

Q3_2022 FINANCIAL RESULTS

November 7th, 2022

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GROUP PRESENTATION & HIGHLIGHTS Q3 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



JUNIAPHARMA

Medical products and devices, OTC and dietary supplements for children

2003



PHARMANUTRA

Medical devices and dietary supplements for adults

2000

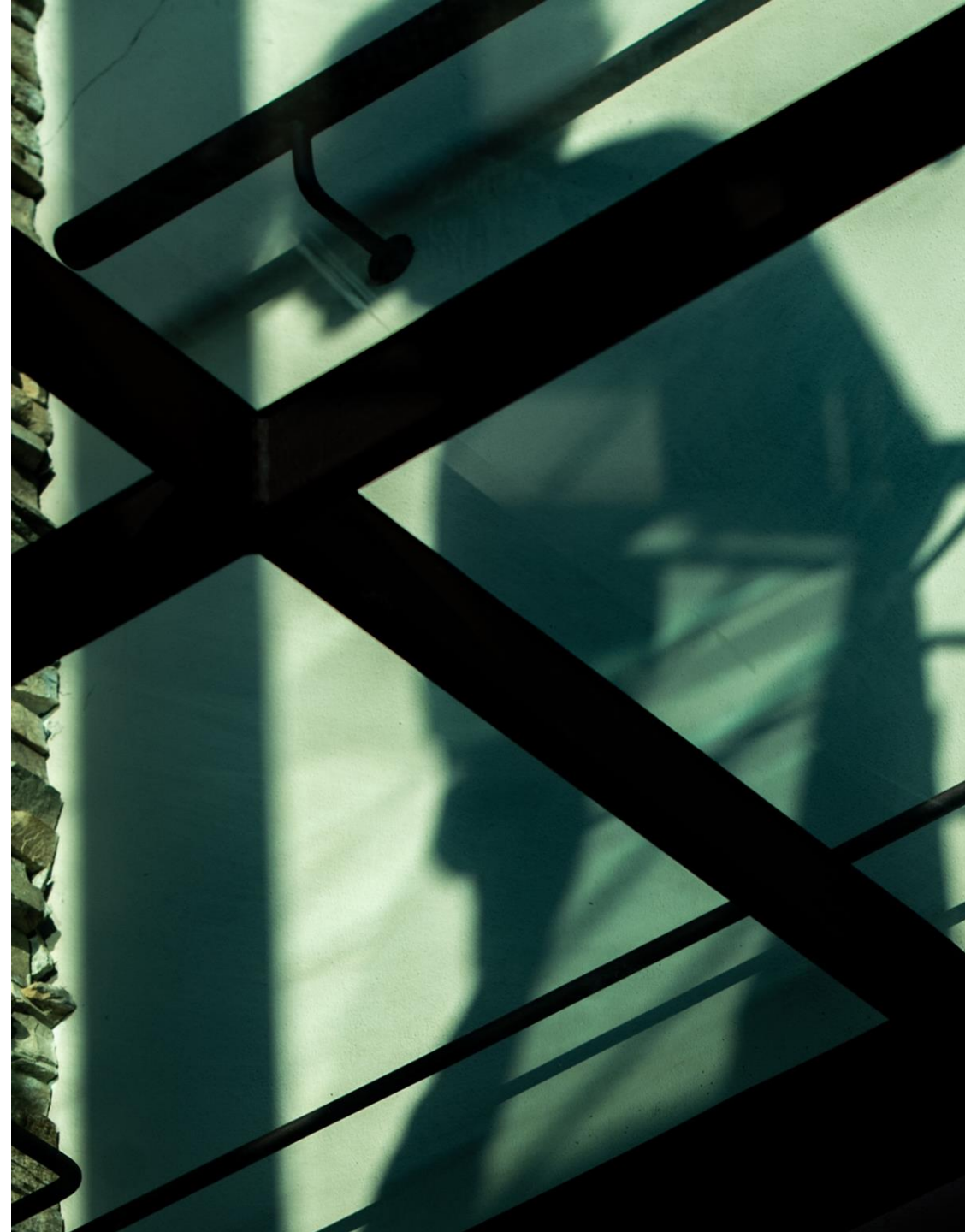


ALESCO

Development and manufacturing of unique and innovative proprietary bioactive ingredients

