

**PRESS RELEASE****THE BOARD OF DIRECTORS OF SVAS BIOSANA APPROVES  
THE SHORT-FORM CONSOLIDATED HALF-YEARLY FINANCIAL STATEMENTS AS AT 30 JUNE 2023****RECORD GROWTH IN CONSOLIDATED REVENUES: EUR 55 MILLION (+25.3% YoY)**

- **Consolidated EBITDA: €6.9 million (+21.5% YoY) - EBITDA Margin 12.6%**
- **Consolidated EBIT: €4.2 million (+35.9% YoY) - EBIT Margin 7.7%**
- **Consolidated Net Profit: €2.3 million (+33.4% YoY)**
- **Group Net Financial Position (NFP) cash negative by Euro 25.2 million**

**Somma Vesuviana (NA), 26 September 2023** - Sves Biosana S.p.A. (the "Company" or "SVAS"), a leading operator in the healthcare sector, active in the production and distribution of medical devices for public and private healthcare facilities, listed on Euronext Growth Milan, announces that the Board of Directors, which met today, approved the short-form consolidated half-yearly financial statements as at 30 June 2023, subject to voluntary limited audit.

**Umberto Perillo, CEO of Svas Biosana**, has commented thus: *"The figures reward our investment strategy aimed at strengthening our presence in Italy and abroad, also thanks to our latest acquisition 'Bormia d.o.o.', which contributed to our very positive results. Our efforts are all projected into the future, and with this in mind we will be building a new factory in Somma Vesuviana over the next two years, entirely dedicated to incontinence aids. The medical device market is continuing to expand strongly. We are very confident that the positive trend will continue and we believe that this will lead to further growth in both sales and expected margins."*

**ANALYSIS OF KEY ECONOMIC AND FINANCIAL DATA**

Despite the general economic environment affected by the general increase in prices and the ongoing war between Russia and Ukraine, the Svas Biosana group achieved strong growth across all performance indicators compared to the previous period. During the first six months of 2023, there was a slight reduction in the purchase cost of the main raw materials and semi-finished goods, while the cost of energy services decreased significantly. This had an impact on the cost structure of the group's manufacturing activities, while it had a marginal effect on medical device marketing. The group's strategy is currently geared towards increasing customer prices and focusing more on value-added devices.

**Revenues from operations** as at 30 June 2023 amounted to Euro 55 million, an increase of +25.3% compared to Euro 43.8 million as at 30 June 2022.

This significant growth was mainly driven by the Farmex Business Unit - production and marketing of incontinence aids and cotton products - which grew by 24.3%, and by the Mark Medical Business Unit - marketing of specialised medical devices in Eastern Europe - which increased by 11.3%.

Business Unit	Turnover as at 30/06/23	% of total	Turnover as at 30/06/22	% of total	30/06/23 vs 30/06/22
SVAS	8.8	15.8%	10.0	22.5%	-12.0%
FARMEX	17.4	31.3%	14.0	31.5%	24.3%
MEDICAL	4.6	8.3%	4.5	10.1%	2.2%
MARK MEDICAL	17.8	32.0%	16.0	36.0%	11.3%
BORMIA	7.0	12.6%	-	0.0%	
<b>TOTAL AGGREGATE REVENUES</b>	<b>55.6</b>	<b>100.0%</b>	<b>44.5</b>	<b>100.0%</b>	<b>24.9%</b>
<i>Intra-group revenues</i>	-	<b>0.6</b>	-	<b>0.7</b>	
<b>TOTAL CONSOLIDATED REVENUES</b>	<b>55.0</b>		<b>43.8</b>		<b>25.3%</b>

The consolidated turnover as at 30 June 2023 includes revenues of Euro 7.0 million made by the Bormia Group, which was acquired on 23 June 2022.

Geographically, 55% of revenues were generated in Italy (64% in 2022) and 45% abroad (36% in 2022), confirming the Group's good international vocation.

**Value of Production** as at 30 June 2023 amounted to Euro 57.0 million, compared to Euro 46.1 million in H1 2022 (up 23.5% YoY).

**EBITDA (Gross Operating Margin)** as at 30 June 2023 amounted to Euro 6.9 million, up 21.5% from Euro 5.7 million in the same period of 2022. The EBITDA margin is 12.6% on revenue.

**EBIT (Operating Profit)** as at 30 June 2023 amounted to Euro 4.2 million, up 35.9% compared to Euro 3.1 million as at 30 June 2022 with an EBIT margin of 7.7% on revenues.

**Net profit** amounted to Euro 2.3 million compared to Euro 1.7 million in 2022 (+33.4% YoY).

The **Net Financial Position** as at 30 June 2023 was cash negative in the amount of Euro 25.2 million, compared to the NFP cash negative of Euro 21.7 million as at 31 December 2022, an increase partly attributable to the start of new orders.

