

PHARMANUTRA S.P.A.:

RESULTS OF THE FIRST SEMESTER CONFIRM GROWTH IN DOUBLE FIGURES

The financial performance of the Group have been consolidated thanks to the scientific achievements of the technology Sucrosomial®, the constant growth of the Cetilar® range and the progressive success of Apportal® and Ultramag®

€ 25.1 m revenue from sales (+14% compared to 30/06/2018)

€ 6.3 m EBITDA (+15% compared to 30/06/2018)

€ 4.0 m net income (+12% compared to 30/06/2018)

Positive net financial position of € 10.8 m

Pisa, 16th September 2019 – [PharmaNutra S.p.A.](#), a leading nutraceuticals company in the sector of nutritional iron supplements quoted on the market AIM Italia, hereby informs that the Board of Directors has examined and approved the consolidated interim report on 30th June 2019, drawn up in accordance with the Issuers' Regulations AIM Italia/Alternative Capital Market and in conformity with the international accounting principles IFRS.

The consolidated interim report of the Group PharmaNutra dated 30/06/2019 highlights the following figures:

€/1.000.000	30/06/19	%	30/06/18	%	CHANGE
ECONOMIC DATA					
REVENUES	25,1	100%	22,1	100%	14%
EBITDA	6,3	25%	5,5	25%	15%
EBIT	5,8	23%	5,2	23%	13%
NET INCOME	4,0	16%	3,6	16%	12%
BALANCE SHEET DATA					
NET INVEST CAPITAL	12,8		10,5		
NET FINANCIAL POSITION	(10,8)		(9,0)		
EQUITY	23,6		19,5		

In the first semester of 2019, the Group recorded a revenue of 25.1 million euro, showing an increase of double figures (approx. 14%) compared to the same period in the previous financial year. This result was achieved thanks to the positive contribution of the products branded Sideral®, leading to a turnover of 18.1 million euro compared to the 17.1 million euro (+ 6%) of 2018. The turnover related to products branded Cetilar® destined for the markets of topical treatments for osteoarticular complaints highlights a significant increase, from 2.1 million euro of the first half of 2018 to 2.7 million euro as of 30th June 2019 (+26%). The products launched in 2018 (Apportal® and Ultramag®) have made a contribution of 1.4 million euro to the turnover as of 30th June 2019.

This impressive increase in performance of the two main product lines is attributable to the ongoing research and development activities and clinical work on the products themselves, which strengthen awareness of their effectiveness among the medical professionals and increase quality perception by the consumers.

The PharmaNutra Group has strengthened its presence further on the international markets, with a growth in revenue from 5 million euro to 5.7 million euro, equal to approx. 23% of the total consolidated turnover.

The **EBITDA** of the PharmaNutra Group has reached around 6.3 million Euro (5.5 million Euro as of 30th June 2018), equal to a margin of 25% of total revenue, showing a growth of 15% compared to 30th June 2018. Excluding the effect of applying the new principle IFRS 16, the consolidated EBITDA would reach a total of approximately 6.2 million euro (+13% compared to the previous financial year).

The net profit of the period reached approx. 4.0 million euro, with an increase of 12% compared to the same period of the previous financial year. Application of the new principle IFRS 16 has no effect on the consolidated net profit.

The **Net Financial Position** as of 30th June 2019 is positive at 10.8 million euro compared to the 11.4 million euro as of 31st December 2018, further testimony to the strength of the Group. This variation is influenced by the effects of adopting the accounting principle IFRS 16 which led to the reckoning of 788 thousand euro of financial liabilities related to the rights of use. Excluding the effect of applying the IFRS 16, the Net Financial Position as of 30th June 2019 would be positive by 11.6 millions.

It is noted that over the first semester PharmaNutra S.p.A. paid dividends to the shareholders for a sum of 4.8 million euro (0.50 euro per share), given its structural financial capacity and consolidated company practice regarding the policy for the distribution of dividends.

Andrea Lacorte, President of PharmaNutra S.p.A, commented: *“Growth is a key word for us, and again this year we continue on this path that fills us with pride. The Italy turnover is growing, the International turnover is growing, patents and innovations are on the increase: all this confirms the place of PharmaNutra as a unique business in its reference market.”*

Roberto Lacorte, Vice President of PharmaNutra, confirmed that: *“We are extremely pleased with the results of this first half of the year, which confirm the growth trends in double figures of the PharmaNutra Group with profit margins and cash generation in line with previous years. These results, together with ongoing investments in the areas of sales, scientific research and human resources, further strengthen the prospects for the long-term strategic development of the Group.”*

KEY EVENTS IN THE FIRST SEMESTER OF 2019

January 2019: over the financial year of 2018, after exceeding the parameters as stated in art. 2-bis of the Consob Regulation no. 11971/1999 and subsequent amendments – the Company acquired, from 1st January 2019, the qualification as issuer of widely distributed financial instruments. As a consequence of this, PharmaNutra S.p.A. is qualified as an “issuer subject to intermediate regime” (ESRI) in accordance with Leg. Decree no. 39/2010 and is subject to the relative regulations.

