



PRESS RELEASE

PIERREL S.P.A.: THE CDA APPROVES THE DRAFT FINANCIAL STATEMENT AND THE CONSOLIDATED FINANCIAL STATEMENT AT 31 DECEMBER 2021

Consolidated results at 31 December 2021:

- **Gross revenues of about € 23.8 million**, in line with the about € 24 million estimated by the Board of Directors of Pierrel S.p.A. on 16 April 2021, and up by about 30% compared to 31 December 2020, when they amounted to about € 18.3 million;
 - **Positive EBITDA of about € 5.6 million**, an increase of about 13% compared to about € 4.9 million as estimated by the Board of Directors of Pierrel S.p.A. on 16 April 2021 and communicated to the market on the same date, and significantly up compared to 31 December 2020, when it was positive for about € 3.2 million;
 - **EBIT positive for about € 3.9 million, of which about € 1.6 million for amortization**, a more than significant improvement compared to 31 December 2020, when it was positive for about € 2 million, including about € 1.2 million for amortization;
 - **Positive Net Result of about € 2.9 million**, an increase of about 54% compared to the about € 1.9 million recorded at 31 December 2020;
 - **Consolidated net financial debt of about € 13.2 million**, showing an increase of some 68% compared to 31 December 2020, when it was about € 7.8 million.
- **The main economic and financial objectives of the Pierrel Group for 2022 have been approved.**
 - **The positioning of dental anesthetic Orabloc® in the market of Articaine-based dental anesthetics in the USA is stable, with an overall share of 23% of the relative market.**
 - **The ordinary Shareholders' Meeting of Pierrel S.p.A., in single convocation, is convened for 8 June 2022 to deliberate on: (a) the approval of the financial statements of Pierrel S.p.A. as at 31 December 2021 and coverage of the loss for the year; and (b) the Report on the remuneration policy and remuneration paid of Pierrel S.p.A.**

Capua (CE), 27 April 2022 – The Board of Directors of Pierrel S.p.A. (“**Pierrel**” or the “**Company**”), global provider of services for the pharmaceutical industry listed on the EMX segment of Borsa Italiana (Ticker: PRL), meeting today, examined and approved Pierrel's **draft financial statements for the year ended 31 December 2021** which recorded a net loss for the year of about € 0.4 million and the **consolidated financial statements of the Pierrel Group - which also includes the subsidiary Pierrel Pharma S.r.l. with sole**



shareholder ("Pierrel Pharma") - as at 31 December 2021, which instead recorded a net profit of about € 2.9 million.

The Board of Directors resolved to propose to the Shareholders' Meeting of the Company to cover the aforementioned net loss achieved by the Company at 31 December 2021 through the use of part of the "reserves and profits/(losses) carried forward".

The managing director and general manager of the Pierrel Group, Mr Fulvio Citaredo, stated: *"We closed the year by establishing the historical record of profitability, an even more satisfactory result if we consider that 2021 was characterized by a continuing condition of difficulty that arose in 2020 and therefore by generalized uncertainty.*

The final good results achieved by the Group in 2021 follows a positive trend that has been consolidated for several years and demonstrates, once again, the validity of the strategic approach adopted, the ability to implement it and the consistency of our business model. My personal thanks is always and above all addressed to all employees and collaborators who have shared and continue to support our growth project that we expand and strengthen year after year.

We consider 2022 to be a year of transition and we have planned it paying attention to the possible impacts deriving from the uncertainty of the current geopolitical situation and we are therefore working to ensure a satisfactory mix of the sales trend while maintaining adequate profitability, although it is not possible to fully overturn on the customers the substantial increases in energy costs and raw materials.

Furthermore, the forecasts for 2022 approved by the Board of Directors also reflect the effects of possible operational interference resulting from the completion of one of the two new filling departments under construction in the Company's plant located in Capua as well as from the commissioning of new plants and machinery serving other departments.

