

FY_2022 FINANCIAL RESULTS

March 16th, 2023

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GROUP PRESENTATION & HIGHLIGHTS 2022

PHARMANUTRA GROUP

PharmaNutra holds 100% of Junia Pharma and Alesco and at the end of the year completed the acquisition of 100% of the shares in Akern S.r.l.

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



Medical products and devices, OTC and dietary supplements for children

2003



Medical devices and dietary supplements for adults

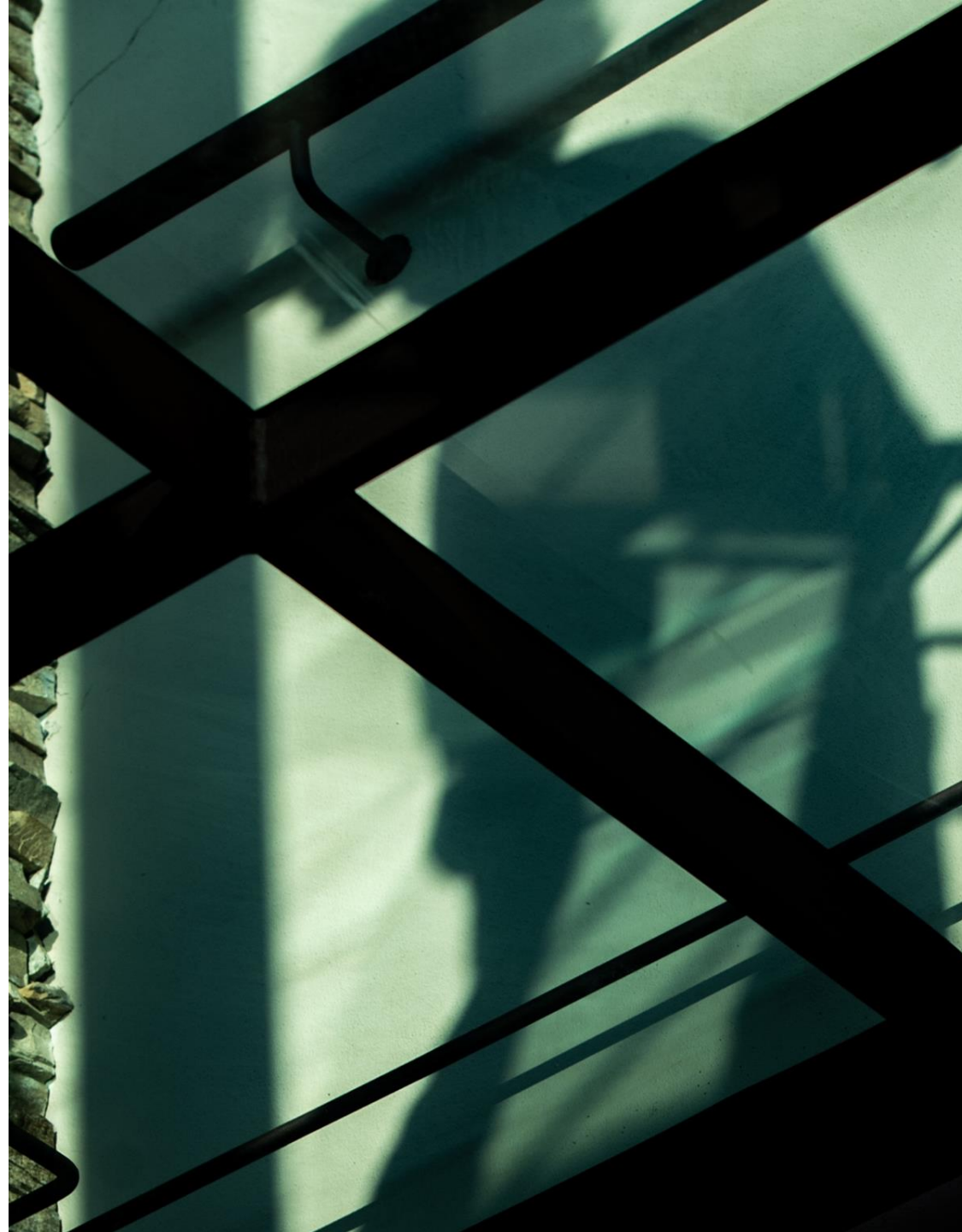
2000



Development and manufacturing of unique and innovative proprietary bioactive ingredients