March 2019: the subsidiary company Alesco amended the Collective Agreement applied to the contract of employment, changing from a trade contract to that of the pharmaceutical companies, already applied by the other Group companies.

April 2019: the Board of Directors approved the Model of Organisation, Management and Control and Code of Ethics of PharmaNutra S.p.A.

The same month saw operations to purchase, by Andrea Lacorte, Roberto Lacorte and Beda S.r.l. a share package of PharmaNutra, representing overall 4.54% of the relative share capital of the company, previously owned by Gianni Lazzarini. The shares subject to purchase remain subject to lock-up, in continuity with the commitments undertaken by the historical shareholders of PharmaNutra with IPO Challenger 1 S.p.A.

June 2019: the external sales network was presented with the new organisational strategy aimed at improving specialisation and scope in the variety of applications with the overall goal of further strengthening the performance of the Group on national territory.

KEY EVENTS AFTER CLOSURE OF THE FIRST SEMESTER OF 2019

July 2019: the go-ahead was given to continue the sponsorship agreement with the brand Cetilar© as main sponsor of Parma Calcio 1913 football club also for the sports season 2019-2020.

That the same month the purchase agreement was completed for a real estate property, located in Pisa, planned for the new Group headquarters, as well as the production facilities and Research and Development centre. The investment responds to the need arising from the increased Group structure, as well as allowing for stricter control of technologies used for the production of sucrosomial solutions, thereby also enabling a reduction in times for the research and development of new products.

The following Group accounting prospectus are attached to this document, drawn up in accordance with the International Accounting Principle IFRS

Appendix 1. - Consolidated Balance Sheet Prospectus

Appendix 2. - Consolidated Income Statement Prospectus

Appendix 3. - Changes in Consolidated Equity Prospectus

Appendix 4. - Consolidated Financial Statement Prospectus

The consolidated interim financial statement as of 30th June 2019 will be made available to the public according to the terms and methods envisaged by the Issuer Regulations AIM Italia, as well as on the internet site of PharmaNutra Spa www.pharmanutra.it in the section "Investor Relations".

PharmaNutra Group - Consolidated Balance Sheet

ASSETS €/1000	30/06/19	31/12/18
NON-CURRENT ASSETS	8.728	7.318
Tangible assets	2.042	966
Intangible assets	4.855	4.729
Investments	254	254
Non-current financial assets	214	208
Other non-current financial assets	1.053	671
Deferred tax assets	311	489
CURRENT ASSETS	32.962	34.156
Inventories	2.144	2.149
Cash and cash equivalents	10.249	14.968
Current financial assets	4.374	865
Trade receivables	13.478	12.977
Other current assets	2.444	1.671
Deferred tax assets	273	1.526
Assets held for sale	-	-
TOTAL ASSETS	41.690	41.474
LIABILITIES AND EQUITY	30/06/19	31/12/18
EQUITY:	23.569	24.442
Share capital	1.123	1.123
Legal reserve	225	225
Other reserves	18.353	14.637
Reserve IAS 19	(86)	(8)
Financial Instruments Reserve (FVOCI)	44	(23)
FTA reserve	(69)	(69)
Profit (loss) for the period	3.980	8.557
Capital and reserve attributable to non-controlling interests	-	-
Profit (loss) attributable to non-controlling interests	-	-
NON-CURRENT LIABILITIES	4.733	4.062
Non-current financial liabilities	2.061	1.831
Provisions	671	539
Post-employment benefits	2.001	1.693
CURRENT LIABILITIES	13.388	12.969
Current financial liabilities	3.016	3.511
Trade payables	6.669	6.666
Other current liabilities	1.109	1.787
Taxes payable	2.594	1.004
Liabilities held for sale	-	-
TOTAL LIABILITIES AND EQUITY	41.690	41.474

PharmaNutra Group - Consolidated Income Statement

INCOME STATEMENT €1000	30/06/19	30/06/18
A) REVENUES	25.116	22.050
Net revenues	24.998	22.008
Other revenues	118	42
B) OPERATING COSTS	18.796	16.560
Purchases of raw and ancillary materials and consumables	1.290	1.499
Changes in inventories	5	(182)
Service costs	15.492	13.587
Personnel expenses	1.624	1.404
Other operating costs	384	252
(A-B) EBITDA	6.320	5.490
C) Amortisation, depreciation and impairments	475	327
(A-B-C) EBIT	5.845	5.163
D) FINANCIAL INCOME (EXPENSE)	(5)	(28)
Financial income	28	2
Financial expense	(33)	(30)
PRE-TAX PROFIT (A-B-C+D)	5.840	5.135
Income tax	(1.860)	(1.570)
Profit/(loss) attributable to non-controlling interests	-	-
Profit/(loss) attributable to the parent company's shareholders	3.980	3.565

