
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of May 2022

Commission File Number: 001-40618

Stevanato Group S.p.A.

(Translation of registrant's name into English)

Via Molinella 17
35017 Piombino Dese – Padua
Italy
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes No

Stevanato Group S.p.A.

**Interim condensed consolidated financial statements
for the three months ended March 31, 2022**

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CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report on Form 6-K contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect the current views of Stevanato Group S.p.A. (“we”, “our”, “us”, “Stevanato Group” or the “Company”). These forward-looking statements include, or may include, words such as “raising”, “believe”, “potential”, “increased”, “future”, “remain”, “growing”, “expect”, “foreseeable”, “expected”, “to be”, “includes”, “estimated”, “assumes”, “would provide”, “anticipate”, “will”, “plan”, “may”, “forecast”, and other similar terminology. Forward-looking statements contained in this report include, but are not limited to, statements about: our future financial performance, including our revenue, operating expenses and our ability to maintain profitability and operational and commercial capabilities; our expectations regarding the development of our industry and the competitive environment in which we operate; the expansion of our plants and our expectations to increase production capacity; the global supply chain and our committed orders; the global response to COVID-19 and our role in it; our geographical and industrial footprint; and our goals, strategies and investment plans. These statements are neither promise nor guarantee but involve known and unknown risks, uncertainties and other important factors and circumstances that may cause Stevanato Group’s actual results, performance or achievements to be materially different from its expectations expressed or implied by the forward-looking statements, including conditions in the U.S. capital markets, negative global economic conditions, inflation, potential negative developments in the COVID-19 pandemic, the impact of the conflict between Russia and Ukraine, supply chain challenges and other negative developments in Stevanato Group’s business or unfavorable legislative or regulatory developments. The following are some of the factors that could cause our actual results to differ materially from those expressed in or underlying our forward-looking statements: (i) our product offerings are highly complex, and, if our products do not satisfy applicable quality criteria, specifications and performance standards, we could experience lost sales, delayed or reduced market acceptance of our products, increased costs and damage to our reputation; (ii) we must develop new products and enhance existing products, adapt to significant technological and innovative changes and respond to introductions of new products by competitors to remain competitive; (iii) our backlog might not accurately predict our future revenue, and we might not realize all or any part of the anticipated revenue reflected in our backlog; (iv) if we fail to maintain and enhance our brand and reputation, our business, results of operations and prospects may be materially and adversely affected; (v) we are highly dependent on our management and employees. Competition for our employees is intense, and we may not be able to attract and retain the highly skilled employees that we need to support our business and our intended future growth; (vi) our business, financial condition and results of operations depend upon maintaining our relationships with suppliers and service providers; (vii) our business, financial condition and results of operations depend upon the availability and price of high-quality materials and energy supply and our ability to contain production costs; (viii) the current conflict between Russia and Ukraine and the financial and economic sanctions imposed by the European Union, the U.S., the United Kingdom and other countries and organizations against officials, individuals, regions, and industries in Russia and Belarus may negatively impact our ability to source gas at commercially reasonable terms or at all and could have a material adverse effect on our operations; (ix) significant interruptions in our operations could harm our business, financial condition and results of operations; (x) as a consequence of the COVID-19 pandemic, sales of syringes and vials to and for vaccination programs globally increased resulting in a revenue growth acceleration. The demand for such products may shrink, if the need for COVID-19 related solutions declines; (xi) our manufacturing facilities are subject to operating hazards which may lead to production curtailments or shutdowns and have an adverse effect on our business, results of operations, financial condition or cash flows; (xii) we may face significant competition in implementing our strategies for revenue growth in light of actions taken by our competitors; (xiii) our global operations are subject to international market risks that may have a material effect on our liquidity, financial condition, results of operations and cash flows; (xiv) we are required to comply with a wide variety of laws and regulations and are subject to regulation by various federal, state and foreign agencies; (xv) if relations between China and the United States deteriorate, our business in the United States and China could be materially and adversely affected; and (xvi) Cyber security risks and the failure to maintain the confidentiality, integrity and availability of our computer hardware, software and internet applications and related tools and functions, could result in damage to our reputation, data integrity and/or subject us to costs, fines or lawsuits under data privacy or other laws or contractual requirements. This list is not exhaustive. We caution you therefore against relying on these forward-looking statements and we qualify all of our forward-looking statements by these cautionary statements.

These forward-looking statements speak only as at their dates. The Company undertakes no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible to predict all of these factors. Further, the Company cannot assess the impact of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward-looking statements.

For a description of certain additional factors that could cause the Company’s future results to differ from those expressed in any such forward-looking statements, refer to the risk factors discussed under “Item 1A. Risk Factors” below and “Risk Factors” in our Annual Report on Form 20-F/A for the year ended December 31, 2021 filed with the U.S. Securities and Exchange Commission on April 5, 2022.

PART I-FINANCIAL INFORMATION

Item 1. Financial Statements

Stevanato Group S.p.A.

Interim consolidated income statements

for the three months ended March 31, 2022 and 2021

(Unaudited)

	Notes	For the three months ended March 31,	
		2022	2021
(EUR thousand)			
Revenues	9	212,074	192,849
Cost of sales	10	144,625	127,440
Gross Profit		67,449	65,409
Other operating income	11	1,569	3,225
Selling and Marketing expenses	12	4,921	5,868
Research and Development expenses	12	7,685	5,820
General and Administrative expenses	12	18,495	14,007
Operating Profit		37,917	42,939
Finance income	13	2,980	2,005
Finance expense	14	4,612	3,239
Profit Before Tax		36,285	41,705
Income taxes	15	8,521	5,140
Net Profit		27,764	36,565
Net Profit attributable to:			
Equity holders of the parent		27,723	36,551
Non-controlling interests		41	14
		27,764	36,565
Earnings per share			
Basic earnings per common share (in EUR)	16	0.10	0.15
Diluted earnings per common share (in EUR)	16	0.10	0.15

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements

Stevanato Group S.p.A.
Interim consolidated statements of comprehensive income
for the three months ended March 31, 2022 and 2021
(Unaudited)

	Notes	For the three months ended March 31,	
		2022	2021
		(EUR thousand)	
Net Profit		27,764	36,565
Gains/(losses) from remeasurement of employee defined benefit plans		291	140
Tax effect relating to those components of OCI		(70)	(34)
Other comprehensive income (loss) that will not be classified subsequently to profit or loss		221	106
Exchange difference on translation of foreign operations	24	12,167	2,585
Changes in the fair value of cash flow hedging instruments		2,473	469
Tax effect relating to those components of OCI		(593)	(113)
Other comprehensive income (loss) that will be classified subsequently to profit or loss		14,047	2,941
Total other comprehensive income (loss), net of tax		14,268	3,048
Total Comprehensive Income		42,032	39,613
Attributable to:			
Equity holders of the parent		41,976	39,588
Non-controlling interests		56	24
		42,032	39,613

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements

Stevanato Group S.p.A.
Interim consolidated statements of financial position
as at March 31, 2022 and at December 31, 2021
(Unaudited)

		At March 31, 2022	At December 31, 2021
		(EUR thousand)	
Assets	Notes		
Non-current assets			
Goodwill		47,243	47,243
Other intangible assets	17	32,101	31,928
Right of Use assets	19	22,148	22,690
Property, plant and equipment	18	440,161	392,717
Financial assets - investments FVTPL		1,032	1,084
Other non-current financial assets	20	1,340	1,334
Deferred tax assets		57,060	55,877
		601,085	552,873
Current assets			
Inventories	21	166,763	148,917
Contract assets	22	77,425	62,133
Trade receivables	22	174,506	165,259
Other current financial assets	20	28,641	27,217
Tax receivables	23	27,581	25,063
Other receivables		24,826	26,341
Cash and cash equivalents		366,691	411,039
		866,433	865,969
Total assets		1,467,518	1,418,842
Equity and liabilities			
Equity			
Share capital	24	21,698	21,698
Reserves and Retained Earnings	24	835,514	686,055
Net profit attributable to equity holders of the parent		27,723	134,321
Equity attributable to equity holders of the parent		884,935	842,074
Non-controlling interests		(359)	(415)
Total equity		884,576	841,659
Non-current liabilities			
Non-current financial liabilities	25	197,229	202,296
Employees benefits	27	12,265	11,853
Provisions	28	3,573	3,499
Deferred tax liabilities		19,253	19,105
Other non-current liabilities	29	1,815	1,808
		234,135	238,561
Current liabilities			
Current financial liabilities	25	54,815	46,195
Trade payables	30	154,550	164,787
Contract liabilities	31	15,713	18,771
Advances from customers	31	28,713	23,616
Tax payables	23	28,622	19,440
Other liabilities	30	66,394	65,813
		348,807	338,622
Total liabilities		582,942	577,183
Total equity and liabilities		1,467,518	1,418,842

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements

Stevanato Group S.p.A.

Interim consolidated statements of changes in equity

for the three months ended March 31, 2022 and 2021

(Unaudited)

	Notes	Share capital	Share Premium Reserve	Treasury shares	Cash flow hedge reserve	Reserve for actuarial gains / (losses)	Foreign currency translation reserve	Retained earnings and other reserve	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
(EUR thousand)											
At January 1, 2022		21,698	389,312	(27,740)	(1,277)	(745)	(22,680)	483,506	842,074	(415)	841,659
Other comprehensive income	24	—	—	—	1,880	221	12,152	—	14,253	15	14,268
Net profit		—	—	—	—	—	—	27,723	27,723	41	27,764
Total comprehensive income		—	—	—	1,880	221	12,152	27,723	41,976	56	42,032
Other		—	—	—	—	—	—	885	885	—	885
Total effects		—	—	—	—	—	—	885	885	—	885
At March 31, 2022		21,698	389,312	(27,740)	603	(524)	(10,528)	512,114	884,935	(359)	884,576

	Notes	Share capital	Treasury shares	Cash flow hedge reserve	Reserve for actuarial gains / (losses)	Foreign currency translation reserve	Retained earnings and other reserve	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity	
(EUR thousand)											
At January 1, 2021		20,002	(26,189)	(3,345)	(675)	(34,911)	355,613	310,495	(355)	310,140	
Other comprehensive income	24	—	—	357	106	2,574	—	3,037	11	3,048	
Net profit		—	—	—	—	—	36,551	36,551	14	36,565	
Total comprehensive income		—	—	357	106	2,574	36,551	39,588	25	39,613	
Dividends	24	—	—	—	—	—	(11,200)	(11,200)	—	(11,200)	
Other		—	(261)	—	—	—	445	184	—	184	
Total effects		—	—	—	—	—	(10,755)	(11,016)	—	(11,016)	
At March 31, 2021		20,002	(26,450)	(2,988)	(569)	(32,337)	381,409	339,067	(330)	338,737	

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements

Stevanato Group S.p.A.
Interim consolidated statements of cash flows
for the three months ended March 31, 2022 and 2021
(Unaudited)

	For the three months ended March 31,	
	2022	2021
	(EUR thousand)	
Notes		
Operating activities		
Profit before tax	36,285	41,705
Adjustments:		
Depreciation and impairment of property, plant and equipment	11,739	9,583
Amortization of intangible assets and Right of Use	3,472	3,366
Allowance for doubtful accounts	(55)	982
Net finance expense/ (income)	2,640	1,057
(Gain)/Loss from the disposal of non-current assets	(12)	—
Change in other provisions and in employee benefits	(453)	2,907
Other non-cash expenses, net	(1,518)	(332)
Working capital changes:		
- inventories and contract assets	(31,298)	(13,894)
- trade receivables and other assets	(7,533)	(23,867)
- trade payables, contract liabilities, advances and other liabilities	(5,739)	(9,716)
Interest paid	(805)	(1,147)
Interest received	162	162
Income tax paid	(1,735)	(4,919)
Cash Flow from operating activities	5,150	5,887
Cash Flow from investing activities		
Purchase of property, plant and equipment	(52,741)	(21,729)
Proceeds from sale of property plant and equipment	13	—
Purchase of intangible assets	(1,938)	(662)
Investment in financial assets	8	(32)
Net cash flows used in investing activities	(54,658)	(22,423)
Cash Flow from financing activities		
Acquisition of non-controlling interests	—	(118)
Dividends paid	—	(11,200)
Payment of principal portion of lease liabilities	(1,554)	(1,607)
Proceed from loans	5,564	4,053
Repayments of loans	(909)	(11,426)
Decrease in other current financial activities	—	484
Net cash flows from/(used in) financing activities	3,101	(19,814)
Net change in cash and cash equivalents	(46,407)	(36,350)
Net foreign exchange difference	2,059	937
Cash and cash equivalents at January 1	411,039	115,599
Cash and cash equivalents at March 31	366,691	80,186

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements

1. Corporate information

Stevanato Group S.p.A. (herein referred to as the “Company” and together with its subsidiaries the “Group”) is headquartered in Italy and its registered office is located at via Molinella 17, Piombino Dese (Padova, Italy). The Group is active in the design, production and distribution of products and technology to provide integrated solutions primarily for the bio-pharma, pharmaceutical and healthcare industries. The Group's continuous investments, advancement of technology in primary packaging, strong reputation and complementary acquisitions, has helped it become a global player in the bio-pharma industry. Principal products are drug containment and primary packaging solutions, drug delivery systems, medical devices, in-vitro diagnostics, analytical services, visual inspection machines, assembling and packaging machines and glass forming machines.

The Group has nine production plants for manufacturing and assembly of bio-pharma, pharmaceutical and healthcare products (in Italy, Germany, Slovakia, Brazil, Mexico, China, and the United States), five plants for the production of machinery and equipment (in Italy and Denmark), two sites for analytical services (in Italy and the United States) and two commercial offices (in Japan and the United States). Further, on October 4, 2021, the Group announced the start of construction of a new facility in Fishers, Indiana, United States. On March 10, 2022, the Group announced the acquisition of a new facility in Zhangjiagang, China which will undergo renovations and serve as its Asia Pacific regional hub. The Group is also investing in the expansion of production facilities in Piombino Dese, Italy, where construction of a new building is underway. The expansion of the Group's global footprint will diversify production, improve proximity to customers and allow the Group to provide services in more than 70 countries worldwide.

Stevanato Group S.p.A. is controlled by Stevanato Holding S.r.l. which holds 78.03% of its share capital. On July 16, 2021 Stevanato Group began trading on the New York Stock Exchange under the symbol STVN.

2. Authorization of interim condensed consolidated financial statements and compliance with international financial reporting standards

These Interim Condensed Consolidated Financial Statements of Stevanato Group S.p.A. were authorized for issuance on May 6, 2022 and have been prepared in accordance with *IAS 34 - Interim Financial Reporting*. The Interim Condensed Consolidated Financial Statements should be read in conjunction with the Group's consolidated financial statements at and for the year ended December 31, 2021 (the “Consolidated Financial Statements”), which have been prepared in accordance with *International Financial Reporting Standards* as issued by the International Accounting Standards Board (*IFRS*).

3. Basis of preparation for interim condensed consolidated financial statements

The preparation of the Interim Condensed Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities as well as disclosures of contingent liabilities. If in the future such estimates and assumptions, which are based on management's best judgment at the date of these Interim Condensed Consolidated Financial Statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

Reference should be made to the section “Use of estimates” in the Consolidated Financial Statements for a detailed description of the more significant valuation procedures used by the Group.