In conclusion, we continue to be very focused on business development and confident in the next positive results "

Below is a brief description of the results of the Pierrel Group and of the Company at 31 December 2021.

Consolidated results at 31 December 2021

The Pierrel Group closed 2021 with **consolidated revenue of € 23.8 million**, an increase of around 30% on the € 18.3 million recorded for the previous year, and a **positive consolidated EBITDA (gross operating result) of about € 5.6 million**, an increase of about 76% with respect to the 31 December 2020, when it was about € 3.2 million. Compared to the forecasts approved by the Board of Directors on 16 April 2021 (the "**2021 Budget**") and some of which were communicated to the market on the same date (for further information, please refer to the press release published by the Company on 16 April 2021 and available on the Pierrel website at www.pierrelgroup.com, News & Press / Press releases section), the value of the Pierrel Group's revenues at 31 December 2021 is substantially in line, while the EBITDA records an increase of approximately 13%, mainly due to a different distribution of Orabloc® dental anesthetic sales by Pierrel Pharma which led to a greater concentration of sales in the North American, European and Eurasian markets, which present greater profitability for the Pierrel Group.



Results of the Group's divisions

An analysis of the business and operating results for 2021 of the Holding and Contract Manufacturing (“**CMO**”) Divisions, controlled by the Company, and Pharma Division, of Pierrel Pharma, is provided below.

The **Holding Division** recorded in 2021 a negative EBITDA, before intercompany eliminations, of about € 1.6 million, substantially in line with the forecasts and with that recorded in 2020.

The results of the **CMO Division** in financial year 2021 reflect the positive effects of the increase in sales recorded in the period compared to the previous year when, as a result of the Covid-19 pandemic and the consequent contraction in consumption worldwide, the Division recorded a inevitable drop in orders and sales both towards third party customers and Pierrel Pharma. In particular, at 31 December 2021 the CMO Division recorded: (a) total sales, gross of intercompany eliminations, of about € 18.2 million, substantially in line with the 2021 budget forecasts, increasing by about 11% compared to the € 16.3 million recorded by the Division in 2020; and (b) a positive EBITDA equal, again gross of intercompany eliminations, to about € 2.3 million (12.6% of gross revenues), also in line with the 2021 budget and with the value recorded in in the previous year, when EBITDA was positive for about € 2.4 million (14.7% of gross revenues).

The **Pharma Division** recorded in 2021: (a) total sales, gross of intercompany eliminations, of about €19.4 million, with an increase of about € 5.9 million compared to 2020 (43.4%), and substantially in line with the provisions of the 2021 budget; and (b) a positive EBITDA for an amount equal to about € 4.1 million, gross of intercompany eliminations, up by about 47.4% compared to the corresponding figure achieved in 2020, when it was positive for € 2.8 million, an increase compared to the forecasts of the 2021 budget.

As for the CMO Division, also for the Pharma Division, the increase in revenues and EBITDA in 2021 compared to those achieved in 2020 is a direct consequence of the recovery in sales recorded on a global scale compared to the previous year, when the effects of the pandemic from Covid-19 have strongly influenced “normal” management, the volumes produced and the related sales. Although the current situation is still conditioned by the effects deriving from the Covid-19 pandemic, it should be noted that during the year just ended the Pharma Division recorded an increase in sales of the Orabloc® brand dental anesthetic in the North American and European markets for the effect, on the one hand, of a general recovery of the market and, on the other, of the further optimization of the Division's ability to fulfill customer orders even more promptly.

More specifically, in light of the foregoing, at 31 December 2021 the dental anesthetic of the Pierrel Orabloc® Group confirmed a market share of approximately 23% of the articaine-based dental anesthetic market in the USA (data processed by the Company).

The Pierrel Group recorded a **positive EBIT (operating result)** at 31 December 2021 of **€ 3.9 million, after amortisation of around € 1.6 million**, a sharp improvement on the figure of the previous year, which was about € 2 million, after amortisation of around € 1.2 million.



