709)
Other cash flows from operating activities			
Income taxes paid		(1,024,384)	-
NET CASH FLOW GENERATED/(ABSORBED) FROM OPERATING ACTIVITIES (A)		**18.949.356**	**(3,907,375)**
Investments in tangible assets	7.4.1	(36,585,609)	(28,850,287)
Disposal of tangible assets	7.4.1	158.463	68,306
Investments in intangible assets	7.4.5	(35,627,666)	(16,336,457)
Investment in associated/subsidiary companies	7.4.6	(8,700,000)	-
CASH FLOW ABSORBED BY INVESTING ACTIVITIES (B)		**(80,754,812)**	**(45,118,438)**
Dividends paid	7.4.18	3,811,812	5,225,261
New medium-long term borrowings	7.4.19	40,000,000	
Repayment of medium-long term financing	7.4.19	(5,341,417)	(4,950,229)
Interest collected	7.5.9	250,812	11,145
Interest paid	7.5.8	(64,286,320)	(62,484,597)
Change in non-current financial assets	7.4.7	(882,385)	(27,103,834)
Change in short-term financial assets	7.4.16	(15,689,379)	98,569,912
Change in short-term financial liabilities	7.4.26	103,655,869	48,756,421
NET CASH FLOW GENERATED FROM FINANCING ACTIVITIES (C)		**61,518,992**	**58,024,079**
Net cash flow generated/(absorbed) from operating activities (A)		18.949.356	(3,907,375)
Net cash flow absorbed by investing activities (B)		(80,754,812)	(45,118,438)

Net cash flow generated by financing activities (C)		61.518.992	58.024.079
Total cash flow D=(A+B+C)		**(286,464)**	**8.998.266**
Cash and cash equivalents at the beginning of the period (E)		74.918.740	26,541,363
Net effect of foreign currency conversion on cash and cash equivalents (F)		(146,979)	(232,489)
Merger contribution (G)		-	39,611,600
Cash and cash equivalents at the end of the period H=(D+E+F+G)		**74.485.297**	**74,918,740**
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD			
Cash and cash equivalents	7.4.17	74.918.740	26,541,363
Bank overdrafts and demand repayable liquidity	7.4.19	-	-
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**74.918.740**	**26,541,363**
NET CASH AVAILABLE AT THE END OF THE PERIOD			
Cash and cash equivalents		74.485.297	74,918,740
Bank overdrafts and repayable on demand liquidity		-	-
NET CASH AVAILABLE AT THE END OF THE PERIOD		**74.485.297**	**74,918,740**

Castelvecchio Pascoli, March 13, 2025

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

7. EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

7.1. INTRODUCTION

Kedrion SpA is a joint stock company established and domiciled in Italy. The main activity of the Company is the production of plasmaderivatives and the marketing of these products in the domestic and foreign markets.

As of December 31, 2024, Kedrion S.p.A. controls the following companies:

- the American subsidiary Kedrion Biopharma Inc., of which Kedrion SpA holds 100%;
- The indirect American subsidiary KEDPLASMA LLC, wholly owned by Kedrion Biopharma Inc.;
- the Hungarian subsidiary HUMAN BioPlazma Kft., wholly owned by Kedrion SpA;
- the German subsidiary Kedrion Biopharma Gmbh, wholly owned by Kedrion SpA;
- the indirect German subsidiary BPL Bio Products Laboratory GmbH, wholly owned by Kedrion Biopharma Gmbh;
- the Mexican subsidiary Kedrion Mexicana S.A. de C.V. (hereinafter Kedrion Mexicana), wholly owned by Kedrion SpA;
- the Brazilian subsidiary KEDRION BRASIL LTDA (hereinafter Kedrion Brasil), wholly owned by Kedrion SpA;
- the Indian subsidiary Kedrion Biopharma India Private Limited (in liquidation) owned 60% by Kedrion SpA, 20% by HUMAN BioPlazma Kft., and the remaining 20% by Kedrion Biopharma Inc.;
- the Turkish subsidiary Kedrion Betaphar Biyofarmasötik İlaç Sanayi ve Ticaret Anonim Şirketi (hereinafter Kedrion Betaphar), of which Kedrion SpA holds 60%; the remaining 40% is owned by third parties;
- the Colombian subsidiary KEDRION DE COLOMBIA S.A.S. (hereinafter Kedrion Colombia), of which Kedrion SpA holds 100%;
- the Canadian subsidiary Prometic BioProduction Inc., of which Kedrion SpA holds 100%;
- the English subsidiary Sevenplatform VI Limited, of which Kedrion SpA holds 100%;
- the indirect English subsidiary Bio Production Laboratory Limited (hereinafter BPL), which Sevenplatform VI Limited indirectly owns 100% of, through a cascading holding structure (Naga UK Topco Limited, Naga UK Bidco Limited, and Bio Products Laboratory Holdings Limited); the company is based in Elstree (UK) and in turn controls 1% of the commercial company Bio Products Laboratory Mexico S.de.R.L. (Mexico), while the remaining 99% is held by Bio Products Laboratory Holdings Limited;
- the Czech subsidiary UNICAplasma s.r.o., which Kedrion SpA owns 100%;
- the indirect Czech subsidiary Plasmafera s.r.o., which UNICAplasma s.r.o. owns 100%.

The company is 100% controlled by Kedrion Holding S.p.A., based in Italy, Milan (MI), Via San Paolo 10, Milan (MI), which was established by the Permira Fund along with the former partners of Kedrion S.p.A.; therefore, the Kedrion SpA is ultimately controlled by the following entities:

▪ Permira VII Investment Platform Limited [17]	63.21%
▪ Sestant S.p.A.	16.30%
▪ FSI S.G.R S.p.A.[18]	13.20%

[17] Permira Fund VII
[18] On behalf of and in the name of the closed-end reserved investment fund "FSI I"

- CDP Equity S.p.A. 6.60%
- Refin S.r.l. 0.20%
- PIPS S.r.l. 0.07%
- Cordusio Fiduciaria S.p.A. [19] 0.43%

The presentation scheme of the financial statement features a financial classification by increasing liquidity, where:

- Current assets include activities that:
  - Are expected to be realized, or held for sale or consumption, in the normal course of the operating cycle;
  - Are held primarily for the purpose of trading;
  - They are expected to be settled within twelve months from the end of the reporting period; or
  - Consist of cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months from the end of the reporting period;
- Non-current assets are all other assets not included in the above definition. They mainly include intangible assets with definite and indefinite life, tangible assets, and investments;
- Current liabilities include liabilities that:
  - Are expected to be settled in their normal operating cycle;
  - Are held primarily for the purpose of trading;
  - Must be settled within twelve months from the end of the reporting period; or
  - The entity does not have an unconditional right to defer the settlement of the liability for at least twelve months from the end of the reporting period;
- Non-current liabilities include all other liabilities that do not fall within the definition above.

The presentation format of the comprehensive income statement for the financial year ending December 31, 2024, and 2023 is prepared according to a cost classification by destination, considered more representative compared to the so-called nature of expense presentation. The chosen format indeed aligns with internal reporting and business management methods. The cash flow statement is prepared using the indirect method and is presented in accordance with IAS 7, classifying cash flows among operating, investing, and financing activities. The flow related to financial charges and income paid and received is shown under financing activities and not under operating activities.

The financial statements as of December 31, 2024, was approved by the Directors at the Board of Directors meeting on March 13, 2025, and will be submitted for approval by the Shareholders' Meeting on April 10, 2025. These financial statements is subject to statutory audit.

7.2. SIGNIFICANT EVENTS OF THE YEAR

7.2.1. ACQUISITION OF NON-CONTROLLING INTERESTS IN KEDRION MEXICANA

It should be noted that, on May 31, 2024, the acquisition of the minority shares equal to 40% of the company Kedrion Mexicana S.A. de C.V. from the former local partner, Medici Pharma, S.A.P.I. de C.V., was completed.
The structure of the deal involved the payment of a total amount of Euro 10.4 million to be paid in two tranches; the first tranche, amounting to 50% of the total, was paid in October 2024, while the

[19] On behalf of and in the name of the Group management that has joined the Management Equity Plan, as described in paragraph 4.3.1

The structure of the deal involved the payment of a total amount of Euro 10.4 million to be paid in two tranches; the first tranche, amounting to 50% of the total, was paid in October 2024, while the second tranche is scheduled for payment by the end of April 2025. Therefore, as of December 31, 2024, a liability of Euro 5.2 million remains on the statement of financial position regarding this transaction. The agreement also included the payment of dividends for the year 2023, totaling Euro 1.2 million.

7.2.2. BUSINESS COMBINATIONS

ACQUISITION OF PLASMA CENTERS

On September 16, 2024, the subsidiary UNICAplasma s.r.o. acquired Plasmafera s.r.o., a private Czech company that operates three plasma collection centers in the Czech Republic, primarily including the plants and related equipment, the personnel involved, existing contractual relationships, authorizations, and relationships with donors.

To enable the operation described above, Kedrion SPA made a capital contribution to UNICAplasma s.r.o amounting to 3.5 million euros.

7.2.3. OECD PILLAR TWO RULES

Legislative Decree No. 209 of December 27, 2023, implementing the tax reform in the field of international taxation, has adopted Directive No. 2022/EU/2523, regarding the "*Global Minimum Tax*" (hereinafter "*Pillar 2 regulation*"), with the explicit aim of ensuring, as of January 1, 2024, a minimum level of taxation for multinational or national groups of companies.

In accordance with international agreements, as well as based on the guidelines provided by the Organization for Economic Cooperation and Development (OECD) and particularly the provisions of the aforementioned EU Directive 2022/2523, the Legislative Decree confirms that any additional taxation required by the «Pillar 2 regulation» shall be collected through the following forms of taxation:

- the national minimum tax (also known as "*Qualified Domestic Minimum Top-up Tax*" or "QDMTT"), payable in relation to companies of a multinational or national group located in Italy and subject to low taxation there;
- the supplementary minimum tax (also known as "*Income Inclusion Rule*" or "IIR"), payable by Italian-based controlling entities of multinational or national groups in relation to low-taxed group entities;
- the supplemental minimum tax (also known as "*Undertaxed Payments Rule*" or "UTPR") payable by one or more entities of a multinational group located in Italy in relation to foreign group entities subject to low taxation when the equivalent top-up tax has not been applied, in whole or in part, in other countries.

Having set the general terms, the new regulations affect businesses located in Italy that are part of a multinational or national group with annual revenues of 750 million euros or more. This revenue threshold must be met in at least two of the four fiscal years immediately preceding the one under consideration.

It is also important to highlight that exposure to Pillar 2 regulations is a direct consequence of the effective tax rate in each jurisdiction. The effective tax rate, moreover, is impacted by various concurrent and/or related factors such as, by way of example, the income produced there, the level of the nominal tax rate, the tax rules for determining the taxable base, or the establishment, form, and enjoyment of tax incentives or benefits.

According to the provisions of Article 10 and Article 40 of Legislative Decree No. 209 dated December 27, 2023, the Pillar 2 regulations apply to the Kedrion Group starting from the 2024 fiscal year. However, already in 2023, the Kedrion Group proactively began assessing the potential impacts of the Pillar 2 regulations in the jurisdictions where they operate, in order to ensure compliance with the current regulatory obligations.

In a particularly complex general regulatory context, the Pillar 2 rules allow - for the initial effective periods - the possibility of applying simplifications to the calculation of effective taxation, the so-called "*Transitional CbCR Safe Harbour*". Passing at least one of the three tests provided by the *Transitional CbCR Safe Harbour* entails the automatic elimination of any additional tax due and simultaneously a reduction of compliance burdens for the Group. In view of these benefits, the Kedrion group has assessed the applicability of *safe harbours* in the jurisdictions where it operates.

Based on the analyses that the Group conducted using the information known or reasonably estimated as of the end of fiscal year 2024, Kedrion Group's exposure to taxes arising from the Pillar 2 regulations can be assessed as not significant, and therefore the Group has not recognized any *top up tax* in the financial statements. Specifically, the outcome of the *Transitional CbCR Safe Harbour* tests on the financial information as of December 31, 2024, confirmed the positive outcomes that had already emerged during the year, during which the Group promptly conducted preliminary tests based on the interim closures.

The only companies found unsuitable for the simplification of the effective tax calculation were those residing in the UK jurisdiction, exclusively due to the recognition in the financial statements of tax attributes from previous years, which significantly reduced the ETR (*effective tax rate*). For these companies, a *full compliance* calculation was therefore carried out, based on which there was no need to recognize any *top-up tax* in the financial statements as of December 31, 2024.

7.3. ACCOUNTING PRINCIPLES AND EVALUATION CRITERIA

7.3.1. CONTENT AND FORM OF THE FINANCIAL STATEMENTS

The 2024 financial statements represent the separate financial statements of the Parent Company Kedrion S.p.A. and have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and adopted by the European Union, as well as in compliance with the provisions enacted pursuant to art. 9 of Legislative Decree no. 38/2005.

The term IFRS also includes all the revised international accounting standards (“IAS”), as well as all interpretations by the International Financial Reporting Standards Interpretations Committee (“IFRS IC”), formerly known as the Standing Interpretations Committee (“SIC”).

In compliance with letter f) of art. 3 paragraph 2 of Legislative Decree 28 February 2005 no. 38, which governs the exercise of options provided by art. 5 of the European Regulation no. 1606 of 19 July 2002, since 2005, Kedrion Company has adopted the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) in the preparation of the consolidated financial statements.
Based on the national regulations implementing the aforementioned regulation, the financial statements of the Parent Company Kedrion S.p.A. has been prepared according to these principles since 2010.

The financial statements are prepared based on the historical cost principle, except for derivative financial instruments which are recorded at fair value. They are prepared with the perspective of business continuity, also taking into account, where permitted, the accrual basis of accounting.

For comparative purposes, the financial statements present the comparison of the balance sheet data as of December 31, 2024, with those as of December 31, 2023, and the economic data for the year 2024 with those for the year 2023.

The currency unit used is the Euro, which is the functional and presentation currency adopted by the Company. All values are rounded to thousands of Euros.

7.3.2. CHANGES IN INTERNATIONAL ACCOUNTING STANDARDS

The following are the changes to international accounting standards issued by the IASB, effective from the 2024 financial year, and information is provided as to whether these changes have an impact on the Group's financial statements.

CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT AND NON-CURRENT LIABILITIES WITH COVENANTS – AMENDMENTS TO IAS 1

The amendments to IAS 1 *Presentation of Financial Statements* in 2020 and 2022 clarify that liabilities in the statement of financial position should be classified as current or non-current, depending on the rights existing at the reporting date.

Thus, the classification should not be influenced by the company's expectations or events occurring after the end of the period (for example, receiving a waiver or breaching a covenant that the company is required to comply with only after the period has ended).

Financial covenants should not affect the classification of a liability as current or non-current as of the end date of the period if the company is obligated to comply with such covenants only after the period ends. However, if the company must comply with a covenant by the end date of the period or earlier, this factor must be considered in the classification as current or non-current even if the covenant is tested only after the period ends.

The amendments require disclosure if a company classifies a liability as non-current and such liability is subject to covenants that the company must comply with within 12 months from the reporting period end. This disclosure should include:

- the carrying amount of the liability;
- information about the covenants (including their nature and when the company is required to comply with them); and
- any facts and circumstances indicating that the company might have difficulty complying with such covenants.

The amendments must be applied retrospectively in accordance with the requirements of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.
Special transitional provisions apply if a company has early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

This amendment had no impact on the Group's consolidated financial statements.

LEASE LIABILITY IN SALE AND LEASEBACK – AMENDMENTS TO IFRS 16

In September 2022, the IASB finalized limited scope amendments to the requirements for sale and leaseback transactions under IFRS 16 *Leases*, which explain how a company should account for such a transaction.

The amendments specify that, in measuring the lease liability subsequent to a sale and leaseback transaction, the seller-lessee must determine the "lease payments" and "revised lease payments" in such a way that does not result in the recognition of any profit or loss amount concerning the right of

use retained. This could particularly impact on sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.
This amendment did not have any impact on the Group's consolidated financial statements as there were no *sale and leaseback* transactions during the current fiscal year.

IAS 8 SUPPLIER FINANCE ARRANGEMENTS - AMENDMENTS TO IAS 7 AND IFRS 7

On May 25, 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require specific disclosures about Supplier Finance Arrangements (SFA – *Supplier Finance Arrangements*). These amendments address investors' need for more information on SFA to assess how these arrangements affect a company's liabilities, cash flows, and liquidity risk.

The new disclosure requirements therefore concern:

1) terms and conditions of the SFA;
2) the carrying amount of financial liabilities that are part of the SFA and the line items in which these liabilities are classified;
3) the carrying amount of the financial liabilities mentioned in point (2), for which the suppliers have already received payment from the financiers;
4) the range of due dates for payments both for the financial liabilities that are part of the SFAs and for comparable trade payables that are not part of such agreements;
5) the non-monetary changes in the carrying amounts of the financial liabilities as per point (2);
6) access to SFA lines and the concentration of liquidity risk with lenders.

Companies are required to aggregate the information they provide on SFAs. However, companies must disaggregate such information where the terms and conditions differ, provide disclosure when the range of due dates for payments is broad, and provide disclosure on the type and effect of non-monetary changes necessary for comparability between periods.

The IASB has provided a transitional simplification by not requiring comparative information in the first year and not requiring disclosure on specific opening balances. Furthermore, the required disclosure is applicable only for annual periods during the first year of application. Therefore, the first application of such amendments concerns financial statements ending on December 31, 2024, unless a company has a fiscal year shorter than 12 months.

The Company has acknowledged this change and has provided the required disclosure as described above in note 7.4.23.

7.3.3. ISSUED STANDARDS NOT YET EFFECTIVE

The following outlines the standards that, as of the date of the Company's consolidated financial statements, were already issued but not yet effective, and provides information on the Company's expectations regarding any impacts arising from the application of such standards.

The Company has not early adopted any standard, interpretation, or amendment that has been published but is not yet effective. However, it intends to adopt these standards when they become effective, except for the amendments to IFRS 9 and IFRS 7 as described below.

AMENDMENTS TO IAS 21 - LACK OF EXCHANGEABILITY

In August 2023, the IASB amended IAS 21 to add certain requirements to help companies determine whether a currency is convertible into another currency and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 stipulated the exchange rate to use when the exchange rate is temporarily absent, but not what to do when the absence of the exchange rate is not temporary.

The new requirements will apply to annual reporting periods starting on January 1, 2025, or later, but early application is permitted subject to any approval process.

The Company does not have any such transactions at the reporting date.

AMENDMENTS TO THE CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS – AMENDMENTS TO IFRS 9 AND IFRS 7

On May 30, 2024, the IASB issued targeted amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* to address recent questions arising in practice and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

a) clarify the recognition and derecognition date of certain financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic money transfer system;
b) clarify and add further guidelines to assess whether a financial asset meets the solely payments of principal and interest (SPPI – *Solely Payments Of Principal And Interest*);
c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to achieving environmental, social, and governance objectives); and
d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI – *Fair Value Through Other Comprehensive Income*).

The changes mentioned in point (b) are the most significant for financial institutions, while the changes mentioned in points (a), (c), and (d) are significant for all other companies.
The amendments to IFRS 9 and IFRS 7 will be effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted.

Given the significance of the impact of this amendment, for better representation, the Group has proactively aligned with it, although the impacts on the individual Company have not been significant.

IFRS 18 – PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS

IFRS 18 represents the new standard for presentation and financial statement disclosure, replacing IAS 1, focusing on updates to the income statement presentation.

The new key concepts introduced in IFRS 18 concern:

- the structure of the income statement format with defined subtotals;
- the requirements for determining a more useful summary structure for presenting costs in the income statement format;
- the required disclosures to be presented in a single note within the financial statement regarding the determination of performance measures of the income statement that are reported outside a company's financial statements (i.e., performance measures defined by management);
- and advanced principles of aggregation and disaggregation that apply to the main financial statement formats and the general explanatory note.

The Company is currently assessing the impacts arising from the application of this new principle but does not expect any significant changes compared to the current presentation and disclosure structure of the financial statements.

IFRS 19 – SUBSIDIARIES WITHOUT PUBLIC ACCOUNTABILITY: DISCLOSURES

This new standard applies together with other IFRS accounting standards, meaning an eligible subsidiary applies the requirements of other IFRS accounting standards except for the disclosure requirements for which it applies the reduced disclosure requirements under IFRS 19. The reduced disclosure requirements under IFRS 19 balance the informational needs of the users of the financial statements of eligible subsidiaries with cost savings for the preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it is not a public interest entity; and
- it is part of a parent company (ultimate or intermediate) that prepares a consolidated financial statement available for public use in compliance with IFRS accounting standards.