Moreover, in accordance with *IAS 34*, certain valuation procedures, in particular those of a more complex nature regarding matters such as any impairment of non-current assets, are only carried out in full during the preparation of the annual consolidated financial statements, when all the related information necessary is available, other than in the event that there are indications of impairment, in which case an immediate assessment is required. Similarly, the actuarial valuations that are required for the determination of employee benefit provisions are also usually carried out during the preparation of the annual consolidated financial statements, except in the event of significant market fluctuations or significant plan amendments, curtailments or settlements. *IAS 34* also requires the disclosure of the nature and amount of items affecting net income that are unusual due to their nature, size or significance.

These interim condensed consolidated financial statements consider that the Group publishes quarterly interim financial statements. As the Group is not including the full set of disclosures, as required in a complete set of financial statements, the interim financial statements of the Group are regarded as ‘condensed’, as per *IAS 34*.

New standards, amendments and interpretations

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended December 31, 2021, except for the adoption of new standards effective as of January 1, 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The following amendments and interpretations were adopted for the first time in 2022 and did not have a material impact on the interim condensed consolidated financial statements of the Group:

- Amendments to *IFRS 3 – Reference to the Conceptual Framework*,
- Amendments to *IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use*,
- Amendments to *IAS 37 – Onerous Contracts – Costs of Fulfilling a Contract*.

Amendments to IFRS 3 - Reference to the Conceptual Framework

In May 2020, the IASB issued Amendments to *IFRS 3 - Business Combinations - Reference to the Conceptual Framework*. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The Board also added an exception to the recognition principle of *IFRS 3* to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of *IAS 37* or *IFRIC 21 - Levies*, if incurred separately. At the same time, the Board decided to clarify existing guidance in *IFRS 3* for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively. The amendments did not have a material impact on the Group.

Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use

In May 2020, the IASB issued Amendments to *IAS 16 - Property, Plant and Equipment - Proceeds before Intended Use*, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments did not have a material impact on the Group.

Amendments to IAS 37 - Onerous Contracts - Costs of Fulfilling a Contract

In May 2020, the IASB issued Amendments to *IAS 37 - Onerous Contracts* to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and Administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The amendments did not have a material impact on the Group.

New standards, amendments and interpretations not yet effective

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice, monitoring the IFRS Interpretations Committee's discussions, and whether existing loan agreements may require renegotiation.

Amendments to IAS 8 - Accounting Policies, Changes to Accounting Estimates and Errors

On 12 February 2021, the IASB issued amendments to IAS 8 Accounting Policies, Changes to Accounting Estimates and Errors, in which it introduces a new definition of "accounting estimates". The amendments are designed to clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. The amendments become effective for annual reporting periods beginning on or after January 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments are not expected to have a material impact on the Group.

Amendments to IAS 1 - Presentation of Financial Statements

In February 2021, the IASB issued amendments to IAS 1 Presentation of Financial Statements in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The IASB also issued amendments to IFRS Practice Statement 2 Making Materiality Judgements (the PS) to support the amendments in IAS 1 by explaining and demonstrating the application of the 'four-step materiality process' to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after January 1, 2023. The amendments are not expected to have a material impact on the Group.

Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In May 2021, the IASB issued amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction, that clarify the accounting of deferred tax on transactions such as leases and decommissioning obligations. The main change in Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) is an exemption from the initial recognition exemption provided in IAS 12.15(b) and IAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition (this is also explained in the newly inserted paragraph IAS 12.22A). The amendments to IAS 12 are applicable for annual periods beginning on or after January 1, 2023. The amendments are not expected to have a material impact on the Group.

4.Scope of consolidation

Stevanato Group S.p.A. is the parent company of the Group and it holds, directly and indirectly, interests in the Group's main operating companies. There are no changes in the scope of consolidation for the periods presented in this Interim Report and the Group's scope of consolidation is as follows:

Subsidiaries

The interim condensed consolidated financial statements of the Group include the following companies directly or indirectly controlled:

Name	Segment	Description	Country of incorporation	Type of control	% equity interest	
					Mar. 31, 2022	Dec. 31, 2021
Nuova Ompi S.r.l.	Biopharmaceutical	Production of drug containment systems and development of integrated solutions for the pharmaceutical industry	Italy	Direct	100%	100%
Spami S.r.l.	Engineering	Production plant and machinery	Italy	Direct	100%	100%
Stevanato Group International a.s.	Holding	Service/Subholding company	Slovakia	Direct	100%	100%
Medical Glass a.s.	Biopharmaceutical	Production of drug containment systems	Slovakia	Indirect	99.74%	99.74%
Stevanato Group N.A. S. de RL de CV	Biopharmaceutical	Service company	Mexico	Indirect	100%	100%
Ompi N.A. S. de RL de CV	Biopharmaceutical	Production of drug containment systems	Mexico	Direct	30.76%	30.76%
				Indirect	69.24%	69.24%
Ompi of America inc.	Biopharmaceutical	Sale of drug containment systems and analytical services	USA	Indirect	100%	100%
Ompi do Brasil I. e C. de	Biopharmaceutical	Production of drug containment systems	Brazil	Direct	79%	79%
Em. Far. Ltda				Indirect	21%	21%
Ompi Pharm. Packing Techn. Co. Ltd	Biopharmaceutical	Production of drug containment systems	China	Indirect	100%	100%
Innoscan A/S	Engineering	Production plant and machinery	Denmark	Indirect	100%	100%
SVM Automatik A/S	Engineering	Production plant and machinery	Denmark	Indirect	100%	100%
Medirio SA	Biopharmaceutical	Research and development	Switzerland	Indirect	100%	100%
Balda Medical GmbH	Biopharmaceutical	Production of in-vitro diagnostic solutions	Germany	Direct	100%	100%
Balda C. Brewer Inc.	Biopharmaceutical	Production of in-vitro diagnostic solutions	USA	Indirect	100%	100%
Balda Precision Inc.	Biopharmaceutical	Production metal components	USA	Indirect	100%	100%
Ompi of Japan Co., Ltd.	Biopharmaceutical	Sale of drug containment systems	Japan	Direct	51%	51%

Non-controlling interests

The non-controlling interests as of March 31, 2022 and the net profit attributable to non-controlling interests during the three months ended March 31, 2022 relate to Ompi of Japan Co., Ltd. and Medical Glass a.s..

5. Financial Risk Factors

The Group is exposed to the following financial risks connected with its operations:

- financial market risk, mainly related to foreign currency exchange rates and interest rates;
- liquidity risk, related to the availability of funds and access to the credit market, should the Group require it, and to financial instruments in general;
- credit risk, arising both from its normal commercial relations with customers, and its financing activities.

These risks could significantly affect the Group's financial position, results of operations and cash flows. Therefore, the Group identifies and monitors these risks to identify potential negative effects in advance and takes action to mitigate them, primarily through its operating and financing activities and if required, through the use of derivative financial instruments.

The interim condensed consolidated financial statements do not include all the information and notes on financial risk management

required in the annual consolidated financial statements. For a detailed description of the financial risk factors and financial risk management of the Group, reference should be made to [Note 40](#) of the Consolidated Financial Statements at and for the year ended December 31, 2021.

Although there are no significant negative impacts from the SARS-CoV-2 coronavirus (“COVID-19”) pandemic on the Group’s exposure to financial risks or risk management procedures in the periods presented by these interim condensed consolidated financial statements, management is continuously monitoring the evolution of COVID-19 as information becomes available and the related effects on the financial position and results of operations of the Group. Please refer to [Note 33](#) for further details.

Management is monitoring developments in the conflict between Russia and Ukraine and resulting financial and economic sanctions imposed by the European Union, the U.S., the United Kingdom and other countries and organizations against officials, individuals, regions, and industries in Russia and Belarus. Primarily as a result of the Russian-Ukrainian conflict, gas prices have risen dramatically and affected Group margins, but Stevanato Group has not faced any difficulties in accessing natural gas for its operations to date. Please refer to [Note 34](#) for further details.

6. Foreign currency exchange

The principal foreign currency exchange rates used to translate other currencies into Euro were as follows:

COUNTRY	ISO CODE	Average for three months ended March 31, 2022	At March 31, 2022	Average for three months ended March 31, 2021	At March 31, 2021
CHINA	CNY	7.1212	7.0403	7.8080	7.6812
UNITED STATES	USD	1.1217	1.1101	1.2048	1.1725
MEXICO	MXN	22.9919	22.0903	24.5272	24.0506
DENMARK	DKK	7.4407	7.4379	7.4372	7.4373
BRAZIL	BRL	5.8696	5.3009	6.5990	6.7409
SWITZERLAND	CHF	1.0364	1.0267	1.0913	1.1070
JAPAN	JPY	130.4636	135.1700	127.8057	129.9100

7. Seasonality of operations

Historically, the Group’s business operations have not experienced seasonality.

8. Segment Information

Stevanato Group business operations are organized into two reportable segments, based on their specific products and services:

- *Biopharmaceutical and Diagnostic Solutions*, which includes drug containment and primary packaging solutions, drug delivery systems, medical devices and in-vitro diagnostic & analytical services;
- *Engineering*, which manufactures visual inspection, assembly and packaging and glass forming machines.

For the three months ended March 31, 2022, Stevanato Group generated 81% of total sales from the Biopharmaceutical and Diagnostic Solutions Segment (83% for the three months ended March 31, 2021), and 19% from the Engineering Segment (17% for the three months ended March 31, 2021).

The criteria applied to identify the operating segments are consistent with the information reviewed by the Chief Executive Officer (the Group’s “Chief Operating Decision Maker”) in making decisions regarding the allocation of resources and to assess performance.

	As at and for the three months ended March 31, 2022				
	Biopharmaceutical and Diagnostic Solutions	Engineering	Total segments	Adjustments, eliminations and unallocated items	Consolidated
	(EUR thousand)				
External Customers	172,439	39,635	212,074	—	212,074
Inter-Segment	289	23,475	23,764	(23,764)	—
Total Revenues	172,728	63,110	235,838	(23,764)	212,074
Cost of Sales	115,909	49,650	165,559	(20,934)	144,625
Gross Profit	56,819	13,460	70,279	(2,830)	67,449
Other operating income	1,593	—	1,593	(24)	1,569
Selling and Marketing expenses	2,273	548	2,821	2,100	4,921
Research and Development expenses	5,826	1,370	7,196	489	7,685
General and Administrative expenses	14,611	2,855	17,466	1,029	18,495
Operating Profit	35,702	8,687	44,389	(6,472)	37,917
Total assets	953,167	253,083	1,206,250	261,268	1,467,518
Total liabilities	364,734	156,803	521,537	61,405	582,942

	As at and for the three months ended March 31, 2021				
	Biopharmaceutical and Diagnostic Solutions	Engineering	Total segments	Adjustments, eliminations and unallocated items	Consolidated
	(EUR thousand)				
External Customers	160,571	32,279	192,849	—	192,849
Inter-Segment	180	7,745	7,925	(7,925)	—
Total Revenues	160,751	40,024	200,774	(7,925)	192,849
Cost of Sales	103,466	31,272	134,738	(7,298)	127,440
Gross Profit	57,285	8,752	66,036	(627)	65,409
Other operating income	3,225	—	3,225	—	3,225
Selling and Marketing expenses	3,143	821	3,964	1,904	5,868
Research and Development expenses	4,550	1,057	5,608	212	5,820
General and Administrative expenses	12,470	2,483	14,954	(947)	14,007
Operating Profit	40,347	4,391	44,735	(1,796)	42,939
Total assets	784,754	182,868	967,623	11,764	979,387
Total liabilities	313,036	100,223	413,259	227,392	640,651

Inter-segment revenues and costs are eliminated upon consolidation and reflected in the “adjustments, elimination and unallocated items” column. The most relevant adjustment in revenues relates to the sales of the equipment manufactured by Engineering Segment to the Biopharmaceutical and Diagnostic Solutions Segment.

The reconciliation from total segments Operating Profit to consolidated Profit Before Tax is as follows:

(EUR thousand)	For the three months ended March 31,	
	2022	2021
Segments Operating Profit	44,389	44,735
Finance income	2,980	2,005
Finance expense	4,612	3,239
Inter-segment elimination	(6,472)	(1,796)
Profit Before Tax	36,285	41,705

For the three months ended March 31, 2022, the Group served a customer who constitutes more than 10% of consolidated revenue, equal to EUR 21.9 million, mainly realized in Biopharmaceutical and Diagnostic Solutions Segment.

Neither segment had external costumers representing more than 10% of Group revenue for the three months ended March 31, 2021.

Revenue generated by the Biopharmaceutical and Diagnostic Solutions Segment increased by EUR 11,977 thousand, or 7.5%, from EUR 160,751 thousand for the three months ended March 31, 2021, to EUR 172,728 thousand for the three months ended March 31, 2022. All growth was organic and driven by increased demand for premium priced, high-value solutions. Revenue for the three months ended March 31, 2021, included a EUR 5.5 million benefit from a licensing agreement that also benefitted margins in the prior-year period. Excluding this benefit, revenue from the Biopharmaceutical and Diagnostic Solutions Segment would have increased by 11.3%.

Engineering Segment revenue increased by EUR 23,086 thousand, or 57.7%, from EUR 40,024 thousand for the three months ended March 31, 2021, to EUR 63,110 thousand for the three months ended March 31, 2022, primarily as a result of a steep increase in inter-segment revenue. For the three months ended March 31, 2022, the Engineering Segment benefited from the high order intake represented by contracts with external customers during the last quarter 2021.

Inter-segment revenue generated by the Engineering Segment for equipment used in our Biopharmaceutical and Diagnostic Solutions Segment increased by EUR 15,730 thousand, or 203.10%, from EUR 7,745 thousand for the three months ended March 31, 2021, to EUR 23,475 thousand for the three months ended March 31, 2022. The increase in Inter-segment Engineering revenue resulted from sales of production equipment to support the Group's strategic investment initiatives in capacity expansion predominantly in its high value solutions products in order to satisfy increasing customer demand.

9.Revenue from contract with customers

Disaggregated revenue information

The table below shows the disaggregation of the Group's revenue from contracts with external customers:

	For the three months ended March 31, 2022		
	Biopharmaceutical and Diagnostic Solutions	Engineering	Total
	(EUR thousand)		
Type of goods or service			
Revenues from high-value solutions	61,534	—	61,534
Revenues from other containment and delivery solutions	110,905	—	110,905
Revenues from engineering	—	39,635	39,635
Total revenue from contracts with customers	172,439	39,635	212,074
Geographical markets			
EMEA	106,546	17,560	124,106
APAC	16,909	11,533	28,442
North America	43,261	9,411	52,672
South America	5,723	1,131	6,854
Total revenue from contracts with customers	172,439	39,635	212,074
Timing of revenue recognition			
Goods and services transferred at a point in time	167,596	3,966	171,562
Goods and services transferred over time	4,843	35,669	40,512
Total revenue from contracts with customers	172,439	39,635	212,074

	For the three months ended March 31, 2021		
	Biopharmaceutical and Diagnostic Solutions	Engineering	Total
	(EUR thousand)		
Type of goods or service			
Revenues from high-value solutions	44,946	—	44,946
Revenues from other containment and delivery solutions	115,630	—	115,630
Revenues from engineering	—	32,273	32,273
Total revenue from contracts with customers	160,576	32,273	192,849
Geographical markets			
EMEA	99,745	17,579	117,324
APAC	12,856	3,248	16,104
North America	42,663	11,357	54,020
South America	5,312	89	5,401
Total revenue from contracts with customers	160,576	32,273	192,849
Timing of revenue recognition			
Goods and services transferred at a point in time	156,598	12,499	169,097
Goods and services transferred over time	3,978	19,774	23,752
Total revenue from contracts with customers	160,576	32,273	192,849

The Group's revenue is divided into two main segments:

- Biopharmaceutical and Diagnostic Solutions: this segment includes all the products and services developed and provided for containment and delivery of bio-pharmaceutical drugs and diagnostic reagents. This segment is further divided into two sub-categories:

- High-value solutions: wholly owned, internally developed products, processes and services for which the Group holds intellectual property rights or has strong proprietary know-how and are characterized by higher complexity or superior performance;

- Other containment and delivery solutions.

