INTERIM REPORT – 2022 Q1

Kepler S.p.A

Unaudited Condensed Interim Consolidated Financial Report as of and for the three months ended

March 31, 2022

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INTRODUCTION

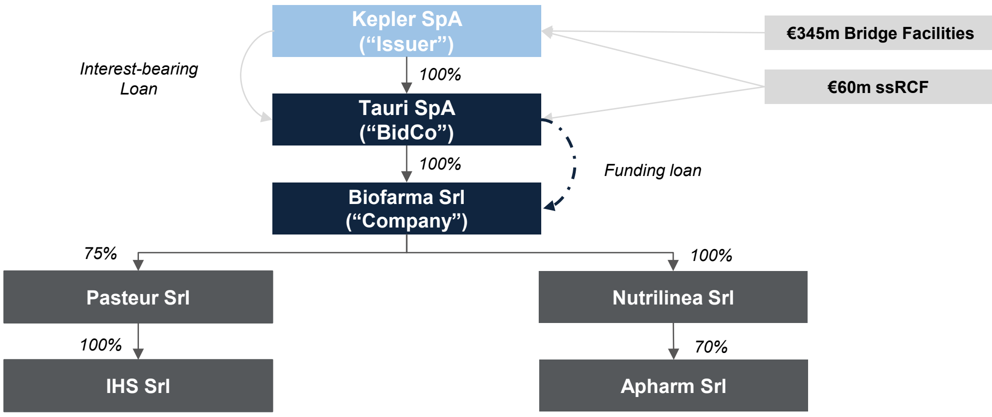
General introduction

The Biofarma Group was formed in February 2020 from the aggregation of the Nutrilinea group with Esculapio S.r.l. (subsequently merged with and into Biofarma S.r.l. ("Biofarma" or the "Company"), with the Company being the surviving entity) and the Company, with the aggregation taking effect from January 1, 2020 (the "**Biofarma Group Consolidation**"). Due to the Biofarma Group Consolidation, the Biofarma Group has been preparing consolidated financial statements starting with the year ended December 31, 2020.

The Issuer – Kepler Group

The Issuer (Kepler S.p.A.) is a holding company which was incorporated on February 7, 2022 for the purpose of the Acquisition. The Issuer has no revenue-generating activities of its own, and no business operations, material assets, other than the equity interests it holds in the Company indirectly through BidCo (Tauri S.p.A.), and no material indebtedness, other than its outstanding indebtedness and inter-company balances incurred in connection with the Transactions. The Issuer is currently not expected to engage in any activities other than those related to the Transactions and any other future potential transactions permitted by the Indenture.

The Kepler Group is composed by the Issuer (Kepler S.p.A.), the intermediate holding (Tauri S.p.A.) and by the Biofarma Group (as defined here following).



As of March 31, 2022, the scope of consolidation perimeter (**Kepler Group**) is described as follow:

Company	**Control**	**Percentage Holding**	**Owned by:**
Kepler S.p.A.	Parent Company	100,0%	Denis S.p.A.
Tauri S.p.A.	Direct	100,0%	Kepler S.p.A.
Biofarma S.r.l.	Indirect	100,0%	Tauri S.p.A.
Nutrilinea S.r.l.	Indirect	100,0%	Biofarma S.r.l.
Apharm S.r.l.	Indirect	70,0%	Nutrilinea S.r.l.
Pasteur S.r.l.	Intermediate Holding	75,0%	Biofarma S.r.l.
International Health Science S.r.l.	Indirect	100,0%	Pasteur S.r.l.

As of March 31, 2022, the scope of sub-consolidation perimeter (**Biofarma Group**) is described as follow:

Company	**Control**	**Percentage Holding**	**Owned by:**
Biofarma S.r.l.	Parent Company	100,0%	Tauri S.p.A.
Nutrilinea S.r.l.	Direct	100,0%	Biofarma S.r.l.
Apharm S.r.l.	Indirect	70,0%	Nutrilinea S.r.l.
Pasteur S.r.l.	Intermediate Holding	75,0%	Biofarma S.r.l.
International Health Science S.r.l.	Indirect	100,0%	Pasteur S.r.l.

Significant events throughout the period

Acquisition of IHS S.r.l. and Pasteur S.r.l.
On January 28, 2022, Pasteur, a subsidiary of the Company established in December 2021 for the purpose of consummating the IHS Acquisition, acquired all of the equity interests in IHS from Giellepi S.p.A. (the "IHS Acquisition"). The remaining 25% minority interest in Pasteur has been acquired by the Group on May 24, 2022 for a consideration of €16m as indicated under "*Significant events occurred after March 31, 2022*". Accordingly, the Group funded the acquisition through the issuance of additional subordinated PIK notes by an indirect parent company of the Issuer, the proceeds of which were contributed as equity to the Issuer and its subsidiaries. The main rationale for the IHS Acquisition are:

- Strengthen our Medical Devices and Health Supplements business units with significant R&D expertise and a complementary product portfolio;
- Achieve significant cost synergies by in-sourcing the manufacturing of IHS's portfolio and procurement savings;
- Unlock cross-selling opportunities across our respective customer bases; and
- Expand our geographical presence, especially in Asia.

COVID-19 Pandemic

Covid had a mixed impact on the Company's figures as a result of multiple counterbalancing effects, in particular:

- A negative impact on cosmetics (e.g. sun care and certain skin care products), probiotics-based products used as co-adjuvant for antibiotic therapy, and cough & cold products;
- A positive impact on immuno-stimulants, vitamins & minerals, and brain health supplements, as a result of an increased attention of consumers to their health during pandemics; and
- A negative impact on the commercial strategy: during 2020 and 2021 the Group sustained substantial investments to structure the commercial team (e.g. key figures such as the Head of Global Sales hired in 2020, commercial manager for cosmetics hired in 2021); however, during Covid period we did not benefit from the newly-structured team, mainly due to travel ban and restrictions. We believe that investments sustained to strengthen and improve the commercial structure will be a key driver of future growth.

All in all, considering these counterbalancing effects, the impact on the Company's figures has been limited in the short term.
In the long term, we believe the Company to benefit from the changes in consumers' habits triggered by Covid, which accelerated the positive tailwinds of the industry (e.g., consumers' increased attention to health and prevention).

War in Ukraine

The Company is not directly exposed with direct sales to Russia or Ukraine; however, the Company is manufacturing nutraceuticals products for European distributors, which deliver these goods to such two markets. The total estimated yearly sales to those markets are equal to €5.0m, which is equal to less than 2% of the total company turnover. With respect to these c. €5.0m, 87% are already invoiced and currently there are no orders for products to be sold in Russia with payments outstanding. Likewise, we do not expect significant consequences on the remaining 13%.

