



PRESS RELEASE

PIERREL S.P.A.

BOARD OF DIRECTORS MEETING

- ✓ **Approval on a voluntary basis of the Interim Management Report for the Pierrel Group and Pierrel S.p.A. at 31 March 2022, which records:**
 - **Consolidated revenues of about € 6.0 million**, showing a decrease of some 8% compared to 31 March 2021, when they were some € 6.5 million;
 - **Consolidated EBITDA positive for about € 1.2 million**, showing a decrease of about 30% compared to 31 March 2021, when it was positive for about € 1.7 million.
 - **Positive EBIT for about € 0.8 million**, of which about € 0.4 million for amortization, a significant decrease compared to 31 March 2021, when it was positive for about € 1.4 million (of which about € 0.4 million for amortization);
 - **Consolidated net financial debt of about € 15.2 million**, showing an improvement of some 15% compared to 31 December 2021, when it was about € 13.2 million;
 - **Consolidated net profit of about € 0.5 million**, showing a decrease of about 45% compared to 31 March 2021, when it was positive for about € 0.9 million.

Capua, 9 June 2022 – Pierrel S.p.A. ("Pierrel" or "the Company") announces that the Board of Directors of the Company met today and examined and approved on a voluntary basis the **Interim Management Report of the Pierrel Group and the Company as at 31 March 2022**, drawn up in accordance with the international accounting standards IAS / IFRS and not subject to legal audit.

The results recorded by the Company and its only subsidiary Pierrel Pharma S.r.l. with a sole shareholder ("Pierrel Pharma" and, together with the Company, the "Pierrel Group") in the first quarter of 2022 show a satisfactory performance in the production and commercial activities despite the problems connected with the ongoing health emergency and known facts related to the geo-political situation in Russia and Ukraine.

In detail, the Pierrel Group closed the first three months of 2022 with **consolidated revenues** of approximately **€ 6 million**, showing a decrease of about 8% compared to the approximately € 6.5 million achieved in the corresponding period of 2021 and a **positive consolidated EBITDA of about € 1.2 million**, a decrease of about 30% compared to 31 March 2021, when it was positive for about € 1.7 million. The value of the main economic indicators (gross revenues and EBITDA) of the Pierrel Group at 31 March 2022 is in line with the forecasts estimated by the Company's management and approved by the Company's Board of Directors on 27 April. In particular, the decrease in turnover is linked to a different distribution of orders received and fulfilled while EBITDA, in addition to the effect of the different mix of turnover, is affected by the expected increases in energy costs and personnel costs following the recruitments to train and prepare the staff for the new production departments that will come into operation shortly.

Here follows a brief description of the business performance and management results at 31 March 2022 of the individual divisions Contract Manufacturing - CMO, Pharma and Holding of the Pierrel Group.

The **CMO Division** recorded in the first three months of 2022: (a) **total sales**, gross of intercompany eliminations, of **approximately € 4.3 million**, an increase of some 25% compared to the € 3.5 million recorded in the same period of 2021; and (b) a **positive EBITDA**, gross of intercompany eliminations, of **approximately € 0.5 million**, a significant increase compared to the same period of 2021, when it was positive for approximately € 0.3 million.

The **Pharma Division** recorded in the first three months of 2022 **total sales**, gross of intercompany eliminations, of **approximately € 4.2 million**, a decrease of some 25% compared to the € 5.5 million recorded in the first three months of 2021; and a **positive EBITDA of approximately € 1.0 million**, a decrease of some 35% compared to the same period of 2021, when it was positive for approximately € 1.5 million for the reasons stated above.



The **Holding Division**, which does not generate revenues, recorded a **negative EBITDA** for the first three months of 2022 of **some € 0.5 million**, in line with the result at 31 March 2021.

The total sales and EBITDA figures recorded by the CMO, Pharma and Holding Divisions at 31 March 2022 are all in line with the budget forecasts approved by the Board of Directors on 27 April 2022.

The Pierrel Group recorded a **positive EBIT (operating result)** at 31 March 2022 of about **€ 0.7 million**, after amortisation of around € 0.4 million, a significative worsening on the figure of 31 March 2021, when it was positive for about € 1.4 million, after amortisation of around € 0.4 million.