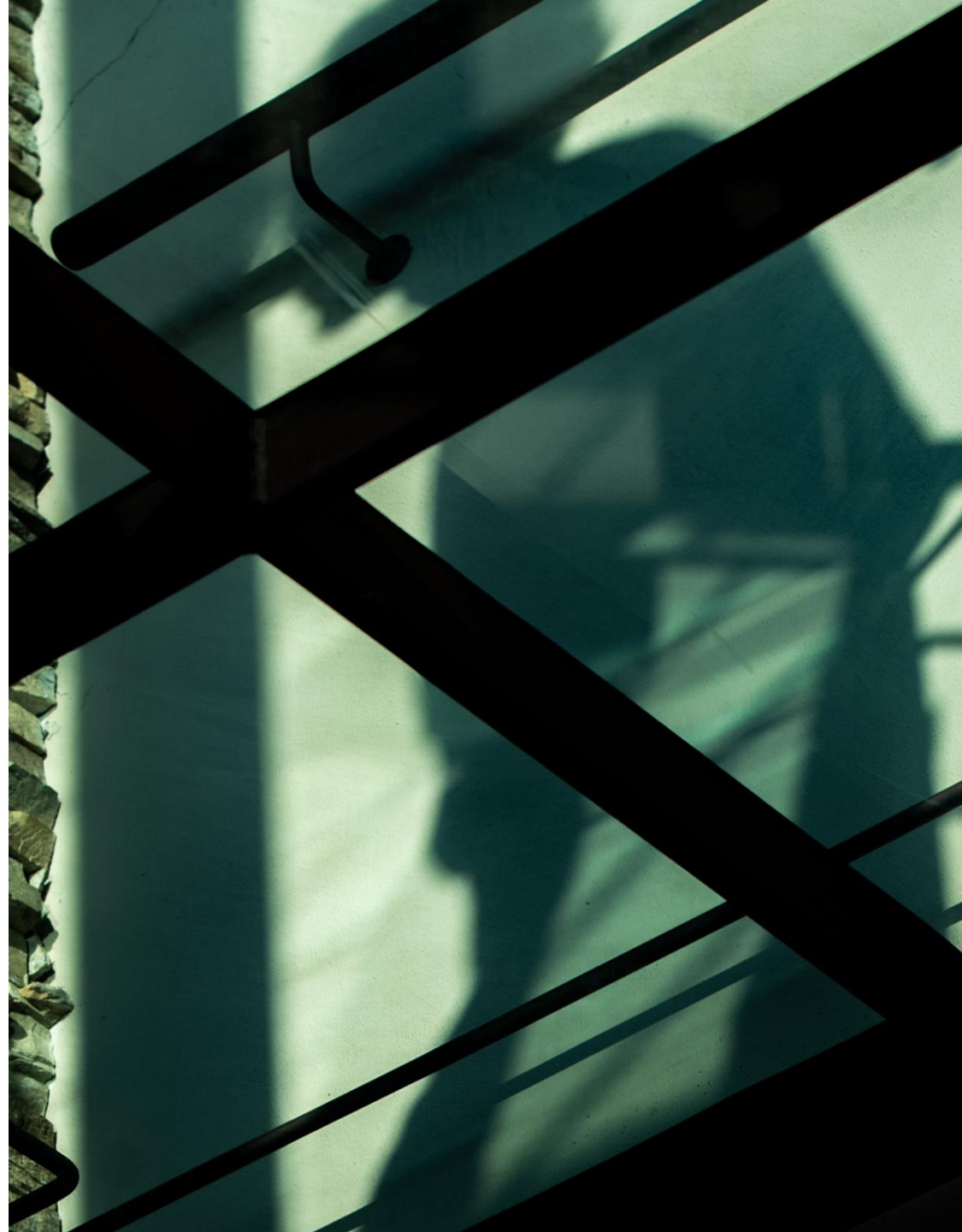
HIGHLIGHTS FY 2022

- Acquisition of 100% of the share capital of Akern
- 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.
- New partnership with Luna Rossa for the project Human Performance: Athletic training, injury prevention, nutrition and mental preparation



HIGHLIGHTS FY 2022

- Pharmanutra USA based in Florida, was established in December
- During the year, Pharmanutra received from the local Revenue Agency an invitation to activate the assessment by agreement procedure for the 2016 tax period. With the aim to apply for the cooperative compliance institution, Pharmanutra has expressed its willingness to define 2016 and subsequent years up to 2021. In this perspective it had been booked an estimated accrual to the Tax Provision of Euro 1.4 million