The **financial management** of the Pierrel Group at 31 December 2021 was **negative for about € 0.7 million**, a significant deterioration compared to the previous year when it was negative for about € 40 thousand. This change is almost exclusively attributable to the currency adjustment attributable to the debt (expressed in North American dollars) still owed by Pierrel to the American customer Dentsply International Inc. for a value as at 31 December 2021 equal, by way of interest and capital, to about € 5.7 million.

In light of all the above, at 31 December 2021 the Pierrel Group posted a **consolidated net profit** of about € 2.9 million, an increase of about 54% compared to the previous year, when it was about € 1.9 million.

The Group's **net financial debt** at 31 December 2021 is equal to about **€ 13.2 million**. This amount also includes the debt of about € 4.7 million accrued by the subsidiary Pierrel Pharma towards Fin Posillipo S.p.A. and Bootes Srl, main shareholders of Pierrel with a stake of about 50.44% and 21.14% of the relative share capital, as far as the Company is aware, as well as the residual debt of the Company towards Dentsply International Inc. equal, as mentioned, to about € 5.7 million. Please note that, pursuant to the commercial agreement signed between Pierrel and Dentsply Inc. on 29 January 2018, this debt is repaid by Pierrel by: (a) returning to Dentsply International Inc., with deferred payments made on a quarterly basis, of part of the price paid by the American customer to the Pierrel Group for the supply of dental anesthetic injectors; and (b) for the part of the debt that may possibly remain, in a single solution at 31 December 2026. For more information on the main terms and conditions of this agreement, please refer to the press release published by the Company on 29 January 2018 and available on Pierrel's website at www.pierrelgroup.com, section News&Press/Press Releases.

The Group's net financial debt as of 31 December 2021 records an increase of about € 5.3 million compared to 31 December 2020 when it was equal to about € 7.8 million. This change is mainly due to: (i) the increase, compared to 31 December 2020, of the item "Non-current financial debt" for an amount equal to € 10 million as a result of the loan agreements signed with Banca Intesa Sanpaolo S.p.A. and Mediocredito Centrale S.p.A. in order to provide the Company with part of the financial resources to be allocated to carry out the investments envisaged in the development plan approved by the Board of Directors; and (ii) the simultaneous increase, compared to 31 December 2020, in the item "Cash" for approximately € 3.8 million due to the cash deriving from the loans described above and not used at 31 December 2021 and the balance of current operations of the Group and the resources used in the period to finance the aforementioned investments.

As of 31 December 2021, none of the Pierrel Group companies has issued bonds.

At 31 December 2021, the Group's overdue payables to suppliers amounted to approximately € 0.8 million, in line with what was recorded as at 31 December 2020, while the Group has no overdue payables of a financial, social security or tax nature, or overdue payables to its employees.

During 2021, the consolidation scope of the Pierrel Group did not change significantly compared to the closing date of 2020.

Please note that, as already communicated to the market (see the press release published by the Company on 4 November 2021 and available on the Company's website at www.pierrelgroup.com, section News&Press/Press Releases), with a provision issued by



CONSOB on 3 November 2021, the Commission revoked the obligation imposed on the Company in May 2019 to communicate to the market, on the occasion of the publication of the annual and half-yearly financial reports and interim management reports, certain additional information relating to the Company and the Pierrel Group. Therefore, unlike what happened in previous years, in this press release additional information previously requested in relation to the following are omitted: (a) the financial position of the Company and the Pierrel Group; (b) overdue debt positions of the Company and the Pierrel Group; (c) the main changes that occurred during the period in relations with related parties of the Company and the Pierrel Group; and (d) the state of implementation of the industrial and financial plans of the Pierrel Group.

Results of Pierrel at 31 December 2021

At 31 December 2021, the Company recorded **revenues of about € 18.2 million**, an increase of about 11% compared to the about € 16.4 million achieved in 2020 and in line with the 2021 Budget, and a **positive EBITDA of about € 1.1 million**, with a significant increase compared to 31 December 2020, when it was positive for about € 0.8 million, due to the increase in sales recorded in the period (for further details, please refer to what is specified above in this press release commenting on the results achieved by the Pierrel Group at 31 December 2021).