In terms of working capital, Biofarma currently has an inventory of €135 thousand for goods which were planned to be sold in Russia. Given that such inventory is mostly composed of commodities, if clients stop these orders, 100% of it can be re-utilized, thus making overall WC / cash exposure negligible.

Significant events occurred after March 31, 2022

€345.0m Senior Secured Floating Rate Notes due 2029
The Issuer, an entity indirectly controlled by Ardian Buyout Fund VII B SLP through its wholly-owned subsidiary Vegeta S.p.A., successfully completed the offering (the "Offering") of €345.0m aggregate principal amount of Senior Secured Floating Rate Notes due 2029 (the "Notes"), as part of the overall financing arrangements for the acquisition (the "Acquisition") of all the equity interests in Biofarma S.r.l. by Ardian Buyout Fund VII B SLP, Victoria HD S.r.l. and managers from White Bridge Investments and certain other sellers, which was completed on March 22, 2022. The Notes bear interest equal to three-month EURIBOR (with 0% floor) plus 5.75% per annum, reset quarterly, and were issued at an issue price of 96.00% of the nominal amount thereof.
Application has been successfully made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market thereof.
The gross proceeds from the Offering, together with cash on balance sheet, were used to (i) repay in full and cancel the indebtedness incurred by the Issuer under the bridge facility agreement entered into in connection with the completion of the Acquisition, including accrued interest thereon, and (ii) pay certain fees and expenses in connection with the Offering and the refinancing of such indebtedness.

After March 31, 2022, the Company completed the acquisition of the remaining minority interests in Pasteur and Apharm for an amount of €16.0m and €18.4m, respectively.

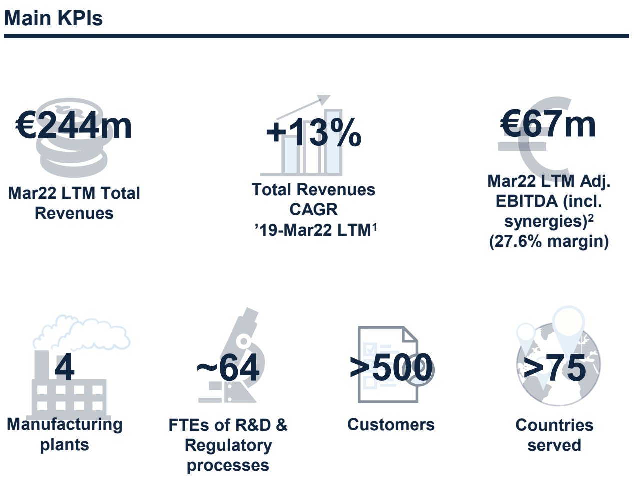
GROUP ACTIVITIES AND OPERATIONS

Biofarma is a leading European CDMO fully focused on nutraceuticals, and the undisputed leader of the Italian market. The Company is the result of a "buy-and-build" story of complementary businesses that led to the creation of a leading player with a wide portfolio of differentiated products and manufacturing technologies.
The Company positions itself as large Pharmaceutical Companies' ("PharmaCos") and Consumer Health Clients' ("CHCs") partner-of-choice for co-development projects thanks to:

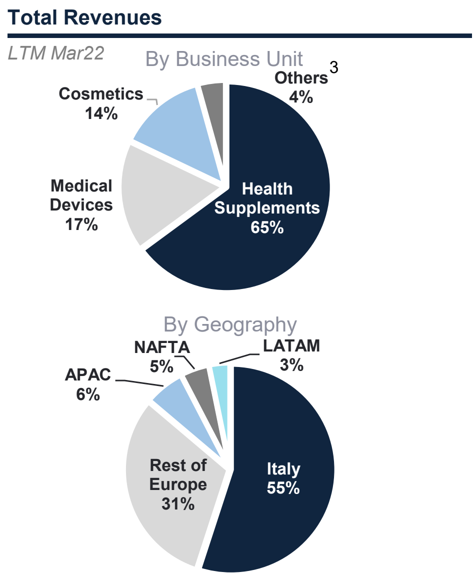
- An end-to-end CDMO proposition from market intelligence, R&D and regulatory, to finished dosage forms ("FDFs") manufacturing and packaging
- A proactive offer of innovative solutions ("push innovation model"), trying to anticipate market trends and clients' needs also leveraging on a strong R&D department and a solid portfolio of differentiated technologies (e.g. Microencapsulation, Dry-Cap, T-Win)

Biofarma's differentiated positioning is based on:

- Strong in-house R&D capabilities and a team of c. 44 FTEs working on clinical studies to support products' claims (over 85 patents and 70 trademarks)
- Regulatory know-how with a dedicated team of c. 20 FTEs, supporting clients in registering product dossiers both at local and international level
- State-of-the-art manufacturing capabilities, with several "pharma-like" manufacturing equipment and quality control systems



Notes: (1) Incl. IHS Revenue for '19, '20, '21 and Mar22 YTD; (2) Includes €6.5m of cost synergies and €4.6m adjustments for rent savings related to Mereto's plant acquisition and Cura EBITDA; (3) Mainly refers to government grants related to new products R&D and charge back to clients for lab tests and graphic services



We operate our business through three business units:

- **Health Supplements.** Through our Health Supplements business unit, we develop and manufacture health-enhancing products that primarily enable the maintenance of good health and support or enhance prevention treatments individually or in combination with pharmaceutical products, including for chronic diseases. While the purchase of Health Supplements does not require a formal doctor's prescription in most of our geographies, the initial purchase of health supplements by end consumers is usually driven by doctors' recommendations.
- **Medical Devices.** Through our Medical Devices business unit, we develop and manufacture products that achieve their therapeutic effect through a physical (*e.g.*, aerosol) or mechanical (*e.g.*, a protective layer in the stomach) action to prevent and treat diseases. Medical devices are closer to pharmaceuticals (compared to health supplements) due to the specific regulatory framework they need to comply with at a national and European level. Similar to health supplements, medical devices are typically recommended by doctors and sold to end-customers through pharmacies.
- **Cosmetics.** Through our Cosmetics business unit, we primarily develop and manufacture premium skin care products, such as anti-ageing creams, sun care and hair care products. Our strategic focus in this business unit is represented by "cosmeceuticals," consisting of cosmetic products that are purported to have therapeutic action. Our Cosmetics business unit includes certain differentiated innovative technologies, such as the Bag on Valve ("**BOV**") technology.

ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Executive Business overview

€m	Q1-22	Q1-21	Δ (%)
Net Sales	60.0	50.7	*18.3%*
Other Revenues	2.8	1.3	*111.5%*
Total Revenues	**62.8**	**52.0**	***20.7%***
Raw Material Costs	(28.7)	(23.5)	*22.1%*
First Margin	**34.1**	**28.5**	***19.5%***
First Margin (%)	*54.3%*	*54.8%*	*(54bps)*
Third Party Works Costs	(3.6)	(3.9)	*(9.4%)*
Direct Personnel Costs	(4.2)	(3.8)	*8.9%*
Other Direct Production Costs	(2.7)	(1.9)	*41.1%*
Transformation Margin	**23.7**	**18.9**	***25.5%***
Transformation Margin (%)	*37.7%*	*36.3%*	*+144bps*
Indirect Personnel Costs	(1.2)	(1.2)	*4.3%*
Maintenance Costs	(1.0)	(0.8)	*28.2%*
Logistics and Storage Costs	(1.3)	(1.1)	*21.5%*
Other Indirect Production Costs	(0.3)	0.1	*n.m.*
Second Margin	**19.9**	**16.0**	***24.5%***
Second Margin (%)	*31.6%*	*30.7%*	*+96bps*
Total SG&A Costs	(5.3)	(4.8)	*10.4%*
% of revenue	*(8.4%)*	*(9.2%)*	*+78bps*
EBITDA	**14.5**	**11.2**	***29.5%***
EBITDA Margin (%)	*23.1%*	*21.5%*	*+157bps*
Adjustments[1]	1.2	1.1	*8.0%*
Adj. EBITDA	**15.7**	**12.3**	***27.5%***
Adj. EBITDA Margin (%)	*25.0%*	*23.7%*	*+135bps*

Note: (1) Related to Rental savings (connected to the acquisition of Mereto Plant in Q1-22) and 45% of Cura Beauty GmbH EBITDA

During the first three month of 2022, the Biofarma Group posted a strong performance with topline growing double digit compared to the same period of the previous year. Total Revenues reached €62.8m, growing by 20.7% compared to the first quarter of 2021, in light of positive contribution of all business lines and geographies, driven by the execution of the defined 3-pillars strategy:

- Customer penetration: increased share of wallet with key accounts, especially on probiotics, gastro, and baby care products;
- Geographical expansion: the Group was able to strengthen its revenues generation in Eastern Europe, NAFTA and APAC (also leveraging on network and synergies of IHS);
- Technological innovation: leveraging on its R&D department, Biofarma has been able to continue to innovate its products and offer to its clients new solutions (strong performance of Multilayer, Dry Cap and T Win technologies).

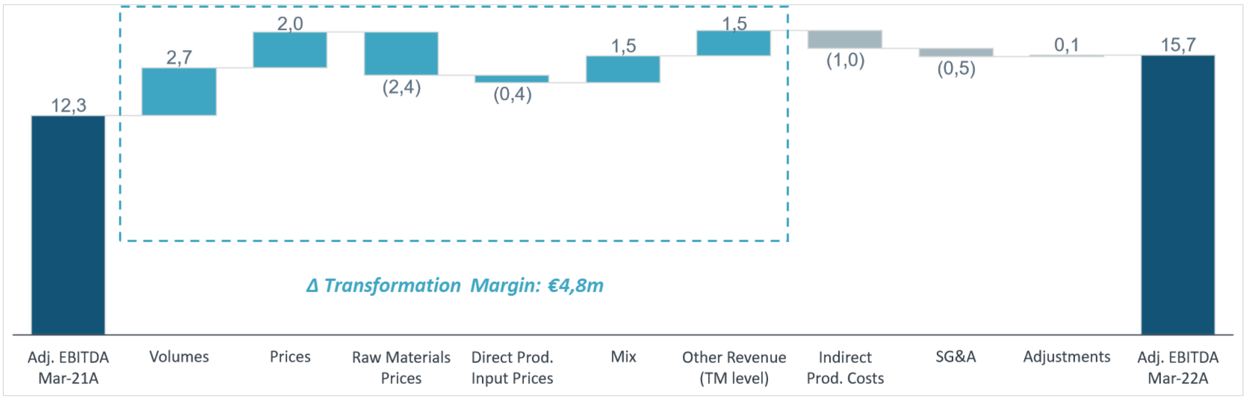
First Margin for the first quarter of 2022 amounted to €34.1m, an increase of 19.5% compared to the first quarter of 2021. Marginality slightly decrease due to higher raw material and packaging prices partially offset by a well-managed increase in selling prices. The raw material price increases of €2.4m (at constant volumes) have been partially offset by €2.0m prices increase (at constant volumes) thanks to the leadership position of the Company within the industry and a constant dialogue and long-lasting relationships with customers. The pass through process – which has been quite successful up to now - is expected to recover the gap within the second half of 2022.

Transformation Margin for the first quarter of 2022 amounted to €23.7m, with marginality up to 37.7% vs. 36.3% for the first quarter of 2021, mainly due to (i) increased insourcing activities and (ii) successful manufacturing efficiency plan introduced that allowed to decrease dependency on third party works costs and generate savings.

Second Margin for the first quarter of 2022 amounted to €19.9m (31.6%) vs. €16.0m (30.7%) due to topline increase as well as cost efficiency initiatives.

Sales, General and Administration costs (SG&A) increased by €0.5m compared to the first quarter of 2021, mainly due to the higher R&D activities and personnel cost by €0.1m and €0.5m lower capitalization, partially offset by €0.1m of cost reduction on Administration services.

Adjusted EBITDA for the first quarter of 2022 amounted to €15.7m, an increase of approximately 27.5% compared to the same period of previous year. Adjusted EBITDA Margin was 25.0%, compared to 23.7% of the first quarter of 2021, mainly due to (i) volumes growth, (ii) favorable product mix, (iii) cost efficiency measures related to insourcing activities and manufacturing efficiency, and (iv) cost control at SG&A level.



Revenues by Business Unit

€m	Q1-22	Q1-21	Δ (%)
Total Revenues	**62.8**	**52.0**	***20.8%***
Health Supplements	42.2	35.3	*19.7%*
Medical Devices	8.6	7.5	*14.3%*
Cosmetics	9.2	7.9	*17.5%*
Others	2.8	1.3	*107.2%*

Health Supplements: Total Revenues stood at €42.2m, growing by c. +19.7% compared to the first quarter of 2021, mainly thanks to new customers wins as well as growth with all existing customers with long-lasting relationships. Within existing customers, there is an important increase of the Tier 1 consumer healthcare clients' volumes.

Medical Devices: Total Revenues stood at €8.6m, up by +14.3% compared to the first quarter of 2021, mainly thanks to the increase in sales of Ziverex (Esoxx family) in Eastern Europe and Enterogermina in Italy.

Cosmetics: Total Revenues amounted to €9.2m, +17.5% vs. PY thanks to new clients wins as well as increased business with existing clients (with significant cross selling achieved). Furthermore, we highlight an important new client win in Israel (accounting for c. €0.6m) and strong performance of BoV technology products in Northern Europe.