•Engineering: this segment includes all the equipment and technologies developed and provided to support the end-to-end bio- pharmaceutical and diagnostic manufacturing processes.

Consolidated revenue at current exchange rates increased by EUR 19,225 thousand, or 10.0%, to EUR 212,074 thousand for the three months ended March 31, 2022, compared to EUR 192,849 thousand for the three months ended March 31, 2021. Consolidated revenue at constant currency (i.e. excluding the impact of fluctuations in currency exchange rates) increased by 8.3% for the three months ended March 31, 2022.

In the Biopharmaceutical and Diagnostic Solution Segment, revenue from high-value solutions increased by EUR 16,588 thousand, or 36.9%, from EUR 44,946 thousand for the three months ended March 31, 2021, to EUR 61,534 thousand for the three months ended March 31, 2022, while revenues in other containment and delivery solutions decreased by EUR 4,725 thousand, or 4.1%, from EUR 115,630 thousand for the three months ended March 31, 2021, to EUR 110,905 thousand for the three months ended March 31, 2022. Revenues in Biopharmaceutical and Diagnostic Solutions increased in all geographic markets: +6.8% in EMEA, + 31.5% in APAC, +1.4% in North America and +7.7% in South America.

Within the Engineering Segment, revenue from contracts with external customers increased by EUR 7,362 thousand, or 22.8%, from EUR 32,273 thousand for the three months ended March 31, 2021, to EUR 39,635 thousand for the three months ended March 31, 2022. Revenue recognized over time increased in the Engineering Segment by EUR 15,895 thousand, or 80.4%, from EUR 19,774 thousand for the three months ended March 31, 2021 to EUR 35,669 thousand for the three months ended March 31, 2022, driven by growth in new contracts and continued progress on orders where the Group has an enforceable right to payment for the performance completed to date.

Contract balances

The following table provides information on contractual asset from contracts with customer:

	At March 31, 2022	At December 31, 2021
	(EUR thousand)	
Trade receivables	174,506	165,259
Contract assets	77,425	62,133
Contract liabilities	(15,713)	(18,771)
Advances from customers	(28,713)	(23,616)
Total	207,505	185,005

The contract assets mainly relate to the Group's right to consideration for productions from construction contract not yet invoiced as of the balance sheet date. The amount recognized as contract assets are reclassified to trade receivable as soon as the Group has an unconditional right to consideration.

10.Cost of sales

Cost of sales are detailed as follows:

	For the three months ended March 31,	
	2022	2021
	(EUR thousand)	
Purchases	72,701	57,019
Change in inventories	(3,827)	(4,472)
Direct industrial labour	30,261	27,989
Indirect industrial labour	14,091	11,735
Industrial depreciation and amortization	12,580	10,557
Other costs of sales	18,819	24,612
Total Cost of sales	144,625	127,440

All Cost of sales items, except for other costs of sales, increased for the three months ended March 31, 2022, compared to the three months ended March 31, 2021, as a result of the growth in sales volumes. In particular, the increase in purchases includes the increase in logistical costs. The cost of direct materials is substantially unchanged in terms of incidence on revenues excluding the EUR 5.5 million benefit related to the licensing agreement without associated cost of sales of which benefited the three months ended March 31, 2021. Industrial depreciation and amortization increased due to the availability for use of machinery installed in the previous months to increase production capacity. Other costs of sales decreased mainly due to the increase in the industrial capitalized costs for the machinery and equipment built within the Group, which was partially offset by the increase in subcontracting work and utilities cost.

11. Other operating income

Other operating income for the three months ended March 31, 2022, and 2021, amounts to EUR 1,569 thousand and EUR 3,225 thousand, respectively relating mainly to (i) contributions from customers for pre-feasibility and feasibility studies, development and customization of SG proprietary products; (ii) design and samples activities to perform and improve feasibility studies on customized containment solutions; (iii) development and validation activities such as closure validation relating to the last project milestones that allow products industrialization; (iv) post development and validation analysis performed on containment and drug delivery solutions to assure safety and quality; (v) manual samples preparation and packaging (vi) contract cancellation fees and (vii) other recharges.

For the three months ended March 31, 2022, other operating income included EUR 13 thousand related to grants received by Ompi Pharma Packaging Tech. Co Ltd for machinery technical renovation to support implementation of intelligent manufacturing projects.

12. Expenses

Expenses are detailed as follows:

	For the three months ended March 31,	
	2022	2021
	(EUR thousand)	
Selling and Marketing expenses	4,921	5,868
Research and Development expenses	7,685	5,820
General and Administrative expenses	18,495	14,007
Total Expenses	31,101	25,695

For the three months ended March 31, 2022, Selling and Marketing expenses amount to EUR 4,921 thousand (EUR 5,868 thousand for the three months ended March 31, 2021). These expenses are mainly related to personnel expenses for the sales organizations. They include depreciation for EUR 180 thousand (EUR 197 thousand for the three months ended March 31, 2021) and release of a provision for bad and doubtful debts for EUR (53) thousand (EUR 1,154 thousand accrual for the three months ended March 31, 2021). Selling and Marketing expenses decreased mainly due to lower accruals for bad and doubtful debt provision following the improvement of some positions with external customers.

Research and Development expenses for the three months ended March 31, 2022, amounted to EUR 7,685 thousand (EUR 5,820 thousand for the three months ended March 31, 2021) and included costs for research and development activities to support product innovation and amortization and depreciation for EUR 830 thousand (EUR 801 thousand for the three months ended March 31, 2021). The increase in Research and Development expenses reflected the Group efforts in driving constant innovation in premium primary packaging and drug delivery systems to consolidate its market-leading position, strengthen the IP, and develop new technologies to advance patient care.

General and Administrative expenses amounted to EUR 18,495 thousand (EUR 14,007 thousand for the three months ended March 31, 2021) for the three months ended March 31, 2022, and mainly included personnel expenses for administrative functions, consultancies, directors' compensation, rentals as well as, depreciation and amortization for EUR 1,621 thousand (EUR 1,395 thousand for the three months ended March 31, 2021), of which amortization of fair value adjustments from purchase price allocations amount to EUR 260 thousand (the same amount for the three months ended March 31, 2021). The increase was mainly due to an increase in labor cost for the three months ended March 31, 2022 compared to the three months ended March 31, 2021 which included a non-recurring accrual reversal amounting to EUR 2,059 thousand following the early termination of the incentive plan 2018-2022 for a beneficiary. The increase in insurance and other organizational structure costs connected to being a listed company determined also an increase in General and Administrative expenses for the three months ended March 31, 2022.

13. Finance income

Finance income are as follows:

	For the three months ended March 31,	
	2022	2021
	(EUR thousand)	
Interest income from banks deposits	144	143
Income from financial discounts	10	(2)
Other financial income	7	20
Foreign currency exchange rate gains	2,236	1,871
Derivatives revaluation	357	79
Other fair value adjustments	226	(106)
Total finance income	2,980	2,005

14. Finance expense

Finance expenses are as follows:

	For the three months ended March 31,	
	2022	2021
	(EUR thousand)	
Interest on debts and borrowings	803	1,141
Financial discounts and other expenses	2	5
Interest on lease liabilities	141	149
Financial component IAS 19	(24)	—
Foreign currency exchange losses	2,361	954
Derivatives devaluation	1,278	990
Other fair value adjustments	51	—
Total finance expense	4,612	3,239

Finance expenses include bank interest on the Group's financial debt (recalculated using the amortized cost method) and interest on leases about the portion of financial expenses payable matured in the reporting period on the liabilities, recognized in accordance

with IFRS 16 - Leases.

Foreign exchange differences are realized and unrealized gains and losses incurred on transactions in currencies other than the functional currency of the Group; the net foreign currency exchange impact, given by the sum of gains and losses, amounts to EUR 125 thousand net loss for the three months ended March 31, 2022, and EUR 917 thousand net gain for the three months ended March 31, 2021.

15. Income tax

Income tax expense amounted to EUR 8,521 thousand for the three months ended March 31, 2022, compared to EUR 5,140 thousand for the three months ended March 31, 2021.

The effective tax rate for the three months ended March 31, 2022, was 23.5% compared to 12.3% for the three months ended March 31, 2021. The effective tax rate for the three months ended March 31, 2021, was positively affected by a retroactive EUR 5.5 million tax saving for the financial years 2016-2020 regarding the so called "Patent Box regime", which was a tax exemption related to, inter alia, the use of intellectual property assets. The normalized effective tax rate without this one-off item was 25.5%.

Deferred tax assets and liabilities of the individual consolidated companies are offset within the interim consolidated statement of financial position when a legally enforceable right to offset exists.

16. Earnings per Share

Basic earnings per share (EPS) is calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of common shares issued, net of the treasury shares, held by the Group.

For the three months ended March 31, 2022, the weighted average number of shares for purposes of calculating diluted earnings per share was increased to take into consideration the theoretical effect of potential ordinary shares that could be assigned to the beneficiaries based on the Group's equity incentive plans (see [Note 27](#) for further details on the equity incentive plans). There was no dilution impact for the three months ended March 31, 2021, resulting in basic and diluted earnings per share being the same.

The Shareholder's meeting held on July 1, 2021 approved a share split and all the existing 100,010,000 shares were split into a total of 272,427,240 shares in the ratio of 2,724 new shares post-split for each share outstanding prior to the share split. The number of ordinary shares outstanding has been retrospectively adjusted as if such event had occurred at the beginning of the earliest period presented.

The following table reflects the income and shares data used in the basic and diluted EPS calculation:

	At March 31, 2022	At March 31, 2021
	(EUR thousand)	
Profit attributable to ordinary equity holders of the parent	27,723	36,551
Weighted average number of ordinary shares for basic EPS	264,699,481	240,570,060
Weighted average number of ordinary shares adjusted for the effect of dilution	264,728,655	240,570,060
	2022	2021
Basic earnings per common share (in EUR)	0.10	0.15
Diluted earnings per common share (in EUR)	0.10	0.15

17. Intangible assets

Changes in intangible assets as of March 31, 2022, are as follows:

	Total (EUR thousand)
Cost	
At January 1, 2021	69,883
Additions	5,489
Disposals	(1,744)
Exchange differences	632
At December 31, 2021	74,260
Additions	1,938
Exchange differences	290
At March 31, 2022	76,488
Amortization	
At January 1, 2021	35,982
Amortization	7,504
Disposal	(1,335)
Exchange differences	181
At December 31, 2021	42,332
Amortization	1,943
Exchange differences	112
At March 31, 2022	44,387
Net book value	
At March 31, 2022	32,101
At December 31, 2021	31,928

Additions amounting to EUR 1,938 thousand for the three months ended March 31, 2022, are related to the capitalization of costs associated with an upgrade to the Group's ERP software and other software licenses. No impairment indicators were identified during the three months period ended March 31, 2022.

18. Property, plant and equipment

Changes in items of property, plant and equipment as of March 31, 2022 are as follows:

	Total (EUR thousand)
Cost	
At January 1, 2021	638,031
Additions	116,631
Disposals	(9,544)
Exchange differences	9,642
At December 31, 2021	754,760
Additions	51,934
Disposals	(124)
Exchange differences	10,812
At March 31, 2022	817,382
Depreciation and impairment	
At January 1, 2021	324,374
Depreciation charge for the year	41,734
Impairment	943
Disposals	(8,933)
Exchange differences	3,925
At December 31, 2021	362,043
Depreciation charge for the period	11,698
Impairment	40
Disposals	(46)
Exchange differences	3,486
At March 31, 2022	377,221
Net book value	
At March 31, 2022	440,161
At December 31, 2021	392,717

Additions of EUR 51,934 thousand for the three months ended March 31, 2022, are mainly due to the advancement of construction for our new facilities in the U.S. and China, and expansion of our headquarters and production facilities in Piombino Dese. It also includes investments on new manufacturing equipment for the production of EZ-Fill® and bulk syringes, vials and cartridges.

19.Right of Use

The Group has lease contracts for various items of plant, machinery, vehicles and other equipment used in its operations. Leases of plant and machinery generally have lease terms between 3 and 15 years, while vehicles and other equipment generally have lease terms between 3 and 5 years. There are several lease contracts that include extension and termination options.

The Group also has certain leases with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Movements in the leased Right of Use assets in for the first three months of 2022 are shown below:

	Total (EUR thousand)
Cost	
At January 1, 2021	35,992
Additions	3,111
Disposals	(1,655)
Exchange differences	960
At December 31, 2021	38,408
Additions	1,224
Disposals	(493)
Exchange differences	266
At March 31, 2022	39,405
Depreciation	
At January 1, 2021	10,612
Depreciation charge for the year	6,202
Disposals	(1,337)
Exchange differences	241
At December 31, 2021	15,718
Depreciation charge for the period	1,529
Disposals	(69)
Exchange differences	79
At March 31, 2022	17,257
Net book value	
At March 31, 2022	22,148
At December 31, 2021	22,690

20. Financial assets

The following table details the composition of financial assets:

	At March 31, 2022	At December 31, 2021
	(EUR thousand)	
Receivables from financing activities	448	447
Other non-current financial assets	892	887
Other non-current financial assets	1,340	1,334
Fair value of derivatives financial instruments	1,249	49
Other securities	27,392	27,168
Other current financial assets	28,641	27,217
Financial assets	29,981	28,551

Receivables from financing activities included a financial loan of EUR 448 thousand as of March 31, 2022, (EUR 447 thousand as of December 31, 2021) in favor of a restricted number of key managers related to the restricted stock grant plan 2021-2027.

Other securities include guaranteed investment funds managed by Société Générale SA, which are measured at fair value. The increase in other securities is due to the revaluation of their fair value.

21. Inventories

Inventories, shown net of an allowance for obsolete and slow-moving goods, can be analyzed as follows:

	At March 31, 2022	At December 31, 2021
	(EUR thousand)	
Raw materials	63,289	58,484
Semifinished products	27,326	29,878
Finished products	77,461	64,252
Advances to suppliers	11,342	9,554
Provision from slow moving and obsolescence	(12,655)	(13,251)
Total inventories	166,763	148,917

The provision for slow moving and obsolete inventories as of March 31, 2022, and December 31, 2021, amounted to EUR 12,655 thousand and EUR 13,251 thousand respectively, with a release of EUR 632 thousand recognized within cost of sales and other changes due to exchange rate movements for EUR 36 thousand for the three months ended March 31, 2022.

22. Trade receivables and contract assets

Trade receivables and contract assets are analyzed as follows:

	At March 31, 2022	At December 31, 2021
	(EUR thousand)	
Trade receivables	181,082	171,803
Allowance for expected credit losses	(6,576)	(6,544)
Total trade receivables	174,506	165,259
<i>Expected credit loss rate</i>	3.6 %	3.8 %

Trade receivables are non-interest bearing and generally have a term of 60 to 90 days. The Group is not exposed to significant concentration of third- party credit risk.

Trade receivables are stated net of an allowance for expected credit losses which has been determined in accordance with *IFRS 9* amounting to EUR 6,576 thousand and EUR 6,544 thousand as of March 31, 2022, and December 31, 2021, respectively.