The **net financial debt** of the Group at 301 March 2022, which includes a current financial debt of about € 3.8 million (about € 1.7 million at 31 December 2021), amounted to **some € 15.3 million**, improving by about 15% compared to 31 December 2021, when it was about € 13.2 million.

In addition, it is noted that the Pierrel Group at 31 March 2022 recorded **net financial expenses** of about **€ 0.2 million**, a decrease on the figure recorded at 31 March 2021, when it was some € 0.3 million. This item also includes **net notional financial income** from discounting and from currency adjustment, totaling around **€ 0.1 million**, linked to the payable (stated in US dollars) still due from Pierrel to the American customer Dentsply International Inc. of around € 5.8 million at 31 March 2022, by way of interest and capital stock.

The **consolidated cash resources** of the Pierrel Group as at 31 March 2022 was equal to approximately **€ 6.6 million**, a decrease compared to 31 December 2021, when it was equal to approximately € 7.7 million, due, among other things, to the use of part of the cash and cash equivalents to support the important investment plan in progress.

As of 31 March 2022, none of the Pierrel Group companies has issued bonds.

At 31 March 2022, the **Group's overdue payables to suppliers** amounted to approximately € 2.2 million, in line with what was recorded as at 31 December 2020, while at the same date the Group has no overdue payables of a financial, social security or tax nature, or overdue payables to its employees.

During the first quarter of 2022, the consolidation scope of the Pierrel Group did not change significantly compared to the closing date of 2021.

In light of the above and for the reasons briefly illustrated above, at 31 March 2022 the Pierrel Group recorded a **consolidated net profit of approximately € 0.5 million**, a decrease of about 45% compared to the consolidated net profit recorded by the Group at 31 March 2021 equal to approximately € 0.9 million.

Results of Pierrel

At 31 March 2022 **Pierrel** recorded **revenues** of about € 4.3 million, an increase of about 25% compared to about € 3.5 million of the corresponding period of 2021, and a positive **EBITDA** of about € 0.1 million, in contrast to 31 March 2021, when it was negative for about € 0.2 million.

The company's **net financial position** at 31 March 2022 was negative for some € 14.9 million, a worsening of about 18% when compared to the figure of 31 December 2021, when it was some € 12.7 million.

In light of the foregoing, at 31 March 2022, after having recognised amortisation of € 0.4 million and net financial expenses of € 0.2 million, the Company posted a **net loss of some € 0.4 million**, a slight improvement compared to the net loss recorded by the Company at 31 March 2021 of € 0.5 million, after recognition of amortisation of € 0.3 million and net financial expenses of € 0.3 million.

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Based on the results achieved by the Pierrel Group at 31 March 2022 and described in this press release and on the data in the possession of the Company, including the outlook for the next few months, during the same meeting the Company's Board of Directors confirmed the main economic and financial objectives of the Pierrel Group for the year 2022 which, as previously communicated to the market on 27 April (see press releases of 27 April 2022 published on



the Company's website and available at www.pierrelgroup.com, section *News&Press//Press Releases*), include: (a) consolidated gross revenues of about € 25.2 million; and (b) a positive consolidated EBITDA of about € 4.2 million.

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No significant events occurred during the first quarter of 2022 and subsequent to 31 March 2022.

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This press release represents the Interim Report of the Pierrel Group and the Company at 31 March 2022 and it is filed and available to the public on request, at the registered office of the Company in Capua (CE), Strada Statale Appia 7 bis 46/48 and at the head office of Borsa Italian S.p.A. and it will also be available in the Investor Relations/Financial Documents of the Company's website, www.pierrelgroup.com, section Investor relations/Governance Documents/*Financial Documents* and on the authorized storage mechanism of regulated information eMarket Storage at www.emarketstorage.com.

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The executive responsible for the preparation of corporate accounting documents of Pierrel, Mr Francesco Pepe, declares, pursuant to art. 154-*bis*, co. Paragraph 2 of the TUF, that the accounting information relating to the Interim Management Report of the Pierrel Group at 31 March 2022, as reported in this press release, corresponds to the documentary results, books and accounting records of the Company and the Pierrel Group.

