

H1_2022 FINANCIAL RESULTS

September 5th, 2022

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GROUP PRESENTATION & HIGHLIGHTS 2022

PHARMANUTRA GROUP

PharmaNutra holds 100% of Junia Pharma and Alesco and since end of July 2022 86,48% of Akern's share capital.

Only three years after the listing on the AIM market of the Italian Stock Exchange, **in December 2020 the Group switched to trading in the EURONEXT STAR MILAN.**



2022



AKERN

Science in body composition

Research and development of bioimpedance medical devices and software for body composition analysis

2010



JUNIA PHARMA

Medical products and devices, OTC and dietary supplements for children

2003



PHARMANUTRA

Medical devices and dietary supplements for adults

2000



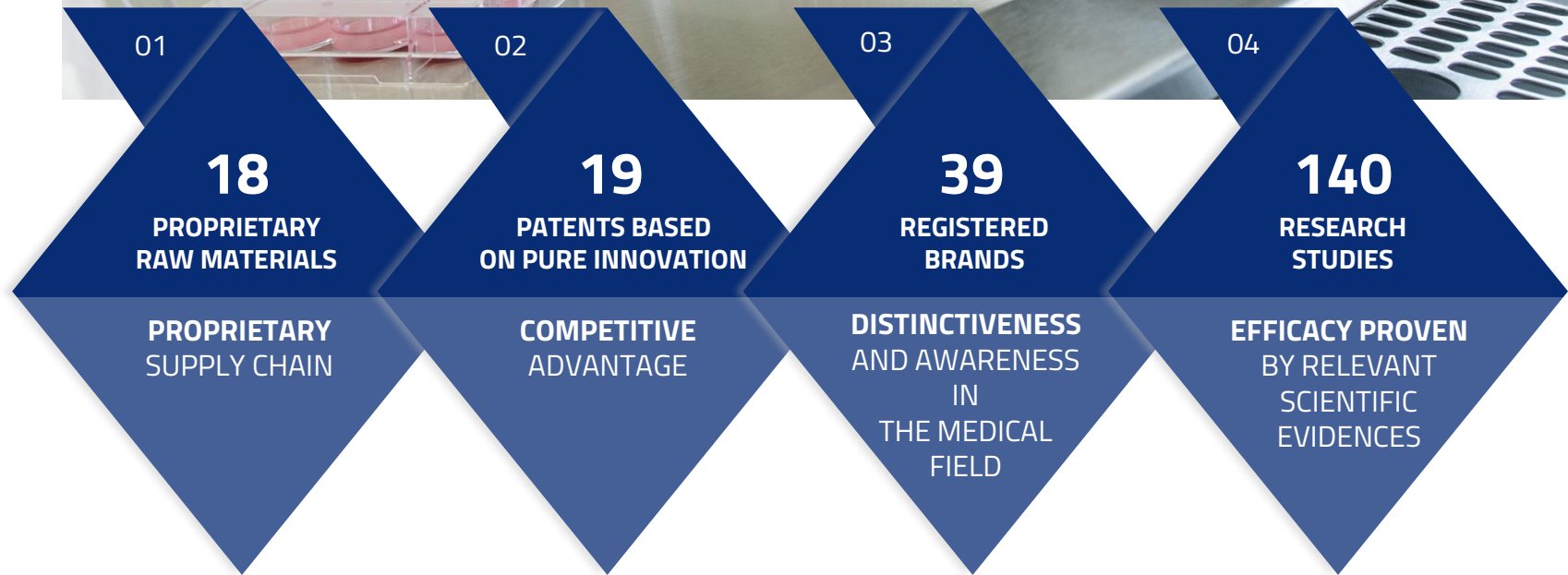
ALESCO

Development and manufacturing of unique and innovative proprietary bioactive ingredients