Contract assets

Contract assets relate to revenue earned from ongoing customer-specific construction contracts of the Engineering Segment and from the In-vitro diagnostic business, which is part of the Biopharmaceutical and Diagnostic Solutions Segment. As such, the balances of this account vary and are dependent on the number of ongoing construction contracts at the end of the period. The Group has contract assets of EUR 77,425 thousand as of March 31, 2022, (EUR 62,133 thousand as of December 31, 2021). Contract assets gross amounts to EUR 173,455 thousand (EUR 138,854 thousand as of December 31, 2021), net of invoices issued of EUR 96,030 thousand (EUR 76,721 thousand as of December 31, 2021).

23. Tax receivables and tax payables

As of March 31, 2022, tax receivables amounted to EUR 27,581 thousand (EUR 25,063 thousand as of December 31, 2021) and tax liabilities amounted to EUR 28,622 thousand (EUR 19,440 thousand as of December 31, 2021). The total net balance as of March 31, 2022, is a payable amounting to EUR 1,041 thousand, while the net balance as of December 31, 2021, was a receivable amounting to EUR 5,623 thousand. The change in net balance is mainly due to the increased payable for corporate income taxes accrued for the three months ended March 31, 2022, against lower mandatory tax advances paid in the same period.

24. Equity

The main objective of the Group's capital management is to maintain a solid credit rating and adequate financial ratios to support business activity and maximize value for shareholders.

Movements in the equity accounts are reported in the Interim Consolidated Statements of Changes in Equity; comments on the main components and their changes are provided below.

Share capital

As of March 31, 2022, and as of December 31, 2021, the company paid-in share capital amounted to EUR 21,698 thousand divided into 295,540,036 shares without par value, including 34,103,005 ordinary shares and 261,437,031 Class A multiple voting shares.

Share Premium Reserve

The share premium reserve includes the additional paid-in capital raised during the Initial Public Offering net of the listing costs pertaining to the public subscription offer to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. As of March 31, 2022, and as of December 31, 2021, the share premium reserve amounted to EUR 389,312 thousand.

Treasury Reserve

As of March 31, 2022, and as of December 31, 2021, a total of 30,840,555 of the Company's Class A shares were held in treasury for a total cost of EUR (27,740) thousand.

Cash Flow Hedge Reserve

Cash flow hedge reserve reflects the negative change in the fair value of derivatives financial instruments, designed as cash flow hedges to hedge highly probable forecast transactions. As of March 31, 2022, the cash flow hedge reserve was EUR 603 thousand compared to EUR (1,277) thousand as of December 31, 2021.

Currency translation reserve

The currency translation reserve includes the cumulative foreign currency translation differences arisen from the translation of financial statements denominated in currencies other than Euro; as of March 31, 2022, it was EUR (10,528) thousand compared to EUR (22,680) thousand as of December 31, 2021. As of March 31, 2021, it amounted to EUR (32,337) thousand compared to EUR (34,911) thousand as of December 31, 2020. The decrease in the currency translation reserve is mainly due to the appreciation against the Euro of the Brazilian Real, the Mexican Peso, the Chinese Renminbi and the US Dollar which occurred in the last twelve months, currencies in which the net assets of some of the Group's companies are denominated.

Other Reserves

On January 20, 2021 Stevanato Group shareholders approved the distribution of EUR 11,200 thousand dividends (EUR 0.63 thousand per common share) from "other reserves".

25. Financial liabilities

Total financial liabilities are EUR 252,044 thousand and EUR 248,491 thousand as of March 31, 2022, and as of December 31,

2021, respectively; the balances in financial debt are as follows:

(EUR thousand)	At March 31,	At December 31,
	2022	2021
	(EUR thousand)	
Lease liabilities - Right of Use	5,740	5,553
Bank overdrafts	5,546	37
Bank loans	39,495	36,195
Financial liabilities due to related parties	906	940
Fair value of derivatives	1,032	1,681
Financial liabilities due to other lenders	2,096	1,789
Total current financial liabilities	54,815	46,195
Lease liabilities - Right of Use	16,966	17,574
Bank loans	130,199	134,367
Notes	49,636	49,620
Financial liabilities due to other lenders	428	735
Total non-current financial liabilities	197,229	202,296
Financial liabilities	252,044	248,491

Financial liabilities mainly include bank loans (current and non-current portions), lease liabilities (current and non-current portions) and notes.

Other current financial assets and other financial liabilities relate to foreign exchange derivatives. The following table sets forth the analysis of derivative assets and liabilities as of March 31, 2022, and December 31, 2021.

	At March 31,		At December 31,	
	2022	2021	2022	2021
	Carrying amount	Fair value	Carrying amount	Fair value
	(EUR thousand)			
Financial assets				
Foreign exchange forward contracts	456	456	49	49
Interest Rate Swap in cash flow hedges	792	792	—	—
Financial liabilities				
Foreign exchange forward contracts	1,032	1,032	—	—
Interest Rate Swap in cash flow hedges	—	—	1,681	1,681

Derivatives on currency risk have not been designated as hedging instruments and reflect the change in the fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales.

Derivatives designated as hedging instruments reflect the change in fair value of the interest rate swap contracts, designated as cash flow hedges to hedge fluctuations in variable interest rate on loans. The amount recorded in the cash flow hedge reserve will be recognized in the consolidated income statement according to the timing of the cash flows of the underlying transaction.

26. Fair Value Measurement

IFRS 13 establishes a three-level hierarchy that categorizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs). In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is

categorized in its entirety in the same level of the fair value hierarchy at the lowest level input that is significant to the entire measurement.

Levels used in the hierarchy are as follows:

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.
- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely, in part, on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instruments are included in level 3. This is the case for unlisted equity securities.

Assets and liabilities that are measured at fair value on a recurring basis

The following table shows the fair value hierarchy for financial assets and liabilities that are measured at fair value on a recurring basis at March 31, 2022, and at December 31, 2021:

As at March 31, 2022:

	Notes	Total	Fair value measurement using		
			Level 1	Level 2	Level 3
(EUR thousand)					
Cash and cash equivalents		366,691	366,691	—	—
Financial assets - investments FVTPL - traded		973	973	—	—
Financial assets - investments FVTPL - not traded		59	—	—	59
Derivatives financial assets	20	1,249	—	1,249	—
Financial current assets	20	27,393	—	27,393	—
Other non-current financial assets		671	—	671	—
Total assets		397,036	367,664	29,313	59
Derivatives financial liabilities	25	1,032	—	1,032	—
Total Liabilities		1,032	—	1,032	—

As at December 31, 2021:

	Notes	Total	Fair value measurement using		
			Level 1	Level 2	Level 3
(EUR thousand)					
Cash and cash equivalents		411,039	411,039	—	—
Financial assets - investments FVTPL		1,084	—	—	1,084
Derivatives financial assets	20	49	—	49	—
Financial current assets	20	27,168	—	27,168	—
Other non-current financial assets		671	—	671	—
Total assets		440,011	411,039	27,888	1,084
Derivatives financial liabilities	25	1,681	—	1,681	—
Total Liabilities		1,681	—	1,681	—

The fair value of current financial assets and other financial liabilities is measured by taking into consideration market parameters at the balance sheet date, using valuation techniques widely accepted in the financial business environment.

The fair value of foreign currency derivatives (forward contracts, currency swaps and options) and interest rate swaps is determined by considering the prevailing foreign currency exchange rate and interest rates, as applicable, at the balance sheet date.

The value of cash and cash equivalents usually approximates fair value due to the short maturity of these instruments, which consist of bank current accounts.

No borrowings of the Group are listed debt.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended December 31, 2021. During the three months ended March 31, 2022, the transfer between Level 3 and Level 1 for "Financial assets - investment FVTPL" is related to the distribution of the shares in Rani Therapeutics Holdings, listed on NASDAQ, from the investment fund Biologix Partners LP.

The fair value of the loans accounted for at amortized cost approximates their carrying amounts as of March 31, 2022, and December 31, 2021.

27. Employee benefits

Employee benefits are analyzed as follows:

	At March 31, 2022	At December 31, 2021
	(EUR thousand)	
Employee severance pay	5,597	5,895
Jubilee benefits	253	253
Other post-employment plans	742	699
Long term incentive plan	4,320	3,653
Stock grant plan	1,353	1,353
Total employee benefits	12,265	11,853

Long-term Incentive plan

In order to align the interests of management with those of the Shareholders, the Group established a medium/ long-term incentive plan linking remuneration and performance. The CEO approved a compensation plan called the "Long-term Incentive plan" for the 2020-2023 four-year period involving a select number of Top Management and/ or Key People and based on achieving certain key performance indicators under the Group's long-term industrial plan targets.

Restricted Stock Grant Plan 2021-2027

At the Shareholders' Meeting of Stevanato Group S.p.A. held on March 4, 2021, a share-based incentive plan, referred to as the "Restricted Stock Grant Plan 2021-2027" was approved. The plan includes individuals who play a strategic role in the Group related to the economic and strategic development of the Group and aligns their interests to those of the shareholders and other stakeholders of the Company, during the period between January 1, 2021 and December 31, 2026.

The Stock Grant Plan provides for three two-year vesting periods, respectively, between January 1, 2021 and December 31, 2022 (First Vesting Period), January 1, 2023 and December 31, 2024 (Second Vesting Period), January 1, 2025 and December 2026 (Third Vesting Period). At the beginning of each period, a certain number of Stevanato Group ordinary shares – linked with the achievement of specific targets in terms of consolidated revenue and EBITDA within the end of each Vesting Period – will be assigned free of charge to the beneficiaries. For the EBITDA definition, please refer to section "Key Indicators of Performance and Financial Condition" of Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations below. The assigned shares will be registered to a Trustee company and will be subject to the prohibition to sell and to the selling commitment in

accordance to a one-year lock-up period.

The transfer of ownership of the shares will be finalized after each beneficiary signs an agreement which binds the beneficiaries to re-sell to Stevanato Group, fully or partially, the Shares assigned to them in case the targets provided for the vesting period in relation to which the shares were assigned should not be totally or partially achieved. A similar obligation is provided if, within the end of each vesting period, the employment relationship terminates.

In the event of over-performances related to the Key Indicators of Performance, beneficiaries will be granted, free of charge, an additional number of Stevanato Group shares related to the Vesting Period in which the targets were exceeded and the additional shares assigned will be subject to the time-limited prohibition to sell.

On June 3, 2021 a total of 236,988 ordinary shares, which were previously held in treasury, were assigned to the participants of the plan.

28.Provisions

The balances as of March 31, 2022, are detailed below:

	Provision for Warranty	Decommissioning	Provision for legal and sundry risks	Provision for agents and directors severance indemnity	Total
	(EUR thousand)				
At January 1, 2022	1,061	591	572	1,275	3,499
Arising during the period	32	6	—	13	51
Unused amounts reversed	—	—	(9)	—	(9)
Exchange rate difference	—	12	21	—	33
At March 31, 2022	1,093	609	583	1,288	3,573
Current	—	—	—	—	—
Non-current	1,093	609	583	1,288	3,573

The warranty provision represents the best estimate of commitments given by the Group for contractual, legal, or constructive obligations arising from product warranties given for a specified period of time. Such provisions are recognized on shipment of the goods to the customers. The warranty provision is estimated on the basis of the Group's past experience and contractual terms. Related costs are recognized within cost of sales.

The provision for legal proceedings and sundry risks represents management's best estimate of the expenditures expected to be required to settle on otherwise resolve legal proceeding and disputes.

29.Other non-current liabilities

Other non-current liabilities as of March 31, 2022, and December 31, 2021, amounted to EUR 1,815 thousand respectively EUR 1,808 thousand and were mainly related to holiday pay for Danish companies' employees following the transition to the new Danish Holiday Act started in 2019.

30.Trade payables and other current liabilities

Trade payables amounted to EUR 154,550 thousand at March 31, 2022, (EUR 164,787 thousand at December 31, 2021) and other

current liabilities amounted to EUR 66,394 thousand at March 31, 2022, (EUR 65,813 thousand at December 31, 2021), both are entirely due within one year. The carrying amount of trade payables is considered to be equivalent to their fair value.

31.Contract liabilities and advances from customers

Contract liabilities and advances from customers are as follows:

	At March 31, 2022	At December 31, 2021
	(EUR thousand)	
Contract Liabilities	15,713	18,771
Advances from customers	28,713	23,616
Total contract liabilities and advances from customers	44,426	42,387
Current	44,426	42,387
Non-current	—	—

Contract liabilities relate to revenue earned from ongoing customer-specific construction contracts in the Engineering Segment and in the In-vitro diagnostic business, which is part of the Biopharmaceutical and Diagnostic Solutions Segment. The Group has contract net liabilities of EUR 15,713 thousand and EUR 18,771 thousand as of March 31, 2022, and as of December 31, 2021, respectively. Contract liabilities gross amounts to EUR 24,195 thousand (EUR 27,504 thousand as of December 31, 2021), net of invoices issued of EUR 39,908 thousand (EUR 46,275 thousand as of December 31, 2021).

Advances from customers relate to sales whose revenues are recognized at a point in time.

32.Related party disclosures

According to *IAS 24*, the related parties of the Group are entities and individuals capable of exercising control, joint control or significant influence over the Group and its subsidiaries, companies belonging to the Stevanato Group S.p.A. the controlling company Stevanato Holding S.r.l., unconsolidated subsidiaries of the Group and associates. In addition, members of Stevanato Group's Board of Directors and executives with strategic responsibilities and their families are also considered related parties. The Group carries out transactions with related parties on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved.

Note 4 provide information about the Group's structure, including details of the subsidiaries and the holding company. Transaction with related parties refer to:

- service fees and rentals paid to Winckler & Co Ltd, the company whose owner holds minority interests in the subsidiary Ompi of Japan Co Ltd;
- rentals paid to SFEM Italia S.r.l., controlled by the Stevanato family;
- the purchase of products and rentals paid to Società Agricola Stella S.r.l., fully controlled by SFEM Italia S.r.l. until November 12, 2021 and then 51% controlled by Stevanato Holding S.r.l. and 49% controlled by SFEM Italia S.r.l.;
- for the three months ended March 31, 2021, consulting services provided by MJB Consultants LLC and Progenitor Capital Partners LLC, whose beneficial owners are Board members in Stevanato Group S.p.A.
- consulting services provided by Studio Legale Spinazzi Azzarita Troi, whose beneficial owner is a Board member in Stevanato Group S.p.A.;
- industrial rentals paid to E & FKH Ejendomme ApS, whose beneficial owners are family members of a Board member in the subsidiary SVM Automatik A/S;
- rentals paid to members of the Stevanato family;

•in 2018 and 2019 SE Holdings Co Ltd, the minority shareholder of the subsidiary Ompi of Japan Co Ltd, disbursed loans amounting respectively to JPY 73.5 million and JPY 49.0 million;

•donations to the Stevanato Foundation, owned by the Stevanato family. The foundation exclusively pursues the aims of social solidarity, philanthropy and charity, operating in the fields of social and socio-medical assistance, education and training as well as cultural and educational activities and scientific research. The Foundation intervenes in support of children and young people in situations of serious difficulty due to their illnesses, the distress of their families or other situations that may affect their health or growth;

•during the fiscal year ended December 31, 2021, Stevanato Group made loans aggregating approximately EUR 444 thousand to two senior executives in order for them to pay taxes arising from shares granted to them under our restricted stock grant plan. At the time the loans were made, management believed that these loans were permissible and did not violate Section 13(k) of the Exchange Act. Upon being advised that such loans were impermissible the two executives repaid such loans in full, after the end of the first quarter 2022. As a result of this inadvertent violation, the Board adopted a policy regarding loans or advances to any Executive Officer or Director of the Company. The policy provides that “The Company shall not directly or indirectly, including through any subsidiary, extend or maintain credit to, or arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any Director or Executive Officer (or equivalent thereof) of the Company or any subsidiary of the Company.”;

•consulting services provided by C.T.S. Studio AS, whose beneficial owner is a Board member in the sub-holding Stevanato Group International AS.