Revenues by region

€m	Q1-22	Q1-21	Δ (%)
Italy	36.8	30.3	*21.2%*
France	3.9	3.2	*22.5%*
Spain	5.9	5.1	*15.3%*
Germany	5.2	4.4	*18.3%*
UK	1.2	1.2	*6.6%*
Other EMEA	2.3	1.3	*81.6%*
Total EMEA	**55.3**	**45.5**	***21.7%***
APAC	4.4	4.1	*7.6%*

NAFTA	2.8	2.2	*28.0%*
LATAM	0.3	0.3	*22.2%*
Total RoW	**7.5**	**6.6**	***15.0%***
Total	**62.8**	**52.0**	***20.8%***

EMEA: For the first quarter of 2022, Total Revenues increased by 21.7% compared to the same period of the previous year, mainly on the back of higher revenues coming from Tier 1 consumer healthcare clients' volumes. In particular, in Italy Total Revenues increased by 21.2% compared to the same period of the previous year, with growth spread between new clients' acquisitions and existing clients.

Asia and Pacific (APAC): For the first quarter of 2022, Total Revenues increased by 7.6% compared to the same period of the previous year, mainly on the back of new customer wins and purchase price increase.

North America (NAFTA) For the first quarter of 2022, Total Revenues increased by 28.0% compared to the same period of the previous year, mainly due to higher sales of VSL3 product.

Latin America (LATAM) For the first quarter of 2022, Total Revenues remained stable.

Cash Flow Statement

€m	Q1-22
Adjusted EBITDA	**15.7**
Adjustments	(1.2)
EBITDA	**14.5**
Δ Receivables	(12.7)
Δ Payables	11.7
Δ Inventory[1]	(11.2)
Δ TWC	**(12.2)**
Δ Other Working Capital	(3.1)
Δ NWC	**(15.3)**
Maintenance Capex	(0.4)
Recurring Op. CF (pre-Tax)	**(1.2)**
Cash Conversion (%)	*n.m.*
Growth Capex	**(5.5)**
o/w Manufacturing Capex	(4.0)
o/w R&D Capex	(1.3)
o/w Other / IT Capex	(0.2)
Op. CF (pre-Tax)	**(6.7)**
Cash Conversion (%)	*n.m.*
Interests	(4.1)
Taxes	(0.9)
Other	(0.8)
Free Cash Flow (pre-M&A)	**(12.5)**
Cash Conversion (%)	*n.m.*
M&A Capex[2]	(139.2)
Free Cash Flow (post-M&A)	**(151.7)**
Cash Conversion (%)	*n.m.*
New Debt / Debt Repayments	244.7
Change in Equity	(56.3)
Change in Cash	**36.8**

Notes: (1) Incl. c. €5.6m extraordinary inventory to avoid increase of prices and potential supply chain disruption; (2) Related to IHS acquisition and the Mereto Plant acquisition occurred in the context of the Acquisition (c. €39m).

Reported EBITDA stood at €14.5m.

Q1-22 Working Capital variation versus December 2021 has been negative by €15.3m, of which c. €5.6m linked to extra inventory build up in order to avoid further raw material and packaging price increases as well as potential supply chain disruptions. The remaining NWC cash absorption of €9.7m is mainly driven by business volume growth.

Total Capex amounted to €5.9m in Q1-22, in particular:

- Manufacturing capex amounted to €4.0m and were mainly related to (i) production lines expansion in Gallarate, (ii) advance payment for the microencapsulator in Mereto and (iii) new manufacturing lines in Gallarate;
- R&D capex amounted to €1.3m and were mainly related to 8 R&D projects in the gastro, CNS (central neuro system) and cardio therapeutic areas. All these new projects are expected to be launched during 2022;
- Other/ IT Capex amounted to €0.2m and were mainly related to reinforcement of CRM solutions.

M&A capex stood at €139.2 and included the acquisition of IHS as well as Mereto plant acquisition.

New Debt / Repayments includes the new €345m bridge facility used to complete the Acquisition and to partially refinance Biofarma existing debt.

Change in equity of -€56.3m mainly related to (i) non-monetary contribution of former IHS shareholders and (ii) non-monetary contribution of Victoria HD.

Net Financial Position

€m	Mar22
High yield bond	345.0
Cash and Cash Equivalent	(13.2)[1]
Total net secured debt	**331.8**
Other Debt[2]	5.3[2]
Total net debt	**337.1**
LTM Mar22 PF Adj. EBITDA[3]	**67.1**
Net Leverage	**5.0x**

Notes: (1) Cash and Cash Equivalents as of March 31, 2022 PF for the transaction costs related to the Acquisition, the Apharm minority interest acquisition, and the cash-outs related to the bond issuance and the consequent Bridge Facilities repayment. (2) Incl. leasing (€0.8m as of March 31, 2022) and Advanced Payments ("anticipi su fatture" c. €4.5m as of March 31, 2022); (3) Incl. run rate cost synergies for an amount of €6.5m and €4.6m related to rental savings in connection with Mereto's plant and 45% of Cura Beauty GmbH EBITDA.

INTERIM REPORT – 2022 Q1 Kepler S.p.A.

Kepler S.p.A
Unaudited Condensed interim consolidated financial statementsas of and for the three months ended
March 31, 2022

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION INFORMATION OF KEPLER S.P.A.

Please note that the Summary Consolidated Statement of Financial Position information as of and for the twelve months ended December 31, 2021 presented herein is derived from the financial information of Biofarma S.r.l. and its consolidated subsidiaries, excluding IHS contribution.

€ thousands	As of March 31, 2022	As of December 31, 2021
Assets		
Goodwill	1,015,709	122,446
Intangible Assets	26,623	15,783
Property, plant and equipment	70,372	32,328
Investments in subsidiaries and other companies	384	384
Other non current assets	106	105
Non-current Assets	**1,113,194**	**171,047**
Inventories	45,051	33,839
Trade receivables	57,028	44,288
Tax receivables	15,480	9,331
Deferred tax assets	666	658
Other receivables	3,002	3,120
Prepaid expenses and accrued income	797	498
Cash at bank and on hand	61,664[1]	24,871
Current Assets	**183,687**	**116,605**
Total Assets	**1,296,881**	**287,651**

€ thousands	As of March 31, 2022	As of December 31, 2021
Liabilities and Shareholders' equity		
Share capital	3,000	3,000
Reserve	880,814	131,236
Retained earnings	(13,009)	(9,087)
Profit/(Loss) for the year	1,109	(3,673)
Equity attributable to the owners of the parent	871,915	121,477
Equity attributable to non-controlling interests	2,671	2,671
Total Shareholders' equity	**874,586**	**124,148**
Deferred tax liabilities		
Provisions for employee severance indemnities	2,146	1,975
Provisions for risks and charges	663	108
Bank loan	345,000[2]	79,651
Other financial liabilities	517[3]	653
Non-current Liabilities	**348,326**	**82,388**
Bank loan	4,540[4]	21,529
Other financial liabilities	263[3]	3,775
Trade payables	57,465	45,730
Advances	351	337
Tax payables	4,843	2,887
Social security payables	1,347	1,204
Other payables	4,603	5,276
Accrued expenses	557	377
Current Liabilities	**73,969**	**81,116**
Total Liabilities and Shareholders' equity	**1,296,881**	**287,651**