PHARMANUTRA'S UNIQUENESS

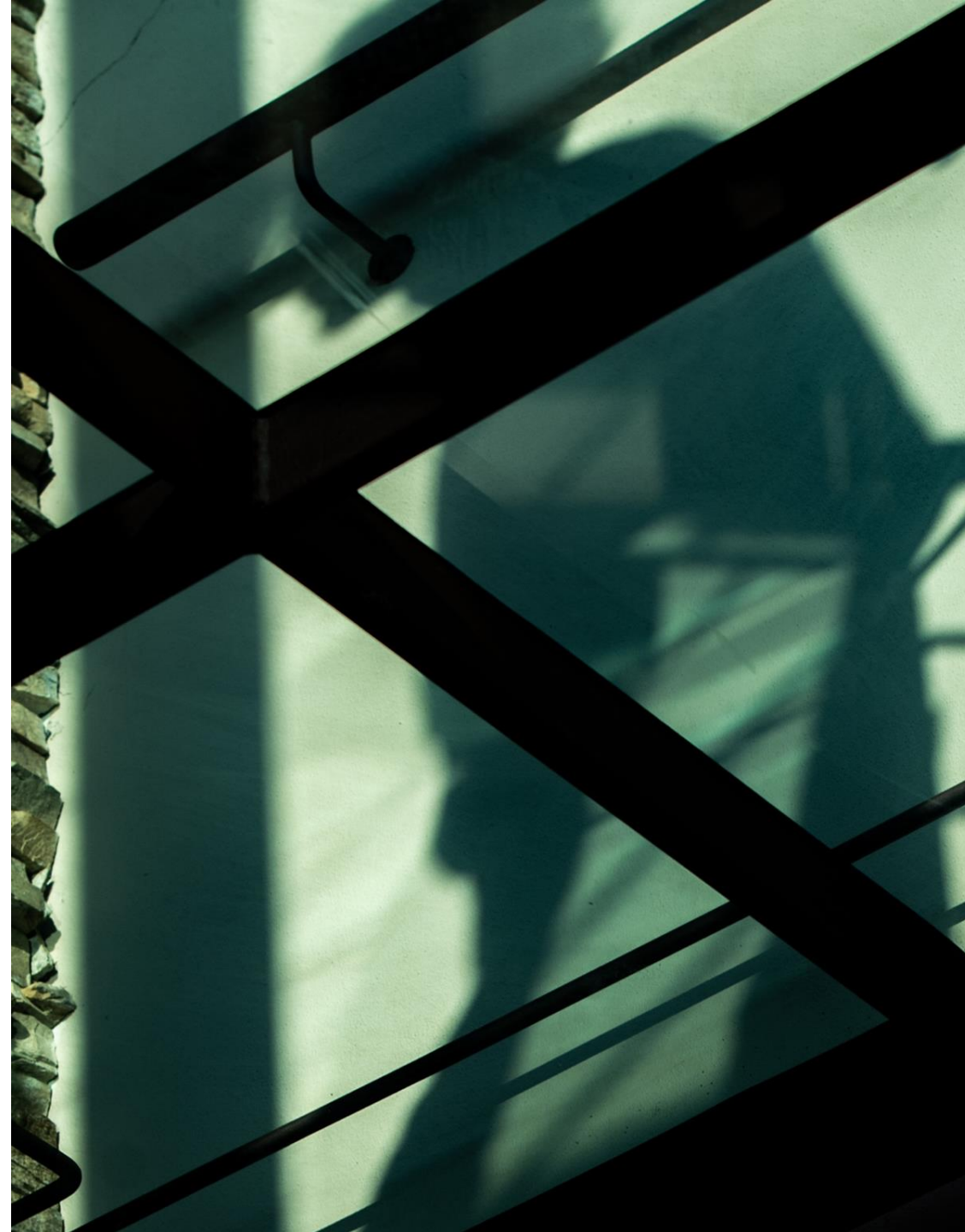
Intellectual property protection

No player in the dietary
supplements and medical
devices industry has these
**4 STRONG PILLARS IN
ONE SINGLE COMPANY**



HIGHLIGHTS H1 2022

- Authorization by the European Union for the placing on the market of **Lipocet®** as Novel Food
- The patent on the use of **Cetylated Fatty Acids (CFAs)** has been granted in the United States
- Launch of the **buy-back program** in order to seize investment opportunities (34.719 own shares purchased in the period for an amount of Euro 2,1 million)
- Signing of the agreement for the **acquisition of 100% of Akern S.r.l.**
- Drafting of the first **Sustainability Report**



SUSTAINABILITY REPORT 2021

- First step for the disclosure of non financial information on a yearly basis ;
- The Report focuses on the relevant aspects of the Group's activities in terms of:
 - Governance
 - People
 - Innovation and products quality
 - Local communities
 - Suppliers
 - Environment
- The Report has been drafted on a voluntary basis and it confirms the Group's commitment to contribute to the realization of the UN 2030 agenda targets for a sustainable development

ECONOMIC AND FINANCIAL DATA

HIGHLIGHTS H1 - 2022

- 23% Increase in Net Sales Revenues
- 19.2% Domestic Sales increase
- 34.8% Foreign Sales increase
- 21% EBITDA Growth
- 25%* Net Result increase
- Earning per Share H1-22 of € 0,85 (€ 0,73 at H1-21)
- Positive Net Financial Position of 19,6 million Euro

+ 23%

NET REVENUES € 39,7 M
(+23% COMPARE TO H1 2021)

+ 21%

EBITDA € 12,4 M
(31,1% MARGIN ON REVENUES)