HIGHLIGHTS Q3 2022

- The first closing relating to the acquisition of an overall stake equal to 86.48% of the share capital of **Akern** was finalized on July 26th
- Launch of the new **Cetilar® Oro** and **ApportAL® Vital** food supplements representing an important extension of the Cetilar® and ApportAL® lines.
- Opening of the new online store dedicated to the SiderAL® line on the cross-border e-commerce platform **TMall Global China**.



ECONOMIC AND FINANCIAL DATA

HIGHLIGHTS Q3 - 2022

- 22% Increase in Net Sales Revenues
- 21% EBITDA Growth
- 31,7% EBITDA Margin on Net Revenues
- 23%* Net Result increase
- Earning per Share Q3-22 of € 1,33 (€ 1,12 at Q3-21)
- Positive Net Financial Position of 7,3 million Euro

+ 22%

NET REVENUES € 60,3 M
(+22% COMPARE TO Q3 2021)

+ 21%

EBITDA € 19,1 M
(31,7% MARGIN ON NET REVENUES)

+ 23%*

NET RESULT € 12,8 M
(21,2% MARGIN ON REVENUES)
* excl. 2021 non recurring items

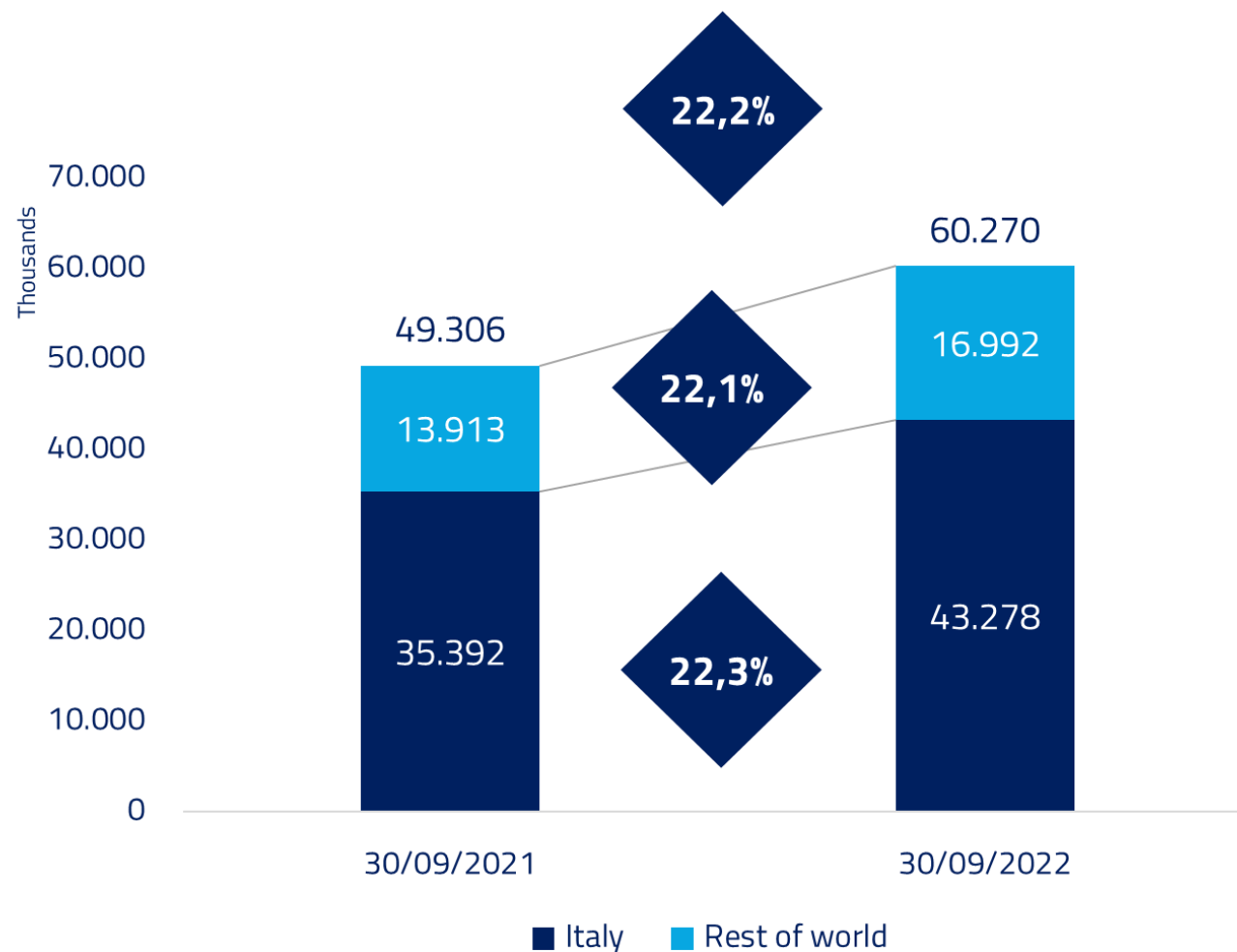
€7,3
Mio

POSITIVE NET FINANCIAL POSITION

NET REVENUES

Net revenues at 30.09.2022 accounted for € 60.3 million, recording **a growth of 22%** compared to the previous year both on the domestic market and on the foreign market.

Akern's net revenues (as of July 1st) accounted for € 0,9 million, about 1,5% on the total net revenues of the Group.



PROFIT AND LOSS

PROFIT AND LOSS (€/000)	30/09/2022	30/09/2021
A) REVENUES	60.542	49.672
Net Revenues	60.270	49.306
Other revenues	272	366
B) OPERATING EXPENSES	41.447	33.856
Cost of goods sold and logistics	10.447	9.431
SG&A expenses	27.058	20.815
Personnel expenses	3.498	3.121
Other operating expenses	444	489
(A-B) EBITDA	19.095	15.816
EBITDA Margin on Net Revenues	31,7%	32,1%