The Company is currently assessing the impacts arising from the application of this new principle, and it is expected that it will be applicable to some subsidiaries within the Group itself, benefiting from cost savings in the preparation of such financial statements.

7.3.4. DISCRETIONARY ASSESSMENTS AND SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the Company's financial statements requires the directors to make judgement calls, estimates and assumptions that impact on the values of revenues, expenses, assets and liabilities as well as the information related to contingent assets and liabilities at the reporting date. In the financial year, the most significant discretionary assessments concerned, in particular, the following aspects.

PURCHASE PRICE ALLOCATION OF BUSINESS COMBINATIONS RELATED TO THE ACQUISITION OF PLASMA COLLECTION CENTERS

Business combinations are accounted for using the acquisition method, based on IFRS 3 guidance; according to this methodology, the consideration transferred in a business combination is measured at fair value, determined as the sum of the fair values of the assets transferred and the liabilities assumed by the Company as of the acquisition date. If the fair value of the net assets acquired and liabilities assumed at the date of acquisition exceeds the sum of the considerations transferred, this excess is immediately recognized in the statement of profit or loss as an income arising from the transaction.

The processes and methods of accounting for business combinations are based on complex assumptions and imply a judgement call of the directors, particularly with reference to the identification of the acquired activities, the allocation of the purchase price to the fair value of the acquired assets and assumed liabilities, the examination of contractual agreements with the counterpart, as well as the determination of the depreciation rates of tangible and intangible assets, especially with reference to the confirmation or revision of the useful lives attributed to the assets identified as part of the PPA at the time of the business combination.

IMPAIRMENT LOSS ON GOODWILL AND OTHER ASSETS

Goodwill and other intangible assets with an indefinite useful life (or not yet available for use) are subject to verification for any impairment losses on a at least annual basis, while other assets with a finite useful life are subject to assessment related to the existence of events or changes that may indicate that the carrying amount of such an asset is no longer recoverable (impairment indicators); this assessment ("impairment test") involves an estimate of the fair value or the value in use of the cash generating unit to which the goodwill (or other assets) is attributed, based on the DCF cash flow discounting model; the most relevant estimates and assumptions are related to cash flows projections, growth rates to be applied beyond the explicit forecast period and the determination of the discount rate.

EVALUATIONS RELATED TO MAJOR ONGOING PROJECTS

The ongoing projects, particularly with reference to the set-up of the Castelvecchio Pascoli plant and the development of KIG 10, have significant accounting implications on the consolidated statement of financial position and involve recourse to the judgment of the directors, in particular with reference

(i) to the evaluation of the expected outcome of the projects themselves, in relation to the achievement of the necessary authorizations by the competent bodies, (ii) to the identification of the requirements for the capitalization of capital expenditures, (iii) to the determination of the date from which such activities become available for use and the definition of their useful life, (iv) to the evaluation of the recoverability of ongoing investments, and (v) to the identification of additional charges attributable to such projects included in non-recurring charges.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS WITH DEFINITE USEFUL LIFE

Within the scope of the ongoing strategic projects, the Company has been monitoring the costs associated with them, splitting capitalized amounts ("Capex") and expenses charged to the statement of profit or loss of the financial year ("Opex").

All expenses that do not meet the capitalization requirements set out by accounting principles and described in the subsequent note 7.3.8 were considered as Opex.

The Company assesses the availability for use of the investments made for the purpose of determining the date from which to start the depreciation process.

The Company has also verified the recoverability of the carrying value of capitalized costs in relation to such projects through an impairment test. Lastly, the Company has checked the appropriateness of the useful life and of the applied depreciation.

INVENTORIES

Inventories of raw materials, work in progress and finished products are generally subject to an expiration date for which the management considers the expiration date associated with each batch a key element in the recoverability assessment. It should be noted that the expiration dates of raw materials are no longer relevant once these are transferred into production. In such cases, the expiration date is assigned in the production process to the work in progress and finished products. The same applies to work in progress, whose expiration date is renewed once they move to the next stage of the production process. Therefore, expiration dates are binding and non-renewable only for finished products.

Inventories with upcoming expiry dates (usually three months for finished products and two months for semi-finished goods and raw materials) are fully impaired to take into account their difficult recoverability. In assessing the risk of obsolescence, other factors such as turnover levels, quality, and surplus to the needs of production or the market are also assessed.

The evaluation is based on the most reliable evidence available and takes into account further evidence made available after the end of the period only to the extent that additional results confirm the conditions existing at the end of the period. In the unlikely event that the circumstances that previously caused an impairment of inventories no longer exist, the amount of the impairment loss is reversed.

DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets are recognized for all temporary differences and tax losses carried forward, to the extent that it is probable that there will be sufficient future taxable profits against which these losses can be utilized. A significant degree of judgement is required from the directors to determine the amount of deferred tax assets that can be recognized. They must estimate the probable timing and amount of future taxable profits and a future tax planning strategy. Deferred tax assets and deferred tax liabilities are off set where there is a legal right to offset current tax assets against current tax liabilities, and the deferred taxes refer to the same taxpayer and the same tax jurisdiction. Deferred tax assets are recognized to the extent that it is probable that there will be sufficient future taxable profits against which the temporary differences and tax losses can be utilized or there are sufficient deferred tax liabilities relating to the same legal entity. In this regard, the Company estimates the probable timing and amount of future taxable profits.

Further details are provided in paragraph 7.5.11.

OTHER ACCOUNTING ESTIMATES

Estimates are also used to measure impairment of financial assets, product returns and potential liabilities, depreciation of tangible and intangible assets with a definite life, valuation of accrued service credits, invoices to be received for services rendered and current income tax of the year.

Furthermore, they concern the development costs that are capitalized based on the accounting principle referred to in note 7.3.5. To determine the values to be capitalized, the directors formulate assumptions regarding the future cash flows expected from the assets, the discount rates to be applied and the periods of outcome of the expected benefits.

EVALUATION OF THE IMPACTS OF CLIMATE CHANGE

Currently, the impact of climate-related issues is not significant on the Company's financial information. The Company will assess whether and how the introduction of regulations on emission reductions can increase production costs and, if they have a significant impact, will include these assumptions in the estimates.

In the future, should these estimates and assumptions, which have been based on the best evaluation currently available and are periodically reviewed, differ from the actual results, they will be adjusted accordingly in the period of change of the circumstances themselves. The effect of any change will be charged to the statement of profit or loss.

7.3.5. EVALUATION CRITERIA

PROPERTY, PLANT, AND EQUIPMENT

Property, plant and equipment are recorded at the historical cost, including all directly attributable and necessary costs for the operation of the asset for which it was purchased. This cost includes the costs for the replacement of parts of machinery and equipment when incurred if they meet the recognition criteria.

Maintenance and repair expenses are recognized in the period in which they are incurred, unless they are repair or replacement costs of equipment and machinery related to long-term projects where the criteria for capitalization are met.

Tangible assets are shown net of accumulated depreciation and any impairment losses determined according to the methods described below. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset for the company, which is reviewed annually and any changes, if necessary, are made with a prospective approach. The estimated useful life can vary from site to site and is generally in the range between 5 and 10 years for equipment and tools.

The useful life of the main classes of property, plant and equipment are as follows:

Asset class	Useful life
Buildings	18 years
Light constructions and generic plants	10 years
Non- corrosive plants	8 years
Highly corrosive plants	5-6 years

Various small and laboratory equipment	2.5 years
Industrial and commercial equipment	5-6 years
Office furniture and furnishings	8 years
Electronic machines	5 years
Vehicles and internal transport means	5 years

When significant parts of these tangible assets have different useful life, these components are accounted for separately. Lands, whether free from construction or attached to buildings, are recorded separately and are not depreciated as they are elements with an unlimited useful life.

The carrying value of tangible assets is subject to an assessment aimed at detecting any impairment losses, if events or changes in circumstances indicate that the carrying value cannot be recovered. If there is an indication of this kind and, in the case where the carrying value exceeds the recoverable amount, the assets are written down to reflect their recoverable amount. The recoverable value of tangible assets is represented by the higher of the net selling price ("fair value") and the value in use.

The value in use is calculated by discounting the expected future financial flows, using a pre-tax discount rate that reflects the current market estimate of the cost of money related to time and the specific risks of the asset. For an asset that does not generate widely independent financial flows, the value in use is determined in relation to the cash-generating unit to which such an asset belongs.

Impairment losses are accounted for in the statement of profit or loss among depreciation expenses and impairment based on the destination to which the asset refers.

These impairment losses are reversed in case the reasons that generated them cease to exist.

At the time of sale or when there are no future economic benefits expected from the use of an asset, this is removed from the statement of financial position and any loss or gain (calculated as the difference between the transfer value and the carrying amount) is recognized in the statement of profit or loss in the year of the disposal.
Spare parts are accounted for as plant and machineries as far as:

- spare parts are not consumed in a production process (either to produce goods or provide services), but are kept for the operation of the related plant and machinery;
- the spare parts are used for more than one year.

The Company accounts for the spare parts purchased on an annual aggregate basis and starts depreciation after purchase over a period equal to the average technical-economic life of plant and machineries.

INVESTMENT PROPERTIES

Property held for income purposes and not for operational use is classified in a special class called "Investment properties", according to IAS 40, and is accounted for at cost reduced by depreciation and impairment losses.

These types of properties are classified separately from other real estate owned.

Investment properties are initially recorded at historical cost, including negotiation costs.

Investment properties that meet the criteria to be classified as held for sale (or are included in a disposal Company classified as held for sale) are valued in accordance with IFRS 5.

Investment properties are eliminated from the statement of financial position through disposal or when the investment is permanently unusable, and no future economic benefits are expected from its disposal. Any gains or losses arising from the withdrawal or disposal of a real estate investment are recognized in the statement of profit or loss in the fiscal year in which the withdrawal or disposal occurs.

LEASES

The Company assesses at the beginning of the contract whether the contract is, or contains, a lease.

The contract is, or contains, a lease if it gives the right to control the use of a specified asset for a period of time in exchange for consideration.

The Company takes advantage of the exemption provided by IFRS16 for immaterial assets and for low-value goods; low-value goods are those goods whose value is less than Euro 5 thousand, such as photocopiers for example.

The Company applies a single accounting model for all lease contracts in which it is a lessee, except for short-term contracts and lease contracts for low-value goods. The Company records a financial liability for leases and an asset for rights of use.

For each lease contract, the duration of the lease contract is determined by considering:

- the non-cancellable period of the lease contract;
- the effective period of the lease contract;
- the lessee's extension and termination options in case they are evaluated as "reasonably certain" to be exercised.

The entity should determine the lease duration as the non-cancellable period of the lease, to which both of the following periods must be added (IFRS 16, paragraph 18):

a) periods covered by an option to extend the lease, if the lessee has reasonable certainty of exercising the option; and
b) periods covered by the lease termination option, if the lessee has reasonable certainty of not exercising the option.

If resolution and/or extension options are "applicable", the entity will consider all relevant facts and circumstances that create an economic incentive for the entity to exercise or not exercise the option, including any expected changes in facts and circumstances from the start date to the option exercise date. In particular:

- for plasma collection centers, the general accounting policy provides for considering only the initial non-cancellable multi-year period as the lease duration, unless the remaining duration is less than the renewal option period; in this case, when determining the lease contract duration, the renewal option is taken into account;
- for lease contracts other than plasma collection centers (e.g., buildings, offices, and warehouses), the lease contract duration is generally equal to the non-cancellable period provided for in the contract, as resolution or extension options are not usually included.

RIGHT OF USE:

The Company recognizes a right of use asset at the start date of the lease contract (i.e., the date on which the underlying asset is available to the lessee). Rights of use are measured at cost, net of the related accumulated depreciation and any accumulated impairment losses determined according to the methods described below and adjusted to take into account any remeasurement of the lease liability. The cost of rights of use includes the value of the recognized leasing liability, the direct initial costs incurred, the payments due for the lease made at the date or before the start date net of the leasing incentives received, and the estimate of the costs that the Company will have to incur to restore the underlying activity to its original conditions, if provided for by the contract.

Unless the Company is reasonably certain to purchase the leased asset at the end of the lease contract, depreciation is calculated in equal instalments based on the lesser of the duration of the contract and the estimated useful life of the asset.

The value of rights of use is subject to an assessment, to detect any impairment losses, if events or changes in situation indicate that the carrying value cannot be recovered. If there is an indication of this type and in the event that the carrying value exceeds the estimated realizable value, the assets are impaired to reflect their realizable value. The realizable value is represented by the higher of the net selling price and the value in use. In defining the value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the current market estimate of the cost of money in relation to time and the specific risks of the asset. For an asset that does not generate largely independent cash flows, the realizable value is determined in relation to the cash-generating unit to which such asset belongs. Impairment losses are accounted for in the statement of profit or loss among the costs for depreciation and impairment. Such impairment losses are reversed if the reasons that generated them no longer exist.

LEASE LIABILITIES:
At the contract inception, the Company recognizes a lease liability calculated as the present value of the remaining future payments until the end of the contract. Future payments include fixed payments, net of any lease incentives to be received, variable payments that depend on an index or a rate and the amounts that the Company is expected to pay for residual value guarantees. Future payments also include the exercise price of any purchase option, if the Company is reasonably certain to exercise the option, and the payments of lease termination penalties, if the Company is reasonably certain to exercise the termination option. Variable payments, which do not depend on an index or rate, but which for the Company mainly depend on the volume of sales, continue to be accounted for as expenses in the statement of profit or loss, among the costs for services. To calculate the present value of future payments, the Company uses the Incremental Borrowing Rate (IBR) at inception. Subsequently, the lease liability is increased for interest and decreased for payments made. In addition, the lease liability is remeasured to take into account changes to the contractual terms.

SHORT-TERM CONTRACTS AND CONTRACTS FOR LOW-VALUE ASSETS:
The Company opted for the exemption from the application of IFRS 16 for short-term contracts (less than 12 months) and for contracts where the single leased asset is of low value (less than Euro 5,000). Lease payments related to these contracts are accounted for as incurred as expenses in the statement of profit or loss, based on the terms and conditions of the contract.

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. This requires the determination of the fair value of identifiable assets (including previously unrecognized definite and indefinite life intangible assets) and identifiable liabilities (including contingent liabilities and excluding future restructuring) of the acquired company.

Acquisition costs are expensed as incurred and presented within administrative expenses.

The Company determines to have acquired a business when the integrated set of activities and assets includes at least one production factor and a substantial process that together contribute significantly to the ability to generate an output.

The acquired process is considered substantial if it is crucial for the ability to continue generating an output and the acquired production factors include an organized workforce that has the necessary skills, knowledge or experience to perform such process or contributes significantly to the ability to continue generating an output and is considered unique or scarce or cannot be replaced without significant costs, efforts or delays for the ability to continue generating an output.

When the Company acquires a business, it classifies or designates the acquired financial assets or assumed liabilities in accordance with the contractual terms, economic conditions and other pertinent conditions in existence at the acquisition date. This includes verifying whether an embedded derivative should be separated from the primary contract.

If the business combination is carried out in multiple stages, the previously held investment is accounted for at fair value at the date of acquisition and any resulting profit or loss is recognized in the statement of profit or loss.

Any contingent consideration to be recognized is accounted for by the acquirer at fair value at the acquisition date. The change in the fair value of contingent consideration classified as an asset or liability, as a financial instrument that is the subject of IFRS 9 Financial Instruments, is recognized in the statement of profit or loss in case it happens within the twelve months starting from the business combination date.

The goodwill acquired in a business combination is initially measured at cost represented by the excess of the cost of the business combination over the share of relevance of the fair value of the identifiable assets, liabilities and contingent liabilities (of the acquiree). If the consideration is less than the fair value of the net assets of the acquired subsidiary, the difference is recognized in the statement of profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, the goodwill acquired in a business combination is allocated, from the acquisition date to each cash-generating unit that is expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquired entity are assigned to such units.

Goodwill is tested for impairment losses at least once a year (on December 31) and, more frequently, when circumstances suggest that the carrying value may be subject to impairment losses.

The impairment of goodwill is determined by assessing the recoverable amount of the cash generating unit (or Company of cash generating units) to which the goodwill can be attributed. Where the recoverable amount of the cash generating unit is less than the carrying amount of the cash generating unit to which the goodwill has been allocated, an impairment loss is recognized.

The reduction in the value of goodwill cannot be reversed in future years.

If the goodwill has been allocated to a cash generating unit and the entity disposes of part of the unit's operations, the goodwill associated with the disposed operations is included in the carrying amount of the activity when determining the gain or loss on disposal. The goodwill associated with the disposed activity is determined based on the relative values of the disposed operations and the retained part of the cash generating unit.

EQUITY INVESTMENTS

Equity Investments are measured at acquisition cost. The cost is adjusted for any impairment losses; these losses are subsequently reversed if the conditions that caused them no longer exist, but the reversal cannot exceed the original cost.

INVESTMENTS IN ASSOCIATED COMPANIES

Associates are those companies in which Kedrion S.p.A. is able to exert significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the associate.
Investments in associates are measured at purchase cost, including directly attributable ancillary costs, adjusted for any impairment losses recognized in the income statement. These are reinstated when the reasons for the impairments no longer exist.

INTANGIBLE ASSETS WITH A FINITE LIFE

Intangible assets with a finite life are accounted for as assets at cost when it is likely that the use of the asset will generate future economic benefits and when the cost of the asset can be determined reliably. Intangible assets acquired through business combinations are measured at fair value determined at the acquisition date, if such value can be determined reliably. Intangible assets with a finite life are amortized on a straight-line basis over their estimated useful life; the useful life is reviewed on an annual basis and any changes, where necessary, are made prospectively.

The useful lives of the main classes of intangible assets are as follows:

Asset class	Useful life
Development costs	5 years
Rights and trademarks	5-10 years
Market authorization	20 years
Trademarks related to plasma collection centers	5 years
Licenses related to plasma collection centers	10 years
Donor lists related to plasma collection centers	1 year
Other intangible assets	Specify

Intangible assets with a definite useful life are subject to impairment test upon identification of impairment indicators.

RESEARCH AND DEVELOPMENT COSTS

Research costs are charged to the statement of profit or loss as incurred.

Development costs incurred in relation to a specific project are capitalized only when the Company can demonstrate:

- the technical possibility of completing the intangible asset to make it available for use or for sale;
- its intention to complete said asset for use or sale,
- the ways in which it will generate probable future economic benefits,
- the availability of technical, financial or other resources to complete the development and
- its ability to reliably evaluate the cost attributable to the asset during its development.

Among other factors, the entity must be able to demonstrate the existence of a market for the output of the intangible asset or for the intangible asset itself or, if it is to be used internally, it must be able to demonstrate the usefulness of the intangible asset.

During the development period, the asset is tested for impairment on an annual basis. Subsequent to the initial recognition, development costs are valued at cost less any accumulated depreciation or loss. The amortization of the asset starts when the development is completed and the asset is available for use, or the asset should be in the position and condition necessary for it to be able to operate in the manner intended by management; in the case of projects requiring regulatory approval (e.g. development of new products), such approval gives rise to the beginning of amortization.

Once the asset is available for use, for the purpose of determining its useful life, the asset is amortized with reference to the period in which it is expected that the related project will generate revenue for the Company. During the period in which the asset is not yet available for use, it will be tested annually for impairment.

RIGHTS AND TRADEMARKS

This item under consideration mainly refers to the rights for marketing, regulatory licenses (Authorizations for Marketing - A.I.C.) of medicinal specialties, and to trademarks for the registration of pharmaceutical products.

The purchase costs of rights and trademarks are amortized over the useful life of the acquired asset, which generally is 5 years for rights and 10 years for trademarks.

OTHER INTANGIBLE ASSETS

The item under consideration refers to the purchase of application software programs that are amortized over a period of 5 years.

IMPAIRMENT TEST

Goodwill, along with indefinite-life intangible assets and intangible assets in progress, is subject to annual impairment test, based on the reference date of December 31. All other assets within the scope of IAS 36 are subject to impairment testing when impairment indicators are identified. In this case, the carrying amount of these assets is compared with their estimated recoverable value and, if higher, an impairment loss is recorded.

Tangible and intangible assets with a defined useful life are subject to depreciation and tested for impairment in case of events or changes in circumstances indicate that their carrying amount may not be recoverable.