**Shareholders' Equity** as at 30 June 2023 amounted to Euro 56.5 million compared to Euro 54.5 million as at 31 December 2022.

## **SIGNIFICANT EVENTS DURING THE FIRST HALF OF THE YEAR**

It should be noted that on 15 September 2022, the Aiuti-bis Decree (Decree Law 115/2022) issued by the Ministry of Health and the Ministry of Economy and Finance was published in the Official Journal, certifying that the expenditure ceiling for medical devices, set at 4.4% of the National Health Fund, had been exceeded for the years 2015 to 2018. The Decree establishes that half of this overrun is to be covered by economic operators in the industry ('Medical Device Payback').

With subsequent measures, the Italian Government provided for several extensions for the payment of the required amounts, granting the possibility to pay by 30 October 2023 at a reduced rate, equal to 48% of the amount indicated in the regional and autonomous province of Trento and Bolzano measures, waiving any litigation arisen during the period.

It should be noted, however, that this risk is not of a significant amount for the group.

## **SIGNIFICANT EVENTS OCCURRING AFTER 30 JUNE 2023**

In July 2023, the group completed the issuance of two non-convertible, unsubordinated bonds for a total amount of Euro 13 million, pursuant to Art. 2410 of the Civil Code, which are designed to support our investment plan.

Specifically, the Euro 13 million transaction involved the issuance of two bonds: one issued by the parent company Svas Biosana in the amount of Euro 10 million; the other issued by Mark Medical in the amount of Euro 3 million, both maturing on 31 December 2029, totally unsecured.

Both loans will be subject to compliance with financial covenants according to market practice for similar bonds.

The bonds are not listed on regulated markets or admitted to trading on a multilateral trading facility and are not subject to the obligation to publish a prospectus, pursuant to and for the purposes of Art. 1(4) of Regulation (EU) 2017/1129.

The transaction is aimed at supporting the Svas Biosana group's further growth. In particular, the bond issued by the parent company is intended, among other things, for the construction of a new production plant in Somma Vesuviana (NA) and the development of several production lines for the production of incontinence aids, which already exist in the current Naples plant, while the bond issued by the subsidiary Mark Medical will support the strengthening of the group's commercial presence in Eastern Europe.

## **OUTLOOK**

The macroeconomic outlook for the economic activity and inflation has become very uncertain and depends crucially on the evolution of the Russian-Ukrainian conflict. In the most recent period, signs of slowing inflation and the receding financial turmoil have prompted the major central banks to continue raising interest rates, albeit at a more moderate pace.

These elements represent a drag on the world economy, which is expected to decelerate this year before showing more dynamism in 2024.

### **SVAS BIOSANA S.p.A.**

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The company's management confirms the current positive trends, both with regard to sales and expected margins. Therefore, our expectations in terms of results for the current year are positive.

\* \* \* \* \*

In accordance with the provisions of the Euronext Growth Milan Issuers' Regulations, the consolidated half-yearly financial statements as at 30 June 2023, together with the Report of the audit firm on the limited auditing of the accounts, will be made available to the public, within the terms of the law, at the Company's registered office, at Borsa Italiana S.p.A. and in the relevant sections of the website [www.svas.it](http://www.svas.it) as of today.

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This press release can be found at Borsa Italiana, at the Company's registered office, and in the *Investor Relations/Press Releases* section of the website [www.svas.it](http://www.svas.it).

Svas Biosana uses the eMarket SDIR system, managed by Teleborsa S.r.l., with registered office at Piazza di Priscilla 4, 00199, Rome ([www.emarketstorage.com](http://www.emarketstorage.com)), to disclose regulated information.

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*This press release may contain forward-looking statements about future events and results of the Svas Biosana Group that are based on current expectations, estimates and projections about the industry in which the Group operates and on management's current views. These elements inherently have a component of risk and uncertainty because they depend on the occurrence of future events and on a multiplicity of factors, many of which are beyond the Company's control, including global macroeconomic conditions, changes in business conditions, further deterioration of markets, the impact of competition, political, economic and regulatory developments in Italy.*

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**Specialist**

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*Svas Biosana manufactures and distributes medical devices in Italy and abroad. Founded in 1972 in Somma Vesuviana (NA) by the Perillo family, SVAS is now an international company with a catalogue of approximately 16,000 own and third party brand products, roughly 350 employees, a Research and Development department, 3 production facilities in Italy and subsidiaries in Slovenia, Croatia, Serbia and Bosnia-Herzegovina.*

