

PHARMANUTRA S.P.A.:

THE RESULTS OF THE FIRST HALF CONFIRM A DOUBLE-DIGIT GROWTH

Impressive results from product sales in Italy and abroad. The scientific effectiveness of the Sucrosomiale® Technology is confirmed, also in magnesium, together with the continuous growth of the Cetilar® line in the osteo-articular field.

€ 22.1 m revenues from sales (+20% compared to 30/06/2017)

€ 5.5 m EBITDA (+20% compared to 30/06/2017)

€ 3.6 m net profit (+22% compared to 30/06/2017)

€ 9.0 m net financial position (unchanged compared to 31/12/2017)

Pisa, 26 September 2018 – [Pharmanutra S.p.A.](#), a leading nutraceutical company in the oral iron products sector, listed on AIM Italia, announces that the Board of Directors examined and approved the consolidated interim report as at 30 June 2018, prepared pursuant to AIM Italia/Mercato Alternativo del Capitale Issuers Regulation and in compliance with IFRS.

The consolidated interim report of the Pharmanutra Group as at 30/06/2018 highlights the following figures:

	30/06/2018	30/06/2017	% CHANGE
REVENUES	22.1	18.4	+19.8
EBITDA	5.5	4.6	+20
NET PROFIT	3.6	2.9	+22.2

	30/06/2018	31/12/2017	% CHANGE
TOTAL NFP	(9.0)	(9.1)	-0.1

In the first half of 2018, the Company recorded revenues of 22.1 million Euros, up by 19.8% on the same period last year. The increase is the result of the consolidation of operations on Italian and foreign markets. Specifically, the Group strengthened its international presence considerably, supporting the success in research and development activities. The Group performed excellently in the Italian market also thanks to the successful launch of the new UltraMag® product, accompanied by the growth in the network of sales representatives.

Specifically, the turnover of the Sideral® brand products rose from 13.7 million Euros to 17.1 million Euros (+25%). Furthermore, a considerable 28% growth in turnover was recorded for the products devoted to the market of medical devices for osteo-articular disorders under the Cetilar® brand, with revenues growing from 1.7 million Euros to 2.1 million Euros.

This significant performance increase, regarding the two main product lines, is attributable to the continuous research and development activity and to the clinical activities on the products themselves, which generate a stronger awareness about the products' effectiveness with the

medical profession and a growing quality perception by consumers. The Pharmanutra Group further intensified its presence in the international markets with revenues growing from 3.4 million Euros to 5 million Euros, up 44.3% and accounting for 22.5% of the total consolidated turnover.

The EBITDA of the Pharmanutra Group stands at approximately 5.5 million Euros, equal to a 25% margin on the turnover, and with a 20% growth compared to 30 June 2017.

The Net Profit is equal to 2.9 million Euros, up 22% compared to 30 June 2017.

The Net Financial Position as at 30 June 2018 remains in line with the figure as at 31 December 2017, with net funds available decreasing from 9.1 million Euros to 9 million Euros.

During the first half of 2018, Pharmanutra S.p.A. paid dividends to shareholders for 3.2 million Euros, equal to about 53% of the net profit obtained in the previous year, owing to its structural financial capacity and the consolidated corporate practice for the dividend policy.

Andrea Lacorte, Chairman of Pharmanutra Spa, commented: *“The result of the first half of 2018 confirms the company's expectations in terms of growth and strengthening. All of our product lines performed very well, achieving remarkable results and gaining appreciation from the market. This confirms the effectiveness of the PharmaNutra Group's scientific research, which proves to be valuable not only in the treatment of iron deficiency and the osteo-articular system, but also in magnesium supplements. Technological innovation applied to the product is the lever that allows us to make a difference and we will continue to work in this direction for the development of new solutions”.*

Roberto Lacorte, Vice Chairman of Pharmanutra Spa, confirms: *“We can only be proud of the results obtained, which enable us to project ourselves towards the second part of the year with great confidence. The strong double-digit growth trend is continuing for the company also this year, with great prospects of further positioning abroad to increase its presence and expand in new and important market segments with new proprietary products and formulas of high and proven effectiveness. Our business boasts broad potentials and we realise that our products have an immediate impact on the markets”.*

Highlights of the first half of 2018

February – Pharmanutra launched 4 new products on the market. Two of these, Sideral Folico® 30 - a solution based on sucrosomial iron, folic acid and vitamins C, B12, B6 and D3 - and Ultramag Idro® - a food supplement based on sucrosomial magnesium, are new formulas with proprietary raw material, developed entirely in the R&D department, that widen the range of sucrosomial minerals and propose new solutions for nutritional complements. There are two more products to add to these: Capricare (nutritionally complete formula obtained from whole goat's milk) and NeoD3 Forte (Vitamin D3 nutritional complement).