Transactions with related parties also include compensation to directors and managers with strategic responsibilities.

The amounts of transactions with related parties recognized in the Interim Consolidated Income Statement and the related assets and liabilities are as follows:

	For the three months ended March 31,					
	2022			2021		
	Revenues	Costs* (EUR thousand)	Net financial expenses	Revenues	Costs* (EUR thousand)	Net financial expenses
Other related parties	—	2,426	—	—	(703)	(11)
Total transactions with related parties	<u>—</u>	<u>2,426</u>	<u>—</u>	<u>—</u>	<u>(703)</u>	<u>(11)</u>

* Costs include cost of sale, selling, general administrative costs and other expenses net.

	As at March 31, 2022			As at December 31, 2021		
	Trade receivables	Trade payables (EUR thousand)	Financial assets or liabilities	Trade receivables	Trade payables (EUR thousand)	Financial assets or liabilities
	Other related parties	—	177	(458)	393	238
Total transactions with related parties	<u>—</u>	<u>177</u>	<u>(458)</u>	<u>393</u>	<u>238</u>	<u>(493)</u>

33.COVID-19 Pandemic

Stevanato Group has been in the vaccine business for decades, serving as a partner for the distribution of a variety of vaccines worldwide. In 2020, the global COVID-19 pandemic caused both governments and private organizations to implement numerous

measures seeking to contain the spread of the virus. These measures impacted and are expected to continue to impact the Group business and operations in several ways.

The Group believes that it is likely that the unfavorable impacts from COVID-19 on production and operational capabilities will be short term and abate as countries around the world continue their response to the pandemic. The unfavorable impacts included: (i) a temporary decrease in the sales of certain non-COVID-19 products as a result of traditional healthcare procedures being postponed and the diversion of our production capacity to support the rollout of the COVID-19 vaccine worldwide (ii) labor absenteeism; (iii) disruptions to production lines; (iv) delays in, and increased costs of, logistics and (v), for the year ended December 31, 2021, increased SG&A costs related to employee bonuses to recognize and reward general efforts to ensure business continuity during the pandemic.

However, COVID-19 also provided an uplift to the Group's business with an acceleration of revenue from the sale of syringes and vials for vaccination programs globally. Stevanato Group has been supplying: (i) glass vials and syringes to approximately 90% of currently marketed vaccine programs, according to our estimates based on public information (WHO, EMA, FDA); and (ii) plastic diagnostic consumables for the detection and diagnosis of COVID-19. Going forward, the Group expects demand for syringes, vials and related products and services may remain elevated as the COVID-19 vaccine and treatment programs continue to roll-out globally and as customers contemplate the transition from multi-dose formats to single-dose formats. In addition, the Group expects continued tailwinds as epidemic preparedness, including the ongoing global COVID-19 vaccine rollout, booster shot distribution, and new vaccination programs, remain a priority for governments. Longer-term, there remains uncertainty around the magnitude of the impact of COVID-19 and the demand for our solutions. Many scientists predict that COVID-19 will eventually transition to an endemic state. While timing of this transition is difficult to predict, experts believe that the transition may likely occur over the next twelve to twenty-four months. This may result in a continued need for the Group's products and services that support COVID-19 and would be integrated into the standard vaccine business in the coming years.

34. Impact of war in Ukraine

On February 24, 2022, Russia launched a military invasion of Ukraine. As of today, active conflict is underway in and impacting several major Ukrainian cities.

The military actions undertaken by Russian military forces against Ukraine resulted in the imposition of financial and economic sanctions by the European Union, the U.S., the United Kingdom and other countries and organizations against officials, individuals, regions, and industries in Russia and Belarus. Such sanctions, together with any additional measure that may be adopted in connection with this situation, may, in various ways, constrain Russia and Ukraine related transactions.

Such military actions against Ukraine, as well as the measures adopted, or that may be adopted, by other countries in response to these events, including new and stricter sanctions by the European Union, the U.S., the United Kingdom and other countries and organizations against officials, individuals, regions, and industries in Russia and Belarus (or other countries that were to become involved), could have a material adverse effect on Group operations. Stevanato Group is monitoring the conflict, but cannot predict whether this situation, which is unfolding in real-time, may escalate and result in broader economic and security conditions or in material implications for its business.

Primarily as a result of the Russian-Ukrainian conflict, gas prices have risen dramatically and affected Group margins, but Stevanato Group has not faced any difficulties in accessing natural gas for its operations to date.

However, the current conflict and the imposition of financial and economic sanctions following the invasion may negatively impact Stevanato Group ability to source gas at commercially reasonable terms, or at all.

35.Events after the reporting period

The Group has evaluated subsequent events through May 6, 2022, which is the date the Interim Condensed Consolidated Financial Statements were authorized for issuance.

On April 11, 2022 the Board of Directors proposed the approval of a dividend equal to EUR 13,500 thousand which the Shareholders'

Meeting convened on June 1, 2022 should resolve to distribute.

On April 11, 2022 the Board of Directors approved the amendment of the "Restricted Stock Grant Plan Stevanato Group S.p.A. 2021-2027", in order to allow the entry in 2022 of new beneficiaries, currently involved in the compensation plan called "Long Term Incentive 2020-2023". In accordance with specific rules, existing and new beneficiaries relating to the first vesting period will coexist until 2022 under the "Restricted Stock Grant Plan 21-27". Considering the letters of assignment of shares have not yet been finalized with the beneficiaries, the amendment of the incentive plans has not yet produced its accounting effects.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Our estimates and forward-looking statements are mainly based on our current expectations and estimates of future events and trends, which affect or may affect our businesses and operations. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to numerous risks and uncertainties and are made in light of information currently available to us. Many important factors may adversely affect our results as indicated in forward-looking statement.

For additional information, refer to the risk factors discussed under "Item 1A. Risk Factors" below and in our other filings with the U.S. Securities and Exchange Commission. You should read this discussion and analysis completely and with the understanding that our actual future results may be materially different and worse from what we expect.

Overview

We are a leading global provider of drug containment, drug delivery and diagnostic solutions to the pharmaceutical, biotechnology and life sciences industries. We deliver an integrated, end-to-end portfolio of products, processes and services that address customer needs across the entire drug life cycle at each of the development, clinical and commercial stages. Our core capabilities in scientific research and development, our commitment to technical innovation and our engineering excellence are central to our ability to offer value added solutions to our clients.

We have secured a leadership position within the drug development and delivery value chain through our investment in research and development and the expansion of our global footprint and capabilities. Over our 70-year history, we have earned a leading reputation for high quality and reliability that has enabled us to become a partner of choice for more than 700 companies globally, including 41 of the top 50 pharmaceutical companies (which comprise all of the top 15) and eight of the top ten in-vitro diagnostic companies, as measured by 2020 revenue, according to data collected by Global Data. We also serve 15 of the top 20 biotechnology companies by market capitalization in the NASDAQ Biotechnology Index and over 100 biotechnology customers in total.

Our priority is to provide flexible solutions that preserve the integrity of pharmaceutical products and enable our customers to deliver safe and effective treatments to patients while reducing time to market, total cost of ownership (i.e., logistics, drug product waste, storage and personnel costs) and supply chain risk. We achieve this by developing our products in close collaboration with our customers, leveraging our scientific research capabilities, technical expertise and engineering and manufacturing excellence to meet their quality requirements.

Our solutions are highly integrated with the development, production and commercialization processes of our customers. In addition to manufacturing drug containment and delivery solutions, we provide a full set of services across all stages of drug development, from pre-clinical to clinical and commercialization. We also engineer machinery and equipment for the production of drug containment and delivery systems that can be integrated into both our customers' and our own manufacturing processes. Our involvement at each stage of a drug's life cycle, together with the breadth of our offering, enables us to serve as a one-stop-shop for our customers, which we believe represents a significant competitive advantage.

We operate across the healthcare industry and serve some of its fastest growing segments, including biologics, biosimilars, vaccines and molecular diagnostics. As a result of how closely integrated we are in the drug production and delivery supply chain, we are well-positioned to benefit from multi-year, secular trends within our target industries, such as increases in demand resulting from pharmaceutical innovation, acceleration and expansion of vaccination programs, growth in biologics/biosimilars, self-administration of medicines, aging demographics, increasing quality standards and regulation and a shift towards outsourcing non-core functions by our customers.

We estimate that our total addressable market, based on our current offering, exceeded \$13 billion in terms of revenue generated by all market participants in 2021, and consists of biopharmaceutical injectables and in-vitro diagnostic products. Within each of these markets, we operate in some of the fastest growing segments, including pre-fillable syringes, drug delivery systems, molecular diagnostics and assembly equipment. We believe there are opportunities to further expand our addressable markets, including by targeting (i) complementary containment solutions, (ii) additional delivery systems, (iii) complementary engineering solutions, and (iv) after sales support and services.

We operate our business in two segments:

- Biopharmaceutical and Diagnostic Solutions, which includes all the products, processes and services developed and provided for the containment and delivery of pharmaceutical and biotechnology drugs and reagents, as well as the production of diagnostic consumables; and

- Engineering, which includes all of the equipment and technologies developed and provided to support the end-to-end pharmaceutical, biotechnology and diagnostic manufacturing processes (machinery for assembly, visual inspection, packaging and serialization and glass converting).

In the three months ended March 31, 2022, and 2021, we generated 81% and 83% of total sales from our Biopharmaceutical and Diagnostic Solutions segment, respectively, and 19% and 17% from our Engineering segment, respectively.

We refer to our premium products in the Biopharmaceutical and Diagnostic Solutions segment as our “high-value” solutions. “High-value” solutions are wholly owned, internally developed products, processes and services for which we hold intellectual property rights or have strong proprietary know-how, and that are characterized by particular complexity and high performance. Our “high-value” solutions deliver significant benefits to customers including higher quality, reduced time-to-market and reduced total cost of ownership. Among our key “high-value” solutions is our EZ-Fill® line of ready-to-fill injectable products, which can be customized to meet clients’ needs. For additional information on EZ-Fill® see “Business—Business Segments—Biopharmaceutical and Diagnostic Solutions—Drug Containment Systems (DCS)” of our Annual Report on Form 20-F/A for the year ended December 31, 2021.

We have nine production plants for manufacturing and assembling pharmaceutical and healthcare products across Europe (Italy, Germany and Slovakia) and the rest of the world (Brazil, China, Mexico and the United States), five plants for the production of machinery and equipment (Italy and Denmark), two sites for analytical services (Italy and the United States) and two commercial offices (Japan and the United States). Our manufacturing facilities in Mexico (serving the U.S. market), China and Brazil are greenfield operations established by us. Our manufacturing facilities in Slovakia, Denmark, Germany and the United States were acquired in strategic transactions over the past 15 years. Our global footprint, together with our proprietary, highly standardized manufacturing systems and processes, allow us to provide quality consistent products and services to our customers in more than 70 countries.

The Group is expanding its global industrial footprint with the establishment of two new regional hubs in Fishers, Indiana, United States and Zhangjiagang, China, primarily to add capacity in its premium EZ-Fill® products to diversify its product supply and improve proximity to customers.

Highlights

Consolidated Income Statement Data

	(Amounts in € millions, except as indicated otherwise)			Change %
	2022	For the three months ended March 31, 2021		
Net Revenues	212.1	192.8		10.0 %
Gross Profit	67.5	65.4		3.2 %
Operating Profit	37.9	42.9		(11.6)%
Profit Before Tax	36.3	41.7		(12.9)%
Net Profit attributable to:				
Equity holders of the parent	27.7	36.6		(24.3)%
Non-controlling interest	—	—		—
Basic earnings per common share (in €)	0.10	0.15		(33.3)%
Diluted earnings per common share (in €)	0.10	0.15		(33.3)%

Consolidated Statement of Financial Position Data

	(Amounts in € millions, except as indicated otherwise)		
	At March 31, 2022	At December 31, 2021	Change €
Assets			
Total current assets	866.4	866.0	0.4
Total non-current assets	601.1	552.9	48.2
Total assets	1,467.5	1,418.9	48.6
Liabilities and equity			
Total current liabilities	348.8	338.6	10.2
Total non-current liabilities	234.1	238.6	(4.5)
Total liabilities	582.9	577.2	5.7
Equity	884.6	841.7	42.9
Total liabilities and equity	1,467.5	1,418.9	48.6

COVID-19 pandemic update

We have been in the vaccine business for decades, serving as a partner for the distribution of a variety of vaccines worldwide. In 2020, the global COVID-19 pandemic caused both governments and private organizations to implement numerous measures seeking to contain the spread of the virus. These measures impacted and are expected to continue to impact our business and operations in several ways.

We believe that it is likely that the unfavorable impacts from COVID-19 on our production and operational capabilities will be short term and abate as countries around the world continue their response to the pandemic. The unfavorable impacts included: (i) a temporary decrease in the sales of certain non-COVID-19 products as a result of traditional healthcare procedures being postponed and the diversion of our production capacity to support the rollout of the COVID-19 vaccine worldwide (ii) labor absenteeism; (iii) disruptions to production lines; (iv) delays in, and increased costs of, logistics and (v) for the year ended December 31, 2021, increased SG&A costs related to employee bonuses to recognize and reward general efforts to ensure business continuity during the pandemic.

However, COVID-19 also provided an uplift to our business with an acceleration of revenue from the sale of syringes and vials for vaccination programs globally. We have been supplying: (i) glass vials and syringes to approximately 90% of currently marketed vaccine programs, according to our estimates based on public information (WHO, EMA, FDA); and (ii) plastic diagnostic consumables for the detection and diagnosis of COVID-19. Going forward, we expect demand for syringes, vials and related products and services to remain elevated as the COVID-19 vaccine and treatment programs continue to roll-out globally and as our customers contemplate the transition from multi-dose formats to single-dose formats. In addition, we expect continued tailwinds as epidemic preparedness, including the ongoing global COVID-19 vaccine rollout, booster shot distribution, and new vaccination programs, remain a priority for governments. Longer-term, there remains uncertainty around the magnitude of the impact of COVID-19 and the demand for our solutions. Many scientists predict that COVID-19 will eventually transition to an endemic state. While timing of this transition is difficult to predict, experts believe that the transition may likely occur over the next twelve to twenty-four months. This may result in a continued need for our products and services that support COVID-19 and would be integrated into our standard vaccine business in the coming years.

2022 First Quarter Challenges

In the first quarter of 2022, we confronted a number of challenges linked, in part, to the COVID-19 pandemic and, in part, to the conflict between Russia and Ukraine.

The military actions undertaken by Russian military forces against Ukraine resulted in the imposition of financial and economic sanctions by the European Union, the U.S., the United Kingdom and certain other countries and organizations against officials, individuals, regions, and industries in Russia and Belarus. As a result, primarily of the Russian-Ukrainian conflict, gas prices have risen dramatically and affected Group margins. However, Stevanato Group has not faced any difficulties in accessing natural gas for its operations to date.

The increased demand for electrical components, coupled with COVID-19 lockdowns in China, has impacted global supply chains, which were already under strain. While this has caused a temporary disruption in the supply of the manufacturing parts that we use, our ability to source from multiple suppliers, order materials in advance, and keep excess raw materials and inventory on hand, limited the impact on our business of these supply chain challenges.

As a consequence of the above, during the first quarter of 2022, there has been a trend of increasing inflation, the effects of which we may be able to offset (in whole or in part) by adjusting our prices going forward.