Notes: (1) Excl. cash outflows related to the transaction costs of the Acquisition, the Apharm minority interest acquisition, the bond issuance and the consequent Bridge Facilities repayment; (2) €345m Bridge Facilities; (3) Mainly related to leasing facilities; (4) Mainly related to Advanced Payments ("Anticipi su fatture")

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

€ thousands	Share capital	Legal reserve	Share premium reserve	Extraordinary Reserve	Cash flow Other Reserve hedge reserve	Retained earnings/losses	Fiscal year profit/loss	Total Group shareholders' equity	Minority	Total shareholders' equity
Balance as of December 31, 2021	-	-	-	-	-	-	-	-		
Business Combination	3.000		834.123	37.500	9.191	(10.337)		**873.477**	2.671	**870.806**
Allocation of profit (loss) for the year								-		-
Other movements								-		-
Result for the current fiscal year							1.109	**1.109**	341	**768**
Balance as of March 31, 2022	**3.000**	**-**	**834.123**	**37.500**	**9.191**	**(10.337)**	**1.109**	**874.586**	**3.012**	**871.574**

The Kepler S.p.A. has been constituted in 2022, therefore the below listed data are related only to 2022 Q1, while there is no comparison related to 2021 Q1.

SUMMARY INCOME STATEMENT OF KEPLER S.P.A.

For comparative purposes, the Summary Income Statement as of and for the three months ended March 31, 2021 presented herein is derived from the financial information of Biofarma S.r.l. and its consolidated subsidiaries, pro forma for IHS acquisition.

€ thousands	Q1-22	Q1-21
Revenue	60,046	50,663
Other revenue and income	2,799	1,338
Total revenue and income	**62,844**	**52,001**
Purchase of goods and changes in inventory	28,708	23,496
Cost of services	9,479	7,600
Use of third party assets	1,445	1,328
Personnel costs	8,926	8,684
Other operating costs	863	722
Capitalization in fixed assets for internal work	(1,103)	(1,007)
Depreciation - tangible assets	2,787	2,437
Amortization - intangible assets	5,512	5,665
Provisions for risks	134	61
Total operating costs	**56,751**	**48,985**
Operating profit/(loss)	**6,094**	**3,016**
Financial Income (expenses)	(4,069)	(1,311)
Profit/(loss) before taxes	**2,025**	**1,705**
Income taxes (expenses)	(916)	(1,020)
Profit/(loss) for the year	**1,109**	**686**

SUMMARY CASH FLOW STATEMENT INFORMATION OF KEPLER S.P.A.

For comparative purposes, the Summary Cash Flow Statement Information as of and for the three months ended March 31, 2021 presented herein is derived from the financial information of Biofarma S.r.l. and its consolidated subsidiaries, pro forma for IHS acquisition.

€ thousands	Q1-22	Q1-21
Cash flow from operating activities		
Profit/(loss) for the year	**1,109**	**679**
Income taxes	916	805
Net financial expenses	4,069	987
1. Profit (loss) for the year before income taxes and interest	**6,094**	**2,471**
Non cash adjustments		
Depreciation and Amortization	8,299	7,295
Provision (Uses) for contingencies	134	31
Other non-monetary adjustments	(19)	(4)
Total non-monetary adjustments without effects in working capital	**8,414**	**7,322**
2. Cash flow from operating activities before changes in net working capital	**14,508**	**9,793**
Changes in Net Working Capital		
Decrease / (Increase) of inventories	(11,212)	(7,108)
Decrease / (Increase) of trade receivables	(12,740)	(10,625)
(Decrease) / Increase in trade payables	11,735	10,249
Decrease / (Increase) in accrued income and prepaied expenses	(299)	(234)
(Decrease) / Increase in accrued expenses and deferred income	180	147
Other working capital	(6,039)[1]	(4,433)
Toral changes in working capital	**(18,374)**	**(12,004)**
3. Cash flow from operating activities after changes in working capital	**(3,866)**	**(2,211)**
Other adjustments		
(Income tax paid)	(916)	(749)
(Interests paid)	(4,069)	(3,328)
(Use of provisions)	(21)	(17)
Other adjustments	(783)	(640)
Toral other adjustments	**(5,789)**	**(4,735)**
Cash flow from operating activities (A)	**(9,655)**	**(6,946)**
Cash flow from investing activities		
(Payments for tangible assets)	(40,831)[2]	(4,536)
Proceeds from sale of tangible assets	-	-
(Payments for intangible assets)	(4,146)	(1,970)
Proceeds from sale of intangible assets	-	-
(Payments for financial assets)	-	-
Proceeds from sale of financial assets	-	-
Other investments activities and consolidation adjustments	(97,085)	-
Cash flow from investing activities (B)	**(142,062)**	**(6,506)**
Cash flow from financing activities		
Proceeds of Bank loan	430,000	-
Repayment of Bank loan	(185,290)	(312)
Capital injection	2,950	
Capital repayment	(37,500)	
Dividends paid		
Chang of Control cash impact	(21,649)	
Cash flow from financing activities (C)	**188,511**	**(312)**
Increase / (Decrease) cash and cash and equivalents (A + B + C)	**36,794**	**(13,764)**
Cash at hand and on bank at the beginning of the year	**24,870**	**32,107**
Cash at hand and on bank at the end of the year	**61,664**	**18,343**

Notes: (1) Includes c. €3.1m VAT credit related to the Acquisition and to the Mereto plant acquisition (reallocated in the managerial cash flow statement within the M&A Capex item); (2) Includes c. €39.1m related to the Mereto plant acquisition in the context of the Acquisition (reallocated in the managerial cash flow statement within the M&A Capex item)

PRESENTATION OF OUR FINANCIAL INFORMATION

General information about the Group

The Issuer's Unaudited Condensed Interim Consolidated Financial Statements have been prepared in accordance with the ITALIAN GAAP ("ITA GAAP") issued by the Italian Accounting Organization (*Organismo Italiano di Contabilità*, O.I.C.).

The financial information presented in this section is derived from the Issuer's Unaudited Condensed Interim Consolidated Financial Statements for three months ended March 31, 2022 For the comparison purposes, the Unaudited Condensed Interim Consolidated Financial Statements for three months ended March 31, 2021 presented herein is derived from the financial information of Biofarma S.r.l. and its consolidated subsidiaries.
We believe this method of presentation allows more effective representation of our business because it more closely describes the items of revenue and cost that characterize our operations.