April – Pharmanutra was granted the patent for CETILAR® RM, which will expire in 2035,

confirming the innovation and unique features of CETILAR®. This patent is the culmination of years of studies and scientific research run by the Group, reaching an excellent level in the sector of osteo-articular topical products, posing an additional opportunity for distribution in foreign markets.

May – Pharmanutra signed new trade agreements for the distribution of Ferro Sucrosomiale® in new foreign markets. Two important collaborations were started in particular for the distribution of the products based on Ferro Sucrosomiale®, in Egypt with Al-Esraa Pharmaceutical Optima, and in Poland with Pharmapoint SA.

The turnover of the first half was very positive, so much so that in May the Group set a new record compared to the same month of 2017, with a double-digit growth with regard to both the Italian market (+20%) and the international one (+48%). In particular, UltraMag® was the best product launch in the history of the PharmaNutra Group, with 10,000 parts sold in the first month only.

The following accounting statements of the Group are attached to this press release, prepared in accordance with IFRS:

Attachment 1. - Consolidated Balance Sheet

Attachment 2. - Consolidated Income Statement

Attachment 3. - Statement of Changes in Consolidated Equity

Attachment 4. - Consolidated Cash Flow Statement

The consolidated interim financial report as at 30 June 2018 will be made available to the public according to the terms and methods set forth in the AIM Italia Issuers' Regulation and on Pharmanutra SpA website www.pharmanutra.it in the "Investor Relations" section.

Attachment 1

Pharmanutra Group - Consolidated Balance Sheet

ASSETS	30/06/2018	31/12/2017
NON-CURRENT ASSETS	7,230,167	6,805,366
Tangible assets	1,093,171	1,132,712
Intangible assets	4,612,935	4,424,970
Investments	-	-
Non-current financial assets (securities)	250,000	250,000
Non-current financial assets	316,470	316,470
Other non-current financial assets	671,213	337,973
Deferred tax assets	286,378	343,241
CURRENT ASSETS	28,616,692	26,601,941
Inventories	2,060,177	1,878,498
Cash and cash equivalents	12,859,888	14,056,376
Current financial assets	-	-
Trade receivables	11,775,391	10,084,201
Other current assets	1,645,398	406,065
Deferred tax assets	275,838	176,801
Assets held for sale	-	-
TOTAL ASSETS	35,846,859	33,407,307
LIABILITIES AND EQUITY	30/06/2018	31/12/2017
EQUITY:	19,473,322	19,098,331
Share capital	1,123,098	1,123,098
Legal reserve	224,620	40,000
Other reserves	14,634,756	11,982,824
Reserve IAS 19	(4,875)	(9,006)
FTA reserve	(69,073)	(69,073)
Profit (loss) for the period	3,564,796	6,030,489
Capital and reserve attributable to non-controlling interests	-	-
Profit (loss) attributable to non-controlling interests	-	-
NON-CURRENT LIABILITIES	4,343,608	4,612,328
Non-current financial liabilities	2,422,831	2,987,479
Provisions	490,234	410,951
Post-employment benefits	1,430,542	1,213,898
Other non-current liabilities	-	-
Deferred tax liabilities	-	-
CURRENT LIABILITIES	12,029,929	9,696,648
Current financial liabilities	2,429,251	2,627,092
Trade payables	6,221,863	4,860,073
Other current liabilities	987,139	1,266,880
Taxes payable	2,391,676	942,603
Liabilities held for sale	-	-
TOTAL LIABILITIES AND EQUITY	35,846,859	33,407,307

Pharmanutra Group - Income Statement

INCOME STATEMENT	30/06/2018	30/06/2017	VARIATION	
<u>A) REVENUE</u>	22,050,458	18,403,923	+	20%
Net revenue	22,008,034	18,359,406	+	20%
Other revenue	42,423	44,517	-	-5%
<u>B) OPERATING COSTS</u>	16,559,986	13,828,534	+	20%
Purchases of raw and ancillary materials and consumables	1,499,195	1,493,922	+	0%
Changes in inventories	(181,679)	(454,479)	-	-60%
Service costs	13,586,760	11,329,950	+	20%
Personnel expenses	1,403,707	1,250,718	+	12%
Other operating costs	252,003	208,422	+	21%
<u>(A-B) EBITDA</u>	5,490,472	4,575,390	+	20%
C) Amortisation, depreciation and impairments	327,446	282,122	+	16%
<u>(A-B-C) EBIT</u>	5,163,026	4,293,268	+	20%
<u>D) FINANCIAL INCOME (EXPENSE)</u>	(28,302)	(39,280)	-	-28%
Financial income	1,935	3,988	-	-51%
Financial expense	(30,237)	(43,268)	-	-30%
<u>PRE-TAX PROFIT (A-B-C+D)</u>	5,134,723	4,253,988	+	21%
Income tax	(1,569,927)	(1,337,427)	+	17%
Profit/(loss) attributable to non-controlling interests	-	-		
Profit/(loss) attributable to the parent company's shareholders	3,564,796	2,916,560	+	22%