Key Indicators of Performance and Financial Condition

Non-GAAP Financial Measures

We monitor and evaluate our operating and financial performance using several non-GAAP financial measures, including: Constant Currency Revenue, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Operating Profit, Adjusted Operating Profit Margin, Adjusted Net Profit, Adjusted Diluted EPS, CAPEX, Free Cash Flow, Net Cash/(Debt) and Capital Employed. We believe that these non-GAAP financial measures provide useful and relevant information regarding our performance and improve our ability to assess our financial condition. While similar measures are widely used in the industry in which we operate, the financial measures we use may not be comparable to other similarly titled measures used by other companies, nor are they intended to be substitutes for measures of financial performance or financial position as prepared in accordance with IFRS.

Constant Currency Revenue

Constant Currency Revenue is defined as revenue excluding the impact of fluctuations in currency exchange rates. Constant Currency Revenue is presented to aid management in their analysis of the performance of the Group and to assist in the comparison of our performance with the prior periods and that of our competitors. We believe providing constant currency information provides valuable supplemental information regarding our results of operations. We calculate constant currency amounts by converting our current period local currency revenue using the prior period foreign currency average exchange rates and comparing these adjusted amounts to our prior period reported results. This calculation may differ from similarly titled measures used by others and, accordingly, the constant currency presentation is not meant to substitute recorded amounts presented in conformity with IFRS as issued by the IASB, nor should such amounts be considered in isolation. The following tables set forth the calculation of Constant Currency Revenue for the three months ended March 31, 2022 and provide a reconciliation to the most comparable IFRS measure, Revenue.

For the three months ended March 31, 2022	(Amounts in € millions, except as indicated otherwise)				Consolidated Total Consolidated
	High-Value Solutions	Other containment and delivery solutions	Total Biopharmaceutical and Diagnostic Solutions	Engineering Total Engineering	
Reported Revenue	61.5	110.9	172.4	39.6	212.1
Effect of changes in currency translation rates	(0.9)	(2.2)	(3.1)	(0.0)	(3.1)
Constant Currency Revenue	60.6	108.7	169.3	39.6	208.9

Change in revenues at constant currency	(Amounts in € millions, except as indicated otherwise)			Engineering	Consolidated
	High-Value Solutions	Other containment and delivery solutions	Total Biopharmaceutical and Diagnostic Solutions	Total Engineering	Total Consolidated
Constant Currency Revenue for the three months ended March 31, 2022	60.6	108.7	169.3	39.6	208.9
Reported Revenue for the three months ended March 31, 2021	44.9	115.6	160.6	32.3	192.8
Change in revenue at constant currency	15.7	(6.9)	8.7	7.3	16.1
<i>% Change in revenue at constant currency</i>	<i>35.0 %</i>	<i>(6.0)%</i>	<i>5.4 %</i>	<i>22.6 %</i>	<i>8.3 %</i>

EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin

EBITDA is defined as net profit before income tax expenses, net financial expenses, including share of profit of associates, amortization and depreciation. Adjusted EBITDA is defined as EBITDA as adjusted for certain income and costs expected to occur infrequently, and that management considers not reflective of ongoing operational activities of the Company. EBITDA is presented to aid management in their analysis of the performance of the Group and to assist in the comparison of our performance with that of our competitors. Adjusted EBITDA is provided in order to present how the underlying business has performed excluding the impact of certain non-recurring items, which may alter the underlying performance and impair comparability of results between periods.

The following table sets forth the calculation of EBITDA and Adjusted EBITDA for the three months ended March 31, 2022, and 2021, and provides a reconciliation of these non-GAAP measures to the most comparable IFRS measure, Net Profit. Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA for a period by total revenue for the same period.

	(Amounts in € millions, except as indicated otherwise)			Change %
	For the three months ended March 31,			
	2022	2021		
Net Profit	27.8	36.6		(24.0)%
Income Taxes	8.5	5.1		66.7%
Finance Income	(3.0)	(2.0)		50.0%
Finance Expenses	4.6	3.2		43.8%
Operating Profit	37.9	42.9		(11.6)%
Depreciation and Amortization	15.2	12.9		17.8%
EBITDA	53.1	55.9		(5.0)%
Non-recurring items	0.9	(0.3)		(400.8)%
Adjusted EBITDA	54.0	55.6		(2.8)%
<i>Adjusted EBITDA Margin</i>	<i>25.5 %</i>	<i>28.9 %</i>		<i>(12.0)%</i>

Adjusted Operating Profit, Adjusted Operating Profit Margin, Adjusted Net Profit and Adjusted Diluted EPS

Adjusted Operating Profit, Adjusted Net Profit and Adjusted Diluted EPS represent respectively Operating Profit, Net Profit and Diluted EPS as adjusted for certain income and costs expected to occur infrequently, and that management considers not reflective of ongoing operational activities. Adjusted Operating Profit, Adjusted Net Profit and Adjusted Diluted EPS are provided in order to present how the underlying business has performed excluding the impact of the adjusting items, which may alter the underlying performance and impair comparability of results between the periods.

The following tables set forth the calculation of Adjusted Operating Profit for the three months ended March 31, 2022, and 2021. Adjusted Operating Profit margin is calculated by dividing Adjusted Operating Profit for a period by total revenue for the same period.

For further information on non-recurring items see “Cost of Sales”, “General and Administrative Expenses”, and “Income Taxes” below.

For the three months ended March 31, 2022	(Amounts in € millions, except as indicated otherwise)				Diluted EPS
	EBITDA	Operating Profit	Income Taxes	Net Profit	
Reported	53.1	37.9	8.5	27.8	0.10
Adjusting items:					
Start-up costs new plants ⁽¹⁾	0.9	0.9	0.1	0.8	0.01
Adjusted	54.0	38.8	8.6	28.6	0.11
<i>Adjusted Margin</i>	<i>25.5 %</i>	<i>18.3 %</i>	—	—	—

For the three months ended March 31, 2021	(Amounts in € millions, except as indicated otherwise)				Diluted EPS
	EBITDA	Operating Profit	Income Taxes	Net Profit	
Reported	55.9	42.9	5.1	36.6	0.15
Adjusting items:					
Restructuring and related charges ⁽²⁾	0.3	0.3	0.1	0.2	0.00
Incentive Plans Settlement ⁽³⁾	(2.1)	(2.1)	(0.5)	(1.5)	(0.01)
IPO costs ⁽⁴⁾	1.5	1.5	0.4	1.1	0.01
Patent Box ⁽⁵⁾	—	—	5.5	(5.5)	(0.02)
Adjusted	55.6	42.6	10.6	30.9	0.13
<i>Adjusted Margin</i>	<i>28.9 %</i>	<i>22.1 %</i>	—	—	—

(1) During the three months ended March 31, 2022, the Group recorded €0.9 million of start-up costs for the new plants in Fishers, Indiana, United States, in Zhangjiagang, China, and in Latina, Italy.

(2) During the three months ended March 31, 2021, the Group recorded €0.3 million in restructuring and related charges for the consolidation of Balda plants in the U.S..

(3) During the three months ended March 31, 2021, the Group recorded €2.1 million of general and administrative expenses, as accrual reversal related to the early termination of incentive plans concerning a limited number of key managers.

(4) During the three months ended March 31, 2021, the Group recorded €1.5 million consultancy costs relating to our IPO project.

(5) During the three months ended March 31, 2021, the Group reached an agreement with the Italian Tax agency regarding the so-called “Patent box regime”, resulting in a retroactive tax saving for the financial years 2016-2020 amounting to €5.5 million based on our initial estimates.

CAPEX

Capital Expenditure, or CAPEX, is the sum of investment amounts in tangible fixed assets and intangible assets during the period (excluding right-of-use assets recognized during the period in accordance with IFRS 16 Leases). These investment activities consist of acquisitions of property, plant and equipment and intangible assets. The following table sets forth the CAPEX for the three months ended March 31, 2022, and 2021:

	(Amounts in € millions, except as indicated otherwise)			Change €
	2022	For the three months ended March 31, 2021		
Addition to Property, plant and equipment	51.9	18.4		33.5
Addition to Intangible Assets	1.9	0.7		1.2
CAPEX	53.8	19.1		34.7

See Note 17 “Intangible Assets” and Note 18 “Property, plant and equipment” to the Interim Condensed Consolidated Financial Statements for additional details.

For further information on Capital Expenditure on a paid-out cash basis see “*Liquidity and Capital Resources Capital Expenditure*” below.

Free Cash Flow

Free Cash Flow is defined as cash flows from operating activities excluding interests paid and received, less investments in property, plant and equipment and intangible assets on a cash basis.

The following table sets forth the calculation of Free Cash Flow for the three months ended March 31, 2022, and 2021:

	(Amounts in € millions, except as indicated otherwise)			Change €
	2022	For the three months ended March 31,		
		2021		
Cash flow from operating activities	5.2	5.9		(0.7)
Interest paid	0.8	1.1		(0.3)
Interest received	(0.2)	(0.2)		—
Purchase of property, plant and equipment	(52.7)	(21.7)		(31.0)
Purchase of intangible assets	(1.9)	(0.7)		(1.2)
Free Cash Flow	(48.8)	(15.6)		(33.2)

For further information on cash flow see “*Liquidity and Capital Resources Operating and Investing Activities*” below.

Net Cash/ (Debt)

The following table sets forth the calculation of Net Cash/ (Debt), which is a metric used by the management to analyze the financial stability of our business. Net Cash/ (Debt) is calculated by adding up current and non-current financial liabilities and subtracting the current financial assets, non-current financial receivables and cash and cash equivalent.

	(Amounts in € millions, except as indicated otherwise)		
	At March 31, 2022	At December 31, 2021	
Non-current financial liabilities		(197.2)	(202.3)
Current financial liabilities		(54.8)	(46.2)
Other current financial assets		28.6	27.2
Cash and cash equivalents		366.7	411.0
Net Cash		143.3	189.8

Capital Employed

The following table sets forth the reclassified consolidated statements of financial position which is presented to aid management in their analysis of the Capital Employed to generate profits. Capital Employed is determined as the sum of non-current assets, net working capital, which is the difference between current assets and current liabilities, net of non-current liabilities.

	(Amounts in € millions, except as indicated otherwise)	
	At March 31, 2022	At December 31, 2021
- Goodwill and Other intangible assets	79.3	79.2
- Right of Use assets		
	22.1	22.7
- Property, plant and equipment	440.2	392.7
- Financial assets - investments FVTPL	1.0	1.1
- Other non-current financial assets	1.3	1.3
- Deferred tax assets	57.1	55.9
Non-current assets	601.1	552.9
- Inventories	166.8	148.9
- Contract assets	77.4	62.1
- Trade receivables	174.5	165.3
- Trade payables	(154.6)	(164.8)
- Advances from customers	(28.7)	(23.6)
- Contract liabilities	(15.7)	(18.8)
Trade working capital	219.7	169.1
- Tax receivables and Other receivables	52.4	51.4
- Tax payables and Other liabilities	(95.0)	(85.3)
Net working capital	177.1	135.3
- Deferred tax liabilities	(19.3)	(19.1)
- Employees benefits	(12.3)	(11.9)
- Provisions	(3.6)	(3.5)
- Other non-current liabilities	(1.8)	(1.8)
Total non-current liabilities and provisions	(36.9)	(36.3)
Capital Employed	741.3	651.9
Net Cash	143.3	189.8
Equity	(884.6)	(841.7)
Total Equity and Net Cash	(741.3)	(651.9)

Backlog

Our backlog represents, as of a point in time, estimated future revenue for work not yet completed under (i) specific purchase orders, with regards to our Biopharmaceutical and Diagnostic Solutions segment; and (ii) certain one-off agreements, with regards to our Engineering segment. We recognize direct revenue over the life of the contract based on our performance of services under the contract. Contracts may be terminated or delayed by our customers or regulatory authorities for reasons beyond our control. To the extent projects are delayed, the timing of our revenue could be affected. In the event a customer terminates a contract, we are generally entitled to be paid for services rendered through the termination date and for services provided in winding down the project. However, we are only rarely entitled to receive the full amount of direct revenue reflected in our backlog in the event of a contract termination. The duration of the projects in our backlog, and the related revenue recognition, ranges from several months to a couple of years. For orders that are placed inside a contractual firm period, we generally have a contractual right to payment in the event of cancellation. Fluctuations in our reported backlog levels also result from the timing and order pattern of our customers who often seek to manage their level of inventory on hand.

Because of customer ordering patterns, our backlog reported for certain periods may fluctuate and may not be indicative of future results. A number of factors may affect backlog and the direct revenue generated from our backlog, including: (a) the size, complexity and duration of projects; and (b) the cancellation or delay of projects.

Our backlog as of March 31, 2022, was approximately €992.2 million, compared to a total backlog of approximately €880.0 million as of December 31, 2021, and of approximately €665.0 million as of March 31, 2021. During the three months ended March 31,

2022, we had a new order intake of approximately €324.3 million compared to an order intake of approximately €251.2 million for the three months ended March 31, 2021.

Although an increase in backlog will generally result in an increase in future direct revenue to be recognized over time (depending on future contract modifications, contract cancellations and other adjustments), an increase in backlog at a particular point in time does not necessarily correspond to an increase in direct revenues during a particular period. The timing and extent to which backlog will result in direct revenue depends on many factors, including the timing of commencement of work, the rate at which we perform services, scope changes, cancellations, delays, receipt of regulatory approvals and the nature, duration, size, complexity and phase of the studies. In addition, delayed projects remain in backlog until they are cancelled. As a result of these factors, our backlog is not necessarily a reliable indicator of future direct revenue, and we might not realize all or any part of the direct revenue from the authorizations in backlog as of any point in time.

Components of Our Results of Operations

The following discussion sets forth certain components of our statements of operations as well as factors that impact those items.

Results discussed in this section of the quarterly report are consolidated according to IFRS accounting principles and therefore do not include Company's inter-segment items other than where we specifically note otherwise.

Revenue and Segment Reporting

Our revenue is divided into two main segments:

(i) **Biopharmaceutical and Diagnostic Solutions:** which includes all the products, processes and services developed and provided for the containment and delivery of pharmaceutical and biotechnology drugs and reagents, as well as the production of diagnostic consumables. This segment is split into two sub-categories:

- "high-value" solutions; and
- other containment and delivery solutions.

(ii) **Engineering:** which includes all of the equipment and technologies developed and provided to support the end-to-end biopharmaceutical and diagnostic manufacturing processes (machinery for assembly, visual inspection, packaging and serialization and glass converting). We believe operating in this segment differentiates us from our competitors, and enables us to provide integrated end-to-end solutions, reduce time to market and improve the quality of our products.

Revenue recognized in the three months ended March 31, 2022, and 2021, amounted to € 212.1 million and € 192.8 million, respectively.

In the three months ended March 31, 2022, and 2021, we generated 81% and 83% of total sales from our Biopharmaceutical and Diagnostic Solutions segment, respectively, and 19% and 17% from our Engineering segment, respectively.

The following table sets forth results of our business operations for the aforementioned segments, which include inter-segment items, and the reconciliation with the consolidated figures, for the three months ended March 31, 2022, and 2021.

Revenue for each segment is divided into "External Customers", representing revenue from third parties sales, and "Inter-Segment", representing the revenue from the sales generated from the transactions with other segments, and is then reconciled with the Consolidated Revenue which does not include inter-segment items.

Gross Profit margin is calculated by dividing Gross Profit for a period by total revenue for the same period. Operating Profit margin is calculated by dividing Operating Profit for a period by total revenue for the same period. Gross Profit margin and Operating profit margin for both Biopharmaceutical and Diagnostic Solutions segment and Engineering segment include the effect of inter-segment transactions.

