

Ecully, March 30, 2023

## 2022 ANNUAL RESULTS

PCAS (Euronext Paris: PCA), a specialist in developing and producing complex molecules for life sciences and innovative technologies, has announced the publication of its 2022 Annual Results, following today's Board of Directors meeting.

<i>in millions of euros</i>	2021	2022
<b>Net sales</b>	<b>187.0</b>	<b>226.4</b>
<b>EBITDA (*) (**)</b>	<b>-4.6</b>	<b>2.2</b>
<i>EBITDA margin</i>	<i>-2.5%</i>	<i>1.0%</i>
<b>Current operating income (*)</b>	<b>-28.2</b>	<b>-27.7</b>
<i>Current operating income margin</i>	<i>-15.1%</i>	<i>-12.2%</i>
Other operating income and expenses	-0.4	-15.1
<b>Operating income</b>	<b>-28.6</b>	<b>-42.8</b>
Financial result	-2.9	-3.1
Taxes	-9.0	-2.9
<b>Net result</b>	<b>-40.5</b>	<b>-48.8</b>

(\*) of which research tax credit (CIR): 4.1 M€ in 2021 and 2022

(\*\*) see definition in appendix

Audit procedures have been performed and auditor's report is in progress of being issued.

The PCAS Group has generated consolidated net sales of €226.4 million as of December 31, 2022, a 21.1% increase compared to the same period in the previous financial year (+17.9% at constant exchange rate).

The Pharmaceutical Synthesis business generated sales of €143.7 million, a 20.1% increase compared to 2021 (+17.6% at constant exchange rate). The growth in net sales was mainly driven by Estetrol's sales for Mithra, strong demand for Turku's products, a favorable EUR/USD exchange rate, and the impact of price increase initiatives launched in recent months to cope with the sharp rise in the cost of raw materials and energy.

It should be noted that, due to some overdue receivables observed since the summer 2022 and which have remained since then, PCAS decided to take appropriate legal action against its customer Mithra at the end of 2022 in order to collect these unpaid receivables. The total amount of receivables due by this customer amounted to €31.1 million at December 31, 2022 (including €13.6 million of overdue receivables).

Net sales of Fine Specialty Chemicals totaled €82.7 million, a 22.7% increase compared to 2021 (+18.6% at constant exchange rates). Business was very strong throughout the year with very strong demand for Electronics and Cosmetics, as well as a positive trend in Lubricants and Fine Chemicals. The increase in raw material and energy costs could be passed through to customers and thus contributed to the growth in net sales. The industrialization of new products also benefitted from a very good momentum.

EBITDA of the PCAS Group totaled 2.2 million euros in 2022 against -4.6 million euros in 2021.

Current operating income amounted to -€27.7 million in 2022, compared to -28.2 million euros in 2021.

These results continue to show substantial losses, still negatively affected by a level of activity which is still not sufficient to cover the fixed costs incurred at several Pharmaceutical Synthesis sites, and the inventory depreciations linked to non-compliant products.

Other operating income and expenses include an impairment of goodwill of €14.5 million, already recognized in the half-yearly financial statements at June 30, 2022.

The financial result showed a loss of €3.1 million in 2022, against -€2.9 million in 2021.

Note that in 2021 the tax expense included an expense of €6.3 million due to the cancellation of deferred tax assets on tax loss carryforwards, following a lower profit forecast for the years to come for the Group's French entities.

The PCAS Group's net income was a loss of €48.8 million in 2022, compared to a loss of €40.5 million in 2021.

The Group's net debt (including Seqens net current accounts) totaled €228.4 million vs. €172.7 million as of December 31, 2021, as a result of the additional financing from Seqens via the current accounts of the losses and investments of the year.

## Outlook

In the context of the current dispute with Mithra, PCAS has no option but to consider a temporary reduction of the activity in 2023 at the production site concerned, since some of its workshops are dedicated to the production of Estetrol. At this stage, it is not possible to accurately assess the consequences this dispute may have on future business forecasts and results.

Consequently, the return to positive results announced for 2023 is postponed.

PCAS Group continues to benefit from the support of its majority shareholder Seqens (76.66%) for the financing of its activities and its development.



**NEXT FINANCIAL DISCLOSURE:**  
*Q1 2023 Net Sales, April 24, 2023*

## ABOUT PCAS

PCAS specializes in the development and production of complex molecules for life sciences and innovative technologies. With about 11% of its net sales earmarked for R&D and a large international footprint, PCAS is the preferred industrial partner for market-leading major global groups. Boasting especially high standards, the company offers a growing range of proprietary products and solutions in leading-edge segments. PCAS generated net sales of €226.4 million in 2022 and employs nearly 1200 people in six countries.

To find out more about PCAS: [www.pcas.com](http://www.pcas.com)

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### PCAS

Jean-Louis Martin / Eric Moissenot



Tel.: +33 1 69 79 60 00  
[www.pcas.com](http://www.pcas.com)

### NewCap

Emmanuel Huynh / Louis-Victor Delouvrier  
NewCap

Financial communication and investor relation

Tel.: +33 1 44 71 98 53  
[pcas@newcap.eu](mailto:pcas@newcap.eu)

## APPENDIX

### ***Definition of EBITDA and reconciliation of EBITDA with Current Operating Income***

#### Definition of EBITDA

Defined as the current operating income plus amortization of tangible and intangible assets and net variations in provisions (including net allocations to provisions for inventories, excluding reversal of provisions on destroyed inventories recorded in consumed purchases and net provisions for employee benefits recorded in personal costs) and depreciation of goodwill.

EBITDA is not a measurement of performance defined by IFRS standards and should not be considered to be an alternative to operating profit from ordinary activities or net profits (as calculated in accordance with IFRS standards) to measure the operational performance of PCAS, to cash flow resulting from current operations, generated by investments or resulting from financial operations (as calculated in accordance with IFRS standards) to measure the capacity of PCAS to meet its cash flow requirements or to any other performance measurement defined by IFRS standards. PCAS considers that EBITDA is a measurement that is frequently indicated and widely used by investors and other interested parties as a measurement of the operational performance of PCAS and its debt service capacity insofar as it makes it possible to make a constant comparison of performance without taking into account amortization expenses, which may vary significantly depending on the accounting methods used (particularly in the event of acquisitions) or non-operational factors (such as historical cost). Consequently, this information is indicated in the present document to enable a more exhaustive and global analysis of operational performance in comparison with other companies and of PCAS' debt service capacity. Insofar as not all companies calculate the EBITDA in the same way, the presentation of EBITDA in the present document may not be comparable to the EBITDA communicated by other companies.

#### Reconciliation of EBITDA with Current Operating Income

<i>in millions of euros</i>	2021	2022
<b>Current Operating Income</b>	<b>-28.2</b>	<b>-27.7</b>
+ Amortization of tangible and intangible assets	19.2	21.2
+ Net allocations to provisions for inventories (recorded in consumed purchases)	4.7	8.8
+ Net provisions for employee benefits (recorded in personnel costs)	0.5	0.6
+/- Net variation in other provisions	-0.8	-0.7
<b>EBITDA</b>	<b>-4.6</b>	<b>2.2</b>