The company's **net financial position** at 31 December 2021 was negative for some € 12.7 million, worsening when compared to 31 December 2020, when it was negative for some € 4.2 million. This turnaround, as described above, is attributable, in its absolute value, almost exclusively to the reduction in cash and cash equivalents used by the Company during the year for the planned investment plan.

The **financial management** at 31 December 2021 was **negative for about € 0.6 million**, in contrast to the previous year when it was positive for about € 0.1 million. This change is almost exclusively attributable to the currency adjustment attributable to the debt (expressed in North American dollars) still owed by Pierrel to the American customer Dentsply International Inc. for a value as at 31 December 2021 equal, by way of interest and capital, to about € 5.7 million.

In consideration of all of the above, at **31 December 2021** Pierrel recorded a **net loss** of some **€ 0.4 million**, in contrast to the net profit of approximately € 0.2 million recorded at 31 December 2020. The Company's Board of Directors resolved to propose to the Pierrel Shareholders' Meeting to carry forward this loss.

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The Pierrel Board of Directors also approved the Pierrel Group budget for the year 2022 which provides for **consolidated gross revenues of about € 25.2 million** and a **positive consolidated EBITDA of about € 4.2 million**.

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During the same meeting, the Company's Board of Directors also approved the **Report on the remuneration policy and remuneration paid** pursuant to art. 123-ter of the TUF and art. 84-quater of the Issuers' Regulations.



This report will be made available to the public at the registered office of the Company in Capua (CE), Strada Statale Appia 7-bis, no. 46/48 and at the offices of Borsa Italiana S.p.A., as well as on the Company's website at www.pierrelgroup.com, section Investor Relations/Governance Documents/Shareholders documents/Shareholders meeting documents and at the Nis-Storage authorized storage mechanism (www.emarketstorage.com) according to the terms and procedures of the law.

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The Board of Directors of the Company also resolved to convene Pierrel's Shareholders' Meeting, in ordinary session, for 8 June 2022 to discuss and resolve on: (a) the approval of the financial statements of Pierrel S.p.A. as at 31 December 2021 and the allocation of the loss for the year; and (b) the approval, with a binding vote, of the first Section of the Report on the remuneration policy and remuneration paid and the second Section of the same, with a non-binding vote.

Lastly, the Pierrel Board of Directors approved the explanatory reports on the matters on the agenda of the aforementioned Shareholders' Meeting prepared pursuant to and for the purposes of article 125-ter of the TUF. These reports, together with all the other documentation relating to the items on the agenda of the aforementioned Shareholders' Meeting, will be made available to the public at the registered office of the Company in Capua (CE), Strada Statale Appia 7-bis, no. 46/48 and at the offices of Borsa Italiana S.p.A., as well as on the Company's website at www.pierrelgroup.com, section Investor Relations/Governance documents/Shareholders documents/Shareholders' meeting documents and at the Nis-Storage authorized storage mechanism (www.emarketstorage.com) according to the terms and procedures of the law.

Pursuant to article 125-bis of the TUF and article 84 of the Regulations approved by CONSOB with resolution of 14 May 1999, no. 11971, as subsequently amended and supplemented, the Company informs that the notice convening the aforementioned shareholders' meeting will be published in accordance with the law and the Bylaws.