ECONOMIC AND FINANCIAL DATA

HIGHLIGHTS FY 2022

- 21,5% Increase in Net Sales Revenues
- 21,3% EBITDA Growth
- 29,4% EBITDA Margin on Net Revenues
- 13%* Net Result increase
- Earning per Share 2022 of € 1,56 (€ 1,42 in 2021)
- Positive Net Financial Position of 10,6 million Euro

+ 21%

NET REVENUES € 82,7 M
(+21,5% COMPARE TO 2021)

+ 21%

EBITDA € 24,4 M
(29,4% MARGIN ON NET REVENUES)

+ 13%*

NET RESULT € 15,1 M
(18% MARGIN ON REVENUES)
* excl. 2021 non recurring items

€10,6
Mio

POSITIVE NET FINANCIAL POSITION

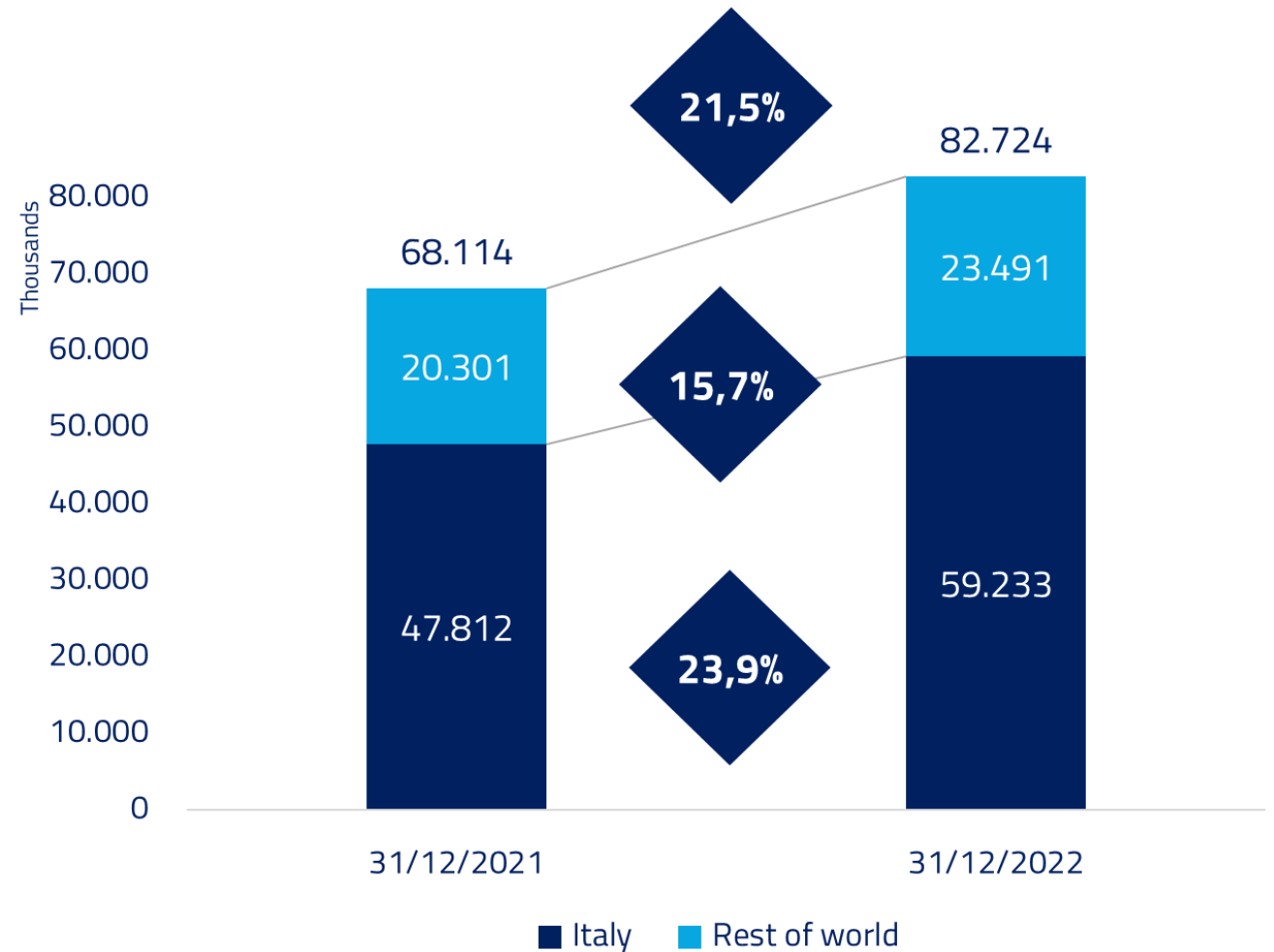
HIGHLIGHTS COMPARISON EXCLUDING AKERN

Amounts (€/000)	2022 excl. Akern	2021	Δ 22/21	2022 Total Group	Δ 22/21	AKN Contribution
Net Sales Revenues	80.763	68.114	18,6%	82.724	21,4%	2,9%
EBITDA	23.802	20.080	18,5%	24.358	21,3%	2,8%
Net Result	14.778	13.771	7,3%	15.048	9,3%	2,0%
Net Result excl. non-recurring Items	14.778	13.314	11,0%	15.048	13,0%	2,0%
Earning per Share	1,53	1,42	7,4%	1,56	9,4%	2,0%

NET REVENUES

Net revenues at 31.12.2022 accounted for € 82.7 million, recording a **growth of 21,5%** compared to the previous year. Revenues on domestic market grew by 23,9% while revenues on the foreign market recorded a growth of 15,7%.

Akern's net revenues (as of July 1st) accounted for € 1,9 million, about 2,4% on the total net revenues of the Group.



PROFIT AND LOSS

PHN GROUP PROFIT AND LOSS (€/000)	31/12/2022	31/12/2021
A) REVENUES	83.394	68.836
Net Revenues	82.724	68.114
Other revenues	670	722
B) OPERATING EXPENSES	59.036	48.756
Cost of goods sold and logistics	15.146	13.133
SG&A expenses	38.081	30.694
Personnel expenses	5.101	4.288
Other operating expenses	708	641
(A-B) EBITDA	24.358	20.080
EBITDA Margin on Net Revenues	29,4%	29,5%
C) Amort., depr. and write offs	1.318	1.389
(A-B-C) EBIT	23.040	18.691
D) NET FINANCIAL INCOME/(EXPENSES)	378	118
Financial income	528	159
Financial expenses	(150)	(41)
(A-B-C+D) EBT	23.418	18.809