+ 25%*

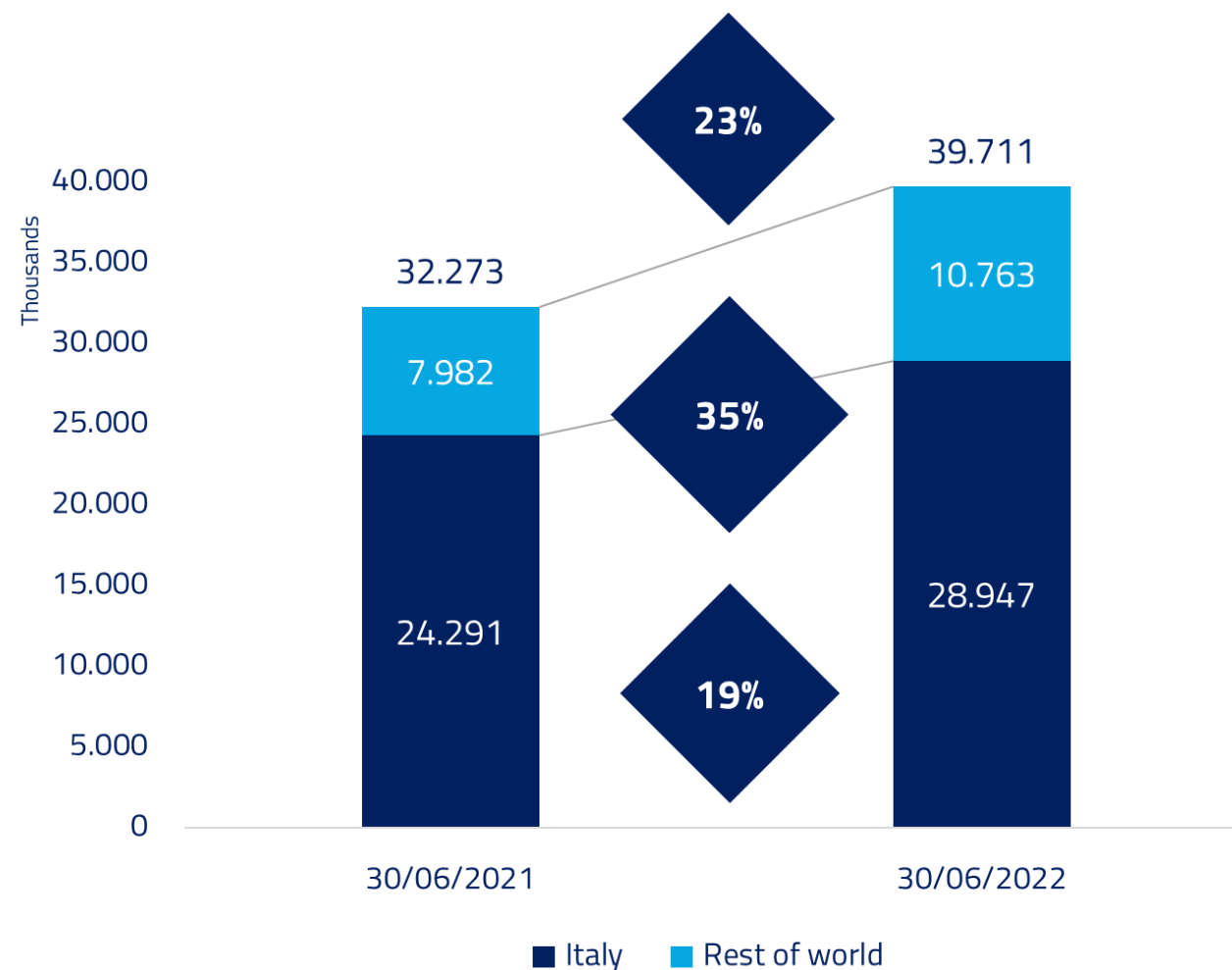
NET RESULT € 8,2 M
(20,6% MARGIN ON REVENUES)
* excl. 2021 non recurring items

€19,6
Mio

POSITIVE NET FINANCIAL POSITION

NET REVENUES

Revenues in the first half of 2022 accounted for € 39.7 million, recording a **growth of 23%** compared to the previous year. The increase was around 19% on the domestic market and around 35% on the foreign markets due to the concentration of orders in the first half of 2022.



PROFIT AND LOSS

PROFIT AND LOSS (€/000)	30/06/2022	30/06/2021
A) REVENUES	39.930	32.417
Net Revenues	39.711	32.273
Other revenues	219	144
B) OPERATING EXPENSES	27.515	22.137
Cost of goods sold and logistics	7.033	5.999
SG&A expenses	17.904	13.680
Personnel expenses	2.309	2.142
Other operating expenses	269	316
(A-B) EBITDA	12.415	10.280
<i>EBITDA Margin on Net Revenues</i>	31,3%	31,9%
C) Amort., depr. and write offs	594	560
(A-B-C) EBIT	11.821	9.720
D) NET FINANCIAL INCOME/(EXPENSES)	-	66
Financial income	49	79
Financial expenses	(49)	(13)
(A-B-C+D) EBT	11.821	9.786
Current taxes	(3.589)	(2.746)
NET RESULT	8.232	7.040

REVENUES

Consolidated revenues accounted for € 39,3 million with an increase of 23% compared to the same period of the previous year. The increase is due to the growth in sales volume and sale prices.

OPERATING EXPENSES

Increase in Revenues has been accompanied by a physiological increase in operating expenses such as productions cost, commercial expenses, due to higher commissions on sales as a result of the increase in sales volumes, and marketing expenses, bearing in mind that 2021 marketing activities have been affected from the restrictions imposed by the Covid-19 pandemic.

TAXES

Current taxes

2021 Current taxes are net of € 457k for the tax benefit obtained on the costs incurred for translisting to the MTA market.

RECLASSIFIED CONSOLIDATED BALANCE SHEET

Amounts in €/000	30/06/2022	31/12/2021	Δ 2022 vs 2021
Trade receivables	20.994	16.673	4.321
Inventories	3.234	2.865	369
Trade Payables	(10.419)	(9.751)	(668)
Operating Working Capital	13.809	9.787	4.022
Other receivables	4.159	2.042	2.117
Other Payables	(9.285)	(6.177)	(3.108)
Net Working Capital	8.683	5.652	3.031
Intangible assets	5.790	5.500	290
Tangible assets	12.920	8.372	4.548
Financial assets	1.345	1.490	(145)
Total Fixed Assets	20.055	15.362	4.693
Provisions and other L/T liabilities	(4.039)	(3.996)	(43)
NET INVESTED CAPITAL	24.699	17.018	7.681
Net Equity	44.301	45.082	(781)
Non current financial liabilities	9.980	5.530	4.450
Current financial liabilities	1.783	820	963
Non current financial assets	(972)	(475)	(497)
Current financial assets	(4.776)	(4.530)	(246)
Cash and cash equivalents	(25.617)	(29.409)	3.792
Net Financial Position	(19.602)	(28.064)	8.462
TOTAL SOURCES	24.699	17.018	7.681

Trade Receivables

The increase in trade receivables is due to higher revenues and sales volumes.