The impairment loss equals the amount by which the carrying amount of the intangible asset exceeds its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market conditions of the time value of money and the risks specific to the asset. The Company bases its impairment tests on detailed business plans and forecast calculations, prepared separately for each of the Company's cash-generating units to which individual assets are allocated. These business plans and forecast calculations generally cover a period equal to or longer than three years.
In order to identify any impairment loss, intangible and tangible assets are grouped at the level of the smallest identifiable cash-generating unit (Cash Generating Unit or CGU). Intangible assets with a definite useful life are tested for impairment at each reporting date to assess whether impairment losses recognized in previous periods no longer exist or have reversed. If such indication exists, the loss is reversed and the carrying amount of the asset is restored to an extent not exceeding its recoverable amount, which cannot be higher than the carrying amount that would have been determined if the loss had not been recognized.

The restoration of a loss in value is immediately accounted for in the consolidated statement of profit or loss.

INVENTORIES

Inventories are measured at the lower of the purchase and/or production cost, determined using the weighted average cost method, and net realizable value. The net realizable value is the estimated selling price less the estimated costs of completion and the estimated costs to make the sale. Raw materials and consumables are recorded at the purchase cost, including attributable expenses. Work in progress, semi-finished and finished products are recorded based on the directly attributable

production costs and a portion of the indirect production costs incurred during the year and reasonably attributable to the products.
The value of the inventory is adjusted, where necessary, by recording a specific reserve to take into account factors of obsolescence.

TRADE RECEIVABLES

Receivables are initially recorded at fair value, which generally corresponds to the nominal value and, subsequently, measured at amortized cost and written-off in case of impairment. The Company records an impairment for expected losses (expected credit loss 'ECL') using the simplified method. The ECLs are based on the difference between the contractual financial flows due in accordance with the contract and all the financial flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

The Company determines impairment losses on trade receivables considering the amount of doubtful debts, analyzing the specific conditions of the Company's customers, any guarantees granted in favor of the Company's companies, appropriately assessing ongoing disputes and the possibilities of recovery of past due receivables, as well as determining the expected default rate by analyzing the average loss rate on loans consumed in recent years.
Receivables in a currency other than the functional currency are recorded at the exchange rate on the day of the transaction and, subsequently, converted at the year-end exchange rate. The profit or loss resulting from the conversion is charged to the statement of profit or loss.

In the case of national receivables from Public Entities characterized by an average collection period of over 12 months, an analytical discounting process based on assumptions and estimates is applied.

CASH AND CASH EQUIVALENTS

Cash and short-term deposits include cash on hand and on-demand and short-term deposits.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are set-up when the Company has a current obligation (legal or implicit) arising from a past event and it is probable that there will be an outflow of resources to meet this obligation and it is possible to make a reliable estimate of its amount.

When the Company believes that a provision to the risk and charges fund will be partially or fully reimbursed, for example in the case of risks covered by insurance policies, the indemnity is recorded separately and separately from the assets which is recorded if, and only if, it is virtually certain. In this case, in the statement of profit or loss, the cost of the possible provision is presented net of the amount recorded for the indemnity.
If the effect of the time value of money is significant, provisions are discounted using a pre-tax discount rate that reflects, where appropriate, the specific risks of the liabilities. When discounting is carried out, the increase in the provision due to the passage of time is recorded as an interest expense.

Provisions for risks and charges, for which the outflow of resources is expected to occur after twelve months from the reporting date, are presented in the statement of financial position as "non-current liabilities", while those for which the outflow of resources is expected to occur before twelve months from the reporting date are presented as "current liabilities".

LIABILITIES FOR EMPLOYEE BENEFITS

Benefits granted after the termination of the employment relationship are classified according to their economic nature into defined contribution plans or defined benefit plans.

In defined contribution plans, the legal or implicit obligation of the company is limited to the amount of contributions to be paid: consequently, the actuarial risk and the investment risk fall on the employee. In defined benefit plans, the company's obligation consists in granting and ensuring the agreed benefits to employees: as a result, the actuarial risk and investment risk fall on the company. Italian legislation (art. 2120 CC) provides that, upon termination of the employment contract with the company, employees receive a leaving indemnity (Trattamento di fine rapporto or “TFR”), which would fall under the definition of a defined benefit plan according to IAS 19. The calculation of this indemnity is based on elements that form the annual remuneration of the employee for each year of work (appropriately revalued) and on the length of the employment relationship. According to the Italian Civil Code, this indemnity is reflected in the statement of financial position based on a calculation methodology where the indemnity is accrued by each employee at the statement of financial position date, assuming that all employees terminate the employment contract at that date. The IFRIC of the IASB has addressed the issue of the Italian TFR and concluded that, in accordance with IAS 19, it must be calculated according to a methodology, called the Projected Unit Credit Method (the so-called PUCM) in which the amount of the liability for the acquired benefits must reflect the expected resignation date and must be discounted.

Starting from the 2007 financial year, the Company has incorporated the effects of the changes introduced by the "2007 Finance Law" and subsequent decrees and regulations, relating to the allocation of the TFR shares accrued from 1 January 2007. In particular, for the application of IAS 19 the new legislation changes, from 1 January 2007, the nature of the TFR from a "defined benefit plan" to a "defined contribution plan", with particular reference to companies with a number of employees more than 50.

Starting from the 2012 financial year actuarial gains and losses are recognized in the Comprehensive Statement of profit or loss.

The Group’s net obligation arising from defined benefit plans is calculated separately for each plan by estimating the amount of the future benefit that employees have accrued in exchange for the services provided in the current and previous years; this benefit is discounted to calculate the present value.

The actuarial valuations of liabilities have been entrusted to independent actuaries.

SHARE-BASED PAYMENTS

The Company has in place with some employees incentive plans which, depending on their features, are qualified as share-based payments of the equity-settled type and accounted for in accordance with the provisions of IFRS 2 - Share-Based Payment.

In the matter of stock option allocation, the Company uses the IFRS 2 - Share-Based Payment - accounting principle, which stipulates that acquisition transactions of goods and services with payment regulated through instruments representing the share capital (stock options of the equity-settled type) which are evaluated at the fair value of the goods or services received or of the instruments representing the capital at the grant date. This value is allocated to the statement of profit or loss in a linear way over the period of the rights (“vesting period”) with a corresponding increase in the equity reserves; this allocation is carried out based on an estimate from management, taking into consideration the conditions of usability of the same. The determination of the fair value is carried out using the "binomial model" or the "Montecarlo method".

Based on the IFRS 2 - Share-based Payment - the total amount of the fair value of the incentive plans, granted to the employees of the Group at the date of assignment is recorded in the statement of profit or loss among the personnel costs in the “general and administrative expenses” section, with a corresponding specific item of net equity.

FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

FINANCIAL ASSETS

INITIAL RECOGNITION AND MEASUREMENT

At the time of initial recognition, financial assets are classified, as appropriate, according to subsequent measurement methods, i.e. at amortized cost, at fair value recognized in the comprehensive income OCI or at fair value recognized in the statement of profit or loss.

SUBSEQUENT MEASUREMENT

For the purposes of subsequent evaluation, financial assets are classified into four categories:

- financial assets at amortized cost (debt instruments);
- financial assets at fair value recognized in the comprehensive income;
- financial assets at fair value recognized in the comprehensive income without reversal of accumulated gains and losses at the time of elimination (equity instruments);
- financial assets at fair value recognized in the statement of profit or loss.

The Company exclusively holds financial assets at amortized cost. Financial assets at amortized cost are subsequently evaluated using the effective interest method and are subject to impairment. Gains and losses are recognized in the statement of profit or loss when the asset is eliminated, modified or revalued.

Among the Company's financial activities at amortized cost are trade receivables and other minor activities.

CANCELLATION

A financial asset (or, where applicable, part of a financial asset or part of a Company of similar financial assets) is cancelled (e.g. removed from the Company's statement of financial position) when:

- the rights to receive financial flows from the asset have been extinguished, or
- the Company has transferred to a third party the right to receive financial flows from the asset or has undertaken the contractual obligation to pay them in full and without delay and (a) has substantially transferred all the risks and benefits of ownership of the financial asset, or (b) has neither transferred nor retained substantially all the risks and benefits of the asset but has transferred control of it.

In cases where the Company has transferred the rights to receive financial flows from an asset or has entered into an agreement under which it retains the contractual rights to receive the financial flows of the financial asset but assumes a contractual obligation to pay the financial flows to one or more beneficiaries (pass-through), it evaluates whether and to what extent it has retained the risks and benefits inherent in ownership. If it has neither transferred nor substantially retained all the risks and benefits or has not lost control over it, the asset continues to be recognized in the Company's statement of financial position to the extent of its residual involvement in the asset itself. In this case, the Company also recognizes an associated liability. The transferred asset and the associated liability are evaluated to reflect the rights and obligations that remain relevant to the Company.

When the entity's residual involvement is a guarantee on the transferred asset, the involvement is measured on the basis of the lesser of the amount of the asset and the maximum amount of the consideration received that the entity may have to repay.

IMPAIRMENT OF FINANCIAL ASSETS

The Company recognizes impairment charges in respect of expected credit losses (ECL) for all financial assets represented by debt instruments not held at fair value recognized in the statement of

profit or loss. The ECLs are based on the difference between the contractual financial flows due in accordance with the contract and all the financial flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include the financial flows resulting from the execution of the real guarantees held or other credit guarantees that are an integral part of the contractual conditions.
Expected losses are recognized in two phases. For credit exposures for which there has not been a significant increase in credit risk from initial recognition, losses on credits are recognized that result from the estimate of default events that are possible within the next 12 months (12-month Expected Credit Losses). For credit exposures for which there has been a significant increase in credit risk from initial recognition, the expected losses related to the remaining duration of the exposure are fully recognized, regardless of when the default event is expected to occur ("Lifetime Expected Credit Losses").

For trade receivables and contract assets, the Company applies a simplified approach in calculating expected losses. Therefore, the Company does not monitor credit risk changes, but fully recognizes the expected loss at each reporting date.

The Company calculates impairment losses on trade receivables considering the amount of doubtful receivables, analyzing the specific conditions of the Company's customers, any guarantees granted in favor of the Group and appropriately evaluating ongoing disputes and likelihood of recovery of expired receivables.

The Company has also analyzed the average rate of customer insolvency and loss on receivables in the last few years, to assess the consistency of the results of the analysis carried out on the expectation of expected loss on each customer's receivables with the historical loss rate.

The impairments made under IFRS 9 are recognized in the consolidated statement of profit or loss net of any positive effects linked to releases or reversal of value and are represented in the line "Allowances (releases) to loan impairment fund" in the "general and administrative expenses" section.

FINANCIAL LIABILITIES

INITIAL RECOGNITION AND MEASUREMENT

All financial liabilities are initially recognized at fair value, to which are added, in the case of mortgages, loans and debts, the transaction costs directly attributable to them.

The Company's financial liabilities include trade payables and other payables, mortgages and loans, including overdrafts and granted guarantees.

SUBSEQUENT MEASUREMENT

The valuation of financial liabilities depends on their classification, as described below:

FINANCIAL LIABILITIES AT FAIR VALUE RECOGNIZED IN THE STATEMENT OF PROFIT OR LOSS

Financial liabilities at fair value with changes recognized in the statement of profit or loss include liabilities held for trading and financial liabilities initially recognized at fair value with changes recognized in the statement of profit or loss.

Liabilities held for trading are all those incurred for the purpose of their resale in the short term. The gains or losses on liabilities held for trading are recognized in the statement of profit or loss for the year.

Financial liabilities are designated at fair value with changes recognized in the statement of profit or loss from the inception date, only if the criteria of IFRS 9 are met. At the time of initial recognition, the Company has not designated financial liabilities at fair value with changes recognized in the statement of profit or loss.

LOANS

Borrowings are recorded at the fair value of the consideration received, net of the transaction costs of acquiring the borrowing. After initial recognition, borrowings are measured at amortized cost method using the effective interest rate method.

Any profit or loss is recognized in the statement of profit or loss when the liability is extinguished, as well as through the amortization process.

Liabilities with bondholders have been recorded at the fair value of the consideration net of the transaction costs of obtaining the funding. After initial recognition, bonds are measured at amortized cost using the effective interest rate method.

CANCELLATION

A financial liability is cancelled when the obligation underlying the liability is extinguished, cancelled or fulfilled. Where an existing financial liability was replaced by another from the same lender, under substantially different conditions, or the conditions of an existing liability were substantially modified, such exchange or modification is treated as an accounting cancellation of the original liability, accompanied by the recognition of a new liability, with any differences between the book values being recognized in the statement of profit or loss.

CLEARING OF FINANCIAL INSTRUMENTS

A financial asset and liability can be offset, and the net balance presented in the statement of financial position, if there is a current legal right to offset the amounts recognized in the accounts and there is an intention to settle the net balance, or realize the asset and simultaneously extinguish the liability.

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company generally acts as a "Principal" in the agreements from which revenue arises, as it usually controls the goods and services before the transfer of the same to the customer. Based on the five-stage model introduced by IFRS 15, it recognizes revenue after having identified the contracts with its own customers and the related performance obligations to be fulfilled (transfer of goods and/or services), determined the consideration it believes it has a right to in exchange for the fulfillment of each of these performance obligations, as well as evaluated the way of fulfilling these performance obligations (performance at a certain moment versus performance over time).

In particular, the Company proceeds to the recognition of revenue only when the following requirements are met (so-called requirements for identifying the "contract" with the customer):

a) the parties to the contract have approved the contract (in writing, orally or in accordance with other usual business practices) and are committed to fulfilling their respective obligations; therefore, there is an agreement between the parties that creates enforceable rights and obligations regardless of the form in which such agreement is documented;
b) the Company can identify the rights of each of the parties with respect to the goods or services to be transferred;
c) the Company can identify the payment terms for the goods or services to be transferred;
d) the contract has commercial substance; and
e) it is likely that the Company will receive the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

If the above requirements are not met, the related revenues are recognized when: (i) the Company has already transferred goods and/or provided services to the customer and all, or almost all, of the consideration promised by the customer has been received and is not refundable; or (ii) the contract has been terminated and the consideration that the Company has received from the customer is not refundable.

If the above requirements are instead met, the Company applies the recognition rules described below.

SALE OF GOODS

Revenues from the sale of finished products and goods are recognized when control of the goods passes to the customer.

The Company considers whether there are other promises in the contract that represent performance obligations on which a part of the transaction consideration must be allocated. In determining the transaction sale price, the Company considers the effects arising from the possible presence of variable consideration, significant financing components, non-monetary considerations and considerations to be paid to the customer.

VARIABLE CONSIDERATION

If the consideration promised in the contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for the transfer of goods to the customer.

The variable consideration is estimated at the time of contract stipulation and cannot be detected until it is highly probable that, when the uncertainty associated with the variable consideration is subsequently resolved, a significant downward adjustment of the cumulative revenue that have been accounted for should not be detected. Volume discounts and other contractual discounts result in variable considerations, as does the Payback portion.

The Company may offer discounts to some customers where the quantity of products purchased during the period reaches certain turnover thresholds. To estimate the variable consideration related to the expected discounts, the Company applies the expected value method.

Examples of discounts considered as variable considerations and accounted for net of revenues and trade receivables are:

- Early pay discounts,
- Chargebacks,
- Distributor fees,
- Medicare/Medicaid/Tricare,
- Payback or other forms of government discounts or volume-related taxes.

Conversely, costs related to the Company Purchasing Organization (GPO), the data fees, distribution costs and commissions are generally considered as operating expenses (S&M).

AMOUNTS TO BE PAID TO THE CUSTOMER

Contracts with customers may provide for the payment of amounts to customers. The Company recognizes the amount to be paid to the customer as a reduction in the price of the transaction and, consequently, of the revenue, unless the payment to the customer is made in exchange for a distinct good or service transferred from the customer to the Group. If the amount to be paid to the customer includes a variable amount, this is estimated by the Group.

PROVISION OF SERVICES

The Company provides plasma processing services on behalf of third parties. The Company recognizes revenue from these services over time, using an input-based method to assess the progress of the service.

The Company considers whether there are other promises in the contract that represent obligations to do on which a part of the transaction consideration must be allocated. In determining the transaction price, the Company takes into account the effects of any variable consideration, significant financing components, non-monetary considerations, and amounts to be paid to the customer.

The recognition of revenue for the provision of services is based on the stage of progress of ongoing service operations at the balance sheet date, measured as a percentage with reference to various variables, depending on the services provided and the contracts concluded with the customer. The provision of services, which are not yet completed at the reference date of the statement of financial position, constitute 'work in progress on order' and are classified among the "trade receivables" (as "contractual assets"). Any revenues possibly invoiced, at the balance sheet date, in excess of what has matured based on the stage of progress of the service are suspended among the “advances from customers”, classified among the “trade payables” (as “contractual liabilities”). When the outcome of a service operation cannot be reliably measured, revenues are recognized only to the extent that it is believed that the costs incurred are recoverable.

CONTRACTUAL ASSETS AND LIABILITIES

CONTRACT ASSETS

Contractual assets represent the entity's right to obtain the agreed consideration in exchange for the transfer of control of goods or services to the customer.

If the Company meets its obligation by transferring goods or services to the customer before the latter pays the consideration or before payment is due, the entity must record a contractual asset, excluding amounts presented as receivables.

TRADE RECEIVABLES

A receivable represents the Company's unconditional right to receive the consideration (that is, only time must pass to obtain payment of the consideration).

CONTRACTUAL LIABILITIES

The contractual liability is an obligation to transfer goods or services to the customer for which the Company has already received the consideration (or for which a portion of the consideration is due). If the customer pays the consideration before the Company has transferred control of the goods or services, the contractual liability is recognized when the payment is made or (if earlier) when it is due. Contractual liabilities are recognized as revenue when the Company fulfills its obligations to perform under the relevant contract.

Some contracts allow the customer to return the goods within a certain period of time. The Company uses the expected value method to estimate the goods that will not be returned because this method is the best for predicting the amount of variable consideration to which the Company will be entitled. For the goods that are expected to be returned, the Company adjusts the revenues and records a contractual liability.

COSTS FOR OBTAINING A CONTRACT

The Company may pay third parties commissions for securing contracts. For such costs, the Company applies the practical expedient that allows it to immediately expense the costs for obtaining contracts, as the amortization period of the asset that the Company would have otherwise used would have been less than a year.

Revenues are recognized in accordance with IFRS 15 to the extent that it is probable that the economic benefits will be obtained by the Group and the related amount can be reliably determined, regardless of the collection date. Revenues are valued at the fair value of the consideration received or to be received, taking into account the contractually defined payment terms and excluding taxes and duties. The Company has concluded that it is operating on its own in all sales contracts as it is the primary obligor, has discretion over pricing policy and is also exposed to inventory and credit risk.

Revenue is recognized when the company has transferred all significant risks and benefits related to the property of the good, generally at the date of delivery of the goods. The revenue is valued at the fair value of the consideration received or to be received, net of returns and allowances, trade discounts and volume reductions.

In the case of domestic revenues towards Public Entities characterized by an average collection period of over 12 months, an analytical discounting process based on assumptions and estimates for determining the implicit financial component has been applied.

INTEREST INCOME

For all financial instruments measured at amortized cost and income-producing financial assets classified as available for sale, interest income is recognized using the effective interest rate, which is the rate that precisely discounts future cash flows, estimated over the expected life of the financial instrument or over a shorter period, when necessary, compared to the net book value of the financial asset. Interest income is classified among interest income in the statement of profit or loss.

RENTAL INCOME

Rentals income from investment properties are recognized in constant installments over the duration of the lease contracts in place at the reporting date and are classified among revenues, taking into account their operational nature.

GOVERNMENT GRANTS

Government grants are recognized when there is reasonable certainty that they will be received, and all the conditions related to them are satisfied. When grants are related to cost components (operating grants), they are recognized as revenues in the fiscal years to off-set the costs they intend to compensate. In the case where the contribution is related to an asset (capital grants), the asset and the contribution are recognized separately among assets and liabilities for their nominal values and the release to the statement of profit or loss occurs progressively over the expected useful life of the reference asset on a linear basis. This treatment also applies to contributions received as Tax Credit for research and development and technological innovation activities, carried out by Kedrion SpA.
The operating grants and the capital grants are recorded in the statement of profit or loss in the "other income" section.

DIVIDENDS

Dividend income is recognized when shareholders become entitled to receive the payment, which occurs upon approval of the distribution by the Shareholders' Meeting.

INCOME TAXES

CURRENT TAXES

The taxes reflect a realistic estimate of the tax burden, determined by applying the current regulations in the countries where the Kedrion Company carries out its activities; the current tax liability is accounted for in the statement of financial position net of any tax advances paid.

DEFERRED TAXES

Deferred taxes are calculated on the temporary differences resulting at the reporting date between the tax books used for reference for assets and liabilities and the values reported in the statement of financial position.