Current taxes	(8.370)	(5.038)
NET RESULT	15.048	13.771

REVENUES

Consolidated revenues accounted for € 82,7 million with an increase of 21% 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.

2022 Current taxes include the accrual of € 1,4 million to the Tax provision following the cooperative compliance institution with the local Revenue Agency relating to the tax periods from 2016 to 2021.

RECLASSIFIED CONSOLIDATED BALANCE SHEET

Amounts in €/000	31/12/2022	31/12/2021	Δ 2022 vs 2021
Trade receivables	21.647	16.673	4.974
Inventories	5.261	2.865	2.396
Trade Payables	(16.882)	(9.751)	(7.131)
Operating Working Capital	10.026	9.787	239
Other receivables	4.958	2.042	2.916
Other Payables	(5.292)	(6.177)	885
Net Working Capital	9.692	5.652	4.040
Intangible assets	21.560	5.500	16.060
Tangible assets	17.055	8.372	8.683
Financial assets	1.310	1.490	(180)
Total Fixed Assets	39.925	15.362	24.563
Provisions and other L/T liabilities	(9.307)	(3.996)	(5.311)
NET INVESTED CAPITAL	40.310	17.018	23.292
Net Equity	50.948	45.082	5.866
Non current financial liabilities	14.110	5.530	8.580
Current financial liabilities	3.616	820	2.796
Non current financial assets	(1.503)	(475)	(1.028)
Current financial assets	(4.810)	(4.530)	(280)
Cash and cash equivalents	(22.051)	(29.409)	7.358
Net Financial Position	(10.638)	(28.064)	17.426
TOTAL SOURCES	40.310	17.018	23.292

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 (€ 13,7 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 the impairment test performed on Akern's provisional business plan.

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.

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 31 december 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 € 11,3 million represent the effects of the acquisition of the 100% of Akern's share capital: amount paid for the acquisition (€ 12 million) net of cash and cash equivalents acquired (€ 0,7 million).