*Ticker: ISIN Ordinary Shares: IT0005469264  
IT0005469157*

*Ticker: ISIN Warrant SVAS BIOSANA 2021-2024:*

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## RECLASSIFIED CONSOLIDATED INCOME STATEMENT AS AT 30 JUNE 2023

**INCOME STATEMENT**

	30/06/2023	%	30/06/2022	%	Change %
Net revenues	54,939,038	100.0%	43,843,886	100.0%	25.3%
External costs	43,144,031	78.5%	33,165,592	75.6%	30.1%
<b>Added value</b>	<b>11,795,007</b>	<b>21.5%</b>	<b>10,678,294</b>	<b>24.4%</b>	<b>10.5%</b>
Cost of labour	6,808,083	12.4%	5,822,602	13.3%	16.9%
Other revenues	1,943,038	3.5%	846,895	1.9%	129.4%
<b>Gross operating margin (EBITDA)</b>	<b>6,929,962</b>	<b>12.6%</b>	<b>5,702,587</b>	<b>13.0%</b>	<b>21.5%</b>
Amortisation, depreciation and other provisions	2,691,740	4.9%	2,584,888	5.9%	4.1%
<b>Operating profit (EBIT)</b>	<b>4,238,222</b>	<b>7.7%</b>	<b>3,117,699</b>	<b>7.1%</b>	<b>35.9%</b>
Net financial expense	(914,401)	-1.7%	(818,456)	-1.9%	11.7%
<b>Pre-tax profit (EBT)</b>	<b>3,323,821</b>	<b>6.1%</b>	<b>2,299,243</b>	<b>5.2%</b>	<b>44.6%</b>
Income taxes	1,034,886	1.9%	583,351	1.3%	77.4%
<b>Net profit for the year</b>	<b>2,288,935</b>	<b>4.2%</b>	<b>1,715,892</b>	<b>3.9%</b>	<b>33.4%</b>

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## RECLASSIFIED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2023

	30/06/2023	31/12/2022	Change
Net intangible fixed assets	11,350,040	11,023,670	326,370
Net tangible fixed assets	25,804,005	26,209,159	(405,154)
Equity investments	110,179	229,980	(119,801)
<b>Fixed capital</b>	<b>37,264,224</b>	<b>37,462,809</b>	<b>(198,585)</b>
Inventories	31,648,962	29,821,907	1,827,055
Trade receivables	41,934,105	38,995,140	2,938,965
Other receivables	7,483,206	5,473,375	2,009,831
Accrued income and prepaid expenses	869,824	878,560	(8,736)
<b>Short-term operating assets</b>	<b>81,936,097</b>	<b>75,168,982</b>	<b>6,767,115</b>
Trade payables	28,591,000	28,198,447	392,553
Advances	12,640	104,610	(91,970)
Tax and welfare payables	3,048,271	2,498,942	549,329
Other payables	2,745,307	2,070,471	674,836
Accrued expenses and deferred income	894,635	1,408,220	(513,585)
<b>Short-term operating liabilities</b>	<b>35,291,853</b>	<b>34,280,690</b>	<b>1,011,163</b>
<b>Net working capital</b>	<b>46,644,244</b>	<b>40,888,292</b>	<b>5,755,952</b>
Employee severance indemnity	1,987,359	1,927,528	59,831
Tax and social security debts (beyond the next financial year)	-	-	-
Other medium/long-term liabilities	232,595	249,560	(16,965)
<b>Medium/long-term liabilities</b>	<b>2,219,954</b>	<b>2,177,088</b>	<b>42,866</b>
<b>Net invested capital</b>	<b>81,688,514</b>	<b>76,174,013</b>	<b>5,514,501</b>
Shareholders' equity	(56,490,173)	(54,509,266)	(1,980,907)
Net financial position	(25,198,341)	(21,664,747)	(3,533,594)
<b>Own funds and net financial debt</b>	<b>(81,688,514)</b>	<b>(76,174,013)</b>	<b>(5,514,501)</b>

# CONSOLIDATED STATEMENT OF NET FINANCIAL POSITION AS AT 30 JUNE 2023

	30/06/2023	31/12/2022	Change
Bank deposits	(13,981,066)	(21,620,038)	7,638,972
Cash on hand	(8,950)	(7,177)	(1,773)
<b>Cash and cash equivalents</b>	<b>(13,990,016)</b>	<b>(21,627,215)</b>	<b>7,637,199</b>
<b>Financial assets which do not constitute noncurrent assets</b>	<b>(10,982,461)</b>	<b>(7,898,102)</b>	<b>(3,084,359)</b>
Bonds and convertible bonds (within the next financial year)	2,150,992	2,146,614	4,378
Due to banks (within one year)	20,264,853	19,624,622	640,231
Payables to other lenders (within the next financial year)	1,857,654	1,109,467	748,187
Financial receivables (within the next financial year)	(1,794,675)	(1,864,948)	70,273
<b>Short-term financial payables/(receivables)</b>	<b>22,478,824</b>	<b>21,015,755</b>	<b>1,463,069</b>
<b>Short-term net financial position</b>	<b>(2,493,653)</b>	<b>(8,509,562)</b>	<b>6,015,909</b>
Bonds and convertible bonds (beyond the next financial year)	7,543,958	8,621,643	(1,077,685)
Due to banks (beyond the next financial year)	20,279,847	21,558,661	(1,278,814)
Payables to other lenders (beyond the next financial year)	2,061,006	2,200,748	(139,742)
Financial receivables (beyond the next financial year)	(2,192,817)	(2,206,743)	13,926
<b>Net financial position in the medium/long-term</b>	<b>27,691,994</b>	<b>30,174,309</b>	<b>(2,482,315)</b>
<b>Net financial position</b>	<b>25,198,341</b>	<b>21,664,747</b>	<b>3,533,594</b>