C) Amort., depr. and write offs	973	885
(A-B-C) EBIT	18.122	14.931
D) NET FINANCIAL INCOME/(EXPENSES)	338	89
Financial income	466	106
Financial expenses	(128)	(17)
(A-B-C+D) EBT	18.460	15.020
Current taxes	(5.594)	(4.134)
Minority Interest Net Result	(27)	-
NET RESULT	12.839	10.886

REVENUES

Consolidated revenues accounted for € 60,3 million with an increase of 22% 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	30/09/2022	31/12/2021	Δ 2022 vs 2021
Trade receivables	23.347	16.673	6.674
Inventories	4.440	2.865	1.575
Trade Payables	(11.342)	(9.751)	(1.591)
Operating Working Capital	16.445	9.787	6.658
Other receivables	4.262	2.042	2.220
Other Payables	(6.504)	(6.177)	(327)
Net Working Capital	14.203	5.652	8.551
Intangible assets	19.876	5.500	14.376
Tangible assets	14.122	8.372	5.750
Financial assets	1.165	1.490	(325)
Total Fixed Assets	35.163	15.362	19.801
Provisions and other L/T liabilities	(7.616)	(3.996)	(3.620)
NET INVESTED CAPITAL	41.750	17.018	24.732
Net Equity	49.068	45.082	3.986
Non current financial liabilities	14.877	5.530	9.347
Current financial liabilities	3.297	820	2.477
Non current financial assets	(934)	(475)	(459)
Current financial assets	(4.715)	(4.530)	(185)
Cash and cash equivalents	(19.843)	(29.409)	9.566
Net Financial Position	(7.318)	(28.064)	20.746
TOTAL SOURCES	41.750	17.018	24.732

Trade Receivables

The increase in trade receivables is due to higher revenues

Other Receivables/Other Payables

The other payables refers to the accounting of the current taxes related to the period. The Increase in other receivables is due to the accounting of deferred costs and to the VAT credit accrued on the advancement of the construction costs of the new headquarter.