CASH FROM FINANCING ACTIVITIES

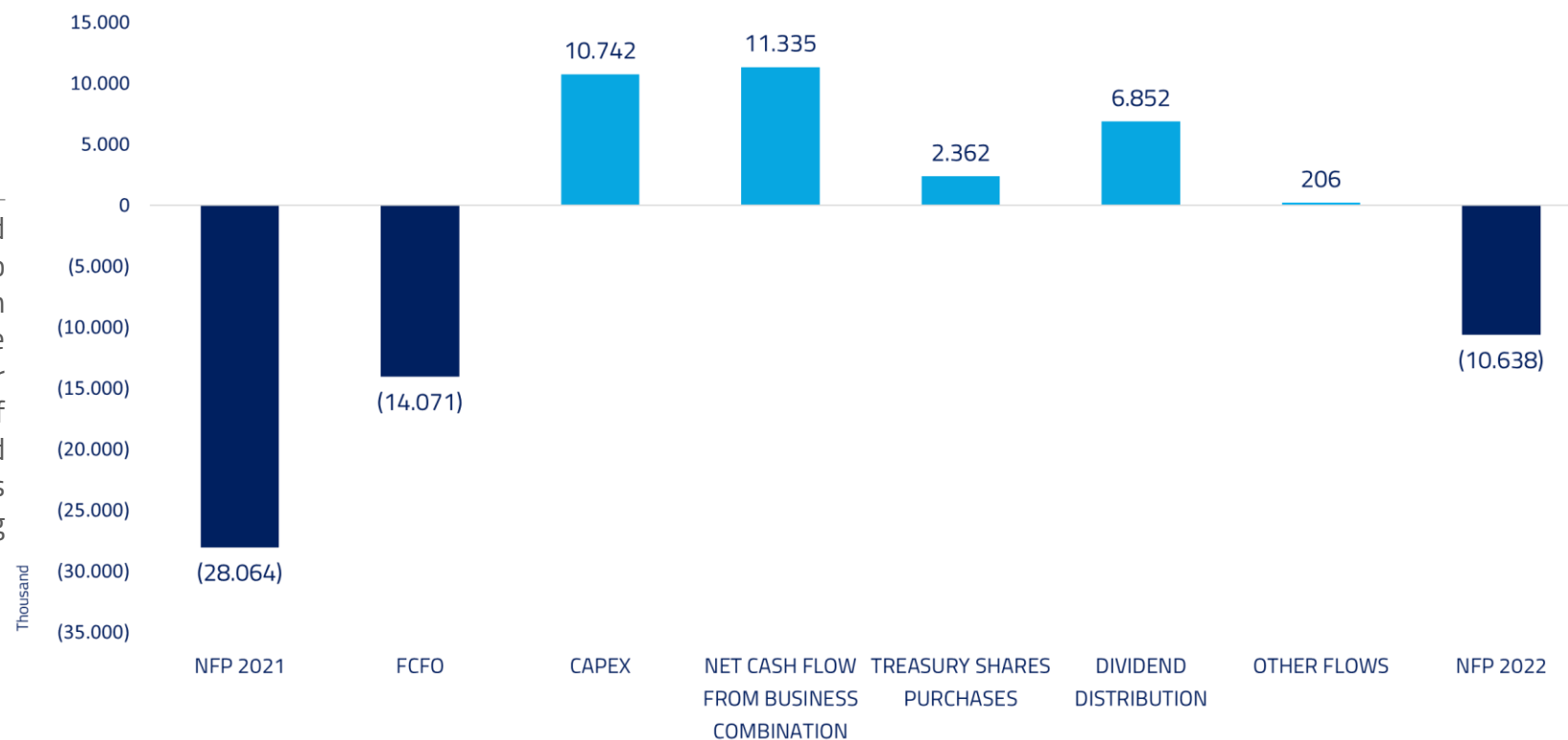
The increase in financial liabilities is due to the M/L-term loans for a total amount of € 12 million granted to cover the acquisition of Akern S.r.l.