Other Receivables/Other Payables

The Increase in other receivables is due to the accounting of deferred costs related to marketing activities whose competence extends beyond 30 June 2022. The increase in other payables refers to the accounting of the current taxes related to the period.

Tangible Assets

The increase in Tangible assets is due to the progress of construction works for the new headquarter.

Non current Financial Liabilities

M/L-term loan of € 6 million was granted to partially cover the costs of the acquisition of Akern S.r.l.

CONSOLIDATED CASH FLOW

CASH FROM OPERATING ACTIVITIES

Change in operating working capital

Increase in trade receivables due to higher revenues and sales volumes.
Increase in account payables due to the greater production needs driven by the increase in sales.

Change in other assets/liabilities

Increase in other receivables due to the accounting of deferred costs.
Increase in other payables due to the the accounting of the current taxes related to the period.

CASH FROM INVESTING ACTIVITIES

Capex

The increase refers to the progress of construction works for the new headquarter and to the accounting of patents granted during the period.

CASH FROM FINANCING ACTIVITIES

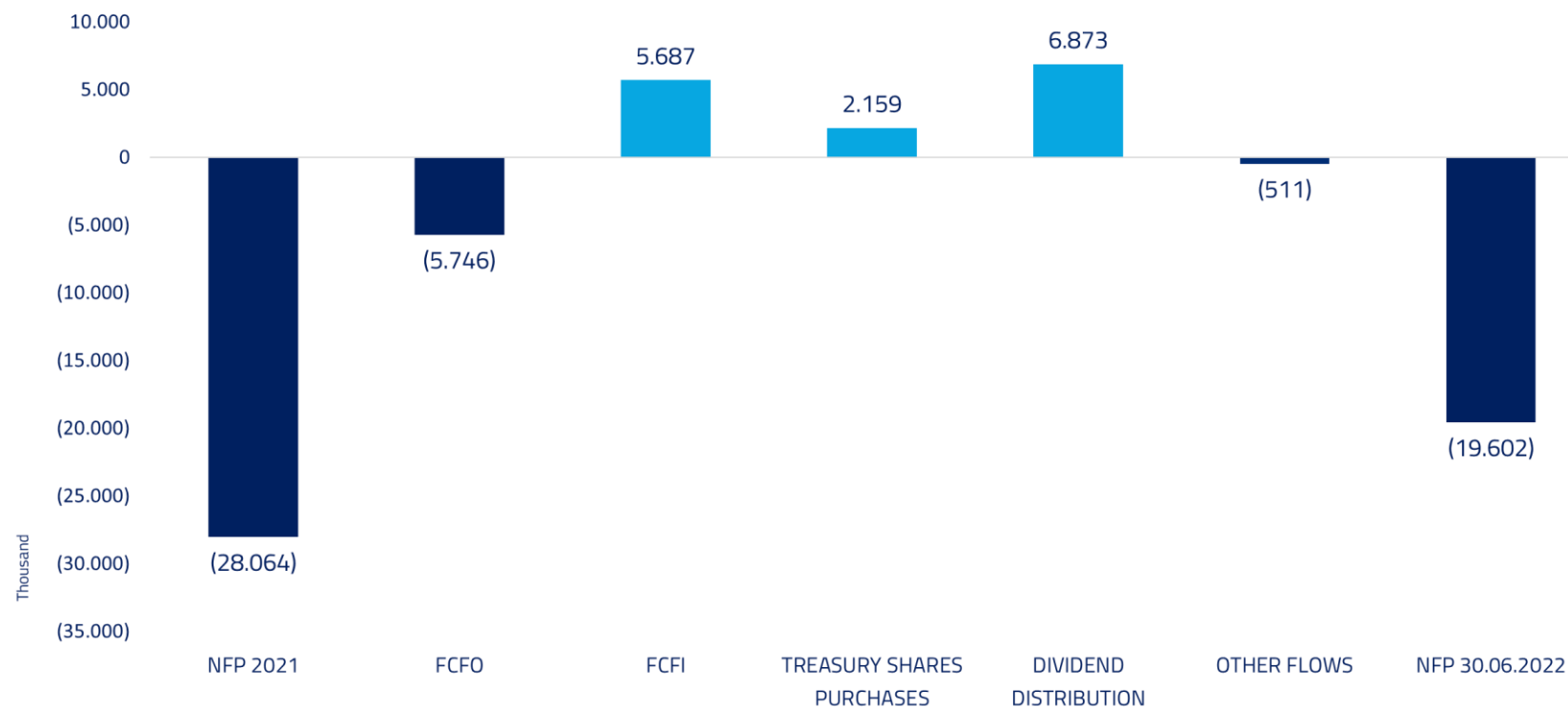
The decreases are due to the purchases of treasury shares and to the dividend distribution.
The increase in financial liabilities is due to a M/L-term loan of € 6 million granted to partially cover the acquisition of Akern S.r.l.