Tangible Assets

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

Business Combination

The increase in Intangible assets derives from the recognition of the goodwill (€ 12,8 million) emerging from the Akern's consolidation process. The purchase price includes Euro 3 million referred to the Earn Out accrued in other L/T liabilities on the basis of the result of a preliminary impairment test.

Non current Financial Liabilities

Two M/L-term loans for a total of € 12 million were granted to cover the costs of the acquisition of Akern S.r.l.

AKERN INCOME STATEMENTS

AKERN PROFIT AND LOSS (€/000)	30/09/2022 YTD	Q3 2022
A) REVENUES	3.273	910
Net Revenues	3.223	906
Other revenues	50	4
B) OPERATING EXPENSES	2.191	562
Cost of goods sold and logistics	562	100
SG&A expenses	186	60
Personnel expenses	702	219
Other operating expenses	741	183
(A-B) EBITDA	1.082	348
EBITDA Margin on Net Revenues	33,6%	38,4%
C) Amort., depr. and write offs	190	53
(A-B-C) EBIT	892	295
D) NET FINANCIAL INCOME/(EXPENSES)	(47)	(18)
Financial income	0	0
Financial expenses	(47)	(18)
(A-B-C+D) EBT	846	277
Current taxes	255	84
Minority Interest Net Result		27
NET RESULT	591	166

Akern's consolidation process started as of July 1st, 2022.

AKERN BALANCE SHEET (€)	30/09/2022
Trade receivables	356
Inventories	531
Trade Payables	(298)
Operating Working Capital	589
Other receivables	128
Other Payables	(462)
Net Working Capital	255
Intangible assets	862
Tangible assets	137
Financial assets	0
Total Fixed Assets	999
Provisions and other L/T liabilities	(169)
NET INVESTED CAPITAL	1.085
Net Equity	1.257
Non current financial liabilities	623
Current financial liabilities	0
Non current financial assets	(15)
Current financial assets	(110)
Cash and cash equivalents	(671)
Net Financial Position	(172)
TOTAL SOURCES	1.085

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 inventories for the implementation of purchasing strategies.
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 related to marketing activities whose competence extends beyond September 30, 2022 and to the VAT credit accrued on the advancement of the construction costs of the new headquarter.

CASH FROM INVESTING ACTIVITIES

Capex

The increase refers mainly to the progress of construction works for the new headquarter and to the accounting of intangibles and other capex during the period.
Other non current assets are referred to the insurance policy for TFM payments

Net Cash Flow from Business Combination

The net Cash flow of € 10,1 million represent the effects of the acquisition of the 86,48% of Akern's share capital: amount paid for the acquisition (€ 10,8 million) net of cash and cash equivalents acquired (€ 0,7 million).