# CONSOLIDATED CASH FLOW STATEMENT AS AT 30 JUNE 2023

Description - indirect method	30/06/2023	30/06/2022
<b>A) Cash flows from operating activities (indirect method)</b>		
Profit (loss) for the period	2,288,935	1,715,892
Income taxes	1,034,886	583,351
Interest expense/(income)	914,401	851,488
(Gains)/Losses on the sale of assets		
<b>1) Profit (loss) for the period before income taxes, interest, dividends and gains/losses from disposals</b>	<b>4,238,222</b>	<b>3,150,731</b>
<b>Adjustments for non-monetary items with no balancing entry in net working capital</b>		
Accruals to provisions	227,797	314,224
Amortisation/depreciation of fixed assets	2,427,973	2,300,382
Write-downs from impairment	263,767	258,706
Non-monetary adjustments to derivative assets and liabilities	-	228,447
Other increases/(decreases) for non-monetary items	(109,874)	(9,878)
Total adjustments for non-monetary items with no balancing entry in net working capital	2,809,663	3,091,881
<b>2) Cash flows before changes in net working capital</b>	<b>7,047,885</b>	<b>6,242,612</b>
<b>Changes in net working capital</b>		
Decrease/(Increase) in inventory	(1,744,053)	(3,389,700)
Decrease/(Increase) in trade receivables	(2,884,379)	(3,851,537)
Increase/(Decrease) in trade payables	109,027	1,665,029
Decrease/(Increase) in prepayments and accrued income	8,736	(49,787)
Increase/(Decrease) in accrued expenses and deferred income	(513,585)	(162,176)
Other decreases/(Other Increases) in net working capital	(1,623,992)	(4,777,154)
Total changes in net working capital	(6,648,246)	(10,565,325)
<b>3) Cash flows after changes in net working capital</b>	<b>399,638</b>	<b>(4,322,713)</b>
<b>Other adjustments</b>		
Interest collected/(paid)	(914,401)	(851,488)
Income taxes paid	(104,509)	(129,970)
(Use of provisions)	(445,537)	(205,462)
Total other adjustments	(1,464,447)	(1,186,920)
<b>Cash flows from operating activities (A)</b>	<b>(1,064,809)</b>	<b>(5,509,633)</b>
<b>B) Cash flows from investing activities</b>		
<b>Net tangible fixed assets</b>		
(Investments)	(1,228,519)	(1,675,657)
Divestments	80,680	
<b>Net intangible fixed assets</b>		
(Investments)	(1,050,211)	(793,803)
Divestments	2,500	

<b>Financial fixed assets</b>		
(Investments)	(30,705)	
Divestments	170,452	2,503,570
<b>Current financial assets</b>		
(Investments)	(3,152,253)	(5,073,947)
Divestments	67,894	
<b>Cash flows used in investing activities (B)</b>	<b>(5,140,162)</b>	<b>(5,039,837)</b>
<b>C) Cash flows from financing activities</b>		
<b>Third party funds</b>		
Increase/(Decrease) in short term bank loans and borrowings	880,134	1,655,547
New loans	3,650,000	6,471,923
(Repayment of loans)	(5,633,579)	(5,089,327)
<b>Own funds</b>		
Disposal/(Purchase) of own shares	(328,783)	(299,592)
<b>Cash flows used in financing activities (C)</b>	<b>(1,432,228)</b>	<b>2,738,551</b>
Increase (decrease) in liquid funds (A ± B ± C)	(7,637,199)	(7,810,919)
<b>Opening liquid funds</b>		
Bank and postal accounts	21,620,038	30,430,165
Cheques	725	3,716
Cash-in-hand	6,452	4,412
Total opening liquid funds	<b>21,627,215</b>	<b>30,438,293</b>
Of which not freely usable		
<b>Closing liquid funds</b>		
Bank and postal accounts	13,981,066	22,619,837
Cheques	1,446	423
Cash-in-hand	7,504	7,114
Total closing liquid funds	<b>13,990,016</b>	<b>22,627,374</b>