Cash Flow (€/000)	30/06/2022	30/06/2021
Net Result	8.232	7.040
NON MONETARY EXPENSES		
Amortization, depreciation and w.o.	594	560
Accrual for employees benefits	384	104
CHANGES IN OPERATING ASSETS AND LIABILITIES		
Changes in operating working capital	(4.113)	(1.659)
Changes in other assets/liabilities	649	1.572
CASH FROM OPERATING ACTIVITIES	5.746	7.617
Capex	(5.339)	(1.490)
Changes in other non current assets	(348)	71
CASH FROM INVESTING ACTIVITIES	(5.687)	(1.419)
Dividend paid	(6.873)	(6.486)
Treasury shares purchases	(2.159)	0
Changes in financial liabilities	5.413	32
Changes in financial assets	(250)	(39)
Other changes	18	76
CASH FROM FINANCING ACTIVITIES	(3.851)	(6.417)
CHANGES IN LIQUIDITY	(3.792)	(219)
Cash and cash equivalents at the beginning of the period	29.409	16.455
Cash and cash equivalents at the end of the period	25.617	16.236

NET FINANCIAL POSITION

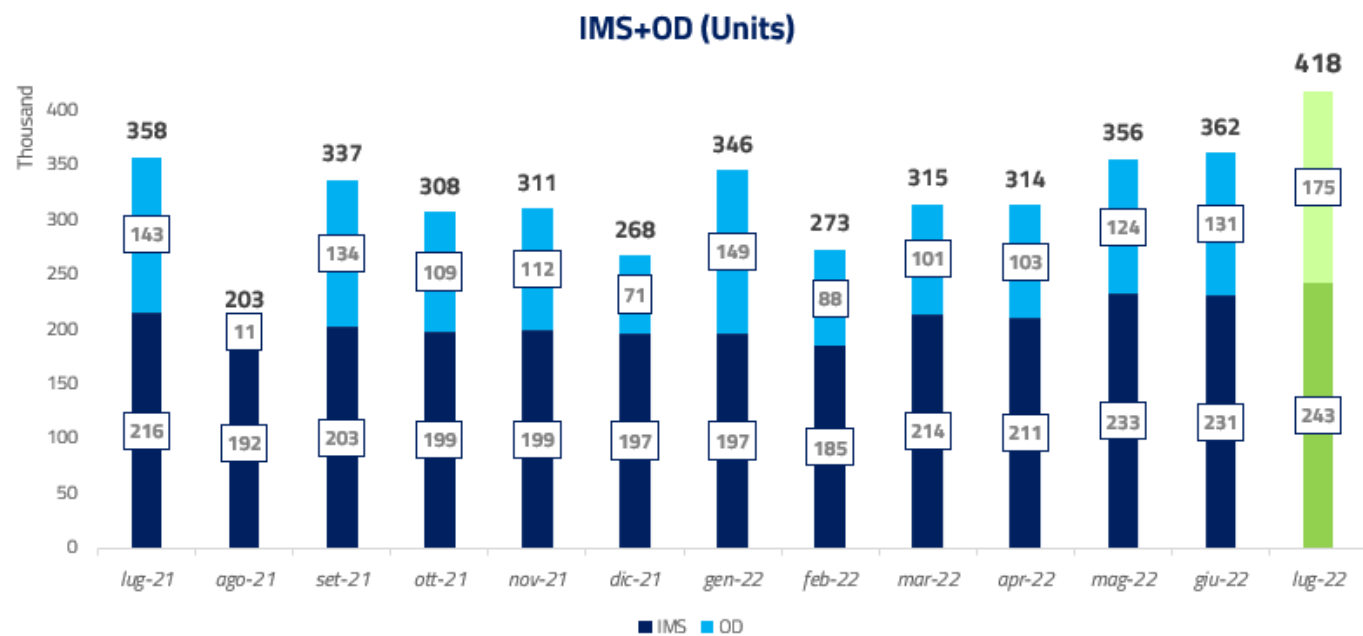
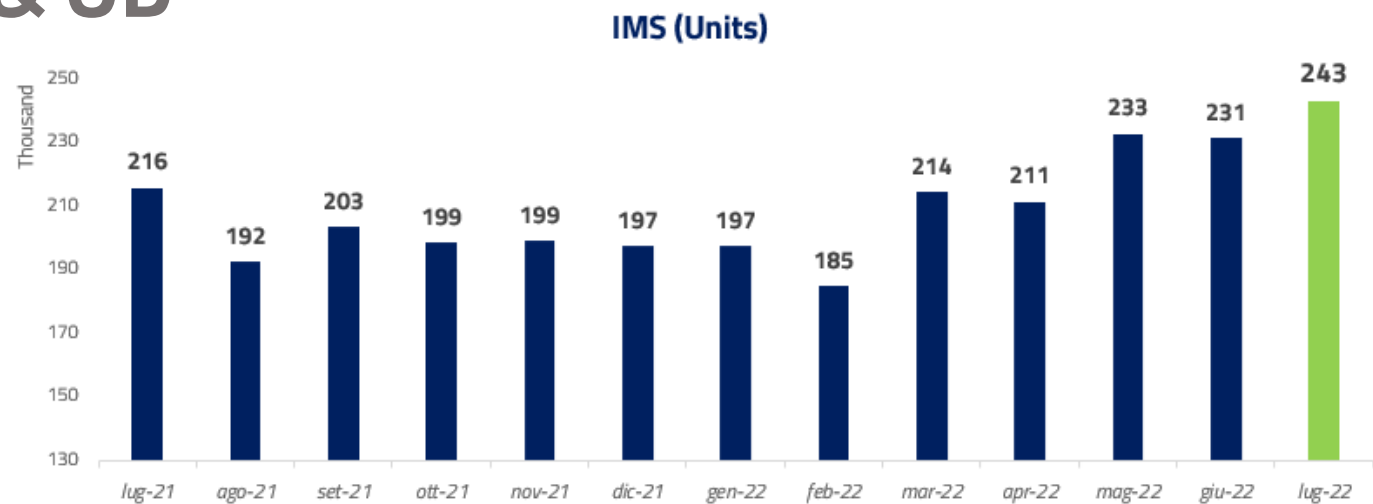
NFP