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Pierrel's annual financial report as at 31 December 2021 (which includes the draft financial statements and the consolidated financial statements of Pierrel as at 31 December 2021, accompanied by the relative reports of the Pierrel Board of Directors on operations and the certification pursuant to art 154-bis of the TUF), together with the relative reports of the Board of Statutory Auditors of the Company and of the auditing firm, will be made available to the public at the Company's registered office in Capua (CE), Strada Statale Appia 7-bis, no. 46/48 and at the headquarters of Borsa Italiana S.p.A., as well as on the Company's website, www.pierrelgroup.com, in the Investor Relations / Governance Documents / Documentation for Shareholders / Shareholders' Meeting Documentation section, and at the authorized storage mechanism Nis-Storage (www.emarketstorage.com) in accordance with the terms and conditions 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 154-bis, Paragraph 2 of the TUF, that the accounting information related to the condensed consolidated half-year



financial statements of Pierrel at 31 December 2021, 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 standard financial indicators required by the IFRS, this document contains some alternative performance indicators for the data at 31 December 2021 in order to allow a better appraisal of the economic and financial position of the Pierrel Group. These indicators are presented in the other annual financial reports and interim reports, 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:

- **“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;
- **“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;
- **“Net financial debt”** is an indicator of the financial structure of the 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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The balance sheet, the income statement and the cash flow statement of the Pierrel Group at 31 December 2021 are shown below.

Balance sheet, income statement and cash flow statement of the Pierrel Group at 31 December 2021

Assets

<i>(€ thousands)</i>	31 December 2021	31 December 2020
Intangible assets	3.946	3.194
Tangible assets	23.373	14.562
Tangible assets leased assets	275	302
Financial fixed assets	10	10
Receivables and other non-current assets	14	13
Active deferred taxes	5.275	5.275
Non-current assets	32.893	23.356
Inventories	4.066	4.067
Trade receivables	2.649	3.684
Tax receivables	777	643
Other current assets and sundry receivables	1.654	812
Cash and cash equivalents	7.661	3.886
Current assets	16.807	13.092
TOTAL ASSETS	49.700	36.448

Equity and liabilities

<i>(€ thousands)</i>	31 December 2021	31 December 2020
Share capital	3.716	3.716
Reserves and retained earnings/(losses)	11.705	9.766
Loss for the year	2.940	1.903
Consolidated equity	18.361	15.385
Employee benefits	291	324
Non-current financial liabilities	19.164	9.107
<i>of which vs. related parties</i>	3.754	3.754
Other current liabilities and sundry payables	2.229	1.469
Non-current liabilities	21.684	10.900
Trade payables	4.425	2.848
<i>of which vs. related parties</i>	40	40
Current financial liabilities	1.656	2.590
<i>of which vs. related parties</i>	938	1.641
Current tax payables	141	34
Other current liabilities and sundry payables	3.433	4.691
<i>of which vs. related parties</i>	30	30
Current liabilities	9.655	10.163
TOTAL LIABILITIES	31.339	21.063
TOTAL EQUITY AND LIABILITIES	49.700	36.448

Consolidated income statement

<i>(€ thousands)</i>	Fiscal year 2021	Fiscal year 2020
Continuing operations		
Revenue	23.791	18.262
<i>of which non-recurring</i>	459	333
Raw materials and consumables used	(7.139)	(5.405)
<i>of which vs. related parties</i>	(107)	(98)
Sundry services	(3.137)	(2.944)
<i>of which non-recurring</i>	(6)	(107)
Third-party goods	(153)	(150)
Personnel costs	(6.470)	(5.509)
<i>of which vs. related parties</i>	(60)	(60)
Other provisions and costs	(1.307)	(1.081)
<i>of which vs. related parties</i>	(10)	(26)
<i>of which non-recurring</i>	(69)	(13)
Earnings Before Interest, Tax, Depreciation and Amortisation	5.585	3.173
Amortisation, depreciation and write-downs	(1.639)	(1.196)
<i>of which non-recurring</i>	(92)	
Operating profit/(loss)	3.946	1.977
Financial expenses*	(802)	(554)
<i>of which vs. related parties</i>	(191)	(209)
Financial income	83	514
Profit/(loss) before tax	3.227	1.937
Income tax	(287)	(34)
<i>of which non-recurring</i>		44
NET PROFIT/(LOSS) FOR THE PERIOD	2.940	1.903