CASH FROM FINANCING ACTIVITIES

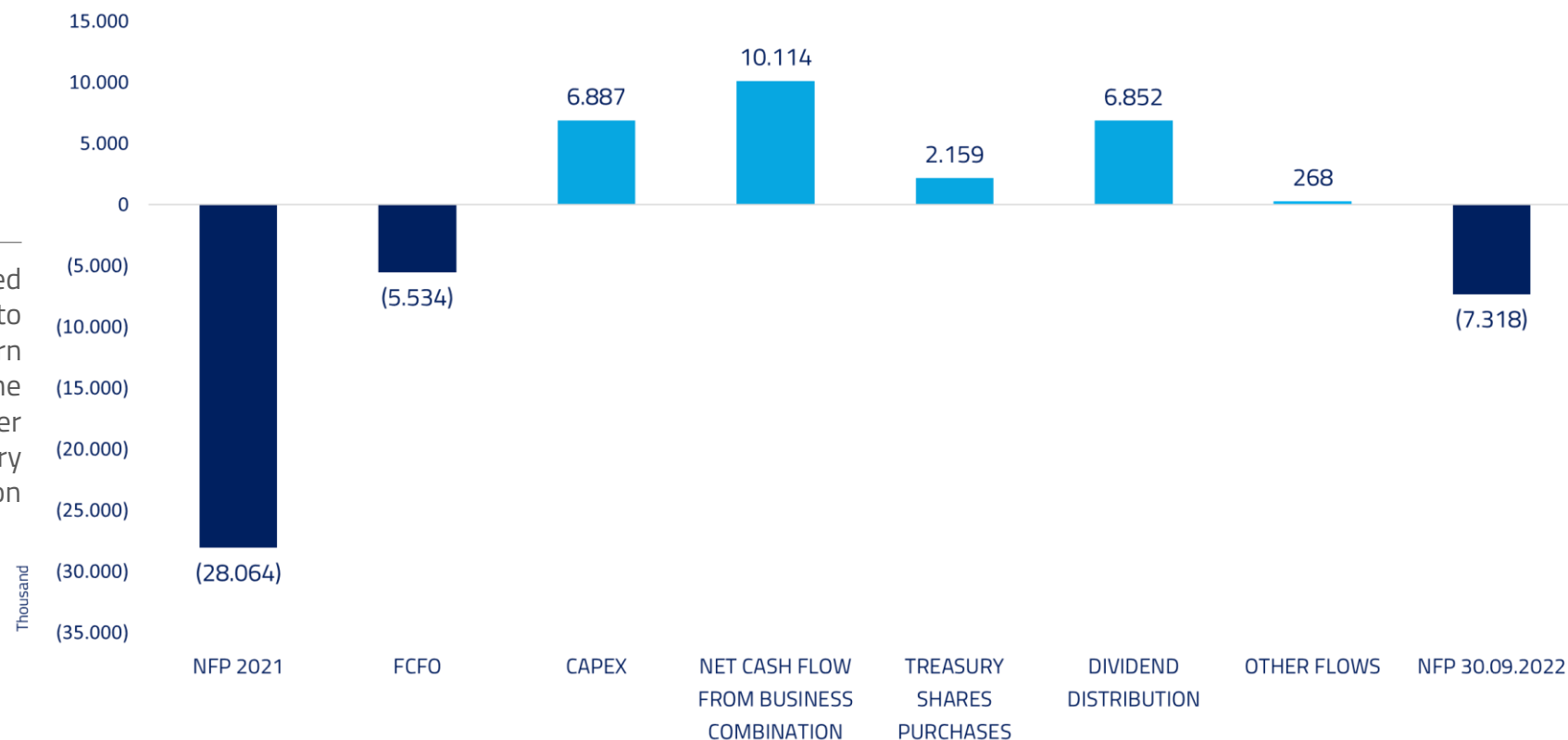
The increase in financial liabilities is due to the M/L-term loans for a total amount of € 12 million granted to cover the acquisition of Akern S.r.l.

Cash Flow (€/000)	30/09/2022	30/09/2021
Net Result	12.646	10.886
NON MONETARY EXPENSES		
Amortization, depreciation and w.o.	920	885
Accrual for employees benefits	568	453
CHANGES IN OPERATING ASSETS AND LIABILITIES		
Changes in operating working capital	(6.227)	(3.681)
Changes in other assets/liabilities	(2.373)	1.251
CASH FROM OPERATING ACTIVITIES	5.534	9.794
Capex	(6.887)	(2.025)
Net Cash Flow from Business Combination	(10.114)	0
Net Financial Investments	250	0
Changes in other non current assets	(510)	(56)
CASH FROM INVESTING ACTIVITIES	(17.261)	(2.081)
Dividend paid	(6.852)	(6.486)
Treasury shares purchases	(2.159)	0
Changes in financial liabilities	11.058	4.905
Changes in financial assets	(26)	(43)
Other changes	151	67
CASH FROM FINANCING ACTIVITIES	2.172	(1.557)
CHANGES IN LIQUIDITY	(9.555)	6.156
Cash and cash equivalents at the beginning of the period	29.409	16.455
Cash and cash equivalents at the end of the period	19.854	22.611

NET FINANCIAL POSITION

NFP

The Net Financial Position at 30.09.2022 accounted for € 7,3 million. The decrease compared to 31.12.2021 is mainly due to the acquisition of Akern (€ 10,1 million), to capital expenditures related to the construction of the new Headquarter and other capex (€ 6,9 million), to the purchases of treasury shares (€ 2,2 million) and to the dividend distribution (€ 6,9 million).