Pharmanutra Group - Changes in consolidated Equity

	Share capital	Legal reserve	Other reserves	Actuarial reserve IAS 19	FTA Reserve	Profit (loss) for the period	Balance
Group Equity as at 31/12/2017	1,123,098	40,000	11,982,824	(9,006)	(69,073)	6,030,489	19,098,331
Allocation of results		184,620	5,845,869			(6,030,489)	0
Dividend distribution			(3,194,722)				(3,194,722)
Other changes			785	4,131			4,917
Profit (loss) for the period						3,564,796	3,564,796
Group Equity as at 30/06/2018	1,123,098	#####	14,634,756	(4,875)	(69,073)	3,564,796	19,473,322

Pharmanutra Group - CONSOLIDATED CASH FLOW STATEMENT

	30/06/2018	30/06/2017
Net profit including attributable to non-controlling interests	3,564,796	2,916,560
NON-MONETARY COSTS/REVENUE		
Amortisation, depreciation and impairments	327,446	282,122
Provisions to post-employment benefits	59,603	52,776
CHANGES IN OPERATING ASSETS AND LIABILITIES		
Changes in provisions	79,283	73,593
Changes in post-employment benefits	157,040	144,550
Changes in inventories	(181,679)	(456,902)
Changes in current financial assets	0	0
Changes in trade receivables	(1,691,190)	(396,512)
Changes in other current assets	(1,239,333)	(427,406)
Changes in deferred tax assets	(99,037)	44,536
Changes in other current liabilities	(279,742)	111,606
Changes in trade payables	1,361,790	255,185
Changes in taxes payable	1,449,074	623,598
CASH FLOWS FROM (FOR) OPERATING ACTIVITIES	3,508,052	3,223,706
Net investment in tangible and intangible assets	(475,869)	(595,130)
Net investments in non-current financial assets	0	0
(Increase)/decrease in financial assets - securities	0	0
(Increase)/decrease in other non-current assets	(276,377)	(380,375)
(Increase)/decrease in other non-current liabilities	0	0
CASH FLOWS FROM (FOR) INVESTING ACTIVITIES	(752,246)	(975,505)
Increase in share capital including share premium	0	0
Increase/(decrease) in equity	4,917	(9,042)
Dividend distribution	(3,194,722)	(1,686,400)
Increase/(decrease) in non-current financial liabilities	(564,648)	1,890,999
Increase/(decrease) in non-current financial assets	0	0
CASH FLOWS FROM (FOR) FINANCING ACTIVITIES	(3,754,453)	195,557
TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	(998,647)	2,443,758
Opening cash and cash equivalents less current financial liabilities	11,429,283	(576,230)
Closing cash and cash equivalents less current financial liabilities	10,430,637	1,867,528
Total cash and cash equivalents	12,859,888	4,287,225
Total current financial liabilities	2,429,251	2,419,697
Closing cash and cash equivalents less current financial liabilities	10,430,636	1,867,528

PharmaNutra S.p.A.

Founded and headed by the Chairman Andrea Lacorte and Vice Chairman Roberto Lacorte, PharmaNutra was established in 2003 to develop unique nutritional supplements and innovative nutritional devices, taking care of the entire production process, from the proprietary raw materials to the finished product. The effectiveness of its products has been demonstrated by numerous clinical studies, 79 of which published, with more than 5,000 patients treated. The Group distributes and sells its products in Italy and abroad. In Italy, products are sold through a network of 180 Medical Sales Representatives serving the medical profession, also devoted to exclusively marketing Pharmanutra products to pharmacies throughout Italy. Products are sold in over 70 countries abroad, through 35 partners selected from among the finest pharmaceutical companies. PharmaNutra leads in the production of iron-based nutritional supplements under the SiderAL® brand, boasting 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>

For information:

PharmaNutra S.p.A.

Via Delle Lenze, 216/b
56122 Pisa
Tel. +39 050 7846500
Fax +39 050 7846524

investorrelation@PharmaNutra.it

Nomad & Specialist

CFO SIM S.p.A.

Via dell'Annunciata
23/4
20121 Milano
Tel. +39 02 303431

ecm@cfosim.com

Ufficio Stampa

Spriano Communication&Partners

Tel. +39 02 83635708

Matteo Russo - Cristina Tronconi

Mob. +39 347 9834881 +39 346
0477901

mrusso@sprianocommunication.com

ctronconi@sprianocommunication.com