



PRESS RELEASE

CDA APPROVED THE INTERIM FINANCIAL REPORT AT 30 JUNE 2023

- Results of Pierrel at 30 June 2023:

- **Total revenues of € 14.3 million**, showing an increase of some 32% compared to 30 June 2022, when they were some € 10.8 million.
- **EBITDA positive for about € 2.9 million**, showing a marked improvement compared to 30 June 2022, when it was positive for about € 0.9 million;
- **EBIT positive for about € 1.6 million**, showing a marked increase compared to 30 June 2022, when it was positive for about € 0.1 million.
- **Net result positive for about € 1.3 million**, in contrast to the trend compared to 30 June 2022, when it was negative for about € 0.5 million.
- **Consolidated net financial debt of about € 24.4 million**, showing a decrease of some 16% compared to 31 December 2022, when it was about € 21.1 million.

- The main economic and financial objectives for 2023 have been confirmed

Capua (CE), 27 September 2023 – The Board of Directors of Pierrel S.p.A. ("**Pierrel**" or the "**Company**"), a global provider of services for the pharmaceutical industry whose shares are listed on the Euronext Milan organized and managed by Borsa Italiana S.p.A., (Ticker: PRL) examined and approved today the interim financial report at 30 June 2023.

Below is a brief description of the Company's results at 30 June 2023, keeping in mind that on 1 December 2022 the merger by incorporation by Pierrel S.p.A. of the then subsidiary Pierrel Pharma S.r.l. became effective (for more information please refer to the press release published by the Company on 1 December 2022 and available on Pierrel's website at www.pierrelgroup.com, section News&Press/Press Releases). The comparative data, reported in the interim Financial Report and in the Condensed interim Financial Statements at 30 June 2023, consistently with the provisions of Consob Recommendation no. DIE/RM, were reflected in the comparative data together with those of Pierrel S.p.A., as if the merger had taken place on the first day of the 2022 financial year.

At 30 June 2023, **Pierrel** recorded revenues of about €14.3 million, an increase of about 32% compared to the value of the revenues achieved in the corresponding period of 2022, when they were equal to about € 10.8 million, and a positive **EBITDA** of about € 2.9 million, a marked increase compared to 30 June 2022, when it was positive for about € 0.9 million.

In the first half of 2023, the increase in the Company's turnover compared to the corresponding period of 2022 is due to an increase in volumes, but also and mainly to an increase in the sales prices of products, in particular those under its own brand.

EBITDA, which benefits from the positive effect of the increase in volumes and prices, as well as the positive effects deriving from the merge of Pierrel Pharma S.r.l. in the Company (for further information on these synergies, please refer to the merger project approved by the Company's Board of Directors on 15 June 2022 and, subsequently, by the Company's



Shareholders' Meeting of 27 July 2022 and available on the website of Pierrel at www.pierrelgroup.com, section *Investor Relations/Governance Documents/Documentation for shareholders/Documentation of shareholders' meetings/Shareholders' meeting of 27 July 2022*), records a significant increase compared to the figure achieved at 30 June 2022.

The Company recorded a positive EBIT (operating result) at 30 June 2023 of about €1.6 million, after amortization of around €1.3 million, a marked increase on the figure of 30 June 2022, when it was positive for about € 0.1 million, after amortization of around € 0.8 million.

As of 30 June 2023, the Company recorded a **net profit of about € 1.3 million**, after having recognized net amortization and depreciation of tangible and intangible assets for about € 1.3 million and net financial charges of about € 0.3 million, in contrast to the data as of 30 June 2022, which recorded a net loss of about € 0.5 million, after having recognized net amortization and depreciation of tangible and intangible assets of about € 0.9 million and net financial charges of about € 0.6 million. The clear improvement in the result at 30 June 2023 compared to that recorded in the first half of 2022 is attributable, in addition to the improvement in revenues and EBITDA, to the reduction of about € 0.6 million in net financial charges resulting from the currency adjustment relating to the debt accrued by Pierrel towards Dentsply International Inc.

The company's **net financial position** at 30 June 2023 was negative for some € 24.4 million, worsening when compared to 31 December 2022, when it was negative for some € 21.1 million. This trend is attributable, in absolute value, almost exclusively to the reduction in cash and cash equivalents during the first half of 2023, used by the Company to service the planned investment plan.

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Based on the results achieved by the Pierrel Group at 30 June 2023 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 for the year 2023 which, as previously communicated to the market (see press release of 5 July 2023 published on the Company's website and available at www.pierrelgroup.com, section *News&Press/Press Releases*), include: (i) revenues in a range between about € 39-43 million and (ii) positive EBITDA in a range between € 7-8 million.

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For a description of the main events occurred in the first half of 2023, please refer to the section "Significant events in the first half of 2023" of the Management Report included in the interim condensed financial statements at 30 June 2023, which will be made available to the public in the manner and terms provided for by law.