Deferred tax liabilities are recognized for all taxable temporary differences, except for the following cases:

- deferred tax liabilities arising from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction itself, does not affect either the profit for the year calculated for statement of financial position purposes or the profit or loss calculated for tax purposes;
- with reference to taxable temporary differences associated with equity investments, associates and joint ventures, in the case where the reversal of temporary differences can be controlled, and it is probable that it will not occur in the foreseeable future.

Deferred tax assets are recognized against all deductible temporary differences and for carried forward tax assets and liabilities, to the extent that the existence of future taxable profits is likely, which can make deductible temporary differences and carried forward tax assets and liabilities applicable, except in the case where the deferred tax asset linked to deductible temporary differences stems from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, does not affect either the profit for the year calculated for accounting purposes or the profit or loss calculated for tax purposes.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available in the future to allow all or part of such credit to be utilized. Unrecognized deferred tax assets are reviewed on an annual basis at the balance sheet date and are recognized to the extent that it has become probable that future taxable profit will be sufficient to allow such deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured based on the tax rates expected to be applied in the fiscal year in which such assets are realized, or such liabilities are extinguished, considering the rates in effect and those already issued or substantially issued at the reporting date.

Deferred tax assets and liabilities are off set, if there is a legal right to offset current tax assets against current tax liabilities and deferred taxes refer to the same fiscal entity and the same tax jurisdiction.

Income taxes related to items recognized directly to equity are charged directly to equity and not to the statement of profit or loss.

Deferred tax liabilities on reserves of undistributed profits from subsidiaries are not reflected in the statement of financial position to the extent that the Company is able to control the timing of the reversal of temporary differences by controlling the dividend policy and if there is no expectation of dividend distribution in the foreseeable future.

VALUE ADDED TAX

Revenues, costs and assets are recognized net of value added tax except when such tax applied to the purchase of goods or services is not recoverable, in which case it is recognized as part of the purchase cost of the asset or part of the expense item recognized in the statement of profit or loss.

The net amount of indirect taxes on sales and purchases that can be recovered from or paid to the Treasury is included in the statement of financial position in other current assets or liabilities depending on the sign of the balance at the balance sheet date. The value added tax (VAT) connected to the invoicing to Public Entities is subject to the split payment regime, according to which the public entity is required to pay the supplier only the agreed consideration while the due VAT must be credited by the entity into a specific restricted bank account to be acquired by the Treasury.

7.4. COMMENTS ON THE MAIN ITEMS OF THE STATEMENT OF FINANCIAL POSITION

7.4.1. PROPERTY, PLANT, AND EQUIPMENT

The historical cost, accumulated depreciation, and netbook value of the item property, plants and equipment as of December 31, 2024, December 31, 2023, and December 31, 2022, are shown in the following table:

(In thousands of Euros)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets Under construction and advances	Total
COST						
Balance at December 31, 2022	**74,269**	**185,496**	**24,410**	**17,336**	**66,873**	**368,384**
Reclassifications	-	3,943	-	2	(3,882)	63
Decreases	(71)	(455)	(70)	(88)	-	(684)
Additions	1,240	10,788	944	560	23,005	36,537
Contributions from Kevlar merger	73,158	-	-	-	-	73,158
Balance at December 31, 2023	**148,596**	**199,772**	**25,284**	**17,810**	**85,996**	**477,458**
Reclassifications	-	1,216	13	-	(1,229)	-
Decreases	(98)	(2,628)	(23)	(417)	-	(3,166)
Additions	651	14,980	1,292	637	19,786	37,346
Balance as of December 31, 2024	**149,149**	**213,340**	**26,566**	**18,030**	**104,553**	**511,638**
DEPRECIATION AND IMPAIRMENT LOSSES						
Balance at December 31, 2022	**50,795**	**150,054**	**19,781**	**14,958**	**-**	**235,588**
Depreciation	8,605	9,015	1,798	770	-	20,188
Disposals	(71)	(389)	(70)	(84)	-	(614)
Contributions from Kevlar merger	1,869	-	-	-	-	1,869
Balance at December 31, 2023	**61,198**	**158,680**	**21,509**	**15,644**	**-**	**257,101**
Depreciation of the year	8,416	6,841	1,224	815	-	17,296
Disposals	(77)	(2,498)	(15)	(415)	-	(3,005)
Balance as of December 31, 2024	**69,537**	**163,023**	**22,718**	**16,044**	**-**	**271,320**
BOOK VALUES AS OF 12/31/2023	**87,398**	**41,092**	**3,775**	**2,166**	**85,996**	**220,427**
BOOK VALUES AS OF 12/31/2024	**79,612**	**50,317**	**3,848**	**1,986**	**104,553**	**240,318**

During the financial year ending December 31, 2024, the Company made total net investments amounting to a total of 73.0 million Euros, including the portion for intangible assets with indefinite life for 35.6 million Euros and related to Property, plant, and equipment for 37.3 million Euros.

The increases for purchases of tangible and intangible fixed assets mainly concern the following:

- **Bolognana Plant (LU, Italy)** for a total amount of Euro 21.1 million, of which 11.9 million mainly related to upgrades and improvements on existing buildings and facilities and Euro 9.2 million related to the new plasma fractionation plant to increase production capacity;

- **Sant'Antimo Plant (NA, Italy)** for a total amount of Euro 4.2 million related to upgrades and improvements on existing buildings and facilities;
- **Castelvecchio Pascoli Plant (LU, Italy)** for a total amount of Euro 30.0 million related to the KIg10 project for the registration of the new 10% immunoglobulin for the American and European markets, as well as upgrades and improvements in the production department of the new 10% immunoglobulin;
- **Other investments** amounting to a total of Euro 17.7 million, which relates to IT hardware and software investments for Euro 14.6 million, including Euro 6.3 million for software license renewals, registration projects for ImmunoRho medicinal specialties for Euro 2.0 million, logistics for Euro 0.4 million, Global Manufacturing Sciences & Development for Euro 0.3 million, and miscellaneous for Euro 0.4 million.

The work-in-progress assets include investments related to ongoing projects, mainly referring to the KIg10 project, and the construction of the new Castelvecchio Pascoli plant (which will be dedicated to the purification of this product). The recognition and maintenance of these assets on the balance sheet required the evaluation of the positive expected outcome of the projects, particularly regarding the issuance of the necessary authorizations by the competent authorities, considered highly probable, as well as the confirmation of their recoverability through expected future cash flows and/or their fair value.

Considering the previously illustrated investments, the invested capital amounts to Euro 1,985.1 million.

During the year 2024, tax credits for expenses incurred for investment in new tangible assets amounted to Euro 860 thousand. As of December 31, 2024, total deferred income for tax credits amounted to Euro 3,047 thousand, of which Euro 685 thousand related to credits accrued during the year.

The assets were recorded at their acquisition value and the value of the contribution was deferred under other current and non-current liabilities (for the portion applicable beyond 12 months).

At the end of the year, the Company assesses the potential presence of impairment indicators identifiable through internal or external sources of information. Typically, external sources may consist of changes in the technological, economic, and legal context in which it operates, while internal sources are represented by business strategies that may change or not the intended use of the assets. From the evaluations carried out, no impairment indicators have emerged.

7.4.2. INVESTMENT PROPERTIES

The historical cost, accumulated depreciation, and netbook value of the investment properties for the year ended December 31, 2024, are shown in the following table:

(In thousands of Euros)	Land and buildings
Balance at December 31, 2022	**1,516**
Reclassifications	0
Additions	0
Disposals	0
Balance at December 31, 2023	**1,516**
Reclassifications	0
Additions	0

Disposals	0
Balance as of December 31, 2024	**1,516**
Balance at December 31, 2022	**54**
Depreciation	1
Impairment	0
Disposals	0
Reclassifications	0
Balance at December 31, 2023	**55**
Depreciation	0
Impairments	0
Disposals	0
Reclassifications	0
Balance as of December 31, 2024	**55**
BOOK VALUES AS OF 12/31/2023	**1,461**
BOOK VALUES AS OF 12/31/2024	**1,461**

Land included in investment properties, with indication of their fair value, are located in the following areas:

- San Pietro in Campo (LU) - historical cost of Euro 104 thousand; fair value of Euro 453 thousand.
- Monsagrati (LU) - historical cost of Euro 1,357 thousand; fair value of Euro 1,733 thousand.

The buildings classified among investment properties are instead related to:

- a residential flat located in Monsagrati (LU) with a residual value equal to zero; fair value of 35 thousand Euros.

The fair value of real estate investments is determined using valuation models and market-observable parameters. Therefore, according to the IFRS 13 fair value hierarchy, they are Level 2 investment property at fair value.

7.4.3. GOODWILL

The goodwill recorded in the statement of financial position is subject to an annual impairment test. Below are the carrying amounts as of the reference dates for the Goodwill recorded in the financial statements and their allocations to the specific cash-generating units ("CGU"), as well as the changes occurred during the period are shown below:

Carrying amount of goodwill *(In thousands of Euros)*	**12.31.2024**	**12.31.2023**
Goodwill CGU plasmaderivatives	365,631	365,631
TOTAL	**365,631**	**365,631**

On July 14, 2023, the reverse merger of Kevlar S.p.A. into Kedrion S.p.A. was finalized as outlined by the Permira deal structure, resulting in the recognition of goodwill amounting to Euro 365,631.

In the context of the impairment test, the recoverable amount was determined based on the value in use; for its calculation, the Discounted Cash Flow (DCF) method net of taxes was adopted. The expected cash flows used in the DCF calculation were estimated based on the strategic plan 2025 - 2032 (approved on July 31, 2024), and revised with reference to the year 2025 based on budget information (approved on December 17, 2024).

For the purposes of the impairment test on goodwill recorded in the separate financial statements of Kedrion S.p.A., the cash flows expected at the Group level were used since the Company, in the absence of significant minority interests, is entitled to leverage these flows through the potential distribution of dividends.

Regarding the single CGU Plasma Derivatives, profitability (EBIT) is expected to grow as a result of the completion of current development projects, including the optimization of the Elstree plant's capacity, the ramp up of the Laval plant and the resulting market penetration of Ryplazim, and especially the new purification plant in Castelvecchio Pascoli and the related development of KIg10.

On the financial side, an increase in working capital is expected due to the growth from these projects and the investments for their completion. However, impacts related to the *"brownfield"* projects in Bolognana, aimed at increasing the production capacity of that facility, and the development of new therapies ("NPD"), have been excluded, in line with IAS 36.

Value in use of the CGUs was determined based on the discounted cash flows for the explicit projection years from 2025 to 2028, including a terminal value assumed to be equal to the present value of the perpetual annuity of the flow generated in the last year under explicit forecast, assuming a long-term growth rate "g" of 0%.

The discount rates applied to the prospective cash flows were defined based on the post-tax weighted average cost of capital (WACC) as indicated below:

CGU	WACC 2024	WACC 2023
Goodwill CGU plasmaderivatives	6.17%	6.75%

The most sensitive elements are the change in the pre-tax weighted average cost of capital (WACC) and the *terminal value*. The definition of these two elements is based on a conservative approach both in modelling rationale and in absolute value.

The WACC of the CGUs has been determined based on the following assumptions:

- expected return on equity;
- cost of third-party debt;
- sector beta;
- weight of debt and equity.

Based on the outcome of the impairment test, significant headroom of the recoverable amount compared to the book value were identified for both the CGU Plasmaderivatives CGU and the Plasma CGU; therefore, in both cases, no impairment losses were recognized.

The Company also conducted a *sensitivity analysis* of the relevant assumptions mentioned above used for the determination of the recoverable amount (change in growth rate equal to +/-0.5% and changes in WACC of +/-0.5%) based on which the directors concluded that, even in the range of reasonable changes in key assumptions, book value remained below the recoverable amount.

7.4.4. RIGHT-OF-USE ASSETS

(In thousands of Euros)	Buildings	Other assets	Total
COST			
Balance at December 31, 2022	**12,133**	**2,150**	**14,283**
Reclassifications	0	0	0
Additions	2,846	566	3,412
Disposals	(549)	(177)	(726)
Contributions from Kevlar merger	(5,813)	(1,006)	(6,819)
Balance at December 31, 2023	**8,617**	**1,533**	**10,150**
Additions	17	1,260	1,277
Disposals	(247)	(319)	(566)
Balance as of December 31, 2024	**8,387**	**2,474**	**10,861**
DEPRECIATION AND IMPAIRMENT LOSSES			
Balance at December 31, 2022	**5,666**	**1,110**	**6,776**
Depreciation	1,668	501	2,169
Disposals	(134)	(101)	(235)
Contributions from Kevlar merger	(5,158)	(956)	(6,114)
Balance at December 31, 2023	**2,042**	**554**	**2,596**
Depreciation	1,575	618	2,193
Disposals	(93)	(256)	(349)
Balance as of December 31, 2024	**3,524**	**916**	**4,440**
BOOK VALUES AS OF 12/31/2023	**6,575**	**979**	**7,554**
BOOK VALUES AS OF 12/31/2024	**4,863**	**1,558**	**6,421**

The Right-of-use assets are mainly related to the leasing of offices and company vehicles.

7.4.5. INTANGIBLE ASSETS WITH DEFINITE USEFUL LIFE

The historical cost, the accumulated amortization and netbook value of intangible assets with finite useful life as of December 31, 2024, December 31, 2023, and December 31, 2022, are shown in the following table:

(In thousands of Euros)	Development expenses	Rights and trademarks	Assets Under construction and advances	Other	Total
COST					
Balance at December 31, 2022	**4,239**	**14,459**	**58,133**	**33,806**	**110,637**
Reclassifications	1,812	-	(2,375)	-	(563)
Additions	-	215	9,622	6,501	16,338
Disposals	-	-	-	-	-
Contributions from Kevlar merger	-	51,875	206,003	-	257,878

Balance at December 31, 2023	**6,051**	**66,549**	**271,383**	**40,307**	**384,290**
Additions	-	55	23,823	11,749	35,627
Disposals	-	-	-	-	-
Balance as of December 31, 2024	**6,051**	**66,604**	**295,206**	**52,056**	**419,917**
AMORTIZATION AND IMPAIRMENT LOSSES					
Balance at December 31, 2022	**4,216**	**12,171**	**-**	**25,384**	**41,771**
Amortization	512	5,203	-	4,636	10,351
Contributions from Kevlar merger	-	1,598	-	-	1,598
Balance at December 31, 2023	**4,728**	**18,972**	**-**	**30,020**	**53,720**
Amortization	611	5,194	-	5,498	11,303
Balance as of December 31, 2024	**5,339**	**24,166**	**-**	**35,518**	**65,023**
BOOK VALUES AS OF 12/31/2023	**1,323**	**47,577**	**271,383**	**10,287**	**330,570**
BOOK VALUES AS OF 12/31/2024	**712**	**42,438**	**295,206**	**16,538**	**354,894**

Development costs as of December 31, 2024 amounts to Euro 712 and mainly includes the development of new products.

Rights and trademarks as of December 31, 2024 amounts to Euro 42,439 thousand and consists of the following:

(In thousands of Euros)	**12.31.2024**	**12.31.2023**
Rights	42,425	47,562
Trademarks	14	15
RIGHTS AND TRADEMARKS	**42,439**	**47,577**

The rights pertain to licenses for Marketing Authorizations (M.A.) of other medicinal specialties. The trademarks refer to the registrations of corporate trademarks and pharmaceutical products.
Management, after assessing the potential presence of impairment indicators, concluded that such indicators are not present.

The item under construction is mainly composed of the costs incurred for obtaining commercial authorizations for new medicinal products, including in particular the development costs of KIg10 amounting to Euro 280.4 million and ImmunoRho for Euro 10.9 million. The registration and maintenance of these assets on the balance sheet involved both the evaluation of the positive outcome of the mentioned projects, considered highly probable, and the verification of their recoverability.

The increase in the item Other intangible assets is mainly attributable to the purchase of application software programs.

Management conducted the necessary recoverability checks without identifying any lasting impairment of value for this item.

Additionally, a review of the useful life of the assets was conducted, which did not indicate the need for changes in estimates.

7.4.6. EQUITY INVESTMENTS

The details of Equity Investments as of December 31, 2024, and December 31, 2023, are provided below:

(In thousands of Euros)	12.31.2024	12.31.2023	Change
HUMAN BioPlazma Kft.	32,908	32,908	0
Kedrion Biopharma Inc.	579,417	579,417	0
Kedrion Mexicana	10,467	67	10,400
Kedrion Brasil	586	586	0
Unicaplasma s.r.o	22,116	18,616	3,500
Sevenplatform VI Limited	169,725	169,725	0
Kedrion Betaphar	3,812	3,812	0
Kedrion Biopharma GmbH	11,426	11,426	0
Prometic BioProduction Inc. (PBP)	14,837	12,333	2,504
INVESTMENTS IN SUBSIDIARY COMPANIES	**845,294**	**828,890**	**16,404**

COMPARISON BETWEEN THE BOOK VALUE OF EQUITY INVESTMENTS AND RELEVANT NET EQUITY

(In thousands of Euros)	Equity	%	Relevant net equity	Value of the investment	Difference	Operating result
HUMAN BioPlazma Kft.	16,383	100%	16,383	32,908	(16,525)	364
Kedrion Biopharma Inc.	333,790	100%	333,790	579,417	(245,627)	(1,585)
Kedrion Mexicana	2,320	100%	2,320	10,467	(8,147)	2,083
Kedrion Brasil	(1,965)	100%	(1,965)	586	(2551)	(1,004)
Kedrion India Private Limited	0	60%	0	0	0	323
Unicaplasma s.r.o	5,361	100%	5,361	22,116	(16,755)	234
Sevenplatform VI Limited	537,060	100%	537,060	169,725	367,335	69,282
Kedrion Betaphar	20,908	60%	12,545	3,812	17,096	3,783
Kedrion de Colombia	(486)	100%	(486)	0	(486)	(136)
Kedrion Biopharma GMBH	16,172	100%	16,172	11,426	4,746	2,695
Prometic Bioproduction Inc. (PBP)	10,633	100%	10,633	14,837	(4,204)	(2,418)

The Company conducted an analysis aimed at identifying the presence of any impairment indicators and/or permanent losses in value of the subsidiaries, or the potential disappearance of the reasons that had led to the write-off of the investments in question during previous years.
The Company identified impairment indicators for Kedrion Brasil.
Consequently, the Management carried out impairment tests to verify the presence of permanent losses in value by comparing the carrying amount with the value in use, as described below.
In cases where impairment analyses revealed losses in value, the assessment of the investment was adjusted to its corresponding recoverable amount.

KEDRION BRASIL
The value in use has been determined using the Discounted Cash Flow (DCF) method by discounting the estimated cash flows starting from the Company's business plan, covering the period 2025-2028.

In order to determine the value in use of the investment, the discounted cash flows from the explicit projection years were considered, added to a terminal value, assumed to be equal to the present value of the perpetual rent of the flow generated in the last year of explicit forecast, assuming a long-term growth rate “g” of 0%.
The discount rate applied to the prospective cash flows (WACC) is 8.28%.
The determination of the value in use based on these parameters did not require any reduction in the value of the investment.
A sensitivity analysis of the relevant assumptions mentioned above used for determining the recoverable amount has also been conducted (growth rate variations of +/-0.5% and WACC variations of +/-0.5%). In light of the results, the Directors believe that reasonable variations in key assumptions do not lead to an excess of the carrying amount over the recoverable amount.

KEDRION COLOMBIA AND KEDRION INDIA
The investment in the subsidiary Kedrion Colombia, considering the trends recorded in recent years, has been completely written off. Additionally, a provision for risks has been established to cover the losses remaining after the write-off of the carrying amount of the investment, amounting to 486 thousand Euros.
For Kedrion India, the risk fund, amounting to 313 thousand Euros, allocated in 2023 to cover the losses that remained after the write-off of the book value of the investment occurred in 2021, has been released, as the company is in liquidation.

With reference to other subsidiaries that show a negative difference between the net assets and the carrying value of the investment in Kedrion S.p.A. (HUMAN BioPlazma Kft., Kedrion Biopharma Inc., and Unicaplasma s.r.o.), the Company, after making the appropriate evaluations required by accounting principles, does not foresee significant risks of enduring value losses as the companies historically show profits and have profit forecasts, which will allow them in future years to cover the currently highlighted negative gap; moreover, the negative difference is mainly due to the step-ups made in 2023 on the value of the investment following the reverse merger or the goodwill arising from intra-group business combinations, which are not recognized in the individual financial statement of the subsidiary.
The negative differential related to the subsidiary Prometic Bioproduction Inc. will be absorbed starting from 2025, thanks to expected positive results connected to the growth in volumes of “Ryplazim” produced and sold.
Regarding the subsidiary Kedrion Mexicana, the negative differential is mainly due to the purchase of third-party shares carried out during the financial year by Kedrion S.p.A., which increased the value of the stake by 10.4 million Euros.