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In addition to the conventional financial indicators required by the IFRS, in order to allow a better assessment of the economic management and financial position of the Pierrel Group, this document contains some alternative performance indicators relating to data of the Pierrel Group and the Company at 31 March 2022. These indicators are presented in the other annual financial reports and interim reports of the Company and the Pierrel Group, but should not be considered as replacements for the conventional indicators recommended by the IFRS.

According to CESR/05-178b of 3 November 2005, below is a brief description of the alternative performance indicators, as well as their composition, mentioned in this press release:

- **"EBITDA" or "gross operating result"** indicates the difference between sales revenues and costs related to the consumption of materials, cost of services, labor costs and the net balance of operating income and write-downs and represents the operating result before amortization, depreciation and provisions, financial management and taxation;
- **"EBIT" or "operating result"** indicates the difference between the gross operating result and the value of amortization, write-downs and provisions and represents the operating result prior to financial management and taxation;
- **"Net financial debt"** is an indicator of the financial structure of the Pierrel Group. It is calculated as the result of short and long-term financial payables and related derivative instruments, net of cash and cash equivalents and financial assets.

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Attached below are the income statements and balance sheets of the Pierrel Group and Pierrel at 31 March 2022, that have not been subject to audit.

FINANCIAL STATEMENTS OF THE PIERREL GROUP

Consolidated income statement

	First three months	
(€ thousands)	2022	2021
Revenue	5.985	6.515
<i>of which non-recurring</i>	<i>51</i>	<i>-</i>
Raw materials and consumables used	(1.624)	(2.052)
Sundry services and Third-party goods	(1.168)	(815)
<i>of which non-recurring</i>	<i>(10)</i>	<i>-</i>
Personnel costs	(1.785)	(1.540)
Other provisions and costs	(209)	(395)
Earnings Before Interest, Tax, Depreciation and Amortisation	1.199	1.713
Amortisation, depreciation and write-downs	(428)	(361)
Operating profit/(loss)	771	1.352
Financial income	-	-
Financial expenses*	(174)	(317)
Profit/(loss) before tax	597	1.035
Income tax	(55)	(95)
Net Profit/(Loss) for the period	542	940

*of which losses due to exchange rate adjustments of financial debt in USD equal to about € 115 thousand (losses due to exchange rate adjustments of financial debt in USD at 31 March 2021 equal to approximately € 275 thousand)

Consolidated balance sheet

ASSETS	31 March 2022	31 December 2021
<i>(€ thousands)</i>		
Intangible assets	4.061	3.946
Tangible assets	25.884	23.373
Tangible assets leased assets	588	275
Financial fixed assets	10	10
Receivables and other non-current assets	14	14
Active deferred taxes	5.275	5.275
Non-current assets	35.832	32.893
Inventories	4.748	4.066
Trade receivables	3.777	2.649
Tax receivables	1.199	777
Other current assets and sundry receivables	2.136	1.654
Cash and cash equivalents	6.594	7.661
Current assets	18.454	16.807
Total assets	54.286	49.700

EQUITY AND LIABILITIES	31 March 2022	31 December 2021
<i>(€ thousands)</i>		
Share capital	3.716	3.716
Reserves and retained earnings/(losses)	14.658	11.705
Loss for the year	542	2.940
Consolidated equity	18.916	18.361
Employee benefits	297	291
Non-current financial liabilities	18.167	19.164
Other current liabilities and sundry payables	3.260	2.229
Non-current liabilities	21.724	21.684
Trade payables	6.213	4.425
Current financial liabilities	3.715	1.656
Current tax payables	157	141
Other current liabilities and sundry payables	3.561	3.433
Current liabilities	13.646	9.655
Total liabilities	35.370	31.339
Total equity and liabilities	54.286	49.700

Net consolidated financial position

(€ thousands)	31 March 2022	31 December 2021
A. Liquid assets	6.594	7.661
B. Cash equivalents		
C. Other current financial assets		
D. Cash Resources (A)+(B)+(C)	6.594	7.661
E. Current financial debt	3.715	1.656
F. Current portion of the non current financial debt		
G. Current financial debt (E)+(F)	3.715	1.656
H. Net current financial debt (G)-(D)	(2.879)	(6.005)
I. Non current financial debt	18.167	19.164
J. Debt instruments		
K. Trade payables and other non current debts		
L. Non-current financial debt (I)+(J)+(K)	18.167	19.164
M. Total financial debt (H)+(L)	15.288	13.159

FINANCIAL STATEMENTS OF PIERREL S.P.A.