Cash Flow (€/000)	31/12/2022	31/12/2021
Net Result	14.778	13.771
NON MONETARY EXPENSES		
Amortization, depreciation and w.o.	1.210	1.389
Accrual for employees benefits	771	798
CHANGES IN OPERATING ASSETS AND LIABILITIES		
Changes in operating working capital	27	(167)
Changes in other assets/liabilities	(2.715)	4.622
CASH FROM OPERATING ACTIVITIES	14.071	20.413
Capex	(10.475)	(4.904)
Net Cash Flow from Business Combination	(11.335)	0
Net Financial Investments	250	0
Changes in other non current assets	(1.171)	(639)
CASH FROM INVESTING ACTIVITIES	(22.731)	(5.543)
Dividend paid	(6.852)	(6.486)
Treasury shares purchases	(2.362)	0
Changes in financial liabilities	10.579	4.688
Changes in financial assets	(171)	(185)
Other changes	16	67
CASH FROM FINANCING ACTIVITIES	1.210	(1.916)
CHANGES IN LIQUIDITY	(7.450)	12.954
Cash and cash equivalents at the beginning of the period	29.409	16.455
Cash and cash equivalents at the end of the period	21.959	29.409

NET FINANCIAL POSITION

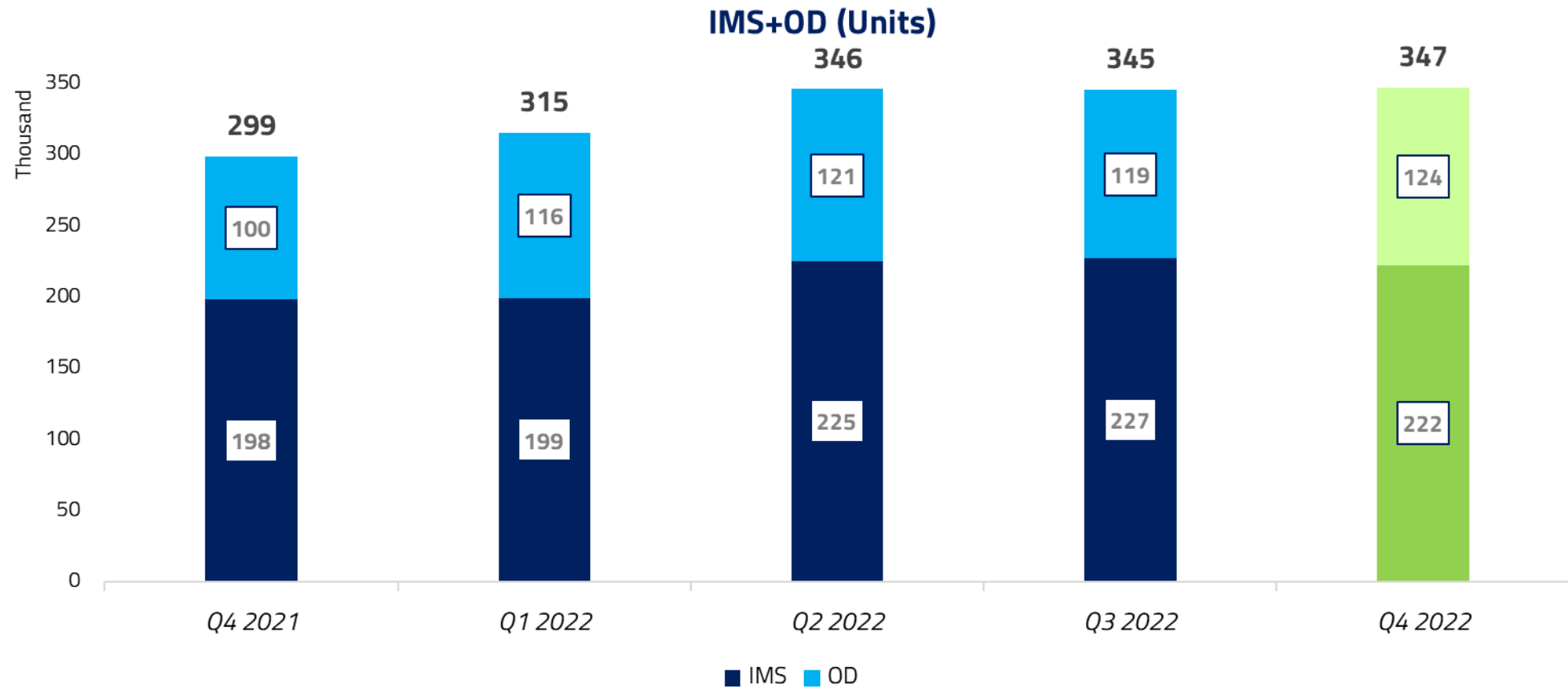
NFP

The Net Financial Position at 31.12.2022 accounted for € 10,6 million. The decrease compared to 31.12.2021 is mainly due to the acquisition of Akern (€ 11,3 million), to capital expenditures related to the construction of the new Headquarter and other operating capex (€ 10,7 million), to the purchases of treasury shares (€ 2,4 million) and to the dividend distribution (€ 6,9 million). The Group confirms its strong capacity of generating cash from operating activities (€ 14 million).