Basis of presentation

The Unaudited Condensed Consolidated Financial Statements include the Condensed Consolidated Balance Sheet, the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Changes in Shareholders' Equity, the Condensed Consolidated Cash Flow Statement which were approved by the Board of Directors.
These Quarterly Condensed Consolidated Financial Statements have been prepared in accordance with the accounting standard issued by the Italian Accounting Organization (*Organismo Italiano di Contabilità*, O.I.C.) and in particular OIC 30 pursuant to the provision of the Italian Civil Code.

In preparing the Unaudited Condensed Consolidated Financial Statements, however, the Directors reclassified and renamed certain line items in order to render them more easily comparable to the financial information of entities that apply IFRS. These Unaudited Condensed Consolidated Financial Statements are prepared in accordance with Italian GAAP.
The Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with the same principles of consolidation and accounting policies consistently with the requirements of OIC 30, the Quarterly Condensed Consolidated Financial Statements include selected explanatory notes.
Current income taxes have been calculated based on the estimated taxable profit for the interim period. Current income tax assets and liabilities have been measured at the amount expected to be paid from the taxation Authorities, using tax laws that have been enacted or substantively enacted by the end of the reporting period and the tax rates estimated on an annual basis.

The items reported in the Unaudited Condensed Consolidated Financial Statements are stated in accordance with the general principles of prudence and accruals and in accordance on-going concern basis and taking account of the economic function of the assets and liabilities.

The Unaudited Condensed Consolidated Financial Statements are shown in Euro, which is the functional currency of the Group and its subsidiaries. All amounts shown in this document are expressed in thousands of Euro, unless otherwise specified. Certain numerical figures set out in this Unaudited Condensed Consolidated Financial Statements, including financial data presented in millions and certain percentages, have been subject to rounding adjustments and, as a result, the totals of the data in columns or rows of tables in this Unaudited Condensed Consolidated Financial Statements may vary slightly from the actual arithmetic totals of such information.

In this report we present certain financial measures that are not recognized by Italian GAAP or any other generally accepted accounting principles. We refer to these measures as "non-GAAP measures" as they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with Italian GAAP, or are calculated using financial measures that are not calculated in accordance with Italian GAAP.

We believe that these and similar measures are based on reasonable assumptions and are used widely by the investment community, securities analysts and other interested parties, and are intended to assist in the analysis of our results of operations, profitability and ability to service debt. These non-GAAP measures are not measurements of operating performance and do not necessarily indicate whether cash flow will be sufficient or available for cash requirements. Because all companies do not calculate such measures identically, the presentation may not be comparable to similarly entitled measures of other companies and you are cautioned not to place undue reliance on such financial information.

Scope of consolidation and presentation of the Consolidated Financial Statements

The scope of consolidation of the Group was determined by referring to the legal control that the Parent Company exercises over its subsidiaries. The following is the structure of the wider Group:

The ultimate controlling party of the Issuer is Ardian Buyout Fund VII B SLP, which indirectly holds approximately 69.5% of the share capital of the Issuer through its wholly-owned subsidiary Vegeta S.p.A. Approximately 30.5% of the share capital of the Issuer is indirectly owned by Victoria (30.0%) and certain management investors (approximately 0.5%). The rights of the shareholders of the Issuer are governed by an investment agreement.

The Revolving Credit Facility provides for aggregate borrowings of up to €60.0m, the initial borrowers under the Revolving Credit Facility are the Issuer and BidCo (i.e., Tauri S.p.A.). The Guarantors (as defined herein) also guarantee, or will guarantee, the Revolving Credit Facility. Subject to certain limitations, other subsidiaries of the Issuer may become guarantors under the Revolving Credit Facility in the future. The Collateral also secures, and will secure, directly or indirectly, on a first-ranking basis the Revolving Credit Facility. Under the terms of the Intercreditor Agreement and subject to applicable laws, the holders of Notes will receive proceeds from the enforcement of the Collateral only after the lenders under the Revolving Credit Facility and counterparties to certain hedging obligations (if any) have been repaid in full. The Revolving Credit Facility was undrawn on March 31, 2022.

The Issuer is a holding company incorporated under the laws of Italy as a joint stock company (società per azioni).

The scope of consolidation perimeter (**Kepler Group**) is described as follow:

Company	Control	Percentage Holding	Owned by:
Kepler S.p.A.	Parent Company	100,0%	Denis S.p.A.
Tauri S.p.A.	Direct	100,0%	Kepler S.p.A.
Biofarma S.r.l.	Indirect	100,0%	Tauri S.p.A.
Nutrilinea S.r.l.	Indirect	100,0%	Biofarma S.r.l.
Apharm S.r.l.	Indirect	70,0%	Nutrilinea S.r.l.
Pasteur S.r.l.	Intermediate Holding	75,0%	Biofarma S.r.l.
International Health Science S.r.l.	Indirect	100,0%	Pasteur S.r.l.

The scope of sub-consolidation perimeter (**Biofarma Group**) is described as follow:

Company	Control	Percentage Holding	Owned by:
Biofarma S.r.l.	Parent Company	100,0%	Tauri S.p.A.
Nutrilinea S.r.l.	Direct	100,0%	Biofarma S.r.l.
Apharm S.r.l.	Indirect	70,0%	Nutrilinea S.r.l.
Pasteur S.r.l.	Intermediate Holding	75,0%	Biofarma S.r.l.
International Health Science S.r.l.	Indirect	100,0%	Pasteur S.r.l.

Consolidation Accounting Principles

The Unaudited Condensed Consolidated Financial Statements are prepared in accordance with the provisions of the Italian Legislative Decree and those of the accounting standard OIC 17 (Italian GAAP principle N.17).
The subsidiaries are included in the Unaudited Condensed Consolidated Financial Statements from the date in which the Parent Company acquired control or the first available date of consolidation. The subsidiaries will be deconsolidated on the date in which the Parent Company is no longer the controlling entity. It is acceptable to consolidate a subsidiary at a date close to the date of the control acquisition or for the full year, if the acquisition took place in the first months of the year.
Pursuant to this statement and accordingly to the Italian Law, the Biofarma Group, that as reported in Note "Significant events throughout the period" was born on February 12, 2020, opted for the latter option because of the lack of more specific accounting.

The Unaudited Condensed Consolidated Financial Statements are consolidated on a line-by-line basis. The main consolidation criteria, which has been consistently applied year over year described herein are as follows:

- the carrying amount of investments in consolidated subsidiaries is eliminated against the corresponding net equity; positive differences are allocated, where possible and gross of the related tax effect, to the subsidiaries' assets. Any non-attributable residual amount calculated at the date of acquisitions, represents goodwill and is recognized as intangible assets and amortized over its estimated useful life;
- all payables, receivables, revenues and costs, including any unrealized profit and losses, deriving from transactions between subsidiaries and the parent company or between subsidiaries are eliminated upon consolidation.
- the portion of the Profit (loss) for the year attributable to non-controlling interest is recognized on the basis of the corresponding percentage of Shareholders' equity not owned by the Parent Company.
- the portion of the Equity attributable to non-controlling interests is recognized on the basis of the percentage not owned by the Parent Company.