7.4.7. OTHER NON-CURRENT FINANCIAL ASSETS

Below is the breakdown of other non-current financial assets as of December 31, 2024, and December 31, 2023:

(In thousands of Euros)	**12.31.2024**	**12.31.2023**
Security deposits	1,431	1,584
Receivables from subsidiaries	383,273	382,710
Financial accruals	2,312	2,218
OTHER NON-CURRENT FINANCIAL ASSETS	**387,016**	**386,512**

The item 'receivables from subsidiaries' records the long-term portion of the loans granted, specifically:

- The long-term portion of the loans granted to subsidiaries.

- The financial deferrals mainly refer to the long-term portion of bank expenses advanced for obtaining the revolving credit facility used as of December 31, 2024, for Euro 1,766 thousand.

7.4.8. DEFERRED TAX ASSETS AND LIABILITIES

The composition of net deferred tax assets and liabilities as of December 31, 2024, and December 31, 2023, is detailed below:

(In thousands of Euros)	12.31.2024	12.31.2023
Deferred tax assets	67,869	44.119
Deferred tax liabilities	(85,611)	(112,735)
NET DEFERRED TAX ASSETS/(LIABILITIES)	**(17,742)**	**(68,616)**

Tax assets and liabilities are recognized and measured separately and presented net in the balance sheet under the same conditions prescribed by IAS 12.
Below is the detail of deferred tax assets as of December 31, 2024, and 2023:

(In thousands of Euros)	Taxable 2023	Total deferred assets	Increase	Decrease	Taxable IRES 2024	Taxable IRAP 2024	Deferred assets IRES	Deferred assets IRAP	Total Deferred assets
Unpaid directors' fees	-	-	610	(265)	345	-	83	-	83
Unpaid membership contributions	130	31	197	(130)	197	-	47	-	47
Inventory write-down reserve	4,260	1,022	146	(4,260)	146	-	35	-	35
Provision for risks	5,012	1,398	-	(5,012)	-	-	-	-	-
Provision for equity write-down	686	165	112	(313)	486	-	117	-	117
Equity write-down	130	31	-	-	130	-	31	-	31
Public Chargeback	1,156	322	1,950	(16)	3,090	3,090	742	120	862
Unpaid TARI	65	16	-	(65)	-	-	-	-	-
Currency adjustment	39,371	9,449	-	(39,371)	-	-	-	-	-
FSC IFRS 9 provision	693	166	-	-	693	-	166	-	166
IAS severance pay	10	2	29	-	39	-	9	-	9
Non-deductible interest expenses	60,119	14,429	36,840	-	96,959	-	23,270	-	23,270
Depreciation	815	227	187	(408)	594	594	142	23	166
Brand amortization	10	3	-	(4)	6	6	2	0	2
Tax loss carryforward	67,435	16,184	-	(29,207)	38,227	-	9,175	-	9,175
Kevlar tax loss carryforward	-	-	97,510	-	97,510	-	23,402	-	23,402
Carry-forward ACE Kevlar	-	-	2,589	-	2,589	-	621	-	621
ACE	2,798	672	15,543	-	18,341	-	4,402	-	4,402
Tax losses at CNM	-	-	27,162	(4,326)	22,836	-	5,481	-	5,481
Total deferred assets	**182,690**	**44,118**	**182,875**	**(83,377)**	**282,188**	**3,689**	**67,725**	**144**	**67,869**

Below is the detail of deferred tax liabilities as of December 31, 2024 and 2023:

(In thousands of Euros)	Taxable 2023	Total deferred liabilities	Increase	Decrease	Taxable IRES 2024	Taxable IRAP 2024	Deferred liabilities IRES	Deferred liabilities IRAP	Total Deferred liabilities

Currency adjustment	(100,930)	(24,223)	-	100,930	-	-	-	-	-
PPA Tangible	(65,684)	(18,326)	-	5,606	(60,078)	(60,078)	(14,419)	(2,343)	(16,762)
PPA Intangible	(251,486)	(70,165)	-	4,794	(246,693)	(246,693)	(59,206)	(9,621)	(68,827)
Dividends	(87)	(21)	(92)	87	(92)	-	(22)	-	(22)
Total deferred liabilities	**(418,187)**	**(112,735)**	**(92)**	**111,417**	**(306,862)**	**(306,770)**	**(73,647)**	**(11,964)**	**(85,611)**

Deferred tax assets are recognized to the extent that it is probable there will be sufficient future taxable profits against which the temporary differences and tax losses can be utilized. In this regard, the Company estimates the likely timing and amount of future taxable profits.
Following the positive response to the request for a ruling submitted to the Italian Tax Authority at the end of 2023 regarding the waiver of limits on carrying forward Kevlar's tax attributes post-merger, deferred tax assets related to tax losses accumulated by Kevlar pre-merger have been recognized, as indicated in the table above.

Following the changes to Italian legislation introduced at the end of 2024 regarding the tax realization of gains and losses on foreign exchange related to so-called “evaluation”, the deferred taxes previously allocated on exchange differences considered as not realized for tax purposes have been entirely reversed during the current financial year. Although the impact was significant, it did not result in *cash outflows*, as the Company used tax attributes to cover the taxable income thus realized.

7.4.9. TAX RECEIVABLES

Below is the detail of tax receivables due beyond the fiscal year as of December 31, 2024, and December 31, 2023:

(In thousands of Euros)	12.31.2024	12.31.2023
Tax credits on investments	507	653
R&D tax credits	827	1.732
TAX CREDITS	**1,334**	**2,385**

The item mainly records the non-current portion of tax credits accrued on investments and for research and development activities.

7.4.10. OTHER NON-CURRENT ASSETS

Below is the breakdown of other non-current assets as of December 31, 2024, and December 31, 2023:

(In thousands of Euros)	12.31.2024	12.31.2023
Prepaid expenses	224	388
OTHER NON-CURRENT ASSETS	**224**	**388**

The item records the non-current portion of prepaid expenses, mainly related to the renewal rights of A.I.C. and insurance contracts.

7.4.11. INVENTORIES

Below is the detail of inventory as of December 31, 2024, and December 31, 2023:

(In thousands of Euros)	12.31.2024	12.31.2023
Raw materials and consumables	69,788	51,738
Work in progress	64,750	56,833
Finished goods and merchandise	39,726	40,230
INVENTORY	**174,264**	**148,801**

During the financial year ending December 31, 2024, the balance increased from Euro 148,801 thousand to Euro 174,264 thousand, registering an increase of Euro 25,463 thousand.
The value of inventories is expressed net of a devaluation fund of Euro 146 thousand.

The inventories of raw materials, semi-finished goods, and finished products are generally subject to expiration, which is why management considers the expiration date associated with each batch as a fundamental element in their recoverability assessments. It should be noted that the expiration dates of raw materials are no longer relevant once they are put into production. In such cases, the expiration date assigned during the production process to semi-finished and finished products becomes relevant. Inventories with imminent expiration dates are fully written down to account for their difficult recoverability.

7.4.12. TRADE RECEIVABLES

Breakdown of trade receivables as of December 31, 2024, and December 31, 2023, are presented below:

(In thousands of Euros)	12.31.2024	12.31.2023
Receivables from customers	44,139	41,116
Receivables from subsidiaries/parent companies	71,114	67,186
TRADE RECEIVABLES	**115,253**	**108,302**

Trade receivables are generally non-interest-bearing, except for receivables from the Public Administration to which late payment interest is charged in accordance with the law, with contractual terms ranging from 45 to 120 days. As the predominant clientele for the Company is the Italian Regions, which generally have particularly extended payment terms, an analytical discounting process is applied to trade receivables for those Regions with an average payment period of over 12 months.
During the financial year 2024, receivables from customers increased by Euro 3,023 thousand.
The adjustment of receivables from foreign customers and subsidiaries to the spot exchange rate as of December 31, 2024, resulted in the recognition of an unrealized exchange gain of 91 thousand Euros.

Below is the movement of the provision for credit impairment for the period ended December 31, 2024:

(In thousands of Euros)	For trade receivables	For late payment interest	Total
BALANCE AS OF 31.12.2022	**2,157**	**186**	**2,343**
Usage during the period	(1,128)	186	(1,314)
Provision for the period	308	0	308
BALANCE AT 31.12.2023	**1,337**	**-**	**1,337**

Usage during the period	(93)	-	**(93)**
Provision for the period	439	-	**439**
BALANCE AS OF 12.31.2024	**1,683**	**-**	**1,683**

As required by IFRS 9, the Company uses the simplified approach to calculate expected losses on trade receivables and on activities arising from contracts that do not contain a significant financial component.
The Company determines impairment losses on trade receivables by considering the amount of doubtful receivables, analyzing the specific conditions of the Company's clients, any guarantees provided in favor of the Company's companies, appropriately evaluating ongoing disputes and the possibilities of recovering overdue receivables, as well as determining the expected default rate by analyzing the average loss rate on receivables recorded in recent years.
The provision for late payment interest is related to the receivables for late payment interest that, according to current regulatory provisions, Kedrion invoices to national Public Entities.
The value of receivables transferred with non-recourse factoring as of December 31, 2024, and therefore no longer recorded in the financial statements, amounts to Euro 27.9 million.

7.4.13. CONTRACT ASSETS

Below is the movement of contract assets as of December 31, 2024, and December 31, 2023:

(In thousands of Euros)	12.31.2024	12.31.2023
Contract assets	22,260	27,748
CONTRACTUAL ASSETS	**22,260**	**27,748**

In line with IFRS 15, receivables for work in progress are represented as "contract assets" separately from trade receivables.

Contract assets are initially recognized for revenue from contract work services as the receipt of payment is contingent upon the successful completion of the service. Upon completion of the service and acceptance by the customer, amounts recognized as contract assets are reclassified to trade receivables.

7.4.14. TAX RECEIVABLES

Below is the detail of current tax credits as of December 31, 2024, and December 31, 2023:

(In thousands of Euros)	12.31.2024	12.31.2023
National taxes (IRES-IRAP)	4,726	10,197
Tax credits on investments	1,181	1,864
R&D tax credits	1,791	2,408
Other tax credits	-	10
TAX RECEIVABLES	**7,698**	**14,479**

The IRES / IRAP credits consist of IRES credits for foreign withholdings suffered amounting to 4,186 thousand Euros, used to offset taxable incomes, and other national tax credits for advances paid amounting to 540 thousand Euros.

7.4.15. OTHER CURRENT ASSETS

Below is a detailed account of other current assets as of December 31, 2024, and December 31, 2023:

(In thousands of Euros)	12.31.2024	12.31.2023
Employee receivables	60	765
Social security receivables	6	2
Other receivables	7,860	3,909
Dividend receivables	1,487	1,562
Other tax receivables	2,996	3,474
Insurance	132	118
Rights for AIC license renewal	41	5
Prepaid expenses	952	1,115
OTHER CURRENT ASSETS	**13,534**	**10,950**

Other current assets are considered recoverable and therefore have not been impaired.

Other receivables, mainly include the following:
- the receivable accrued from the Ministry of Economic Development for 1,694 thousand Euros for some research projects;
- the remaining receivable from the former shareholder Sestant S.p.A. amounting to 981 thousand Euros related to the tax consolidation interrupted due to loss of control;
- the receivable from the parent company Kedrion Holding amounting to 1,038 thousand Euros related to the tax consolidation;
- the receivable from the sellers of the former Kedrion Group for Euro 4,120 thousand related to a dispute settled with the previous distributor in Turkey, for which the amount paid as settlement results in an adjustment of the purchase price of the stake in Kedrion by Kevlar, borne by the former partners under the clauses of the Group's sales agreement, an amount that was advanced by the Company and was reimbursed at the beginning of 2025.

The item Other tax credits includes the VAT credit requested for reimbursement for Euro 2,989 thousand.

The prepaid expenses mainly refer to advance payments related to leases, *regulatory* fees and other costs pertaining to the next fiscal year.

7.4.16. OTHER CURRENT FINANCIAL ASSETS

(In thousands of Euros)	12.31.2024	12.31.2023
Receivables from subsidiaries	96,021	48,375
OTHER CURRENT FINANCIAL ASSETS	**96,021**	**48,375**

Other current financial activities consist of receivables related to the current portion of loans granted to subsidiaries and the balance of intercompany current accounts where transactions related to cash pooling activities are recorded.

7.4.17. CASH AND CASH EQUIVALENTS

Breakdown as of December 31, 2024, and December 31, 2023 is reported below:

(In thousands of Euros)	12.31.2024	12.31.2023
Bank and postal deposits	74,458	74,912
Cash on hand	6	7
CASH AND CASH EQUIVALENTS	**74,464**	**74,919**

The cash and cash equivalents are unencumbered and not subject to any disposal charges.

7.4.18. CAPITAL AND RESERVES

The parent company Kedrion Holding S.p.A., based in Milan (MI), Via San Paolo 10, was established by the Permira Fund together with former partners of Kedrion S.p.A; therefore, Kedrion is ultimately controlled by the following entities:

- Permira VII Investment Platform Limited [20] 63.21%
- Sestant S.p.A. 16.30%
- FSI S.G.R S.p.A.[21] 13.20%
- CDP Equity S.p.A. 6.60%
- Refin S.r.l. 0.20%
- PIPS S.r.l. 0.07%
- Cordusio Fiduciaria S.p.A. [22] 0.43%

The changes in the Company's equity during the financial year ending on December 31, 2024, refer to:

- Covering the loss incurred on December 31, 2023, through the extraordinary reserve;
- The IFRS 2 reserve for 315 thousand Euros;
- The profits/(losses) related to the revaluation of defined benefit pension plans (TFR) for (22) thousand Euros.

Description	Amount	Usability	Summary of utilization in the last three years	
(In thousands of Euros)			For loss coverage	For dividends
Capital	60,454			
Share premium reserve	77,901	A, B		
PROFIT RESERVES				
Legal reserve	11,734	B		
Extraordinary reserve	107,245	A, B, C	34,215	
Retained earnings	7,268	A, B, C		
OTHER RESERVES				
Merger surplus	763,054			
Capital contributions	454,459	A		

[20] Permira Fund VII
[21] On behalf of and in the name of the closed-end reserved investment fund "FSI I"
[22] In the name and on behalf of the Group management that participated in the Management Equity Plan, as described in paragraph 4.3.4

IFRS Reserve – FTA	21,606	A, B, C
Employee Termination Indemnity Reserve (IAS 19)	(589)	
IFRS 2 Reserve	630	
Capital reserve	5,000	

LEGEND:
A: for capital increase; B: for loss coverage; C: for distribution to shareholders

The distributable reserves as of December 31, 2024, are profit reserves and are not subject to further taxation. The reserves include capitalized development costs not fully amortized amounting to 712 thousand Euros, and capitalized costs related to the KIG10 project not yet amortized amounting to 280,409 thousand Euros.

DIVIDENDS PAID AND PROPOSED

(In thousands of Euros)	12.31.2024	12.31.2023
Paid during the year	0	0
Proposed for approval at the Shareholders' Meeting	0	0

7.4.19. GROSS FINANCIAL INDEBTEDNESS

The breakdown of gross financial indebtedness by type of instrument and split between current and non-current portions as of December 31, 2024, and December 31, 2023, is shown in the following table:

Financial indebtedness	2024			2023		
€/000	Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
Bonds	0	720,556	720,556	0	670,902	670,902
Total debts to bondholders	**0**	**720,556**	**720,556**	**0**	**670,902**	**670,902**
BPER financing	3,228	5,231	8,459	0	0	0
CDP financing	10,000	20,000	30,000	0	0	0
Term Loan	0	68,804	68,804	0	64,086	64,086
Total medium-long term financing	**13,228**	**94,035**	**107,263**	**0**	**64,086**	**64,086**
Finance lease debts	1,104	1,677	2,781	1,428	2,317	3,745
IFRS 16 operating lease liabilities	2,130	4,680	6,810	1,928	5,899	7,827
Total debts for leasing	**3,234**	**820,948**	**9,591**	**3,356**	**8,216**	**11,572**
MEDIUM-LONG TERM FINANCINGs	**16,462**	**820,948**	**837,410**	**3,356**	**743,204**	**746,560**
Revolving Credit Facility	34,626	0	34,626	50,000	0	50,000
Banks overdrafts and short-term borrowings	41,084	0	41,084	38,589		38,589
Other financial debts	11,293	0	11,293	6,755		6,755

DEBTS TO BANKS AND OTHER LENDERS	**87,003**	**0**	**87,003**	**95,344**	**0**	**95,344**
OTHER CURRENT FINANCIAL LIABILITIES (cash pooling)	**138,698**	**0**	**138,698**	**39,224**	**0**	**39,224**
GROSS FINANCIAL INDEBTEDNESS	**242,163**	**820,948**	**1,063,111**	**137,924**	**743,204**	**881,128**

MEDIUM-LONG TERM LOANS

In detail, the Company reports debts for medium to long-term financing totaling Euro 837 million, of which 821.0 million are non-current and 16.5 million are current.
The value of the Bond as of December 31, 2024, assessed using the amortized cost method, is Euro 720.6 million, while the TLA amounts to Euro 68.8 million; additionally, during the fiscal year, two new loans were signed with BPER and CDP for amounts of Euro 10 and 30 million respectively. Finally, among the short-term financial liabilities, there is an RCF line with a total value of Euro 175 million, drawn for Euro 34.6 million as of December 31, 2024.

Medium to long-term financing as of 12/31/2024

(In thousands of Euros)	Debts to bondholders	Payables for leased assets	Other financial debts	Total medium-long term financing
Within 12 months	0	3,234	13,228	16,462
Current portion	**0**	**3,234**	**13,228**	**16,462**
Within 24 months	0	3,416	13,434	16,850
Within 36 months	0	1,960	11,798	13,758
Within 48 months	0	547	0	547
Within 60 months	720,556	402	68,803	789,761
Over 60 months	0	32	0	32
Non-current portion	**720,556**	**6,357**	**94,035**	**820,948**
TOTAL MEDIUM-LONG TERM FINANCING	**720,556**	**9,591**	**107,263**	**837,410**

The following table shows the data of the financing agreements made by the Company and the bonds issued:

Description	Maturity	Rate as of 12.31.2024	Outstanding as of 12.31.2024	Due within one year	Due within 5 years	Due beyond 5 years
Bond	09/01/2029	6.50%	720,556		720,556	
TLA	05/31/2029	6.50%	68,804		68,804	
RCF	03/31/2029	5.36% EUR 7.01% USD	34,626	34,626		
CDP	10/23/2027	4.98%	30,000	10,000	20,000	
BPER	03/25/2027	5.11%	8,459	3,228	5,231	
Total financial liabilities in the medium/long term			**862,445**	**47,854**	**814,591**	**0**

With reference to the loans reported above, there are no financial covenants that could affect the expiration of the benefit of the term.

The liabilities to leasing companies include contracts signed during the fiscal year ending December 31, 2024, totaling Euro 759 thousand to finance the investments made. The interest rates applied to these loans are in line with market rates.

PAYABLES TO BANKS AND OTHER LENDERS

This caption includes bank overdrafts and short-term lines, to factoring companies, and other lenders.

The following table provides details of the current portion of this item for the fiscal years ending December 31, 2024, and December 31, 2023:

(In thousands of Euros)	12.31.2024	12.31.2023
Banks c/advances on bills and invoices	41,084	38,589
Debts to other lenders	2,373	118
RCF Line	34,626	50,000
Other borrowings	8,920	6,637
DEBTS TOWARDS BANKS AND OTHER FINANCIERS	**87,003**	**95,344**

Debts to banks and other lenders amounting to Euro 87,003 thousand consist mainly of:

- advances on bills and invoices for Euro 41,084 thousand;
- the RCF line drawn for Euro 34.6 million as of December 31, 2024;

The item other financial debts records the loan granted by the parent company Kedrion Holding amounting to Euro 7.2 million.
The utilization of credit lines granted to the parent company by banks as of December 31, 2024 is 33.4%, compared to 39.13% on December 31, 2023.