The Net Financial Position at 30.06.2022 accounted for € 19,6 million. The decrease compared to 31.12.2021 is mainly due to the capital expenditures related to the construction of the new Headquarters (€ 5,5 million), to the purchases of treasury shares (€ 2,2 million) and to the dividend distribution (€ 6,9 million).



MARKET

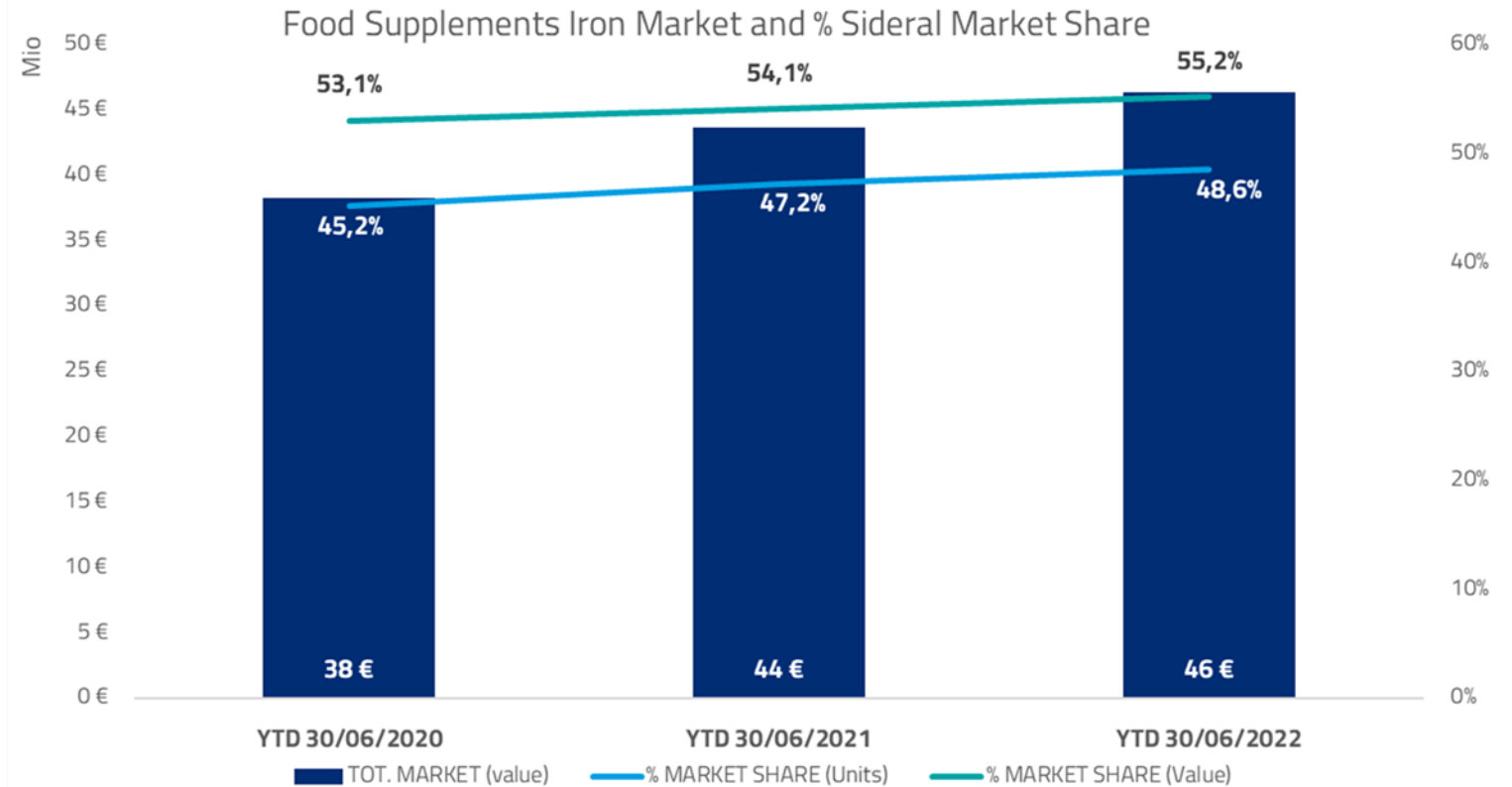
Trend IMS & OD



IRON SUPPLEMENTS SIDERAL® MARKET SHARE IN ITALY

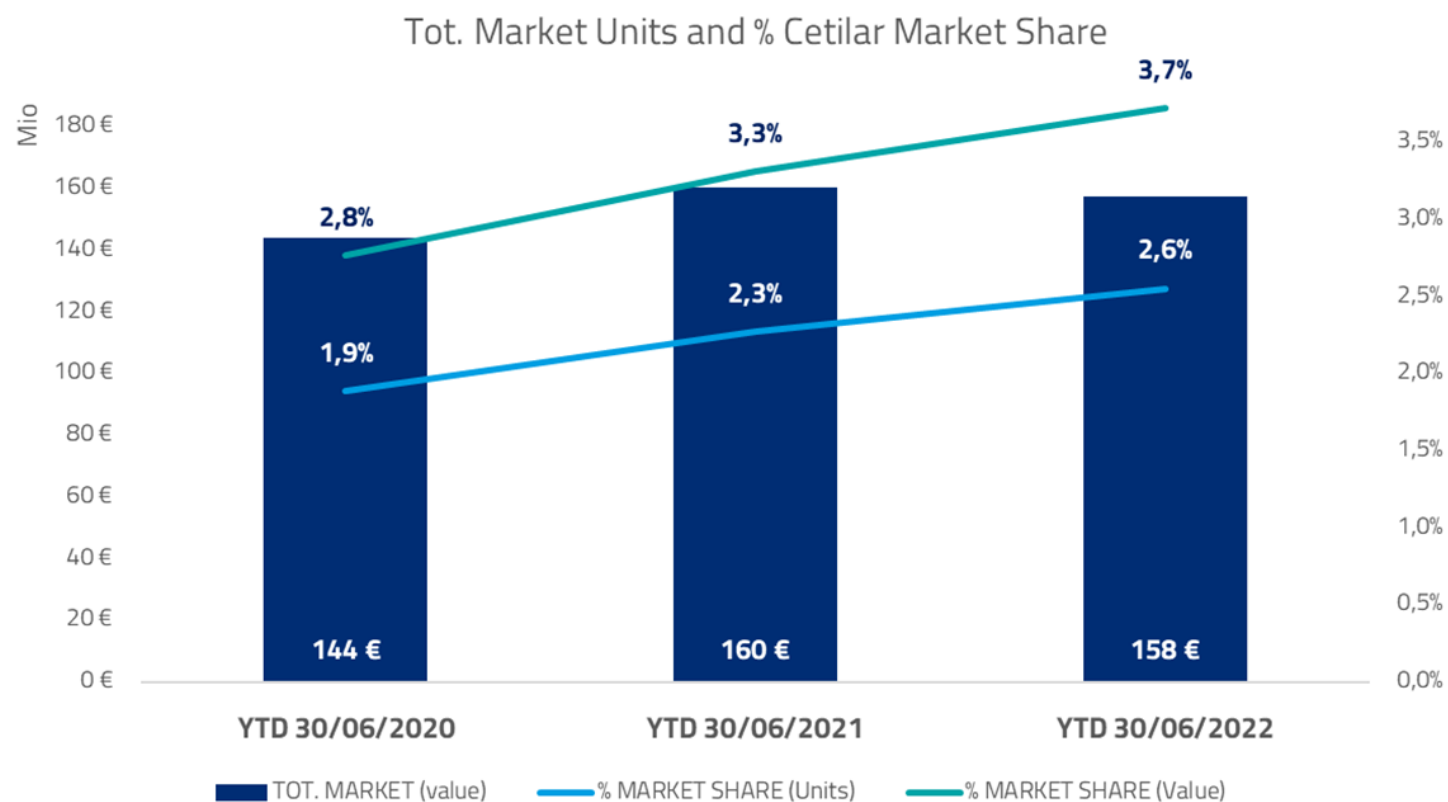
Excluding products that contain only lactoferrin