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Below is a description of the main significant events after 30 June 2023:

- on 27 July 2023, the capital increase of € 69,991,893.90 was fully subscribed through the subscription of n. 45,776,255 newly issued Pierrel shares. The aforementioned capital increase, approved by the extraordinary meeting of Pierrel shareholders on 5 June 2023, was connected to the acquisition operation (indicated below) of certain



contracts, authorizations and intellectual property rights relating to dental products by the group headed by the US company 3M Company as it is aimed at finding the financial resources necessary for the payment of the aforementioned operation (for further information, please refer to the Company's press releases and the documents relating to the capital increase and available on Pierrel website at www.pierrelgroup.com, Investor Relations/Governance Documents/Documentation for shareholders/Capital increases/Capital increase 2023 section);

- on 1 August 2023, the acquisition transaction was completed by the Company, as buyer, and by the group headed by the US company 3M Company, as seller, of certain contracts, authorizations and intellectual property rights relating to dental products for local anesthesia based on articaine, lidocaine and mepivacaine, marketed under the brands UbistesinTM, XylestesinTM and MepivastesinTM as well as specific products for syringes and needles (for further information, please refer to the Company's press release dated 1 August 2023 and available on the Pierrel website at www.pierrelgroup.com, News&Press/Press Releases section);

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The interim financial report of Pierrel S.p.A. At 30 June 2023 approved by Pierrel's Board of Directors today, with a certification in art. 154-bis, paragraph 5 of Legislative Decree. 24 February 1998, n. 58, as subsequently amended and integrated, together with the audit firm's report on the Company's half-yearly financial report as of 30 June 2023, will be made available to the public at the Company's registered office in Capua (CE), Strada Statale Appia 7-bis , n. 46/48 and at the headquarters of Borsa Italiana S.p.A., as well as on the Company's website at www.pierrelgroup.com, Investor Relations/Financial Documents section, and at the authorized storage mechanism Nis-Storage (www.emarketstorage.it) within the terms of the law.

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The executive responsible for the preparation of corporate accounting documents of Pierrel S.p.A., Mr Francesco Pepe, declares– pursuant to Article 154a, paragraph 2 of Legislative Decree 24 February 1998 no. 58, as subsequently amended and supplemented, that the accounting information related to the condensed interim financial statements of Pierrel at 30 June 2023, as reported in this press release, corresponds to the documented results, accounting records and accounting entries of the company.

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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 Company, this document contains some alternative performance indicators relating to data at 30 June 2023. These indicators are presented in the other annual financial reports and interim reports of the Company, but should not be considered as replacements for the conventional indicators recommended by the IFRS.

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 Company. 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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Below are the tables of Pierrel's financial position, separate income statement and cash flow statement at 30 June 2023.

Assets

<i>Amounts in Euro</i>	30 giugno 2023	31 dicembre 2022
Intangible assets	11.961.783	8.766.378
Tangible assets	35.815.823	32.157.135
Leased assets	1.314.896	1.444.489
Investments	9.755	9.755
Other non current assets and sundry receivables	13.850	13.850
Active deferred taxes	5.274.522	5.274.522
Non-current assets	54.390.629	47.666.129
Inventories	6.330.899	6.248.866
Trade receivables	3.161.247	4.788.482
Tax receivables	492.978	969.658
Other current assets and sundry receivables	2.839.353	3.086.600
Cash and cash equivalents	4.793.116	5.544.451
Current assets	17.617.593	20.638.057
TOTAL ASSETS	72.008.222	68.304.186

Equity and liabilities

<i>Amounts in Euro</i>	30 giugno 2023	31 dicembre 2022
Share capital	3.716.342	3.716.342
Reserves and Retained earnings	20.752.445	19.377.240
Loss for the year	1.288.622	1.357.728
Equity	25.757.409	24.451.310
Employee benefits	226.600	256.190
Non-current financial liabilities	21.171.733	23.633.411
<i>of which vs. related parties</i>	4.223.221	4.692.468
Other current liabilities and sundry payables	4.948.003	4.540.539
Non-current liabilities	26.346.336	28.430.140
Trade payables	8.227.566	8.223.144
Current financial liabilities	8.063.648	2.965.863
<i>of which vs. related parties</i>	3.753.458	-
Tax payables	572	
Other current liabilities and sundry payables	3.612.691	4.233.729
<i>of which vs. related parties</i>	30.000	30.000
Current liabilities	19.904.477	15.422.736
TOTAL LIABILITIES	46.250.813	43.852.876
TOTAL EQUITY AND LIABILITIES	72.008.222	68.304.186