IAS 7 INFORMATION

Below is the table required by the amendments to IFRS 7 showing changes in liabilities related to financing activities, including both cash flow changes and non-monetary changes:

(In thousands of Euros)	Value at 01.01.2024	Cash flow	Effect of exchange rate changes	Capex	Other non-monetary movements	Value as of 12/31/2024
Bond	670,902	-	42,780	-	6,874	720,556
Term Loan	64,086	-	4,086	-	632	68,804
BPER financing	-	8,459	-	-	-	8,459
CDP financing	-	30,000	-	-	-	30,000
Other medium - long term financing IFRS 16	7,826	(2,076)	-	1,060	-	6,810
Liabilities to financial leasing companies	3,746	(1,725)	-	759	-	2,780
Changes in non-current financial assets	(386,512)	(882)	-	-	379	(387,015)
Change in short-term financial assets	(48,375)	(15,689)	-	-	(31,956)	(96,020)
Change in short-term financial liabilities	134,569	103,656	(16,683)	-	4,397	225,939

Total liabilities from financing activities	**446,242**	**121,743**	**30,183**	**4,701**	**(19,674)**	**580,313**

7.4.20. EMPLOYEE BENEFIT LIABILITIES

Employee benefit liabilities as of December 31, 2024 amounts to Euro 2,394 thousand (2,447 thousand in 2023) and are mainly composed of the Employees' Severance Fund (TFR) owed to the employees of Kedrion S.p.A., as provided by article 2120 of the Civil Code.

TFR based on Article 2120 of the Civil Code, from a financial statement perspective, falls under the category of defined benefit pension plans as it is considered a defined benefit obligation and, as such, has been accounted for based on IAS 19 requirements, implying the measurement of the related liability based on actuarial techniques. Main assumptions adopted are summarized in the following tables:

Summary of Economic Technical Bases – Financial Assumptions	12.31.2024	12.31.2023
Annual Discount Rate	3.18%	3.08%
Annual Inflation Rate	2.00%	2.00%
Annual TFR Increase Rate	3.00%	3.00%

Summary of Demographic Technical Bases	Demographic Assumptions
Death	Mortality Tables RG48 published by the General Accounting Office
Disability	INPS Tables differentiated by age and gender
Retirement	100% upon meeting AGO requirements

Annual Table of Turnover Frequency and TFR Advances	12.31.2024	12.31.2023
Advance Frequency	2.00%	2.00%
Turnover Frequency	2.00%	2.00%

For the purposes of the actuarial calculation, a discount rate determined with reference to a basket of Corporate bonds with an AA rating (iBoxx Corporate AA index with a duration of 7-10) was used and applied at the date of the measurement. For this purpose, a yield was applied with a duration comparable to the duration of the Company of employees' part of the scheme.

Movements for the period ended December 31, 2024, and December 31, 2023, of the Employees' Severance Pay Fund are shown in the following table:

(In thousands of Euros)	12.31.2024	12.31.2023
Present value of the obligation at the beginning of the period	2,448	2,478
Interest cost	76	89
Benefits paid	(159)	(133)
Actuarial loss (gain) recognized	29	13
PRESENT VALUE OF THE OBLIGATION AT THE END OF THE PERIOD	**2,394**	**2,447**

The average number of employees of the Company, expressed in terms of full-time equivalent persons, is shown in the following table:

Workforce - FTE	12.31.2024	12.31.2023
Total FTE (employees, temporary staff)	1,088	1,063
- Of which temporary staff	4	4

7.4.21. OTHER NON-CURRENT LIABILITIES

The following table shows the breakdown of the item in question for the fiscal years ending December 31, 2024, and December 31, 2023:

(In thousands of Euros)	12.31.2024	12.31.2023
Other liabilities	625	628
Investment grants	3,126	1,293
OTHER NON-CURRENT LIABILITIES	**3,751**	**1,921**

Deferred income on investment grants includes the credit accrued from investments for expenses incurred in new capital goods, representing the non-current portions of those contributions relevant to subsequent fiscal years, which are recorded in the income statement in constant portions over the expected useful life of the assets to which they relate.

7.4.22. CURRENT PROVISIONS FOR RISKS AND CHARGES

(In thousands of Euros)	Value as of 12.31.2023	Reclassifications / Provisions	Releases / Uses	Value as of 12.31.2024
Risks for commercial and administrative disputes	5,698	112	5,324	486
CURRENT PROVISIONS FOR RISKS AND CHARGES	**5,698**	**112**	**5,324**	**486**

The uses of the period mainly relate to releases and uses for payments of potential liabilities on administrative disputes and tax audits previously allocated as provisions.

The provision is related to the further devaluation of the subsidiary Kedrion Colombia for 112 thousand Euros to cover losses.

7.4.23. TRADE PAYABLES

Below is the breakdown of trade payables as of December 31, 2024, and December 31, 2023:

(In thousands of Euros)	12.31.2024	12.31.2023
Domestic suppliers	42,053	38,871
Foreign suppliers	43,481	30,147
Invoices to be received	23,397	14,353
Credit notes to be received	(1,290)	(286)

TRADE PAYABLES	107,641	83,085

Trade payables do not accrue interest and are mainly settled within 60/90 days. This value includes the liabilities related to the normal course of business of the Company companies, mainly arising from purchase of raw materials, components, services, and external processing. Trade payables due to subsidiaries and parent companies amount to Euro 12,104 thousands in 2024 and Euro 22,417 thousands in 2023.

The Company occasionally utilizes payment instruments such as letters of credit (or other similar tools) with its suppliers; through these instruments, the suppliers can request an advance payment from the issuer of the instrument (usually a bank). The terms and conditions of these instruments falls under the definition of supplier financing agreements (SFA –*Supplier Finance Arrangements*).
For the Company, the deadline for payment through such instruments is usually up to 120 days, thereby allowing an improvement in the management of net working capital, with reference to suppliers settled through these instruments, compared to those not included in such agreements, having shorter payment terms as indicated above.

As of December 31, 2024, the Company had the opportunity to use these instruments for a total amount of Euro 20.0 million, of which Euro 6.3 million were utilized and for which the company has obtained an extension of the payment terms while the suppliers have already received the payment.

To date, these instruments have been made available by two main banking entities, each providing approximately 50% of the total.

7.4.24. INCOME TAX LIABILITIES

Below is the breakdown of liabilities for current taxes:

(In thousands of Euros)	12.31.2024	12.31.2023
IRES	0	0
IRAP	0	812
Other current taxes related to foreign companies	0	0
CURRENT TAX LIABILITIES	**0**	**812**

7.4.25. OTHER CURRENT FINANCIAL LIABILITIES

Below is the breakdown of other current financial liabilities as of December 31, 2024, and December 31, 2023:

(In thousands of Euros)	12.31.2024	12.31.2023
Debts to subsidiaries/parent companies	138,913	39,224
OTHER CURRENT FINANCIAL LIABILITIES	**138,913**	**39,224**

7.4.26. OTHER CURRENT LIABILITIES

Below is the breakdown of other current liabilities as of December 31, 2024 and December 31, 2023:

(In thousands of Euros)	12.31.2024	12.31.2023
Payables to social security and welfare institutions	7,121	6,352
Payables to employees and collaborators	15,081	12,925
Other liabilities	5,515	1,131
Investment grants	667	1,244
Treasury account / Withholdings	3,132	3,565
OTHER CURRENT LIABILITIES	**31,516**	**25,217**

Payables to social security and welfare institutions mainly relate to contributions on December salaries and the 14th month pay, holiday leave accruals, company bonuses, and accrued severance incentives.

Payables to employee include salaries and wages related to December, provisions for the 14th month pay and holiday leave accruals, as well as payables for severance incentives and for TFR to employees ending their employment by December 31. The increase is linked to the higher personnel costs, both fixed and variable, compared to the previous year.

Other debts include a remaining debt of Euro 5,200 thousands following the acquisition of minority shares in Kedrion Mexico, and a credit from the Ministry of Economic Development for funded projects amounting to Euro 311 thousand.

The item 'investment contributions' refers to expenses incurred for investments in new instrumental goods amounting to 667 thousand Euro. The portions of these contributions pertaining to the subsequent twelve months are recorded in the income statement in constant amounts over the expected useful life of the assets to which they relate.

Liabilities related to Treasury for withholdings mainly refers to tax withholdings related to salaries for the months of November and December and the thirteenth month's salary.

7.5. COMMENTARY ON THE MAIN ITEMS OF THE STATEMENT OF PROFIT OR LOSS

7.5.1. REVENUE

In the fiscal years ending on December 31, 2024, and December 31, 2023, revenues amounted to 409,903 thousand Euro and 353,799 thousand Euro, respectively. The breakdown is as follows:

	Financial Year Ended on December 31	
(In thousands of Euros)	2024	2023
Plasmaderivatives	383,984	353,799
Plasma	25,918	-
Total revenue	**409,903**	**353,799**

Kedrion operates in both the production and commercialization of plasma-derived products (i.e., proteins extracted from human plasma such as albumin, immunoglobulins – standard and specific – coagulation factors, and human plasminogen), as well as the commercialization of synthetic products and the plasma processing service on behalf of third parties.

The Company develops its business on a global scale by segmenting markets into four geographical macro-areas: “United States,” “Italy,” “European Union,” and “Rest of the World.”

Below is the revenue analysis by business sector for the fiscal year ended December 31, 2024:

"PRODUCTION AND SALE OF PLASMADERIVATIVE " SEGMENT

The revenues from the production and commercialization of plasma-derived drugs segment as of December 31, 2024, amount to 409.9 million Euros, with an increase of approximately 15.9% compared to 2023.

Among all the products, in order of importance, the standard immunoglobulin and albumin maintain their leading position, confirming the growth trend in both volumes and average prices (also due to effective allocation in higher value geographies), followed by anti-D immunoglobulin and plasma-derived FVIII, sold mainly in Rest of World countries.

Within the segment, revenues from third-party plasma processing services slightly improved (approximately +5%) thanks to activities with Iranian plasma and plasma processing service for the Portuguese Ministry of Health.

The Company provides information regarding geographical areas and the timing of revenue recognition:

Geographic area (In thousands of Euros)	12.31.2024	12.31.2023
Italy	101,294	99,905
European Union	106,225	74,342
Rest of the World	202,123	178,622
USA	259	930
Total revenue	**409,903**	**353,799**

Timing of revenue recognition (In thousands of Euros)	12.31.2024	12.31.2023
Goods transferred at a specific point in time	334,445	283,218
Services transferred over a specific period of time	75,457	70,581
Total revenue	**409,903**	**353,799**

7.5.2. COST OF GOODS SOLD

The item is composed as follows:

	Year Ended on December 31	
(In thousands of Euros)	2024	2023
Consumption of raw materials, accessories, and consumables	226,721	208,995
External manufacturing service from third parties	14,607	6,065
Costs for services	45,616	30,911
Labor costs and related charges	38,201	36,517
Amortization and depreciation	14,891	16,794
COST OF GOODS SOLD	**340,036**	**299,282**

Cost of goods sold for the 2024 fiscal year amounts to Euro 340,036 thousand, marking, compared to the corresponding period of the previous year, an increase of Euro 40,754 thousand. In terms of percentage impact on revenues, the cost of goods sold has shifted from 84.6% in 2023 to 83.0% in 2024.
The item for consumption of raw materials, accessories, and consumables includes the cost of plasma and all the materials used during the production process.

The cost for external processing mainly relates to the fractionation activity carried out at the Hungarian subsidiary's plant during the year.

7.5.3. OTHER INCOME

The item is composed as follows:

	Financial Year Ended on December 31	
(In thousands of Euros)	2024	2023
Expense recoveries	23,626	19.830
Insurance refunds	5	0
Government grants	1,619	3.692
Capital expenditure government grants	706	1.450
Services	42	41
Other revenues	875	792
OTHER INCOME	**26,873**	**25.805**

Other income increased by Euro 1,068 thousand.
Expense recoveries mainly refer to the “cost sharing agreement” for Euro 21,464 thousand, under which costs for services provided by the global functions to subsidiaries are recharged.

The operating grants relate to the tax credit accrued on research and development and technological innovation activities amounting to Euro 649 thousand and non-repayable grants from the Ministry of Economic Development for research projects for Euro 1,002 thousand.

Contributions for facilities mainly refer to the portion of the financial year’s share of grants provided for investments in new capital goods for Euro 673 thousand.

7.5.4. GENERAL AND ADMINISTRATIVE EXPENSES

Breakdown is included below:

	Financial Year Ended on December 31	
(In thousands of Euros)	2024	2023
Labor costs and related charges	26,998	23,247
Taxes and duties (excluding income taxes)	463	446
Legal and administrative services	3,939	5,170
Remuneration and expenses of company bodies	1,327	1,240
Depreciation	11,741	10,602

General and administrative insurance expenses	360	741
Expenses for information systems	3,892	2,902
Telephone and postal expenses	570	607
Rentals and leases	100	121
Third party services	4,055	4,328
Provisions/(Releases) of funds	(611)	(3,172)
Other services and general and administrative costs	8,970	7,551
GENERAL AND ADMINISTRATIVE EXPENSES	**61,804**	**53,783**

General and administrative expenses compared to the previous year increased by Euro 8,021 thousand.
The provision item includes both the increases for expected losses on trade receivables and the release of provisions for risks and charges, mainly related to the company's legal and administrative cases. For more details, see par.5.4.22.
The item other services and general costs includes, among other things, cleaning expenses and membership contributions to industry organizations.

7.5.5. SALES AND MARKETING EXPENSES

The item is composed as follows:

	Financial Year Ended on December 31	
(In thousands of Euros)	**2024**	**2023**
Labor costs and related charges	5,697	5,849
Consulting	424	425
Commissions	1.039	449
Conferences and congresses	1.056	980
Advertising and promotion	436	602
Depreciation	810	954
Others	6,885	10,070
COMMERCIAL AND MARKETING EXPENSES	**16,347**	**19,329**

Commercial and marketing expenses compared to the previous financial year decreased by 2,982 thousand Euros.
"Others" includes expenses for market research and other marketing commissions, transport costs on sales, and annual fees for membership in industry associations and the release of risk and charge funds, mainly related to the company's legal and administrative cases.

7.5.6. RESEARCH AND DEVELOPMENT EXPENSES

The item is composed as follows:

	Financial Year Ended on December 31	
(In thousands of Euros)	**2024**	**2023**
Labor costs and related charges	8,378	5,365

Consulting fees	2,016	793
Clinical studies	592	673
Depreciation	3,196	4,181
Others	5,661	2,627
RESEARCH AND DEVELOPMENT EXPENSES	**19,843**	**13,639**

Research and development expenses increased by 6,204 thousand Euros.
'Others' includes costs for purchasing materials for experimentation and services from third parties.
Refer to the management report for more details on ongoing research projects.

7.5.7. OTHER OPERATING COSTS

The item is composed as follows:

	Financial Year Ended on December 31	
(In thousands of Euros)	**2024**	**2023**
Labor costs and related charges	2,077	1,656
Consulting fees	324	257
Depreciation	154	178
Expenses for registered products	1.221	1.156
Others	233	336
OTHER OPERATING COSTS	**4,009**	**3,583**

Other operating costs are mainly related to the costs incurred for maintaining trade authorizations in Italy and abroad.

BREAKDOWN OF EXPENSES BY NATURE AND DESTINATION

	Financial Year Ended on December 31	
(In thousands of Euros)	**2024**	**2023**
Purchases	270,386	234,052
Changes in inventories	(25,777)	(23,705)
Services	81,818	74,959
Depreciation	30,792	32,709
Labor costs	81,351	69,751
Use of third-party assets	940	1,039
Provisions/ (Releases) for Risks	(2,612)	(3,480)
Other costs	5,141	4,291
TOTAL COSTS BY NATURE	**442,039**	**389,616**

Use of third-party assets includes costs for lease contracts where the underlying asset is classified as a “low value asset,” contracts that have a duration of less than 12 months (“short term lease”) and costs for services related to leases for which IFRS 16 has been applied to the lease portion of the asset.

	Financial Year Ended on December 31	
(In thousands of Euros)	**2024**	**2023**
Cost of goods sold	340,036	299,282
General and administrative expenses	61,804	53,783
Sales and marketing expenses	16,347	19,329
Research and development expenses	19,843	13,639
Other operating costs	4,009	3,583
TOTAL EXPENSES BY DESTINATION	**442,039**	**389,616**

7.5.8. INTEREST EXPESE

Interest expenses as of December 31, 2024, and December 31, 2023, are detailed in the table below:

	Financial Year Ended on December 31	
(In thousands of Euros)	**2024**	**2023**
Bank interest expenses	12,033	24,083
Interest payable to bondholders	48,702	30,583
Interest expenses to parent company	3,665	951
Net actuarial interest	8,496	2,465
Interest on lease contracts	580	656
Others	2,968	4,005
INTEREST EXPENSES	**76,444**	**62,743**

Bank interest expenses include:

- interest related to the Term Loan for 4,691 thousand Euros;
- interest related to the RCF for 5,132 thousand Euros;
- interest related to the BPER financing for 290 thousand Euros;

The net actuarial interests mainly include the amortized cost related to the Bond and the Term Loan, amounting to Euro 6,874 thousand and Euro 632 thousand respectively, in addition to the release of the portion pertaining to the financial year of the deferred financial assets related to the RCF for Euro 379 thousand.

'Others' finally includes the commitment fees related to the unused RCF line for Euro 810 thousand, as well as interests on factoring for Euro 1,856 thousand.

7.5.9. INTEREST INCOME

The item is composed as in the table below.

	Financial Year Ended on December 31	
(In thousands of Euros)	**2024**	**2023**
Interest income	34,712	36,134
Dividends from subsidiaries	3,737	3,914

FINANCIAL INCOME	**38,449**	**40,048**

The financial income is mainly composed of dividends declared by subsidiaries Kedrion Mexicana and Kedrion Betaphar for Euro 1,838 and Euro 1,899 respectively, and interest on loans granted to subsidiaries and cash pooling activities for Euro 34,461 thousand.

7.5.10. NET FOREIGN EXCHANGE GAINS / (LOSSES)

The item is broken down as shown in the following table:

	Financial Year Ended on December 31	
(In thousands of Euros)	**2024**	**2023**
Exchange gains	29,319	39,920
Exchange losses	61,373	32,408
NET EXCHANGE GAINS/(LOSSES)	**(32,054)**	**7,512**

Below is a breakdown of realized and unrealized exchange gains and losses:

	Financial Year Ended on December 31
(In thousands of Euros)	**2024**
Realized	(23,063)
Unrealized	(8,991)
NET EXCHANGE GAINS (LOSSES)	**(32,054)**

7.5.11. INCOME TAXES

Income taxes as of December 31, 2024, are composed as follows:

	Financial Year Ended on December 31	
(In thousands of Euros)	**2024**	**2023**
CURRENT TAXES	**903**	**(1,755)**
IRES	-	(2,939)
IRAP	624	812
Taxes on foreign dividends	279	372
DEFERRED (ASSETS)/LIABILITIES TAXES	**(46,685)**	**(8,395)**
IRES	(46,409)	(8,004)
IRAP	(277)	(391)
INCOME TAXES	**(45,782)**	**(10,149)**

The reconciliation between the theoretical tax rate and the effective rate as per the financial statements is as follows:

Financial Year Ended on December 31

(In thousands of Euros)	2024	%
Result before taxes	**(75,313)**	
IRES rate in effect for the FINANCIAL YEAR	24%	
Theoretical tax charge	**(18,075)**	**24%**
IRAP	347	0
Non-deductible costs	1,740	(2%)
Extra-accounting tax deductions	(1,687)	2%
Carryforward tax losses Kevlar	(23,402)	45%
Carry-forward ACE Kevlar	(621)	31%
Carry-forward interest expense Kevlar	(484)	1%
ACE	(3,730)	1%
Exchange rate differences from valuation	(12,337)	5%
Utilization of tax loss FY 2023	1,417	16%
Breakdown of tax loss FY 2023 due to exchange effects	5,593	(2%)
Minor adjustments	(41)	(7%)
Non-deductible tax credit on foreign dividends	279	0
Credit for taxes paid abroad	5,220	(7%)
Total differences	**(27,707)**	**37%**
TOTAL TAXES FROM INCOME STATEMENT	**(45,782)**	**61%**
EFFECTIVE TAX RATE	**61%**	

DEFERRED TAXES

The composition of net deferred taxes as of December 31, 2024 and 2023 is presented in the following schedule by nature listing the items that have underlying temporary differences:

	Situation financial position		**Equity**		**Income statement**	
(In thousands of Euros)	12.31.2024	12.31.2023	12.31.2024	12.31.2023	12.31.2024	12.31.2023
DEFERRED TAX ASSETS						
Unpaid directors' fees	83	-		-	83	(6)
Unpaid membership contributions	47	31		-	16	30
Unpaid interest expenses	-	-		-	-	(2)
Inventory write-down reserve	35	1,022		-	(987)	306
Provision for risks	-	1,398		-	(1,398)	(445)
Provision for equity write-down	117	165		-	(48)	165
Equity write-down	31	31		-	-	31
Discounts Chargebacks	-	-		-	-	(312)
Public Chargeback	862	322		-	540	322
Unpaid TARI	-	16		-	(16)	(19)
Currency adjustment	-	9,449		-	(9,449)	1,445
FSC IFRS 9 provision	166	166		-	-	85
Employee Termination Indemnity Reserve (IAS 19)	9	-	9	-	-	-

Non-deductible interest expenses	23,270	14,429		-	8,842	4,696
Depreciation	166	227		-	(62)	50
Brand amortization	2	3		-	(1)	(1)
Tax loss carryforward	9,175	16,184	16,184	10,542	(7,010)	5,643
Kevlar tax loss carryforward	23,402	-		-	23,402	-
Carry-forward ACE Kevlar	621	-		-	621	
Kevlar interest expenses	-	-		-	-	
ACE	4,402	672		-	3,730	-
Tax losses at CNM	5,481	-		-	6,519	-
Credit for taxes paid abroad	-	-		-	(5,220)	-
TOTAL DEFERRED TAX ASSETS	**67,869**	**44,115**	**16,194**	**10,542**	**19,562**	**11,988**
DEFERRED TAX LIABILITIES						
Currency adjustment	-	(24,223)		-	24,223	(7,654)
PPA Tangible	(16,762)	(18,326)		-	1,564	1,565
PPA Intangible	(68,827)	(70,165)		-	1,337	1,337
Inventory	-	-		-	-	1,162
Dividends	(22)	(21)		-	(1)	(3)
TOTAL DEFERRED TAX LIABILITIES	**(85,611)**	**(112,735)**	**-**	**-**	**27,123**	**(3,593)**
NET EFFECT ON INCOME STATEMENT					**46,685**	**8,395**
Adjustment from Previous Years' Tax Returns		-		-	-	-
TOTAL EFFECT ON INCOME STATEMENT					**46,685**	**8,395**
NET EFFECT ON EQUITY	**(17,742)**	**(68,620)**	**16,194**	**10,542**		

7.6. OTHER INFORMATION

7.6.1. RELATED PARTY TRANSACTIONS

The following tables provide details of the economic and financial relations with related parties for the fiscal year ended December 31, 2024, and for the fiscal year ended December 31, 2023. The companies listed have been identified as related parties because they are directly or indirectly linked to the reference shareholders.