	For the three months ended March 31, 2022			
	Biopharmaceutical and Diagnostic Solutions	Engineering	Adjustments, eliminations and unallocated items	Consolidated
External Customers	172.4	39.6	—	212.1
Inter-Segment	0.3	23.5	(23.8)	—
Revenue	172.7	63.1	(23.8)	212.1
Gross Profit	56.8	13.5	(2.8)	67.5
Gross Profit Margin	32.9 %	21.4 %		31.8 %
Operating Profit	35.7	8.7	(6.5)	37.9
Operating Profit Margin	20.7 %	13.8 %		17.9 %

	For the three months ended March 31, 2021			
	Biopharmaceutical and Diagnostic Solutions	Engineering	Adjustments, eliminations and unallocated items	Consolidated
External Customers	160.6	32.3	—	192.8
Inter-Segment	0.2	7.7	(7.9)	—
Revenue	160.8	40.0	(7.9)	192.8
Gross Profit	57.3	8.7	(0.6)	65.4
Gross Profit Margin	35.6 %	21.8 %		33.9 %
Operating Profit	40.3	4.4	(1.8)	42.9
Operating Profit Margin	25.1 %	11.0 %		22.3 %

Results of Operations

Three months ended March 31, 2022 versus three months ended March 31, 2021

The following table sets forth our results of operations for the three months ended March 31, 2022, and 2021.

(Amounts in € millions, except as indicated otherwise)
For the three months ended
March 31,

	2022	% of revenue	2021	% of revenue	Change €	Change %
Revenue	212.1	100.0 %	192.8	100.0 %	19.3	10.0 %
Costs of sales	144.6	68.2 %	127.4	66.1 %	17.2	13.5 %
Gross Profit	67.5	31.8 %	65.4	33.9 %	2.1	3.2 %
Other operating Income	1.5	0.7 %	3.2	1.7 %	(1.7)	(53.1) %
Selling and Marketing Expenses	4.9	2.3 %	5.9	3.1 %	(1.0)	(16.9) %
Research and Development Expenses	7.7	3.6 %	5.8	3.0 %	1.9	32.8 %
General and Administrative Expenses	18.5	8.7 %	14.0	7.3 %	4.5	32.1 %
Operating Profit	37.9	17.9 %	42.9	22.3 %	(5.0)	(11.6) %
Finance Income	3.0	1.4 %	2.0	1.0 %	1.0	50.0 %
Finance Expense	4.6	2.2 %	3.2	1.7 %	1.4	43.8 %
Profit Before Tax	36.3	17.1 %	41.7	21.6 %	(5.4)	(12.9) %
Income Taxes	8.5	4.0 %	5.1	2.6 %	3.4	66.7 %
Net Profit	27.8	13.1 %	36.6	19.0 %	(8.8)	(24.0) %

Revenue

Revenue increased by €19.3 million, or 10.0%, to €212.1 million for the three months ended March 31, 2022, compared to €192.8 million for the three months ended March 31, 2021, driven by sales growth in both our Biopharmaceutical and Diagnostic Solutions segment and our Engineering segment. Revenue for the three months ended March 31, 2021 included a €5.5 million benefit in our Biopharmaceutical and Diagnostic Solutions segment related to a licensing agreement which benefitted margins, net profit and earnings in the first quarter of 2021. For the three months ended March 31, 2022, we estimate that COVID-19 related revenue equated 10.5% of our total revenue compared to 14.0% for the three months ended March 31, 2021.

Revenue growth on constant currency basis was 8.3% for the three months ended March 31, 2022.

Biopharmaceutical and Diagnostic Solutions.

Revenue generated by the Biopharmaceutical and Diagnostic Solutions segment increased by €11.9 million, or 7.4%, to €172.4 million for the three months ended March 31, 2022, compared to €160.6 million in the three months ended March 31, 2021.

Revenue growth for this segment was driven by an increase in revenue from our premium priced “high-value” solutions, which grew by €16.6 million, or 36.9%, to €61.5 million for the three months ended March 31, 2022, compared to €44.9 million for the three months ended March 31, 2021, reflecting our strategic shift towards a higher proportion of “high-value” solutions, such as EZ-Fill® vials and cartridges, “high-value” syringes, Alba®, Nexa®, Drug Delivery Systems, analytical services and molecular diagnostic plastic parts. Revenue from our other containment and delivery solutions decreased by €4.7 million, or 4.1%, to €110.9 million for the three months ended March 31, 2022, compared to €115.6 million for the three months ended March 31, 2021, mainly due to the aforementioned €5.5 million benefit.

We estimate that approximately €22.2 million, or 12.9%, of segment revenue for the three months ended March 31, 2022, is related to COVID-19 compared to approximately €27.0 million, or 16.8%, revenue estimated for the three months ended March 31, 2021.

On a constant currency basis, revenue generated from “high-value” solutions increased by €15.7 million, or 35.0%, in the three months ended March 31, 2022, compared to €44.9 million in the three months ended March 31, 2021, while revenue generated by other containment and delivery solutions decreased by €6.9 million, or 6.0%, in the three months ended March 31, 2022, compared to €115.6 million in the three months ended March 31, 2021.

Engineering.

Revenue generated by the Engineering segment, increased by €7.3 million, or 22.8%, to €39.6 million for the three months ended March 31, 2022, compared to €32.3 million for the three months ended March 31, 2021. Revenue growth of €6.4 million was mainly driven by higher sales in glass converting machines and visual inspection systems, which was offset by a decrease in revenue from assembly and packaging machines. Revenue grew by a further €0.9 million from our after-sales business.

We do not consider any of the revenue in our Engineering segment to be attributable to COVID-19 since: (i) we cannot accurately determine the end use of our products; and (ii) most of our products have life cycles of 10 years or more and, therefore, bear a reasonably likely chance of being used for purposes other than COVID-19 related.

Revenue Breakdown by Region.

Our revenue grew by €12.3 million, or 76.6%, in the APAC region (which accounted for approximately 13.4% of our total revenue for the three months ended March 31, 2022), by €6.8 million, or 5.8%, in Europe (which accounted for approximately 58.5% of our total revenue for the three months ended March 31, 2022) and by €1.5 million, or 26.9% in South America (which accounted for approximately 3.2% of our total revenue for the three months ended March 31, 2022). Revenue in North America (which accounted for approximately 24.8% of our total revenue for the three months ended March 31, 2022) decreased by €1.3 million, or 2.5%, mainly in the Engineering segment where much of the work is project-based and may not repeat. Revenue from North America in the Biopharmaceutical and Diagnostic Solutions segment grew by €0.6 million, or 1.4%.

Cost of Sales

Cost of sales increased by €17.2 million, or 13.5%, to €144.6 million for the three months ended March 31, 2022, compared to €127.4 million for the three months ended March 31, 2021, mainly due to higher cost of materials, components and labor expenses related to the production and distribution of our goods and services. Cost of sales partially reflected an increase in logistical costs and utilities, mainly due to the worldwide increase in natural gas rates. Excluding the €5.5 million benefit from the licensing agreement in the three-months ended March 31, 2021, which had no associated costs, the cost of direct materials on revenues was substantially unchanged.

Industrial depreciation and amortization increased due to the availability for use of the machinery installed in the previous months to increase the production capacity.

For the three months ended March 31, 2022, cost of sales included €0.3 million of non-recurring start-up costs related to the new facilities in Indiana, U.S., in Zhangjiagang, China, and in Latina, Italy.

Gross Profit

Gross profit increased by €2.1 million, or 3.2%, to €67.5 million for the three months ended March 31, 2022, compared to €65.4 million for the three months ended March 31, 2021. The increase was mainly due to the increase in sales volumes.

Gross profit margin decreased to 31.8% for the three months ended March 31, 2022, compared to 33.9% for the three months ended March 31, 2021. The decrease resulted from a higher proportion of revenue being generated by the engineering segment and lower gross profit margins in each segment as described below.

For three months ended March 31, 2022, Biopharmaceutical and Diagnostic Solution segment gross profit margin was 32.9% compared to 35.6% for the three months ended March 31, 2021. The decrease resulted from the production slowdown due to COVID-19 and, to a lesser extent, inflationary costs, which effects we may be able to offset (in whole or in part) by adjusting our prices going forward. These effects were partially offset by the favorable mix shift to high value solutions.

Engineering segment gross profit margin decreased to 21.4% for the three months ended March 31, 2022 compared to 21.8% for the three months ended March 31, 2021. This decrease was mainly due to the fact that the first quarter of 2021 included revenue from higher margin projects in the glass forming business compared to the first quarter of 2022.

Other Operating Income

Other operating income, which includes all revenue from customers not derived from the sale of our products, services and solutions such as revenue from feasibility studies, design, development and industrialization of new products, orders cancellation fees, government grants, decreased by €1.7 million, or 53.1%, to €1.5 million for the three months ended March 31, 2022, compared to € 3.2 million for the three months ended March 31, 2021. Other operating income represents a minor part of our income and its amount varies yearly depending on the specific business agreements in place.

Selling and Marketing Expenses

Selling and marketing expenses decreased by €1.0 million, or 16.9%, to €4.9 million for the three months ended March 31, 2022, compared to €5.9 million for the three months ended March 31, 2021. These expenses are mainly related to personnel expenses for

our sales organization. They also include depreciation for €0.2 million for the three months ended March 31, 2022, and 2021. For the three months ended March 31, 2022, selling and marketing expenses include a release of the provision for bad and doubtful debts of €0.1 million (for the three months ended March 31, 2021 the accrual for bad and doubtful debts provision amounted to €1.2 million).

The decrease in selling and marketing expenses was mainly due to the decrease in the accruals for bad and doubtful debt provision following the improvement of some positions with external customers.

Research and Development Expenses

Research and development expenses increased by €1.9 million, or 32.8%, to €7.7 million for the three months ended March 31, 2022, compared to €5.8 million for the three months ended March 31, 2021. Such expenses include costs for research and development activities to support the innovation of our product range and include amortization and depreciation for €0.8 million for the three months ended March 31, 2022, and 2021.

The increase in research and development expenses reflects our investments in premium primary packaging and drug delivery systems to accelerate our market-leading position, strengthen our IP, and develop new technologies to advance patient care.

General and Administrative Expenses

General and administrative expenses increased by €4.5 million, or 32.1%, to €18.5 million for the three months ended March 31, 2022, compared to €14.0 million in the three months ended March 31, 2021. These expenses mainly comprise personnel expenses for management of the company, consultancy costs, rentals, as well as depreciation and amortization of €1.6 million (compared to €1.4 million for the three months ended March 31, 2021), of which amortization of fair value adjustments from purchase price allocations amounted to €0.3 million (€0.3 million for the three months ended March 31, 2021).

The increase was mainly due to the increase in labor cost for the three months ended March 31, 2022, compared to the three months ended March 31, 2021 which included a non-recurring accrual reversal amounting to €2.1 million following the early termination of the incentive plan 2018-2022 for a beneficiary. In addition, the increase in costs associated with our listing on the NYSE, such as insurance and other organizational structure costs, impacted general and administrative expenses for the three months ended March 31, 2022.

Operating Profit

As a result of the foregoing, operating profit decreased by €5.0 million, or 11.6%, to €37.9 million for the three months ended March 31, 2022, compared to €42.9 million for the three months ended March 31, 2021.

For three months ended March 31, 2022, Biopharmaceutical and Diagnostic Solution operating profit margin was 20.7%, compared to 25.1% for the three months ended March 31, 2021. The decrease in operating profit margin was primarily due to (i) the aforementioned production slowdown due to COVID-19 and, to a lesser extent, inflationary costs, (ii) the decrease in other operating income, (iii) the increase in general and administrative expenses connected to being a listed company, (iv) the increase in research and development expenses reflecting our investments in premium primary packaging and drug delivery systems, which were partially offset by (v) the decrease in selling and marketing expenses resulting from lower accruals for bad and doubtful debts.

For three months ended March 31, 2022, Engineering operating profit margin was 13.8%, compared to 11.0% for the three months ended March 31, 2021. The increase in operating profit margin was primarily due to the higher revenue generated in the first quarter 2022 compared to the first quarter 2021 that resulted in a better absorption of SG&A expenses.

Net Finance Expenses

Finance expenses, net of finance income, increased by €0.4 million (or 33.3%) to €1.6 million for the three months ended March 31, 2022, from €1.2 million for the three months ended March 31, 2021. Finance expense include bank interest on the Group's financial debt (recalculated using the amortized cost method) and interest on leases, recognized in accordance with IFRS 16-Leases.

Profit Before Tax

Profit before taxes decreased by € 5.4 million, or 12.9%, to € 36.3 million for the three months ended March 31, 2022, compared to € 41.7 million for the three months ended March 31, 2021.

Income Taxes

Income taxes increased by €3.4 million, or 66.7%, to €8.5 million for the three months ended March 31, 2022, compared to €5.1 million for the three months ended March 31, 2021.

	(Amounts in € millions)			Change €
	For the three months ended March 31,		2021	
	2022	2021		
Income Tax Expenses reported in the statement of profit or loss	8.5	5.1	3.4	

The increase in income taxes was mainly due to a €5.5 million non-recurring tax saving accrued for the three months ended March 31, 2021, related to the so called "Patent Box regime", a tax exemption related to, inter alia, the use of intellectual property assets, which did not have any effects in the three months ended March 31, 2022.

Net Profit

Net profit decreased by €8.8 million, or 24.0%, to €27.8 million (or €0.10 of Diluted EPS or €0.11 of Adjusted Diluted EPS) for the three months ended March 31, 2022, compared to €36.6 million (or €0.15 of Diluted EPS or €0.13 of Adjusted Diluted EPS) for the three months ended March 31, 2021.

Liquidity and Capital Resources

Since our inception, we have financed our operations mainly through cash generated by our operating activities and debt financing and, from the second half 2021, the proceeds of our IPO. Our primary requirements for liquidity and capital are to finance capital expenditures, working capital (which is the difference of current assets and current liabilities—net of current financial assets, current financial liabilities, cash and cash equivalents), and general corporate purposes.

Our primary sources of liquidity include our cash and cash equivalents and medium and long-term loans from a number of financial institutions, as described below. As of March 31, 2022, we had cash and cash equivalents of €366.7 million (compared to €411.0 million as of December 31, 2021) and other current financial assets of €28.6 million (compared to €27.2 million as of December 31, 2021). Our cash and cash equivalents primarily consist of cash at bank and highly liquid investments, such as short-term deposits, which are unrestricted from withdrawal or use, or which have original maturities of three months or less when purchased. We believe that our total available liquidity, (defined as cash and cash equivalents, including part of the proceeds received at completion of our IPO, plus undrawn committed credit lines and marketable securities), in addition to funds that will be generated from operating activities, will enable us to satisfy the requirements of our investing activities and working capital needs for the next 12 months and ensure an appropriate level of operating and strategic flexibility.

Our total current liabilities were €348.8 million as of March 31, 2022, (compared to €338.6 million as of December 31, 2021), which primarily includes €154.6 million trade payables, €15.7 million contract liabilities, €28.7 million advances from customers, €49.1 million financial liabilities, €28.6 million tax payables, €5.7 million lease liabilities and €66.4 million other liabilities mainly relating to payables to personnel and social security institutions as well as allowance for future expected customer returns.

Financing activities

We employ a disciplined approach in managing our working capital and balance sheet to support our business and operations.

Capital Expenditures

During the three months ended March 31, 2022, capital expenditures for growth and capacity expansion were € 48.6 million, which included: (i) € 20.1 million for new production lines in Piombino Dese, Italy (of which € 17.1 million is tied to our high value EZ-Fill® products), (ii) € 26.0 million for new production lines and related building expansion in other plants, particularly in the U.S. and China facilities, (iii) € 0.7 million for new machinery for high precision plastic injection molding and assembly for container in vitro diagnostic solutions, and (iv) € 1.8 million for molds.