(*) of which € 453 thousand relating to exchange rate adjustment losses on Dentsply debt (exchange rate adjustment gains on Dentsply debt equal to € 19 thousand at 31 December 2020)

Consolidated cash flow statement

<i>(€ thousands)</i>	Fiscal year 2021	Fiscal year 2020
NET PROFIT/(LOSS) FOR THE FINANCIAL YEAR	2.940	1.903
Amortisation and depreciation	1.488	1.140
Amortisation of leased assets	60	56
Provisions and write-downs	(4)	2
(Write-back)/Write-down of non-current assets	90	-
Other (gain)/Loss on assets	3	2
Movement in taxes	288	(34)
Net financial expenses*	720	35
Movement in inventories	1	(644)
Movement in trade receivables	1.035	(1.293)
Movement in trade payables	1.578	(137)
Net movement in other non-current assets and liabilities	919	-
Net movement in other current assets and liabilities	(2.520)	2.186
Movement in employee benefits	(34)	(6)
Cash flow used in operating activities	6.564	3.210
Outflow for the acquisition of tangible assets	(9.866)	(3.201)
Outflow for the acquisition of tangible leased assets	(34)	-
Outflow for the acquisition of intangible assets	(1.278)	(1.031)
Net cash flow used in investment activities	(11.178)	(4.232)
Increase medium/long-term loans	10.014	-
Increase short-term loans	263	541
Repayment of short-term loans	(1.606)	(893)
Paid net financial expenses	(309)	(232)
Cash flow from financing activities	8.362	(584)
TOTAL CASH FLOW FOR THE YEAR	3.748	(1.606)
Net cash and cash equivalents at the start of the year	3.886	5.488
Total cash flow for the year	3.748	(1.606)
Exchange effect	27	4
Net cash and cash equivalents at the end of the year	7.661	3.886

() of which € 453 thousand relating to exchange rate adjustment losses on Dentsply debt (exchange rate adjustment gains on Dentsply debt equal to € 19 thousand at 31 December 2020)*

Balance sheet, income statement and cash flow statement of Pierrel S.p.A. at 31 December 2021

Assets

<i>(Euro)</i>	31 December 2021	31 December 2020
Intangible assets	1.483.172	1.347.991
Tangible assets	23.371.683	14.560.557
Tangible assets leased assets	275.698	302.156
Investments	4.574.475	4.574.475
Active deferred taxes	5.274.522	5.274.522
Non-current assets	34.979.550	26.059.701
Inventories	3.756.518	3.040.191
Trade receivables	621.851	756.798
<i>of which vs. related parties</i>	396.018	179.156
Tax receivables	775.233	642.079
Other current assets and sundry receivables	1.897.924	802.872
<i>of which vs. related parties</i>	768.534	462.644
Cash and cash equivalents	3.472.868	2.772.596
Current assets	10.524.394	8.014.536
TOTAL ASSETS	45.503.944	34.074.237

Equity and liabilities

<i>(Euro)</i>	31 December 2021	31 December 2020
Share capital	3.716.342	3.716.342
Reserves and Retained earnings	16.660.998	16.464.772
Loss for the year	(405.143)	200.962
Equity	19.972.197	20.382.076
Employee benefits	291.092	323.751
Non-current financial liabilities	15.410.123	5.353.073
Other current liabilities and sundry payables	2.228.824	1.469.288
Non-current liabilities	17.930.039	7.146.112
Trade payables	4.193.400	2.652.947
<i>of which vs. related parties</i>	<i>40.389</i>	<i>40.072</i>
Current financial liabilities	717.747	1.651.517
<i>of which vs. related parties</i>		<i>702.854</i>
Current tax payables	64.060	33.515
Short-term provisions for liabilities		4.222
Other current liabilities and sundry payables	2.626.501	2.203.848
<i>of which vs. related parties</i>	<i>30.000</i>	<i>3.000</i>
Current liabilities	7.601.708	6.546.049
TOTAL LIABILITIES	25.531.747	13.692.161
TOTAL EQUITY AND LIABILITIES	45.503.944	34.074.237