Financial year ended 2.31.2024

(In thousands of Euros)	Revenue	Cost of goods sold	Expenses General and administrative	Sales and marketing expenses	Research and development expenses	Other operating costs	Financial (charges) / income
Kedrion Holding S.p.A.	0	3	5	0	0	0	0
Il Ciocco S.p.A.	0	0	438	54	0	0	0
Shaner Ciocco S.r.l.	0	31	46	13	0	0	0
Distilleria Indie S.r.l.	0	38	0	0	0	0	0
Tissuelab S.r..	6,876	0	0	365	0	0	0
Fondazione Campus	0	0	205	0	0	0	0
Il Ciocco International Travel Service S.r.l.	0	6	63	14	2	0	0
Maggio Re S.r.l.	0	0	1,026	95	161	103	0
Tecno Services S.r.l.	0	99	6	0	8	0	0

Tecno Real Estate S.r.l.	0	106	19	0	17	0	0
Validations and Technical Services S.r.l.	0	1,255	15	0	640	0	0
Di Tanno Studio	0	0	250	0	0	0	0
TOTAL	**6,876**	**1,538**	**2,073**	**541**	**828**	**103**	**0**
Total	**409,903**	**340,036**	**61,804**	**16,347**	**19,843**	**4,009**	**(70,049)**
% incidence	**1.68%**	**0.45%**	**3.35%**	**3.31%**	**4.17%**	**2.57%**	**0.00%**

Financial year ended 12.31.2024

(In thousands of Euros)	Financial receivables	Credits	Financial payables	Debts	CAPEX
Kedrion Holding S.p.A.	0	1,046	7,486	8	0
Il Ciocco S.p.A.	120	0	0	175	0
Shaner Ciocco S.r.l.	0	0	0	43	0
Distilleria Indie S.r.l.	0	0	0	0	0
Tissuelab Srl	0	4,961	0	706	0
Fondazione Campus	0	0	0	103	0
Il Ciocco International Travel Service S.r.l.	0	0	0	40	0
Maggio Re S.r.l.	65	0	0	1	0
Tecno Services S.r.l.	1	0	0	48	3
Tecno Real Estate S.r.l.	60	0	0	0	0
Validations and Technical Services S.r.l.	0	0	0	655	713
Sestant Spa	0	4,211	0	0	0
Refin S.r.l.	0	11	0	0	0
Cdpe Investimenti S.p.a	0	878	0	0	0
Pips S.r.l.	0	9	0	0	0
Di Tanno Studio	0	0	0	121	0
TOTAL	**246**	**11,116**	**7,486**	**1,900**	**716**
Total	**76,096**	**157,438**	**1,063,327**	**107,640**	**72,973**
% incidence	**0.32%**	**7.06%**	**0.7%**	**1.77%**	**0.98%**

For the closing of the 2024 financial year, the following details are provided regarding each related party:

- Kedrion Holding S.p.A.: costs are related to service expenses; financial liabilities refer to an Intercompany loan and related interests, credits refer to the exercise of the option for tax consolidation;
- Il Ciocco S.p.A.: costs mainly relate to property rentals for 20 thousand Euros, surveillance and maintenance services and porterage for 210 thousand Euros, hospitality for 2 thousand Euros,

utilities for 260 thousand Euros. Liabilities are of a commercial nature and refer to the services mentioned above;

- Shaner Ciocco S.r.l.: costs mainly relate to hotel and representation expenses for 90 thousand Euros. Liabilities are of a commercial nature and refer to the services mentioned above;
- Distilleria Indie S.r.l: costs mainly relate to corporate events for 38 thousand Euros;
- Tissuelab S.r.l.: the costs relate to service expenses for the marketing and distribution of recombinant factor VIII amounting to 365 thousand Euros. The revenues amounting to 6,876 thousand Euros are related to sales of plasma-derived and chemical products; open receivables amount to 4,961 thousand Euros;
- Fondazione Campus Studi del Mediterraneo: costs are related to training courses for managers and intermediate executives of Kedrion S.p.A., consultancy, translations, and language courses for 205 thousand Euro. Debts are of a commercial nature and are related to the services mentioned above;
- Il Ciocco Travel S.r.l.: the costs are mainly related to helicopter transport services for approximately 8 thousand Euros, transfer services totaling 74 thousand Euros, and car services totaling 3 thousand Euros. The debts are commercial in nature and pertain to the services mentioned above;
- Maggio Re S.r.l: the costs relate to rental fees amounting to Euro 1,385 thousand for the lease of certain office buildings;
- Tecno Servizi S.r.l: costs related to construction work, maintenance of facilities for Euro 116 thousand, of which Euro 3 thousand relate to investments;
- Tecno Immobiliare S.r.l: costs related to the lease of properties for Euro 142 thousand;
- VTS S.r.l: the costs amounting to Euro 2,623 thousand are related to homologation and validation costs, maintenance of facilities, of which Euro 713 thousand are for investments;
- Sestant: the credits refer to the interrupted tax consolidation due to loss of control, as well as other receivables as described in note 7.4.15;
- Credits towards Refin S.r.l., Cdpe Investimenti S.p.a. and Pips S.r.l. relate to other receivables as described in note 7.4.15;
- Studio Di Tanno: the costs are related to tax consultancy.

The compensation paid to executives with strategic responsibilities, on an annual basis, in December 2024 amounts to Euro 4,669 thousand.

7.6.2. INTRAGROUP RELATIONS

The following tables show the total values of transactions with subsidiary companies for the fiscal years ending December 31, 2024 and 2023

Financial year ended 12.31.2024

Commercial and other relations	Credits	Debts	Guarantees	Costs			Revenue		
(In thousands of Euros)				Goods	Services	Others	Goods	Services	Others
Prometic Bioproducion Inc.	936	13	0	1	9	0	182	0	650
KEDPLASMA LLC	5,633	2,396	0	42,486	0	0	0	0	5,178
Kedrion Biopharma Inc	5,427	4,268	0	7,153	0	0	87	0	4,896
HUMAN BioPlazma	1,027	2,426	80	45,534	16	0	1,076	0	1,044
Kedrion Mexicana	13,049	95	16,472	0	44	0	43,432	0	1,252

Kedrion Brasil	6,591	0	0	0	0	0	6,960	0	0
Kedrion De Colombia	2,950	0	0	0	0	0	1,108	0	20
Kedrion Biopharma GmbH	17,774	421	88	161	359	0	70,713	0	795
Sevenplatform VI	8,351	1,724	0	9,704	2	0	2	0	8,319
Unica	142	709	0	9,910	0	0	0	0	78
BPL Gmbh	31	0	0	841	0	0	0	0	0
Kedrion Betaphar	9,970	44	0	0	0	0	45,548	0	483

Financial year ended 12.31.2023

Commercial and other relations	**Credits**	**Debts**	**Guarantees**	**Costs**			**Revenue**		
(In thousands of Euros)				Goods	Services	Others	Goods	Services	Others
Prometic Bioproducion Inc.	560	0	0	2,475	0	0	3	0	375
Prometic Biotherapeutics Inc.	0	0	0	0	0	0	0	0	0
KEDPLASMA LLC	6,617	9,227	0	42,503	0	0	0	0	5,577
Kedrion Biopharma Inc	3,365	3,657	0	11,045	3,293	0	904	0	3,089
HUMAN BioPlazma	1,414	8,422	87	84,715	152	0	1,086	0	2,808
Kedrion Mexicana	13,015	50	0	0	40	0	50,811	0	1,188
Kedrion India	73	0	0	0	0	0	0	0	0
Kedrion Brasil	4,257	0	0	0	0	0	3,399	0	0
Kedrion De Colombia	2,724	0	0	0	0	0	1,823	0	16
Kedrion Biopharma GmbH	15,403	514	380	103	625	0	64,521	0	508
Sevenplatform VI	5,227	544	0	314	(4)	0	0	0	4,965
Unica	64	0	0	0	0	0	0	0	61
BPL USA	0	-	762	0	0	0	0	0	0
Kedrion Betaphar	9,024	0	0	0	500	0	40,060	0	297

Financial year ended 12.31.2024

Financial statements *(In thousands of Euros)*	**Credits**	**Debts**	**Guarantees**	**Expenses**	**Income**
Prometic Bioproducion Inc.	42,546	0	0	0	2,505
KEDPLASMA LLC	348	39,484	0	898	348
Kedrion Biopharma Inc	291,315	(13)	0	0	20,101
HUMAN BioPlazma	40,612	633	0	634	4,573
Kedrion Mexicana	1,487	0	0	0	0
Kedrion Biopharma GmbH	3,551	17,224	0	363	116
Sevenplatform VI	100,922	81,684	0	1,335	6,818

Financial year ended 12.31.2023

Financial statements					
(In thousands of Euros)	Credits	Debts	Guarantees	Expenses	Income
Prometic Bioproducion Inc.	33,536	0	0	0	709
KEDPLASMA LLC	174	25,950	0	63	3,676
Kedrion Biopharma Inc	239,757	212	0	236	18,040
HUMAN BioPlazma	63,632	0	0	184	7,096
Kedrion Mexicana	1,562				
Kedrion Biopharma GmbH	1	13,062	0	450	115
Sevenplatform VI	92,630	0	0	0	6,487

7.6.3. EMOLUMENTS TO THE DIRECTORS, THE STATUTORY AUDITORS, AND THE AUDIT FIRM (ON ANNUAL BASIS)

COMPENSATION TO DIRECTORS

(In Euro)	Position	Compensatio n	Bonus and other remuneration	Total compensation
Paolo Marcucci	Chairman of the Board of Directors	390,000	-	390,000
Ugo Di Francesco (1)	CEO	206,000	411,500	617,500
Federico Latini(2)	Director	-	-	-
Ulrike Becker (3)	Director	-	-	-
Massimiliano Barberis (3)	Director	-	-	-
Evan Selig (3)	Director	-	-	-
TOTAL		**596,000**	**411,500**	**1,007,500**

(1) in office since December 20, 2022

(2) in office since August 31, 2022

(3) in office since March 27, 2023

COMPENSATION FOR THE AUDIT COMMITTEE

Name and Surname	Position	Compensation	Total compensation
Tommaso Di Tanno	Chairman	40,000	40,000
Giuseppe Galeano	Statutory auditor	30,000	30,000
Stefano Massarotto	Statutory auditor	30,000	30,000
TOTAL		**100,000**	**100,000**

FEES TO THE AUDITING FIRM

(In thousands of Euros)	2024
Statutory audit of the Company's annual accounts	158
Other assurance services	12

TOTAL	170

7.6.4. FINANCIAL RISK MANAGEMENT

EXCHANGE RATE RISK

Kedrion Spa is active internationally and is therefore exposed to exchange rate risk due to the various currencies in which it operates. The exposure to exchange rate risk arises from commercial and financial transactions in currencies different from the accounting currency. The main currencies that generate FX risk are the US dollar, Canadian dollar, and Turkish lira. The sensitivity analysis conducted to assess the Company's exposure to exchange rate risk was carried out assuming a 10% variation in the exchange rates listed above against the Euro. The following tables show the impact on Profit before taxes resulting from changes in the value of current assets and liabilities, financing in currencies such as the Bond and TLA, while keeping all other variables constant. In addition to current commercial assets and liabilities, financial items are included, mainly represented by balances of intercompany financial receivables and payables in currencies other than the accounting currency

Financial year closed on 12/31/2024

Currency	FX change %	Impact on profit before tax (in thousands of Euros)
USD	revaluation 10%	(47,070)
	devaluation 10%	47,070
GBP	revaluation 10%	(43)
	devaluation 10%	43
HUF	revaluation 10%	297
	devaluation 10%	(297)
RUB	revaluation 10%	277
	devaluation 10%	(277)
TRY	revaluation 10%	633
	devaluation 10%	(633)
MXN	revaluation 10%	165
	devaluation 10%	(165)
CAD	revaluation 10%	4,504
	devaluation 10%	(4,504)

The company monitors the trends of all currencies it is currently exposed to and considers hedging options to mitigate such exposures.

INTEREST RATE RISK

Kedrion has a Bond and a TLA totaling USD 865.0 million at a fixed rate and the availability of an RCF equivalent to Euro 175.0 million at a variable rate, maturing in September 2029, May 2029, and March 2029, respectively.
As of December 31, 2024, the company is protected from interest rate risk for most of its total long-term exposure. The interest rate risk the Group is exposed to is therefore today limited to the use of short-

term financing, where rates are determined at each use based on the market conditions at that specific moment, and some minor medium-term financing at a variable rate.

As of December 31, 2024, the company thus has no hedging instruments in place.

LIQUIDITY RISK

Kedrion manages liquidity risk through the close monitoring of the components of the net operating working capital and maintains an adequate level of liquid assets and funds available through financing provided by various financial institutions. As of December 31, 2024, the Company has liquid assets amounting to Euro 74.464 million and available credit lines totaling Euro 159.1 million, of which Euro 140.4 million pertains to the RFC line provided by a pool of banks and drawn as of December 31, 2024, for Euro 34.6 million and Euro 18.7 million in short-term lines.

The table below summarizes the maturity profile of the Company's financial liabilities based on the undiscounted contractually expected payments:

(In thousands of Euros)	On demand	Less than 3 months	From 3 to 12 months	From 1 to 5 years	Greater than 5 years	Total
Loans and borrowings	2,758	0	209,161	1,217,221	813,157	1,944,595
Other financial liabilities	138,913	0	0	0	0	138,913
Trade and other payables	68,727	34,528	33,145	6,192	317	142,909
TOTAL	**210,398**	**34,528**	**242,306**	**1,223,413**	**813,474**	**2,226,417**

CREDIT RISK

A significant portion of Kedrion's trade receivables is owed by national hospital companies and other Public Entities, whose solvency is considered reasonably certain. The Company has indeed never recorded credit losses from this type of clientele. The receivables from foreign clients stem from long-standing business relationships that ensure a reasonably certain degree of solvency. Kedrion therefore believes that there is no need to implement specific credit risk management policies, given the low risk of default of its clientele.

The following tables provide details of trade receivables for the financial year ended December 31, 2024:

Trade receivables

(amounts in thousands of euros)	Financial year ended December 31, 2024	
Gross trade receivables	45,048	102%
Provision for credit impairment	(909)	(2%)
Trade receivables	**44,139**	**100%**

Trade receivables	Financial year ended December 31, 2024

(amounts in thousands of euros)		
Due	30,470	69%
Outstanding within 60	2,798	6%
Outstanding 61-120 days	5,061	11%
Outstanding 121-180 days	1,826	4%
Outstanding 181-240 days	404	1%
Outstanding 241-360 days	793	2%
Outstanding over 365 days	2,787	6%
Net trade receivables	**44,139**	100%

CAPITAL MANAGEMENT POLICY

The primary objective of Kedrion's capital management is to ensure that adequate levels of capital indicators are maintained to support operations. The Company manages its capital structure and adjusts it according to changes in economic conditions. To maintain or adjust its capital structure, Kedrion may adjust the dividends paid to shareholders, repay capital, or issue new shares.
The Company monitors its capital by means of a debt-to-capital ratio, which involves relating net debt to the total capital plus net financial position. For further details, refer to the comments in the management report regarding performance indicators and net financial position.

FINANCIAL ASSETS AND LIABILITIES

To complete the disclosure on financial risks, below is a reconciliation between classes of financial assets and liabilities and the types of financial assets and liabilities identified based on the IFRS 7 requirements:

As of December 31, 2024 *(amounts in thousands of Euros)*	Financial Assets at amortized cost	Financial Liabilities at amortized cost	Derivatives	Total	Note
Cash and cash equivalents	(74,464)			**(74,464)**	7.4.17
Receivables	(115,253)			**(115,253)**	7.4.12
Other financial assets	(483,036)			**(483,036)**	7.4.7.-7.4.16
Bank borrowings		194,266		**194,266**	7.4.19
Bondholders liability		720,556		**720,556**	7.4.19
IFRS16 lease liability		6,810		**6,810**	7.4.19
Payables due to financial leasing companies		2,781		**2,781**	7.4.19
Trade payables		107,641		**107,641**	7.4.23
Other financial liabilities		138,913		**138,913**	7.4.25

As of December 31, 2023 *(In thousands of Euros)*	Financial Assets at amortized cost	Financial Liabilities at amortized cost	Derivatives	Total	Note
Cash and cash equivalents	(74,919)			**(74.919)**	7.4.17
Receivables	(108,302)			**(108,302)**	7.4.12

Other financial assets	(434,887)		**(434,887)**	7.4.7.-7.4.16
Bank borrowings		159,431	**159,431**	7.4.19
Bondholders liability		670,810	**670,810**	7.4.19
IFRS16 lease liability		7,827	**7,827**	7.4.19
Payables due to financial leasing companies		3,745	**3,745**	7.4.19
Trade payables		83,085	**83,085**	7.4.23
Other financial liabilities		39,224	**39,224**	7.4.25

* The numbers indicate the paragraphs within the explanatory notes where the financial assets and liabilities are detailed

FAIR VALUE HIERARCHY

IFRS 13 identifies a hierarchy of valuation techniques based on three levels:

- Level 1: the data used in valuations are represented by quoted prices in markets where identical assets and liabilities to those being valued are traded;
- Level 2: the data used in valuations, other than the quoted prices in Level 1, are observable for the financial asset or liability, either directly (prices) or indirectly (derived from prices);
- Level 3: “unobservable data” when observable data are not available, resulting in modest or non-existent market activity for the assets and liabilities being valued.

In this regard, it should be noted that, in choosing the valuation techniques to be used, the Company adheres to the following hierarchy:

- use of prices observed in markets (even if not active) for identical instruments (*Recent Transactions*) or similar ones (*Comparable Approach*);
- use of valuation techniques based predominantly on observable market parameters;
- use of valuation techniques based predominantly on non-observable market parameters.

The Company does not have any derivatives as of December 31, 2024. Regarding the bond loan with a nominal amount of USD 790 million, the Company evaluates it at amortized cost for an amount equal to Euro 720.6 million as of December 31, 2024.

7.6.5. SHARE-BASED PAYMENTS

The Board of Directors of the parent company Kedrion Holding S.p.A., on September 29, 2023, approved the 5-year equity incentive plan for Management with *vesting dates* starting from the issuance date of the shares (October 3, 2023).
With reference to the accounting treatment applied by the Company, please refer to note 7.3.5..