Capital expenditures for maintenance, increasing quality, improving our IT systems, improving efficiency of our production processes and improving safety of our plants and production sites amounted to € 3.7 million, while for research and development,

including laboratory equipment, molds and other related equipment, amounted to € 1.5 million. We intend to devote approximately the same portion of capital expenditures to growth and capacity expansion in future years.

For fiscal year 2022, we anticipate capital expenditures will range between 35% and 40% of sales, comprising three main categories: 1) approximately 82% relates to growth platforms to fund capacity expansions primarily in high value solutions the U.S., China, and Italy; 2) approximately 6% for investment in research and development for glass primary packaging products and the ongoing advancement of drug delivery devices to maintain and accelerate our market leading position; and, 3) approximately 12% to fund other investment areas such as innovation in operating efficiencies and quality, IT, maintenance, and safety.

Cash Flow

The following table presents the summary consolidated cash flow information for the periods presented.

	(Amounts in € millions, except as indicated otherwise)			Change €
	2022	For the three months ended March 31, 2021		
Cash flows from operating activities	5.2	5.9		(0.7)
Cash flows used in investing activities	(54.7)	(22.4)		(32.3)
Cash flows from / (used in) financing activities	3.1	(19.8)		22.9
Net change in cash and cash equivalents	(46.4)	(36.4)		(10.0)

Cash generated from operating activities

Net cash generated from operating activities was €5.2 million for the three months ended March 31, 2022, (compared to €5.9 million for the three months ended March 31, 2021). For the three months ended March 31, 2022, the EBITDA generation of €53.1 million was partially offset by € 44.6 million of cash absorbed from the net change in working capital, which resulted from the growth of our business, and by €1.7 million in income tax paid.

Cash used in investing activities

Net cash used in investing activities was €54.7 million for the three months ended March 31, 2022, (compared to €22.4 million cash used in investing activities for the three months ended March 31, 2021), consisting mainly of the purchase of property and equipment to increase our production capacity for both our EZ-Fill® product portfolio and our bulk business. We also invested in R&D and in strengthening the security of our IT systems.

Cash from/ used in financing activities

Net cash flows generated from financing activities was €3.1 million for the three months ended March 31, 2022, (compared to €19.8 million used in financing activities for the three months ended March 31, 2021). For the three months ended March 31, 2022, cash raised from new borrowings amounted to €5.6 million while the loan repayments and the payment of the principal portion of lease liabilities amounted to €1.0 million and to €1.6 million, respectively.

Net change in cash and cash equivalents

The net change in cash and cash equivalents was €(46.4) million for the three months ended March 31, 2022, compared to €(36.4) million for the three months ended March 31, 2021.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Group is exposed to the following financial risks connected with its operations:

- financial market risk, mainly relating to foreign currency exchange rates and to interest rates;
- liquidity risk, with particular reference to the availability of funds and access to the credit market, should the Group require it, and to financial instruments in general; and
- credit risk, arising both from its normal commercial relations with customers, and its financing activities.

These risks could significantly affect our financial position, results of operations and cash flows, and for this reason we identify and monitor them, in order to detect potential negative effects in advance and take the necessary action to mitigate them, primarily through our operating and financing activities and if required, through the use of derivative financial instruments.

The following section provides qualitative and quantitative disclosures regarding the effect that these risks may have upon us. The quantitative data reported in the following section does not have any predictive value.

Financial market risks

Due to the nature of our business, we are exposed to a variety of market risks, including foreign currency exchange rate risk and, to a lesser extent, interest rate risk.

Our exposure to foreign currency exchange rate risk arises from our global footprint (both in terms of production and commercialization), as in some cases we sell our products in the currencies of the destination markets, which may differ from the currency of the countries the Group operates in.

Our exposure to interest rate risk arises from the need to fund certain activities and the possibility to deploy surplus funds. Changes in market interest rates may have the effect of either increasing or decreasing our net profit/(loss), thereby indirectly affecting the costs and returns of financing and investing transactions.

These risks could significantly affect our performance and are therefore identified and monitored. We have in place various risk management policies, which primarily relate to foreign exchange, interest rate and liquidity risks.

In particular, to manage foreign exchange rate risk, we have adopted a hedging policy. Hedging activities are mainly executed at the corporate level, based on the information provided by the reporting system and utilizing instruments and policies conforming to IFRS. Hedging is undertaken to ensure protection in case an entity has transactions in currencies other than the one in which it primarily does business, also taking account of budgeted future revenues and costs. Despite hedging operations, sudden movements in exchange rates or erroneous estimates may result in a negative impact, although limited, on our results.

Information on foreign currency exchange rate risk

We are exposed to risk resulting from fluctuations in foreign currency exchange rates, which can affect our earnings and equity. In particular:

- Where a Group company incurs costs in a currency different from that of its revenues, any change in foreign currency exchange rates can affect the operating results of that company.
- The main foreign currency to which we are exposed is the U.S. Dollar for sales in the United States and other markets where the U.S. Dollar is the reference currency, against the Euro, Mexican Peso and Renminbi. Other significant exposures included the exchange rate between the Euro and the following currencies: Renminbi, Mexican Pesos, Japanese Yen and Danish Krone. It is our policy to use derivative financial instruments (primarily forward currency contracts, currency swaps, currency options and collar options) to hedge against exposures.
- Several subsidiaries are located in countries that are outside the Eurozone, in particular the United States, China, Japan, Mexico, Denmark, Brazil and Switzerland. As our reporting currency is the Euro, the income statements of those companies are translated into Euros using the average exchange rate for the period and, even if revenues and margins are unchanged

in local currency, changes in exchange rates can impact the amount of revenues, costs and profit as restated in Euros. Similarly, intercompany financing may lead to foreign exchange rate impact due to different functional currencies.

- The assets and liabilities of consolidated companies that report in a currency other than the Euro may vary from period to period as a result of changes in exchange rates. The effects of these changes are recognized directly in equity as a component of other comprehensive income/ (loss) under gains/ (losses) from currency translation differences.

We monitor our main exposures with regard to translation exchange risk, whereby fluctuations in the exchange rates of a number of currencies against the consolidation currency may impact the consolidated financial statement values, although there was no specific hedging in this respect at March 31, 2022.

Exchange differences arising from the settlement of monetary items are recognized in the consolidated income statement within the net financial income/ (expenses) line item.

The impact of foreign currency exchange rate differences recorded within financial income/ (expenses) for the three months ended March 31, 2022, except for those arising from financial instruments measured at fair value, amounted to net loss of €0.1 million (compared to €1.0 million net gain for the three months ended March 31, 2021).

There have been no substantial changes in the first quarter 2022 in the nature or structure of exposure to foreign currency exchange rate risk or in the Group's hedging policies.

We actively hedge against economic-transactional risk; more specifically, forward and swap contracts, plain vanilla and collar options are used to manage the exposures. Such instruments are not currently designated as cash flow hedges and contracts are entered for a period consistent with the underlying transactions, generally ranging from three to twelve months.

Information on interest rate risk

This risk stems from variable rate loans, for which sudden or significant interest rate fluctuations may have a negative impact on economic results. The monitoring of this risk is carried out at the corporate level and utilizes similar structures as those employed for the management of currency risks. We have hedges in place against interest rate risk, covering nearly all the loans contracted. Due to these operations, we have established a substantially fixed rate at improved conditions compared to the previous loans.

Our most significant floating rate financial assets at March 31, 2022, are cash and cash equivalents and certain financial current investments.

The risk arising from the net investments in foreign subsidiaries is monitored; no active hedging is currently being performed. With regard to commodity risk, we enter into fixed-price contracts for certain utilities.

Liquidity risk

Liquidity risk arises if we are unable to obtain the funds needed to carry out our operations under economic conditions. The main determinant of our liquidity position is the cash generated by or used in operating and investing activities.

From an operating point of view, we manage liquidity risk by monitoring cash flows and keeping an adequate level of funds at our disposal. The main funding operations and investments in cash and marketable securities of the Group are centrally managed and supervised by the treasury department with the aim of ensuring effective and efficient management of our liquidity. We undertake medium and long-term loans to fund medium and long-term operations. We undertake a series of activities centrally supervised with the purpose of optimizing the management of funds and reducing liquidity risk, such as:

- centralizing liquidity management;
- centralizing cash through cash pooling techniques;
- maintaining a conservative level of available liquidity;
- diversifying sources of funding of medium and long-term financing;

- obtaining adequate credit lines;
- monitoring future liquidity requirements on the basis of budget forecast and cash flow planning; and
- monitoring covenants on indebtedness.

Intercompany financing is conducted at arm's length terms and normally involves the holding company. These measures currently sufficiently guarantee, under normal conditions and in the absence of extraordinary events, the degree of flexibility required by movements of working capital, investing activities and cash flows in general.

We believe that our total available liquidity (defined as cash and cash equivalents plus undrawn committed credit lines and marketable securities), in addition to funds that will be generated from operating activities, will enable us to satisfy the requirements of our investing activities and working capital needs and ensure an appropriate level of operating and strategic flexibility. We, therefore, believe there is no significant risk of a lack of liquidity.

Credit risk

Credit risk is the risk of economic loss arising from the failure to collect a receivable. Credit risk encompasses the direct risk of default and the risk of a deterioration of the creditworthiness of the counterparty. The maximum credit risk to which we are theoretically exposed is represented by the carrying amounts of the financial assets stated in the consolidated statement of financial position sheet.

Where customers fail to meet payment deadlines, our financial position may deteriorate. Socio-political events (or country risks) and the general economic performance of individual countries or geographical regions may also assume significance in this respect. The credit risk is however mitigated by consolidated commercial relations with well capitalized multinational pharmaceutical and biologics companies and our guidelines created for the selection and evaluation of the client portfolio, which may require, where possible and appropriate, further guarantees from customers. As of March 31, 2022, our day's sales outstanding increased by 1.9 to 73.4, compared to 71.5 days as of December 31, 2021.

Trade receivables as of March 31, 2022, amounting to €174.5 million (compared to €165.3 million as of December 31, 2021) are shown net of the allowance for doubtful accounts amounting to €6.6 million (compared to €6.5 million as of December 31, 2021).

Critical Accounting Policies and Significant Judgments and Estimates

The Consolidated Financial Statements are prepared in accordance with IFRS which require Management's use of estimates and assumptions that may affect the carrying amount of assets, liabilities, income and expenses in the financial statements, as well as the disclosures in the notes concerning contingent assets and liabilities at the balance sheet date. Uncertainty about these assumptions and estimates could result in outcome that require material adjustments to the carrying amount of assets or liabilities affected in future periods.

Estimates are based on historical experience and other factors. The resulting accounting estimates could differ from the related actual results. Estimates are periodically reviewed and the effects of each change are reflected in the consolidated statement of profit or loss or in the consolidated statement of comprehensive income in the period in which the change occurs.

Revenue Recognition

We operate in several jurisdictions and assess whether contracts with customers provide it with the right to consideration for the performance fulfilled based on legal assessment of applicable contracts and other sources of enforceable rights and obligations (i.e., local regulations). With regard to revenue from contracts with customers for contract work and contract assets and liabilities, application of the cost-to-cost method requires a prior estimate of the entire lifetime costs of individual projects, updating them at each balance sheet date. This entails assumptions that can be affected by multiple factors, such as the time over which some projects are developed, their high level of technology and innovative content, the possible presence of price variations and revisions, and machinery performance guarantees, including an estimate of contractual risks, where applicable. These facts and circumstances make it difficult to estimate the cost to complete projects and, consequently, to estimate the value of contract work in progress at the balance sheet date. The Group estimates variable considerations to be included in the transaction price for the sale of products with

rights of return and volume rebates. The Group forecasts sales returns using the historical return data to project expected return percentages. These percentages are applied to determine the expected value of the variable consideration.

Recoverable amount of goodwill

The impairment test on goodwill is carried out by comparing the carrying amount of cash-generating units and their recoverable amount. The recoverable amount of a cash-generating unit is the higher of fair value, less costs to sell, and its value in use. This complex valuation process entails the use of methods such as the discounted cash flow method which uses assumptions to estimate cash flows. The recoverable amount depends significantly on the discount rate used in the discounted cash flow model as well as the expected future cash flows and the growth rate used for the extrapolation.

Development costs

The amortization of development costs requires management to estimate the life cycle of related products. Any changes in such assumptions would impact the amortization charge recorded and the carrying amount of capitalized development costs. The periodic amortization charge is derived after determining the expected life cycle of the related product. Increasing an asset's expected life cycle or its residual value would result in a reduced amortization charge in the consolidated income statement. The useful lives of our development costs are determined by management at the time of capitalization and reviewed annually for appropriateness and recoverability.

Employee benefit liabilities

Employee benefits, especially the provision for employee severance indemnities and other long-term incentives, are calculated using actuarial assumptions; changes in such assumptions could have a material impact on such liabilities.

Leases

We cannot readily determine the interest rate implicit in the lease, therefore, the incremental borrowing rate (IBR) to measure lease liabilities is used. The IBR is the rate of interest that we would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). We estimate the IBR using observable inputs (such as market interest rates) when available and are required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating). We also determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, we consider all relevant factors that create an economic incentive for us to exercise either the renewal or termination.

Provision for expected credit losses of trade receivables and contract assets

We use a simplified approach in calculating estimated credit losses (ECLs) for trade receivables and contract assets, initially based on the Group's historical observed default rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. Our historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default risk in the future.

Income tax expense (current and deferred)

The consolidated Group is subject to various taxes in multiple jurisdictions. The determination of tax liabilities requires the use of assumptions with respect to transactions whose fiscal consequences are not yet certain at the end of the reporting period. Calculation of taxes on a global scale requires the use of estimates and assumptions based on the information available at the balance sheet date.

The deferred tax asset realization is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible and the tax loss carry forwards are utilized. Estimating future taxable income requires estimates about matters that are inherently uncertain and requires significant management judgment, and different estimates can have a significant impact on the outcome of the analysis.

Item 4. Controls and Procedures

There were no changes in our internal control over financial reporting during the three months ended March 31, 2022, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

The Company is from time to time subject to various litigation and administrative and other legal proceedings, including potential regulatory actions, incidental or related to our business, including commercial contract and tortious liability claims, among others (collectively “Legal Proceedings”).

Management believes that the outcome of the current Legal Proceedings will not have a material effect upon our business, financial condition, results of operations, cash flows, as well as the trading price of our securities. However, management’s assessment of Legal Proceedings is ongoing, and could change in light of the discovery of additional facts with respect to Legal Proceedings pending against the Company, not presently known to us, or determinations by judges, arbitrators, juries or other finders of fact or deciders of law which are not in accord with management’s evaluation of the probable liability or outcome of such Legal Proceedings. From time to time, the Company is in discussions with regulators, including discussions initiated by the Company, about actual or potential violations of law in order to remediate or mitigate associated legal or compliance risks. As the outcomes of such proceedings are unpredictable, the results of any such proceedings may materially affect the Company’s reputation, business, financial condition, results of operations, cash flows or the trading price of its securities.

Item 1A. Risk Factors

There have been no material changes from the risk factors described in the Company's Annual Report on Form 20-F/A for the year ended December 31, 2021 filed with the U.S. Securities and Exchange Commission on April 5, 2022.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 5. Other Information

None.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Stevanato Group S.p.A.

Date: May 10, 2022

By: /s/ Franco Moro
Name: Franco Moro
Title: Chief Executive Officer and Chief Operating Officer