Reconciliation of net equity and result for the financial year is reported in the related section.

Significant accounting policies

The most significant accounting policies adopted in the preparation of the Unaudited Condensed Consolidated Financial Statements, in accordance with legislative requirements, are the following:

Goodwill

Goodwill is related to business combinations and is determined as the excess of the sum of the consideration transferred in the business combination, the value of equity attributable to non - controlling interests and the fair value of any previously held interest in the acquired company over the fair value of the net assets acquired and liabilities assumed at the acquisition date. The share of equity attributable to non-controlling interests, at the acquisition date, is in proportion to the equity of the acquired entity.

Goodwill is recognised with the approval of the Board of Statutory Auditors and is systematically amortised for the period of its useful life, when it is not possible to reliably estimate the useful life, is amortized within a period not exceeding ten years.

In accordance with OIC 9, and in order to support the valuation of the goodwill on the Balance Sheet of the Group, the Directors performed impairment test every time there is an impairment indicator. Where the value of goodwill, net of the amortization already recorded, reports a permanent impairment, a write-down is recognized through the Income Statement.

Intangible assets

Intangible assets are recorded at the cost of purchase, including acquisition costs and amortised over their expected useful life.

Intangible assets are systematically amortised for the period of their expected future utility. Intangible assets are recognised with the approval of the Board of Statutory Auditors in the cases foreseen under the law.

Advertising and research costs are entirely recognised at cost during the financial year in which they were sustained.
Leasehold improvements are capitalised and recognised among “other intangible assets” if they cannot be separated from the assets themselves (otherwise, they are recognised among “property, plant and equipment” in the specific relative item). They are amortised/depreciated in a systematic manner at the lesser of the expected period of future utility and the remainder of the lease, taking into account any renewal periods, if these depend on the Company.

The amortisation criteria applied to the various intangible asset items are summarised below, reflecting the residual useful lives and the estimated useful lives of these capitalised costs:

Asset	Amortization rate
Start-up, expansion and development costs	20% - 33%
Goodwill	10%
Other intangible assets	20%

In accordance with OIC 9, and in order to support the valuation of the intangible assets on the Balance Sheet of the Group, the Directors performed impairment test every time there is an impairment indicator. Where the value of intangible assets, net of the amortization already recorded, reports a permanent impairment, a write-down is recognized through the Income Statement.

In accordance with OIC 17 and OIC 12, financial leasing transactions were accounted for in accordance with IAS 17.

Property, plant and equipment

Property, plant and equipment are recognized at cost of purchase, inclusive of directly attributable acquisition costs, and increased cost occurred for improvements of the asset. Property, plant and equipment under construction and advances are recognized at cost of purchase and are not depreciated until their construction has been completed. The values of property, plant and equipment are depreciated on a straight-line basis. Purchases of assets with a value of less than €516.46 are expensed through the Income Statement.

The annual rates used for depreciation are indicated in the following table:

Asset	Depreciation rate
Land and building	3%
Plants and machinery	17,5% - 20%
Industrial and commercial equipment	10% - 40%
Other tangible assets	20% - 25%

Land is not subject to depreciation.

In accordance with OIC 9, and in order to support the valuation of the property, plant and equipment on the Balance Sheet of the Group, the Directors performed impairment test every time there is an impairment indicator. Where the value of property, plant and equipment, net of the depreciation already recorded, reports a permanent impairment, a write-down is recognized through the Income Statement.

In accordance with OIC 17 and OIC 12, financial leasing transactions were accounted for in accordance with IAS 17.

Impairment of goodwill, intangibles assets and property, plant and equipment

At the end of each reporting period, intangibles assets and property, plant and equipment are analysed in order to determine whether there are any indicators of impairment. If such indicators are found, an impairment test is performed allocating any write-down to the Income Statement. The recoverable value of an asset is the greater or its fair value or its value in use, when the latter is the current value of the estimated future financial cash flows for such asset. In calculating the value in use, the forecast future cash flows are discounted using a discount rate that reflects the current market value of the cost of money, the period when the investment was made and the specific risks related to the asset.

A reduction of value is recognized in the Income Statement when the recognition value of the asset is greater than the recoverable value. If the reason for a write-down previously made no longer apply, the carrying value of the asset, with the exception of Goodwill, is restored and allocated to the Income Statement, up to the amount of the net carrying value that the asset in object would have had if the write-down had not been made and if it had been amortized.

Investments in associates, controlled entities not fully consolidated and other companies

Investments in associates or in controlled entities not fully consolidated are accounted for using equity method, which implies the value of the investment to be adjusted by the share of loss / profit of the investee (which is accounted for in the line item "Share of (loss) / profit of the investee") and/or other movement in the equity such as capital contribution or dividends distribution.

Investments in other companies are accounted for at cost.

Inventory

Inventories of consumables and spare parts are valued on the basis of the FIFO criterion at the lower of the cost incurred and the net realizable value. The cost of inventories includes the purchase cost, and any ancillary charges.

Raw materials

The cost of raw materials of a fungible nature has been calculated using the FIFO method. The value thus determined has been appropriately compared with net realisable value.

Work in progress, semi-finished products and Finished products

Inventories of work in progress, *semi-finished products* and finished products are also valued on the basis of the FIFO criterion at the lower of the production cost and the net realizable value. The production cost includes ancillary charges, costs directly attributable to the product and other costs, for the reasonably attributable portion, relating to the manufacturing period.

Trade receivables

Receivables are recognised to the Unaudited Condensed Consolidated Financial Statements according to the amortised cost criteria, taking account of their timing and the expected realisable value. The amortised cost criteria is not applied where the effects are insignificant or where the settlement costs, commissions paid between the parties and any other difference between the initial value and the value on maturity is insignificant or where the receivables are short-term (i.e. with maturity of less than 12 months).
The value of receivables, established as above, is adjusted where necessary by a write-down provision, presented as a direct reduction of the value of the receivables to their expected realisable value. The write-down to the Unaudited Condensed Consolidated Financial Statements is equal to the difference between the book value and the value of estimated future cash flows, less amounts which are not expected to be received. The write-down is recognised in the Income Statement.