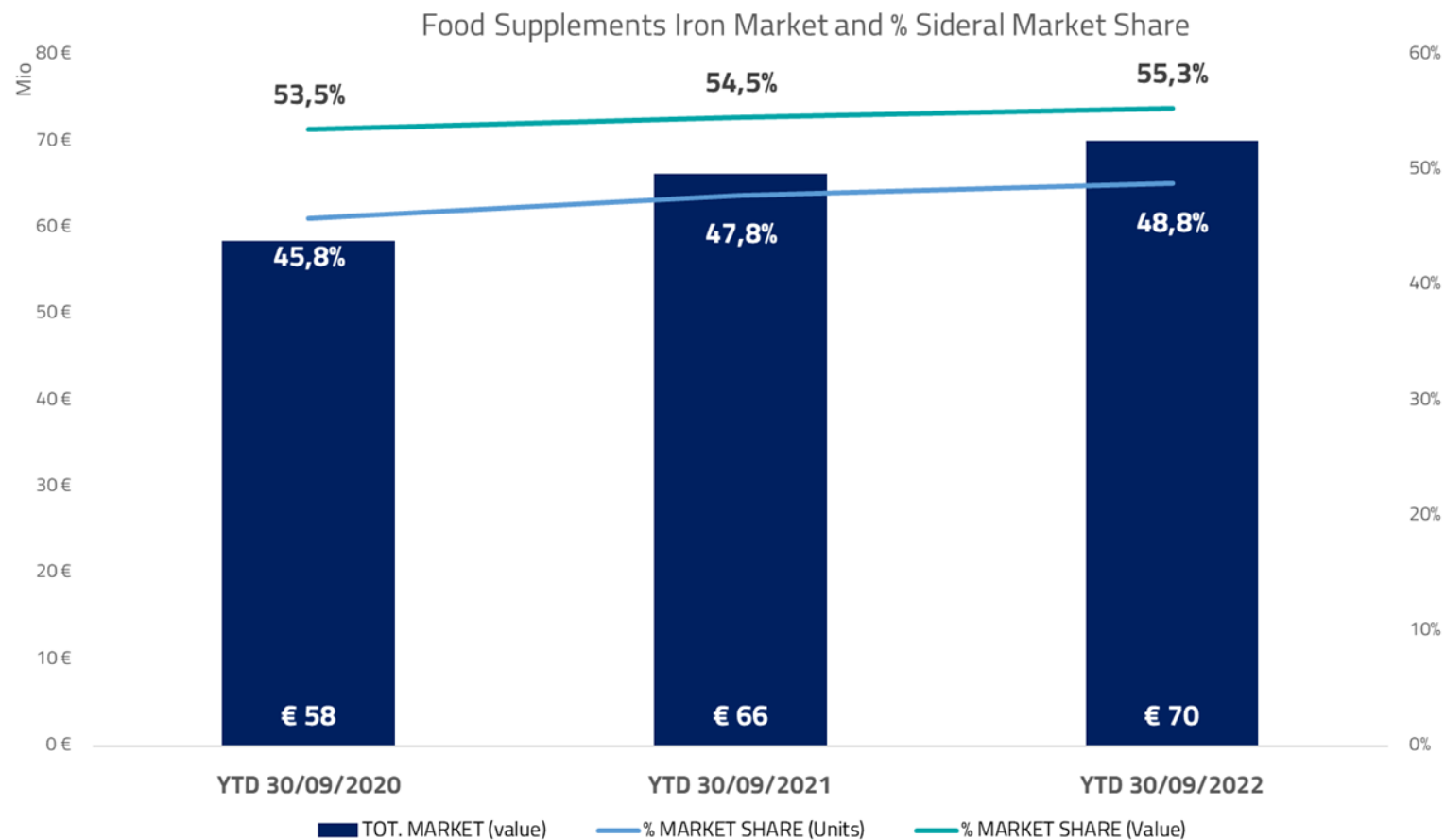


MARKET

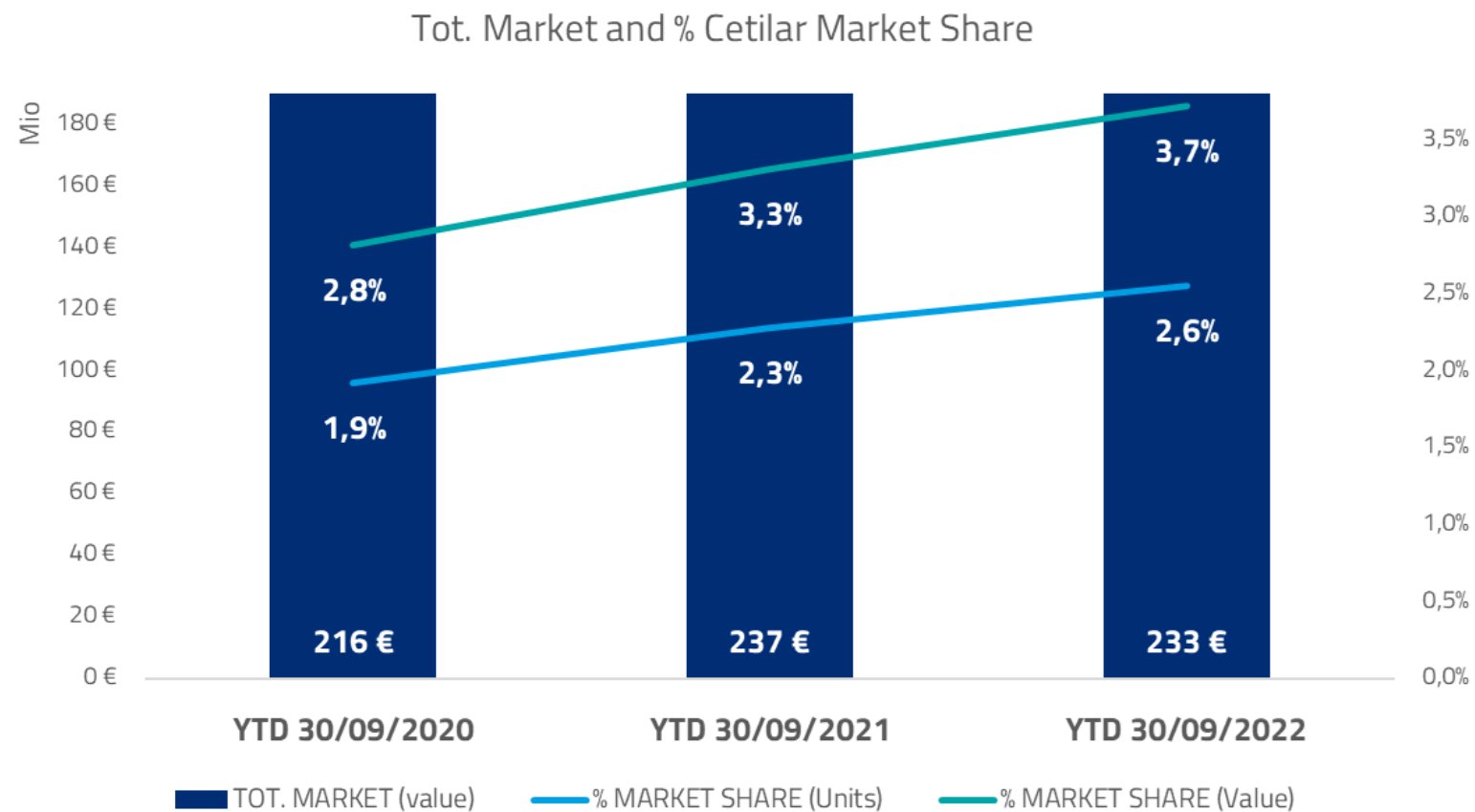
IRON SUPPLEMENTS SIDERAL® MARKET SHARE IN ITALY

Excluding products that contain only lactoferrin

Source IQVIA

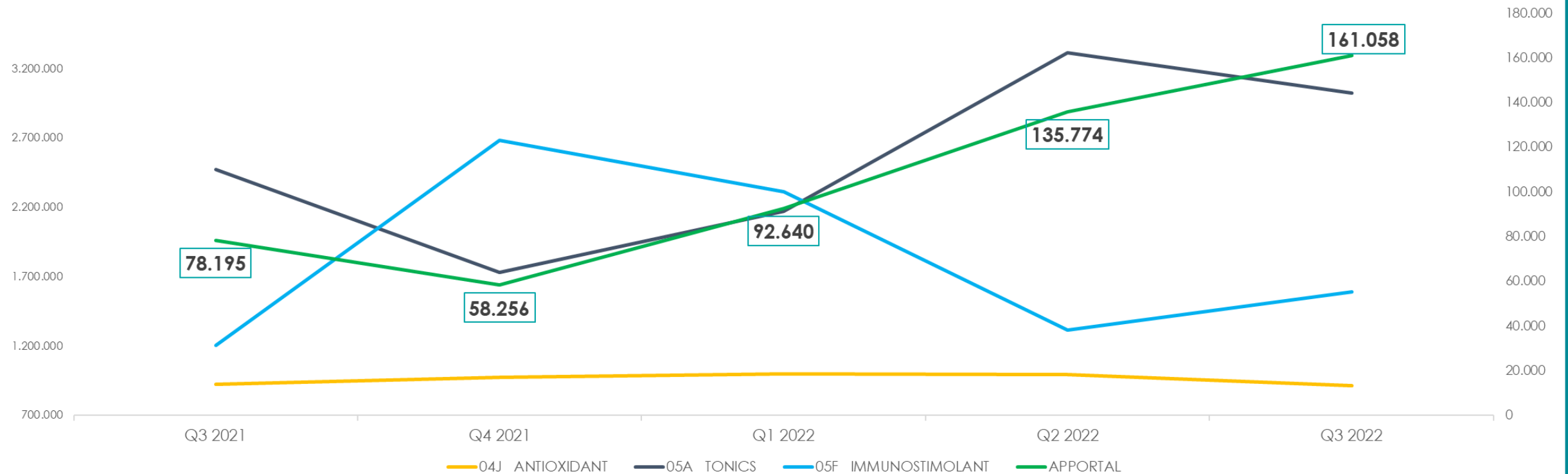


ANTI-INFLAMMATORY TOPICAL CREAM CETILAR® MARKET SHARE IN ITALY



Source IQVIA

APPORTAL® COMPARED TO THE REFERENCE MARKETS



Source IQVIA

INTERNATIONAL DEVELOPMENT



COUNTRIES



PARTNERS

	COUNTRIES	PARTNERS
Contracts	67	45
Active Sales	59	39
On-going Registration	8	6
On-going Negotiation	7	9

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;



OUTLOOK 2022

OUTLOOK 2022

- The **results** obtained in the first nine months of 2022, the sales trend on the Italian market and the orders relating to the foreign markets in the fourth quarter will allow us to confirm results in line with expectations;
- The **Product strategy** of the Group is aimed at strengthening its leadership in the oral iron market, with the Sideral® brand products, further increasing market shares as much as concerns Cetilar® brand products and developing Apportal® and Ultramag® sales;
- **International development** continues with specific reference to the European, Asian and US market. It is planned to expand the range of products sold in the countries where the Group is already present and to open new markets, possibly resorting to corporate partnerships, if deemed strategically relevant;
- **Akern's integration process has begun:** synergies that will allow the company to develop its presence on the Italian and foreign markets are expected, as well as the increase in sales of the Group's products and the launch of new product lines;
- In the context of general uncertainty that is characterizing the **macroeconomic scenario**, the PharmaNutra Group will work as always to respect commitments and objectives, maintaining a constant focus on the efficient management of its economic and financial structure to respond flexibly and immediately to uncertainties.