Separated income statement

	First three months	
(€ thousands)	2022	2021
Revenue	4.336	3.481
<i>of which non-recurring</i>	51	49
Raw materials and consumables used	(1.466)	(1.228)
Sundry services and Third-party goods	(789)	(588)
<i>of which non-recurring</i>	(10)	
Personnel costs	(1.747)	(1.502)
Other provisions and costs	(266)	(344)
<i>of which non-recurring</i>		(3)
Earnings Before Interest, Tax, Depreciation and Amortisation	68	(181)
Amortisation, depreciation and write-downs	(409)	(343)
Operating profit/(loss)	(341)	(524)
Financial income	-	-
Financial expenses*	(179)	(303)
Profit/(loss) before tax	(520)	(827)
Income tax for the period	153	279
Net Profit/(Loss) for the period	(367)	(548)

*of which losses due to exchange rate adjustments of financial debt in USD equal to about 115 thousand (losses due to exchange rate adjustments of financial debt in USD at 31 March 2021 equal to approximately 1275 thousand)

Balance sheet

ASSETS	31 March 2022	31 December 2021
(€ thousands)		
Intangible assets	1.494	1.483
Tangible assets	25.882	23.372
Tangible assets leased assets	588	276
Investments	4.574	4.574
Active deferred taxes	5.275	5.275
Non-current assets	37.813	34.980
Inventories	4.568	3.757
Trade receivables	1.393	622
Tax receivables	1.199	775
Other current assets and sundry receivables	1.935	1.898
Cash and cash equivalents	2.288	3.472
Current assets	11.383	10.524
Total assets	49.196	45.504

EQUITY AND LIABILITIES	31 March 2022	31 December 2021
Share capital	3.716	3.716
Reserves and Retained earnings	16.256	16.661
Loss for the year	(367)	(405)
Equity	19.605	19.972
Employee benefits	297	291
Non-current financial liabilities	14.413	15.410
Other current liabilities and sundry payables	3.260	2.229
Non-current liabilities	17.970	17.930
Trade payables	6.001	4.193
Current financial liabilities	2.846	718
Current tax payables	37	64
Other current liabilities and sundry payables	2.737	2.627
Current liabilities	11.621	7.602
Total liabilities	29.591	25.532
Total equity and liabilities	49.196	45.504

Net financial position

(€ thousands)	31 March 2022	31 December 2021
A. Liquid assets	2.288	3.473
B. Cash equivalents		
C. Other current financial assets		
D. Cash Resources (A)+(B)+(C)	2.288	3.473
E. Current financial debt	2.737	718
F. Current portion of the non current financial debt		
G. Current financial debt (E)+(F)	2.737	718
H. Net current financial debt (G)-(D)	449	(2.755)
I. Non current financial debt	14.413	15.410
J. Debt instruments		
K. Trade payables and other non current debts		
L. Non-current financial debt (I)+(J)+(K)	14.413	15.410
M. Total financial debt (H)+(L)	14.862	12.655

Pierrel S.p.A. specialises in the pharmaceutical production (Contract Manufacturing Division) and the development, registration and licensing of new drugs and medical devices (Pharma Division).

Pierrel Group is listed on the MTA exchange which is organised and managed by Borsa Italiana and boasts over 70 years' experience in the pharmaceutical sector, being one of Europe's leading producers of local and dental anaesthetics.

Pierrel also has a production unit in Capua, close to Naples, Italy, authorised by the European Medicines Agency (EMA) and the Food and Drug Administration (FDA) for the aseptic production of injectable medicines.

The subsidiary Pierrel Pharma S.r.l. with sole shareholder has registered and distributes the Orabloc® dental anaesthetic in the US, Canada, Russia and CIS countries, Africa, Asia and Far East.. The registered office of Pierrel S.p.A. is in Capua (CE), Italy.

For further information:

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