Interim income statement

<i>Amounts in Euro</i>	First half of 2023	First half of 2022
Revenues from ordinary operations	13.364.130	10.137.438
<i>of which vs. related parties</i>	-	
Other revenues and income	920.997	677.176
<i>of which non-recurring</i>	624.956	361.903
Total revenues	14.285.127	10.814.615
Raw materials and consumables used	(4.045.311)	(3.468.673)
Sundry services	(3.049.679)	(2.306.512)
<i>of which non-recurring</i>	(22.350)	(9.984)
Third-party goods	(48.069)	(51.528)
Personnel costs	(3.465.893)	(3.472.514)
<i>of which vs. related parties</i>	(30.000)	(30.000)
<i>of which non-recurring</i>	(7.176)	
Other provisions and costs	(730.288)	(589.618)
<i>of which vs. related parties</i>	(475)	(2.909)
<i>of which non-recurring</i>	(15.817)	(32.301)
Earnings Before Interest, Tax, Depreciation and Amortisation	2.945.887	925.770
Amortisation and depreciation	(1.347.853)	(870.693)
Net recoveries/(Impairment) of tangible and intangible assets	(72)	(477)
<i>of which non-recurring</i>	(72)	(477)
Operating profit/(loss)	1.597.962	54.600
Financial expenses	(349.858)	(759.860)
<i>of which vs. related parties</i>	(55.125)	(78.363)
Financial income	125.752	195.107
Profit/(loss) before tax	1.373.856	(510.153)
Income tax	(85.234)	10.895
<i>of which non-recurring</i>	-	(57.479)
NET PROFIT/(LOSS) FOR THE PERIOD	1.288.622	(499.258)

(* of which about € 102 thousand relating to notional income for exchange rate adjustment on Dentsply Debt (losses for exchange rate adjustment on Dentsply Debt equal to about € 510 thousand at 30 June 2022)



Interim cash flow statement

<i>Amounts in Euro</i>	First half of 2023	First half of 2022
NET PROFIT/(LOSS) FOR THE FINANCIAL YEAR	1.288.622	(499.258)
Amortisation and depreciation	1.218.260	811.310
Amortisation of leased assets	129.593	59.383
Provisions and write-downs	(12.374)	(68.467)
Net financial expenses (*)	224.106	563.754
Movement in inventories	(69.659)	(1.044.476)
Movement in trade receivables	1.627.235	1.068.994
Movement in trade payables	4.422	2.439.806
Income tax	85.234	(10.895)
Net movement in other non-current assets and liabilities	548.742	1.067.841
Net movement in other current assets and liabilities	(123.051)	278.164
Movement in employee benefits	(29.590)	9.635
Cash flow from continuing operations	4.891.540	4.675.791
Outflow for the acquisition of tangible assets	(4.357.352)	(5.451.725)
Outflow for the acquisition of intangible assets	(3.715.001)	(1.997.845)
Cash flow from investing activities	(8.072.353)	(7.449.570)
Increase medium/long-term loans		245.276
Increase short-term loans	4.203.696	865.824
Repayment of short-term loans	(1.465.665)	(580.649)
Paid net financial expenses	(114.422)	(148.835)
Cash flow from financing activities	2.623.609	381.616
TOTAL CASH FLOW FOR THE YEAR	(557.204)	(2.392.163)
Net cash and cash equivalents at the start of the year	5.544.451	7.660.991
Total cash flow for the year	(557.204)	(2.392.163)
Exchange effect	(194.131)	95.600
Net cash and cash equivalents at the end of the year	4.793.116	5.364.428

(*) of which about € 102 thousand relating to notional income for exchange rate adjustment on Dentsply Debt (losses for exchange rate adjustment on Dentsply Debt equal to about € 510 thousand at 30 June 2022)

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This document contains forecasts and estimates that reflect the current views of Pierrel management regarding future events. Forecasts and estimates are generally identified by expressions such as “it is possible,” “it should,” “it is expected,” “it is predicted,” “it is estimated,” “it is believed,” “it is intended,” “it is planned,” “objective” or by the negative use of these expressions or by other variations of these expressions or by the use of comparable terminology. These forecasts and estimates include, but are not limited to, all information other than factual information, including, without limitation, information regarding Pierrel’s financial position and future financial position and results of operations, strategy, plans, objectives and future developments in the markets in which Pierrel operates or intends to operate. As a result of these uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking information as a prediction of actual results. Pierrel’s ability to confirm the economic, equity and financial data of a forecast nature and achieve the expected results depends on many factors outside the control of management. Actual results may differ significantly from (and be more adverse than) those anticipated or implied by the forward-looking information. These forecasts and estimates involve risks and uncertainties that could have a significant impact on expected results and are based on basic assumptions. The forecasts and estimates advanced herein are based on information available to Pierrel as of today. Pierrel undertakes no obligation to publicly update and revise forecasts and



estimates following the availability of new information, future events or otherwise, without prejudice to compliance with applicable laws. All subsequent written and oral forecasts and estimates, attributable to Pierrel or to persons acting on its behalf are expressly qualified, in their entirety, by these cautionary statements.

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Pierrel S.p.A. is a pharmaceutical industry provider specializing in the development, production, registration and licensing of synthetic drugs - regional local anesthetics - and medical devices for the oral health sector. Based in Capua (CE), listed on the EXM market organized and managed by Borsa Italiana, Pierrel is authorized by EMA (*"European Medicines Agency"*) and FDA (*"Food and Drug Administration"*) for the aseptic production of injectable drugs. After over seventy years of experience, Pierrel is one of the world's leading manufacturers of own-brand dental anesthetics, including *Orabloc®* marketed in most of the world markets, such as *Canada, USA, Russia and Europe* and with a significant market share in the USA. Real time information on the company and all press releases are available on the website www.pierrelgroup.com

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