Receivables in foreign currency under current assets are registered at the current exchange rates on the date when the relative transactions take place. They are adjusted to the year-end exchange rate and any gains or losses are recorded on the Income Statement for the year. Any net profit is set aside in a specific reserve which may only be distributed upon realization.
A trade receivable is derecognized from the financial statements when: the right to receive the cash flows of the asset terminate; the entity retains the contractual right to receive the cash flows from the asset, but assumes a contractual obligation to pay the cash flows fully and without delay to a third party; the entity has transferred its right to receive the cash flows from the asset and (i) has transferred substantially all of the risks and rewards of ownership of the trade receivable or (ii) has not transferred or retained substantially all of the risks and rewards of the asset, but has transferred control. Where the entity has transferred all the contractual rights to receive the cash flows from a receivable and has not transferred or withheld substantially all of the risks and rewards or has not lost control, the receivable is recorded in the financial statements of the entity up to the amount of its residual holding in the receivable.

Cash at bank and on hand

Cash at bank and on hand are stated at nominal value.

Accruals and deferrals

Accrued income are related to the portion of revenue or income already earned but not yet invoiced.

Prepaid expenses are related to the portion of costs related to future periods/years for which invoices and the related payables have been already received/paid.

Accrued expenses are related to the portion of costs already occurred but for which the invoice has not been received.

Deferred income are related to the portion of revenue or income related to future years for which invoices and the related receivables have been already received/paid.

Provisions for risks and charges

Provisions for risks and charges are recorded based on the principles of prudence and accruals and include provisions made to cover losses and debts of a certain nature and of a certain and probable existence, with uncertain amount and occurrence date. The valuation of risks and charges which are dependent on future events considers also the information available after the fiscal year end and up to the preparation of the present Unaudited Condensed Consolidated Financial Statements. The provisions reflect the best estimate on the basis of available information at the reporting date. Potential liabilities which are only considered possible are described in the notes.

Provisions for employee severance indemnities

The provision reflects the amounts accrued at the reporting date in favour of employees, in accordance with contractual and legislative requirements. This liability is subject to indexation. It shall be noted that as of 1 January 2007, the Finance Law and related implementing decrees introduced significant changes in the regulation of provisions for employment termination benefits, including the employee's choice concerning the allocation of severance indemnities accruing (to the supplementary pension funds or the "Treasury Fund" managed by INPS - national social welfare institution). The amount recorded in the Unaudited Condensed Consolidated Financial Statements is therefore net of payments to the funds mentioned.

Loans, trade and other payables

Loans, trade and other payables are recognised according to the amortised cost method, taking account of their timing. The amortised cost criterion is not applied to loans and payables where the effects are insignificant. Effects are considered insignificant for short-term loans and payables (i.e. with maturity of less than 12 months). For the amortised cost method reference should be made to loans and payables.

Trade payables in foreign currency are registered at the exchange rate at the date of the transaction. Then, they are adjusted on a year-end exchange rate and the difference between the two values are registered in the Income Statement for the year. The net profit is set apart in a specific reserve, which may be distributed only upon realization.

Other financing

Other financing include financial debt with counterparties who are not banks and are stated at nominal value.

Recognition of revenue and costs

Revenues from the sale of products are recognized at the time ownership passes, which is generally upon shipment.
Revenues for services rendered are booked at the time the service is completed and are shown in the financial statements in accordance with the principles of prudence and competence, with recognition of the associated accrued income and prepaid expenses.

Costs are recognized in the financial statements in accordance with the principles of prudence and competence, with recognition of the associated accrued income and prepaid expenses.

Revenue and income, costs and charges are net of discounts, rebates and premiums, as well as taxes directly connected with the sale of products and the provision of services.

Intra-group operations are carried out under normal market conditions.

Revenue and income, costs and the related charges for operations in currency are determined at the exchange rate on the date that the relevant operation is completed.

Income and charges of a financial nature are recognized on the basis of the relevant accounting period.

Financial income and expenses

All the positive and negative components of the economic result for the year related to the company's financial activities are recorded based upon the accruals principle.

Gains and losses arising from the conversion of foreign currency items are respectively credited and debited to the income statement under line item “Net exchange gains (losses)”.

Income taxes

Taxes are provided in accordance with the accruals principle; they therefore represent the amount for taxes paid or payable for the financial year, determined in accordance with the rates and regulations in force.

Conversion of items in foreign currency

Assets and liabilities originally expressed in foreign currency of a non-monetary nature are recorded in the Balance Sheet at the exchange rate at the time of purchase, i.e., at the cost of initial recording.

Assets and liabilities originally expressed in foreign currency of a monetary nature are translated into the financial statements at the spot exchange rate on the balance sheet date. At year-end, foreign currency assets and liabilities, except for fixed assets, are recorded at spot exchange rates as of the balance sheet date; the related foreign exchange gains and losses are recognized in the income statement and any net profit is allocated to a special fund reserve that cannot be distributed until realized.

Deferred tax assets and liabilities

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Unaudited Condensed Consolidated Financial Statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted as of the Balance Sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Dividends
Dividend income is recognized when the investor's right to receive payment is established, following the declaration of a dividend by the investee's shareholders in general meeting.

Other information

Waivers
It should be noted that there were no exceptional cases that required waivers from the provisions of the law relating to financial statements pursuant to Article 2423 of the Italian Civil Code. 4 of the Italian Civil Code.

There were no exceptional events that made it necessary to resort to the waivers provided for in art. 2423- bis para. 2 of the Italian Civil Code.

There was no grouping of items in the balance sheet or income statement.

There are no asset or liability items that fall under more than one item of the scheme referred to in Article 2424 of the Italian Civil Code.

Use of estimates
For Financial Statements preparation, it is necessary that the Management make estimates and assumptions which have effects on the values of assets and liabilities accounted for the Balance Sheet and even on potential assets and liabilities at the Unaudited Condensed Consolidated Financial Statements date. The estimates and assumptions used are based on experience and on other relevant factors. For this reason, the actual results could be different from these estimates. The estimates and assumptions are reviewed periodically, and the effects of each variation are reflected on the Income Statement in the year when the estimate is revised. The Balance Sheet items that are affected by use of estimate are the bad debt reserve, the provisions for risks and charges and the evaluation of the recoverable value of goodwill, intangible assets and plant and equipment.

Regarding the provisions for risks and charges and the write-down of doubtful receivables, the Unaudited Condensed Consolidated Financial Statements reflect the estimate based on the best knowledge of the state of litigation, using the information provided by the legal and tax advisors, who assist the Company and of the solvency of the counterparts. The estimate of risks is subject to the risk of uncertainty of any estimate of a future event and the outcome of litigation, and it cannot be excluded that in future fiscal years, costs which cannot currently be estimated, might arise due to a worsening of the state of litigation and the level of counterparts' solvency.

In case of impairment indicators goodwill, intangible assets and property, plant and equipment are tested for impairment through the calculation of the recoverable amount of the CGU as the value in use using the discounted cash flow method applying assumptions, such as estimates of future increases in sales, operating costs, the growth rate of the terminal value, investments, changes in working capital and the weighted average cost of capital (discount rate). The value in use may change if the main estimates and assumptions made in the plan change and, hence, the impairment test. Therefore, the recoverable value of the recognized assets may also change.