Separated income statement

<i>(Euro)</i>	Fiscal year 2021	Fiscal year 2020
Revenue	18.175.833	16.372.754
<i>of which non-recurring</i>	426.411	301.785
<i>of which vs. related parties</i>	11.665.485	10.187.783
Raw materials and consumables used	(6.358.889)	(6.310.409)
<i>of which vs. related parties</i>	(107.186)	(98.727)
Sundry services	(2.070.886)	(2.010.158)
<i>of which non-recurring</i>	(5.500)	(106.670)
Third-party goods	(136.266)	(136.441)
Personnel costs	(6.474.966)	(5.514.195)
<i>of which vs. related parties</i>	(60.000)	(60.000)
Other provisions and costs	(1.991.889)	(1.613.069)
<i>of which vs. related parties</i>	(9.975)	
<i>of which non-recurring</i>	(67.536)	(6.259)
Earnings Before Interest, Tax, Depreciation and Amortisation	1.142.937	788.482
Amortisation, depreciation and write-downs	(1.490.631)	(1.129.525)
<i>of which non-recurring</i>	(18.958)	-
Operating profit/(loss)	(347.694)	(341.043)
Financial expenses	(618.543)	(365.887)
<i>of which vs. related parties</i>	(29.098)	(41.520)
Financial income	153	502.948
Profit/(loss) before tax	(966.084)	(203.982)
Income tax	560.941	404.944
<i>of which non-recurring</i>		11.877
NET PROFIT/(LOSS) FOR THE PERIOD	(405.143)	200.962

(*) of which € 453 thousand relating to exchange rate adjustment losses on Dentsply debt (exchange rate adjustment gains on Dentsply debt equal to € 19 thousand at 31 December 2020)

Cash flow statement

<i>(Euro)</i>	Fiscal year 2021	Fiscal year 2020
NET PROFIT/(LOSS) FOR THE FINANCIAL YEAR	(405.143)	200.962
Amortisation and depreciation	1.411.762	1.074.075
Amortisation of leased assets	59.911	55.450
Provisions and write-downs	197.579	(77.825)
(Capital gain)/Write-down of non-current assets	18.958	
Other (gain)/Loss on assets	2.793	1.872
Net financial expenses*	618.390	(136.765)
Movement in inventories	(918.128)	321.912
Movement in trade receivables	134.947	229.980
Movement in trade payables	1.540.453	(181.224)
Income tax	(560.941)	(404.944)
Net movement in other non-current assets and liabilities	918.692	
Net movement in other current assets and liabilities	(419.897)	582.967
Movement in employee benefits	(32.659)	(6.077)
Cash flow from continuing operations	2.566.717	1.660.383
Outflow for the acquisition of tangible assets	(9.866.069)	(3.200.911)
Outflow for the acquisition of tangible leased assets	(33.453)	-
Outflow for the acquisition of intangible assets	(513.751)	(654.823)
Cash flow from investing activities	(10.413.273)	(3.855.734)
Increase medium/long-term loans	10.014.082	
Increase short-term loans	262.544	541.398
Repayment of short-term loans	(1.605.627)	(893.305)
Paid net financial expenses	(125.873)	(60.811)
Cash flow from financing activities	8.545.126	(412.718)
TOTAL CASH FLOW FOR THE YEAR	698.570	(2.608.069)
Net cash and cash equivalents at the start of the year	2.772.596	5.381.261
Total cash flow for the year	698.570	(2.608.069)
Exchange effect	1.702	(596)
Net cash and cash equivalents at the end of the year	3.472.868	2.772.596

() of which € 453 thousand relating to exchange rate adjustment losses on Dentsply debt (exchange rate adjustment gains on Dentsply debt equal to € 19 thousand at 31 December 2020)*

* * *

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 EXM 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.

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