Source IQVIA

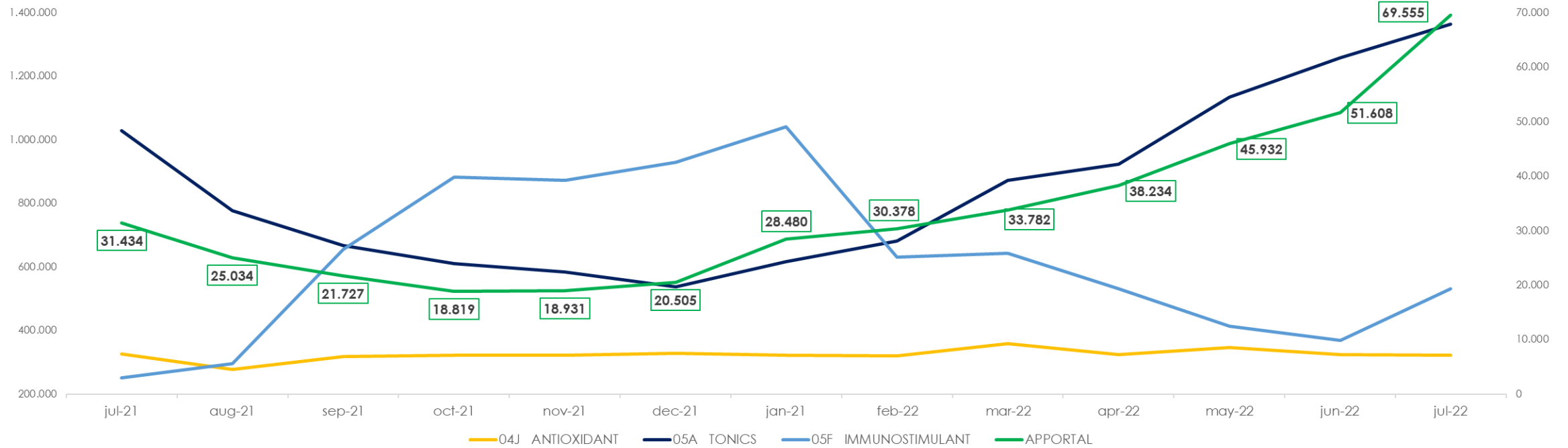


ANTI-INFLAMMATORY TOPICAL CREAM CETILAR® MARKET SHARE IN ITALY

Source IQVIA



APPORTAL® COMPARED TO THE REFERENCE MARKETS



INTERNATIONAL DEVELOPMENT

5 new distribution contracts signed for Sideral® (**Albania, Saudi Arabia, Denmark, Malta and Nigeria**) and 1 new contract for Cetilar (**Taiwan**).



COUNTRIES



PARTNERS

	COUNTRIES	PARTNERS
Contracts	68	45
Active Sales	59	38
On-going Registration	9	7
On-going Negotiation	7	7

CROSS BORDER ECOMMERCE CHINA

- Cross Border e-commerce is an increasingly significant component of China's economy and its growing share of foreign trade; in 2021 the import-export market is worth 1.92 trillion yuan (about \$284.5 billion);
- New store with the range of SiderAL® brand products inside **TMG store**, the largest and oldest cross border eCommerce platform in China (18,5% market share);
- **SiderAL Forte, Folico and SiderAL Gocce Forte** as 3 'hero' Products;
- Three keyways of communication and marketing activities:
 - instore marketing promotion + 24h live customer service
 - articles, blogs by KOL and KOC (influencers) on selected Chinese Social Media;
 - articles, photos and information on Little Red Book social media via SiderAL owned account;



THE ACQUISITION OF AKERN® S.R.L

AKERN® S.R.L.



- AKERN® is an Italian company founded in 1980, market leader in R&D of bioimpedance medical devices and software for body composition analysis;
- AKERN® technology delivers clinically significant results to support physicians and researchers in the assessment and treatment of acute and chronic diseases related to body composition alterations;
- AKERN® provides technology and know-how to put in practice the science of health and wellbeing through the most accurate, portable and reliable medical degree analyzers.

Over

2.800

peer review publications
citing Akern®
technology

Over

20k

AKERN® sensors all over
the world

Over

18k

Trained professionals

40 years

of expertise in
bioimpedance

Over

20

Clinical Trials and
research projects
ongoing

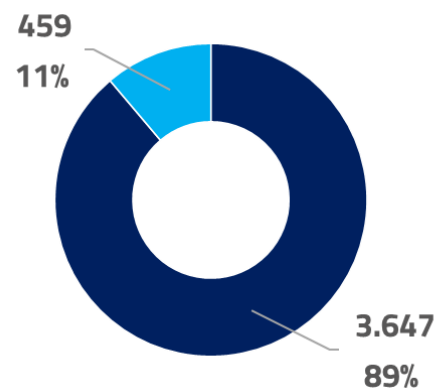


REVENUES

4.106k €

■ Domestic sales (k€)

■ International sales (k€)



EBITDA

Ebitda margin on revenues

1.160k €

28,3%



NET FINANCIAL POSITION

NFP at 31/12/2021

847k €



THE STRATEGIC SYNERGIES

- Consolidation of Akern® presence on the Italian and International markets through the capillary network of PharmaNutra distributors;
- Development of domestic and international sales;
- Creation of synergies to boost sales of PharmaNutra;
- Making a strategic contribution to the sales of the new PharmaNutra Sport Nutrition Division.



OUTLOOK 2022

OUTLOOK 2022

- **Product Marketing Strategy:** strengthen SiderAL® leadership position in the oral iron market, increase Cetilar® market share and further develop of Apportal® and Ultramag® sales;
- **International growth drivers:** planning and implementing an entry strategy in the U.S. market and enlargement of product portfolio with existing partners; The distribution of the SiderAL® brand products on the Chinese market has started in August through TMG store;
- Pharmanutra Group does not have exposure to the **Russian and to the Ukrainian market**. Potential risks are linked to the overall macroeconomic scenario;
- **Akern's integration:** Consolidation of Akern® presence on the Italian and International markets, creation of synergies and making a strategic contribution to the sales of the new PharmaNutra Sport Nutrition Division;
- The **impact of the increases in energy and raw material costs** has been managed to not significantly affect the profitability of the year;
- **Product pipeline:** 2 new product launches by the end of 2022 and other products under development;
- **New scientific and clinical studies ongoing:** 20
- **Marketing&Communication:** 3 new omnichannel DTC campaigns;



NEW HEADQUARTER SITE

The new industrial facility will enable **PharmaNutra Group** to position itself as a more relevant and innovative entity in the chemical&pharmaceutical industry. New site will allow full control of sucrosomial elements production and an even stronger R&D focus.

The new offices will hold indeed **one of the most innovative nutritional research & development laboratory in Europe**. The investment, for a total cost of **about € 20 million**, will be partly covered by financial flows generated by operations and partly using external financing.

We expect the new HQ to be operational in early 2023.