PharmaNutra Group - Overall Consolidated Income Statement

COMPREHENSIVE INCOME STATEMENT €1000	30/06/19	30/06/18
PROFIT (LOSS) FOR THE PERIOD	3.980	3.565
Other Comprehensive income (expense)	(13)	4
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	3.967	3.569

PharmaNutra Group - Changes in Equity Prospectus

€/1000	Share capital	Legal reserve	Other reserves	Actuarial reserve IAS 19	Financial Instruments Reserve (FVOCI)	FTA Reserve	Profit (loss) for the period	Balance
Group Equity as at 31/12/2017	1.123	40	11.983	(9)		(69)	6.030	19.098
Allocation of results		185	5.846				(6.030)	0
Dividend distribution			(3.195)					(3.195)
Other changes			3	1	(23)			(19)
Profit (loss) for the period							8.557	8.557
Group Equity as at 31/12/2018	1.123	225	14.637	(8)	(23)	(69)	8.557	24.442
Allocation of results			8.557				(8.557)	0
Dividend distribution			(4.840)					(4.840)
Other changes			(2)	(78)	67			(13)
Profit (loss) for the period							3.980	3.980
Group Equity as at 30/06/2019	1.123	225	18.352	(86)	44	(69)	3.980	23.569

PharmaNutra Group - Consolidated Financial Statement (indirect method)

€/1000	30/06/19	30/06/18	31/12/2018
Net profit including attributable to non-controlling interests	3.982	3.565	8.557
NON-MONETARY COSTS/REVENUE			
Amortisation, depreciation and impairments	475	327	662
Provisions to post-employment benefits	85	60	149
CHANGES IN OPERATING ASSETS AND LIABILITIES			
Changes in provisions	132	79	128
Changes in post-employment benefits	224	157	344
Changes in inventories	5	(182)	(271)
Changes in trade receivables	(500)	(1.691)	(2.893)
Changes in other current assets	(774)	(1.239)	(1.265)
Changes in deferred tax assets	1.306	(99)	(1.411)
Changes in other current liabilities	(678)	(280)	507
Changes in trade payables	4	1.362	1.806
Changes in taxes payable	1.536	1.449	124
CASH FLOWS FROM (FOR) OPERATING ACTIVITIES	5.797	3.508	6.436
Net investment in tangible and intangible assets	(891)	(476)	(799)
Net investments in non-current financial assets	0	0	0
(Increase)/decrease in other non-current assets	(203)	(276)	(479)
Increase/(decrease) in other non-current liabilities	0	0	0
(Increase)/decrease in current financial assets	(3.509)	0	(865)
(Increase)/decrease in non-current financial assets	(5)	0	104
CASH FLOWS FROM (FOR) INVESTING ACTIVITIES	(4.608)	(752)	(2.038)
Increase in share capital including share premium	0	0	0
Increase/(decrease) in equity	(13)	5	(19)
Dividend distribution	(4.840)	(3.195)	(3.195)
Increase/(decrease) in non-current financial liabilities	(299)	(565)	(1.157)
CASH FLOWS FROM (FOR) FINANCING ACTIVITIES	(5.152)	(3.754)	(4.370)
TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	(3.964)	(999)	27
Opening cash and cash equivalents less current financial liabilities	11.456	11.429	11.429
Closing cash and cash equivalents less current financial liabilities	7.493	10.431	11.457
Total cash and cash equivalents	10.249	12.860	14.968
Total current financial liabilities	2.756	2.429	3.511
Closing cash and cash equivalents less current financial liabilities	7.493	10.431	11.457

PharmaNutra S.p.A.

Founded and led by the President Andrea Lacorte and Vice President Roberto Lacorte, PharmaNutra was established in 2003. It develops unique nutritional supplements and innovative nutritional devices, handling the entire production process, from proprietary raw materials to finished product. The efficacy of the products has been demonstrated by numerous clinical studies, 91 of them published and with more than 6000 subjects treated with the supplements. The Group distributes and sells its products in Italy and abroad. In Italy, products are sold through a network of 140 Pharmaceutical Representatives serving doctors and also exclusively selling PharmaNutra products to pharmacies throughout Italy. Products are sold in over 50 countries abroad, through 34 partners selected from among the finest pharmaceutical companies. PharmaNutra leads the market in the production of iron-based nutritional supplements under the SiderAL® brand, where it boasts a number of important patents on Sucrosomial® technology. Over the years, the Group has developed a precise strategy for the management and production of intellectual property, founded on the integrated management of all the various elements: proprietary raw materials, patents, brands and clinical evidence.

<http://www.PharmaNutra.it>

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