7.6.6. COMMITMENTS AND RISKS

These include sureties, guarantees, and third-party assets held by the Company. For the years ended December 31, 2024, and 2023, they are summarized as follows:

	Financial Year Ended on December 31	
(In thousands of Euros)	**2024**	**2023**
Risks	**786,152**	**789,274**
- Guarantees	782,264	783,777
- Sureties	3,968	5,497

Third-party assets held by the Company	**35,310**	**29,435**
TOTAL	**821,542**	**818,709**

RISKS

The shares issued by the subsidiary Kedrion Biopharma Inc., of corporate ownership, and the indirectly controlled companies Kedplasma LLC and Bio Production Laboratory Ltd., are pledged as collateral for the lines of credit granted to it by a pool of banks.

The pledge secures so-called *notes* with a nominal amount of USD 790,000,000, the so-called TLA credit line of nominal Euro 75,000,000 and the so-called RCF credit line of nominal Euro 175,000,000.

The amount of the guarantee indicated in the table corresponds to the carrying value in the Parent Company's financial statement of the pledged shares.

In addition to the aforementioned, as of December 31, 2024, risks consist of guarantees provided for participation in public tenders amounting to Euro 25,458 thousand and other insurance guarantees provided in favor of Public Entities for Euro 7,664 thousand. Guarantee signatures are issued to support foreign commercial activities, primarily for supply contracts and lease agreements.

THIRD-PARTY ASSETS HELD BY THE GROUP

These entirely refer to third-party assets at the Company, mainly related to the processing activities of Italian plasma carried out by Kedrion on behalf of the Regions.

COMMITMENTS

No significant commitments are identified for the Company, except for ongoing investment contracts related to current projects and maintenance and improvement interventions on the Company's facilities.

7.6.7. INFORMATION IN ACCORDANCE WITH LAW 124/2017

In the following table, the public contributions received by the Parent Company during 2024 are highlighted:

Receiving Entity	Granting Entity	Amount Received	Date of Receipt	Reason
Kedrion S.p.A Tax Code 01779530466	Ministry of Enterprises and Made in Italy	1,002,021	11/27/2024	Project KIG10
Kedrion S.p.A Tax Code 01779530466	Ministry of Enterprises and Made in Italy	776,252	05/10/2024	Project Natural
Kedrion S.p.A Tax Code 01779530466	Ministry of Economy and Finance	648,738	12/19/2024	Program Agreements (AIFA)

7.6.8. DIVIDEND POLICY

As of the closing date of this financial statement, there are no restrictions on the distribution of dividends by the parent company Kedrion S.p.A.

In recent years, Kedrion S.p.A. has approved the distribution of dividends as follows:

- Financial year ended December 31, 2014: dividends of 12,579 thousand Euros;
- Financial year ended December 31, 2015: dividends of 10,898 thousand Euros;
- Financial year ended December 31, 2016: dividends of 3,200 thousand Euros;
- Financial year ended December 31, 2017: dividends of 4,849 thousand Euros.
- Financial year ended December 31, 2018: dividends of 5,083 thousand Euros;
- Financial year ended December 31, 2019: dividends of 8,767 thousand Euros;
- Financial year ended December 31, 2020: dividends of 7,218 thousand Euros.
- Financial year ended December 31, 2021: no dividends were distributed;
- Financial year ended December 31, 2022: losses covered with the Extraordinary Reserve;
- Financial year ended December 31, 2023: losses carried forward.

7.6.9. ALLOCATION OF THE FINANCIAL YEAR'S RESULT

Thanking the staff for their active cooperation, we invite you to approve the financial statements closed on December 31, 2024, with the proposal to cover the operating loss using available reserves.

7.6.10. SUBSEQUENT EVENTS

In line with the corporate integration and simplification program, on January 1, 2025, the merger by incorporation of Plasmafera s.r.o. into Unica Plasma s.r.o. was finalized, both companies being based in the Czech Republic.

On January 14, 2024, the *dissolution application was submitted* by Kedrion India Private Ltd.; we are currently awaiting confirmation of the liquidation process.

It is reported that on January 8, 2024, the *Go Live* of the “SAP BPL” project was successfully carried out; therefore, starting from January 1, 2025, SAP 4/HANA has been implemented as the ERP for all companies under English law, in line with the Parent Company and other major Group companies. This project marks the completion of the integration activity of the Kedrion and BPL groups also from the technical perspective of IT systems.

There are no other significant subsequent events and/or that have impacted the 2024 financial statements.

7.6.11. SUMMARY STATEMENT OF THE LATEST APPROVED DATA OF THE COMPANY THAT PERFORMS MANAGEMENT AND COORDINATION ACTIVITIES

The essential data of the parent company Kedrion Holding SpA presented in the summary statement required by Article 2497-bis of the Civil Code have been extracted from the financial statements for the year ending December 31, 2023. For an adequate and complete understanding of the financial position and results of Kedrion Holding SpA as of December 31, 2023, as well as the economic performance achieved by the company in the year ending on that date, please refer to the financial statements, which, accompanied by the audit report, are available in the forms and manners provided by law.

(In thousands of Euros)	**12/31/2023**
ASSETS	
B) Fixed assets	
III - Financial fixed assets	1,768,130

Total fixed assets	**1,768,130**
C) Current assets	
II - Receivables	243
IV - Cash and cash equivalents	685
Total current assets	**927**
D) Accruals and deferrals	**-**
TOTAL ASSETS	**1,769,057**

LIABILITIES	
A) Equity	
I - Share capital	15,145
II - Share premium reserve	1,496,654
IV - Legal reserve	3,032
VI - Other reserves	(17,207)
IX - Profit (loss) for the year	(17,207)
Total equity (A)	**1,503,837**
B) Provisions for risks and charges	**101,614**
D) Debts	
due within the next financial year	110
due after the next financial year	149,321
Total debts	**149,431**
E) Accruals and deferrals	**14,191**
TOTAL LIABILITIES	**1,769,073**

(In thousands of Euros)	**12/31/2023**
A) Production value	
5) other revenues and income	3
Total production value	**3**
B) Production costs	
7) for services	416
13) other provisions	2,520
14) miscellaneous management expenses	1
Total production costs	**2,937**
Difference between production value and costs (A - B)	**(2,937)**
C) Financial income and expenses	
16) other financial income	17
17) interest and other financial expenses	16,739
17-bis) gains and losses on exchange rates	5,501
Total financial income and expenses (15 + 16 - 17 + - 17-bis)	**(11,221)**

Result before taxes (A - B + - C + - D)	**(14,156)**
20) Income taxes for the year, current, deferred, and anticipated	3,052
21) Profit (loss) for the year	**(17,207)**

Castelvecchio Pascoli, March 13, 2025

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

8. ANNEX

8.1. **AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**
8.2. **AUDIT REPORT ON THE FINANCIAL STATEMENTS**
8.3. **STATUTORY AUDITORS REPORT**

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010

To the shareholders of Kedrion SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Kedrion Group (the "Group"), which comprise the consolidated statement of financial position as of 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and explanatory notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2024, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board and adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of Kedrion SpA pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under the Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

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Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board and adopted by the European Union and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate Kedrion SpA or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit.

Furthermore:

- we identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

- we concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- we obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Report on Compliance with other Laws and Regulations

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10

The directors of Kedrion SpA are responsible for preparing a report on operations of the Kedrion Group as of 31 December 2024, including its consistency with the relevant financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to:

- express an opinion on the consistency of the report on operations with the consolidated financial statements;
- express an opinion on the compliance with the law of the report on operations;
- issue a statement on material misstatements, if any, in the report on operations.

In our opinion, the report on operations is consistent with the consolidated financial statements of Kedrion Group as of 31 December 2024.

Moreover, in our opinion, the report on operation is prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Milan, 26 March 2025

PricewaterhouseCoopers SpA

Signed by

Christian Sartori
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010

To the shareholders of Kedrion SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Kedrion SpA (the "Company"), which comprise the statement of financial position as of 31 December 2024, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and explanatory notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2024, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of Kedrion SpA pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers SpA

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Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate Kedrion SpA or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- we identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

- we concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Report on Compliance with other Laws and Regulations

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10

The directors of Kedrion SpA are responsible for preparing a report on operations of Kedrion SpA as of 31 December 2024, including its consistency with the relevant financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to:

- express an opinion on the consistency of the report on operations with the financial statements;
- express an opinion on the compliance with the law of the report on operations;
- issue a statement on material misstatements, if any, in the report on operations.

In our opinion, the report on operations is consistent with the financial statements of Kedrion SpA as of 31 December 2024.

Moreover, in our opinion, the report on operation is prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Milan, 26 March 2025

PricewaterhouseCoopers SpA

Signed by

Christian Sartori
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers

KEDRION S.p.A. with sole shareholder

Company subject to the Direction and Coordination of Kedrion Holding Spa

Registered office: località ai Conti - 55051 Barga (LU) - fraz. Castelvecchio Pascoli

Share capital euro 60,453,901.00 fully paid

Business Register of Tuscany North West 01779530466 - Rea Lucca-170535

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Report of the Board of Statutory Auditors on the

Individual and Consolidated Financial Statements for the year ended 31 December 2024

drawn up pursuant to Article 2429, paragraph 2, of the Civil Code

To the Shareholders' Meeting of Kedrion S.p.a.

This report was approved collectively on 26 March 2025, in time for its filing at the company's registered office, as the shareholder waived the terms referred to in art. 2429 of the Civil Code

The Board of Statutory Auditors prepares this report pursuant to art. 2429 of the Italian Civil Code as the legal audit of the accounts is exercised by the auditing firm PricewaterhouseCoopers S.p.A. (PWC S.p.A.), pursuant to articles 14 and 16 of Legislative Decree 39/2010.

The Board of Directors deposited the following documents, approved at the meeting of 13 March 2025, relating to the financial year ended 31 December 2024:

- draft statutory financial statements prepared in accordance with IFRS, complete with explanatory notes, statement of changes in equity and cash flow statement;
- report on operations on the draft statutory financial statements;
- draft consolidated financial statements prepared in accordance with IFRS, complete with explanatory notes, statement of changes in equity and cash flow statement;
- management report on the draft consolidated financial statements.

Kedrion S.p.A. is a legal entity organized under the law of the Italian Republic and, as permitted by Article 40 paragraph 2 bis of Legislative Decree 127/91, starting from the financial year 2024, prepares the Report on Operations, both for the Individual Financial Statements and for the Consolidated Financial Statements, in a single document.

The approach of this report is inspired by the provisions of the law and the "Rules of conduct of the Board of Statutory Auditors - Principles of conduct of the Board of Statutory Auditors of unlisted companies", issued by the National Council of Chartered Accountants and Accounting Experts.

Company knowledge, risk assessment and report on the assigned tasks

The Shareholders' Meeting of 31 August 2022 appointed the current Board of Statutory Auditors consisting of 3 members until the approval of the draft financial statements as at 31.12.2024

The members of the Board of Statutory Auditors verified the absence of causes of ineligibility and forfeiture, verified compliance with the principle of independence and assessed their ability to adequately carry out the office also where considering the offices held in other companies.

The activities of the Board of Statutory Auditors were planned according to the significance of the company's risks while, during the year, supervisory activity was performed taking into account the type of activity carried out by the company, the size, the management complexity and the organizational and administrative structure.

It may therefore be confirmed that:

- the typical activity carried out by the company did not change during the year under review and is consistent with the provisions of the articles of association;
- the organizational structure and the equipment of the IT structures are appropriate to the size of the Group and the complexity of the activities carried out.

This report therefore summarizes the activity concerning the information provided for by art. 2429, paragraph 2 of the Civil Code relating to:

- the activity carried out in the fulfilment of the duties provided for by the law;
- observations and proposals regarding the budget;
- the results of the financial year.

The activities carried out by the Board of Statutory Auditors covered the entire financial year and five meetings were held during the same year. The Board of Statutory Auditors also regularly participated in one Shareholders' Meeting and thirteen meetings of the Board of Directors.

Activities carried out

During the periodic audits, the Board of Statutory Auditors took note of the evolution of the business, paying particular attention to contingent and/or extraordinary issues to identify their economic and financial impact on the result for the year and on the capital structure.

The Board of Statutory Auditors also focused its attention on the analysis of the risks potentially capable of influencing the Group's economic stability, focusing on those deriving from fluctuations in interest rates, fluctuations in exchange rates and potential losses on loans.

The Board of Statutory Auditors therefore assessed the adequacy of the organizational structure of the Company and the Group and any changes thereto with respect to the minimum requirements required by the performance of operations. And this is also in the light of the significant changes that have taken place, which will be later discussed in more detail.

Relations with the people working in the structure were inspired by mutual collaboration in respect of the roles entrusted to each one, having clarified those of the Board of Statutory Auditors. In particular, the latter was able to find that the level of technical preparation of the internal administrative staff in charge of identifying company facts is adequate with respect to the type of ordinary business facts to be identified and can boast sufficient knowledge of company problems.

The Board of Statutory Auditors met with representatives of PWC S.p.A., the independent auditors appointed to audit the accounts for the three-year period 2023-2025, who, among other information provided, did not highlight any facts or anything of significance that should be highlighted in this report.

The Board of Statutory Auditors ascertained and supervised the independence and non-existence of situations of incompatibility of PWC S.p.A. in relation to the appointment of an independent auditor and also acknowledges that it has received from PWC S.p.A. the annual information regarding the confirmation of independence, pursuant to Legislative Decree no. 39/2010, which confirms that it has been the subject of in-depth analysis by the same.

The Company is subject to Direction and Coordination powers of Kedrion Holding S.p.A., which fully owns the company cause of the reverse merger completed in 2023, through which the Company absorbed its original parent Kevlar S.p.A..

As far as it was possible to ascertain during the activities carried out during the year, the Board of Statutory Auditors can state that:

- information relating to the general performance of operations and its foreseeable evolution was acquired, as well as relating to the most significant transactions, in terms of size or characteristics, carried out by the Company;
- information relating to the most significant transactions with related parties, in terms of size or characteristics, carried out by the Company was acquired; the directors confirmed that these transactions are consistent with market conditions and reference should be made to the Report on Operations and the Explanatory Notes for further information on this matter;

- the decisions taken by the shareholders and the transactions carried out by the Board of Directors have been in accordance with the law and the Articles of Association and have not been manifestly imprudent or such as to definitively compromise the integrity of the company's assets;
- no specific observations are made regarding the adequacy of the company's organizational structure, nor the adequacy of the administrative and accounting system, as well as the reliability of the latter in correctly representing management related issues;
- during the supervisory activity, as described above, no further significant facts emerged that would require their reporting in this report;
- the subsidiaries are subject to the coordination of Kedrion S.p.A., which is able to carry out this activity. The continuous flow of information is also made possible thanks to the centralization of some staff functions gathered at group level;
- the meetings held with the Supervisory Body and the Report prepared by the Supervisory Body did not reveal any critical issues that should be highlighted here, both with respect to the organizational model adopted by the Company and with respect to the activities carried out;
- the meetings held with the Ethics Officer and the Internal Audit and the Reports prepared by the Ethics Officer and the Internal Audit did not reveal any critical issues that should be reported in this report;
- it was not necessary to intervene due to omissions of the administrative body pursuant to art. 2406 of the Italian Civil Code;
- the assignments - other than the statutory audit assigned - to PWC S.p.A. during the year were analysed;
- no complaints were received pursuant to art. 2408 of the Italian Civil Code;
- no complaints have been made pursuant to art. 2409, paragraph 7, of the Italian Civil Code;
- During the year, no reports were made to the Board of Directors pursuant to and for the purposes of art. 25-octies of Legislative Decree no. 14 of 12 January 2019 and no reports were received from qualified public creditors pursuant to Article 25-novies of Legislative Decree no. 14 of 12 January 2019.

Significant facts

On May 31, 2024, the acquisition of the minority shares of 40% of the company Kedrion Mexicana S.A. de C.V. from the former local shareholder, Medici Pharma, S.A.P.I. de C.V. for a total amount of euro 10.4 million to be paid in two tranches, was completed. The first tranche sums up to 50% of the amount was paid in October 2024, while the second tranche is expected to be paid by the end of April 2025. Therefore, as of December 31, 2024, a debt of euro 5.2 million remains in the balance sheet with reference to this transaction.

On 16 September 2024, the subsidiary UNICAplasma s.r.o. acquired Plasmafera s.r.o., a Czech company that operates three plasma collection centers in the Czech Republic.

In order to allow the transaction described above, Kedrion SPA made a capital payment to UNICAplasma s.r.o for euro 3.5 million.

2024 was the first year of implementation of the Pillar 2 regulation for the Kedrion Group.

Based on the analyses that the Group has carried out on the basis of information known or reasonably estimated at the end of the 2024 financial year, the Group is not required to allocate any amount as a top-up tax in the present financial statements.

Observations and proposals regarding the Draft Financial Statement and its approval

The Draft Statutory Financial Statements and the Consolidated Financial Statements for the year ended 31 December 2024 have been approved by the Board of Directors and consist of the statutory and consolidated financial statements prepared in accordance with IFRS, complete with an explanatory note, a statement of changes in equity and a cash flow statement.

The Board of Directors has also prepared the Report on Operations pursuant to art. 2428 of the Italian Civil Code and the management report to the draft consolidated financial statements, which, starting from the 2024 financial year, are preparedin a single document, due to the obvious similarity of content.

These documents were delivered to the Board of Statutory Auditors in time to be filed at the company's registered office accompanied by this report, subject to waiver of the deadline provided for by art. 2429, paragraph 1, of the Italian Civil Code by the shareholder.

PWC S.p.A. has issued its report pursuant to art. 14 and 16 of Legislative Decree no. 39 of 27 January 2010 on 26 March 2025.

In this document, it expressed an opinion on the financial statements without exceptions, remarks or reminders for information purposes, thereby certifying that the financial statements comply with the governing rules. The report also includes the judgment of conformity and consistency provided for by art. 14, paragraph 2, letter e), of the same Legislative Decree.

The Draft was then examined, and the following additional information were provided:

a. the criteria for measuring assets and liabilities were audited and were not substantially different from those adopted in previous years, as they were in compliance with IAS/IFRS international accounting standards;

b. attention has been paid to the approach given to the Draft of the Financial Statements, on its general compliance with the law as regards its formation and structure, and in this regard there are no observations that need to be highlighted in this report;

c. compliance with the legal provisions relating to the preparation of the management report has been verified and in this regard there are no observations that need to be highlighted in this report;

d. the administrative body, in preparing the Draft Financial Statements, did not derogate from the provisions of the law pursuant to art. 2423, paragraph 5, of the Italian Civil Code;

e. the Draft Financial Statements have been verified to comply with the facts and information of which they have become aware following the performance of the typical duties of the Board of Statutory Auditors and in this regard no further observations are highlighted;

f. in preparing the Draft Financial Statements, the Directors made a number of discretionary assessments and estimates regarding, among other things, the value of goodwill, the value of equity investments, deferred tax assets and liabilities, severance indemnities, development costs, financial instruments and provisions in general;

g. deferred tax assets recorded in the balance sheet show a net balance of €17,742 K (€67,869 K assets versus €85,611 K liabilities);

h. the Company exhaustively discloses in the notes to the financial statements the commitments and risks not recognized in the financial statements;

i. in the Report on Operations, the Company has provided information on the main features of the existing risk management and internal control system.

<u>Profit for the year</u>

The net result for the individual financial statements ascertained by the Board of Directors for the year ended December 31, 2024 was negative for euro 29,531 K, compared to a negative result of euro 15,044 K achieved in the previous year.

The Board of Statutory Auditors makes no comments on the proposal made by the Board of Directors regarding the coverage of the loss for the year, set out at the end of the Notes to the Financial Statements.

The consolidated financial statements as at 31 December 2024 show a profit attributable to the group of €15,633 K (loss of €324 K in the previous year)

The Board of Statutory Auditors notes that no further significant facts have emerged that would require mention in this report and that the consolidated financial statements correspond to the facts and information of which they are aware and that the report on operations is correct and consistent with the consolidated financial statements.

Conclusions

In consideration of the above and on the basis of what has been brought to the attention of the Board of Statutory Auditors and on the findings of the periodic checks carried out, the Board of Statutory Auditors believes that there are no reasons preventing the approval of the Draft Financial Statements for the year ended 31 December 2024 as prepared by the Board of Directors and their proposal of destination of the final risult .

Milan, 26 March 2025

For the Board of Statutory Auditors
The Chairman
Prof. Tommaso Di Tanno

KEDRION
BIOPHARMA

Kedrion Group
Headquarters in: Località Ai Conti – 55051 BARGA (LU) –
Castelvecchio Pascoli district
Share Capital 60,453,901.00 Euros fully paid