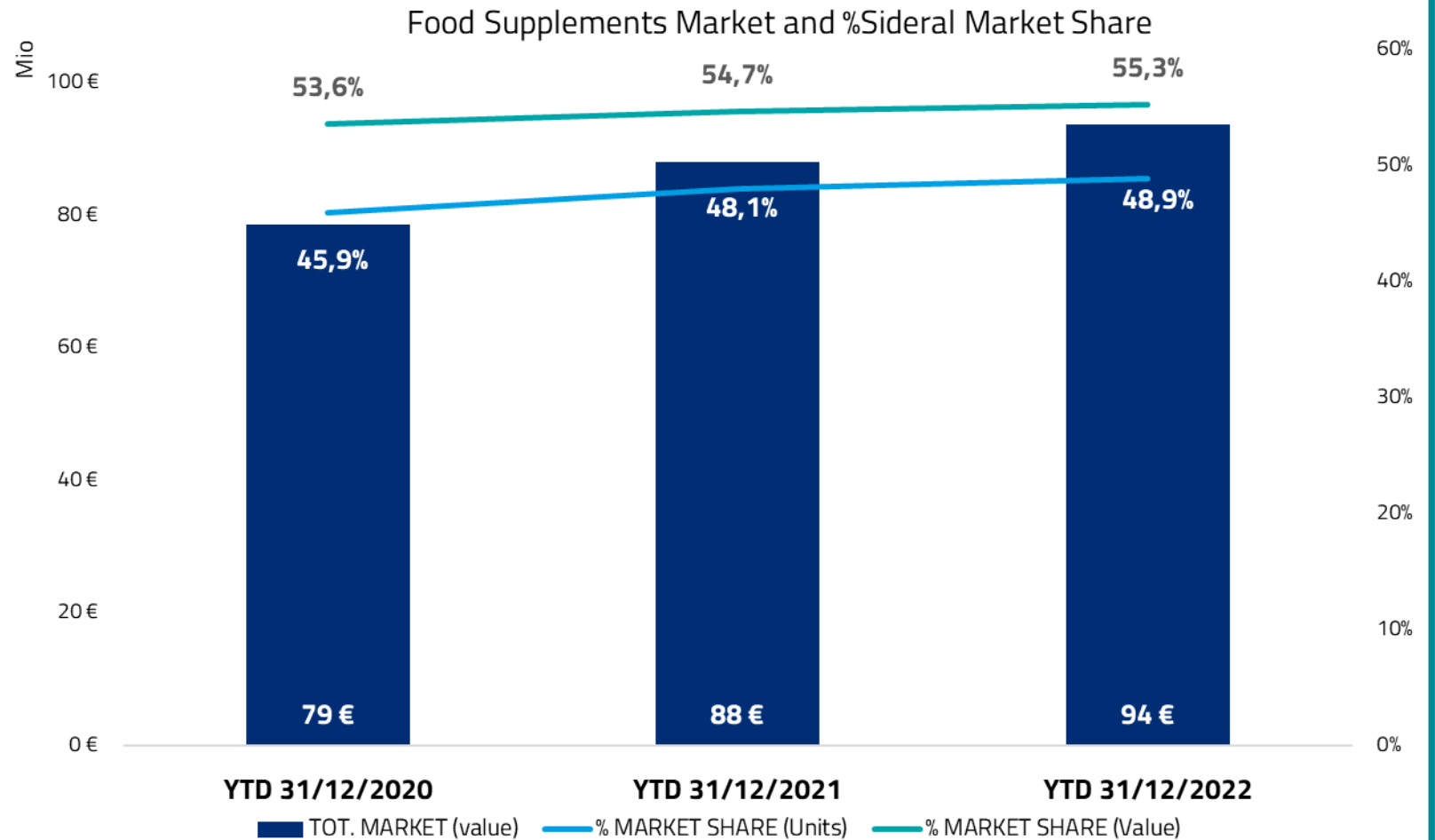
MARKET

Trend IMS & OD



Monthly Average

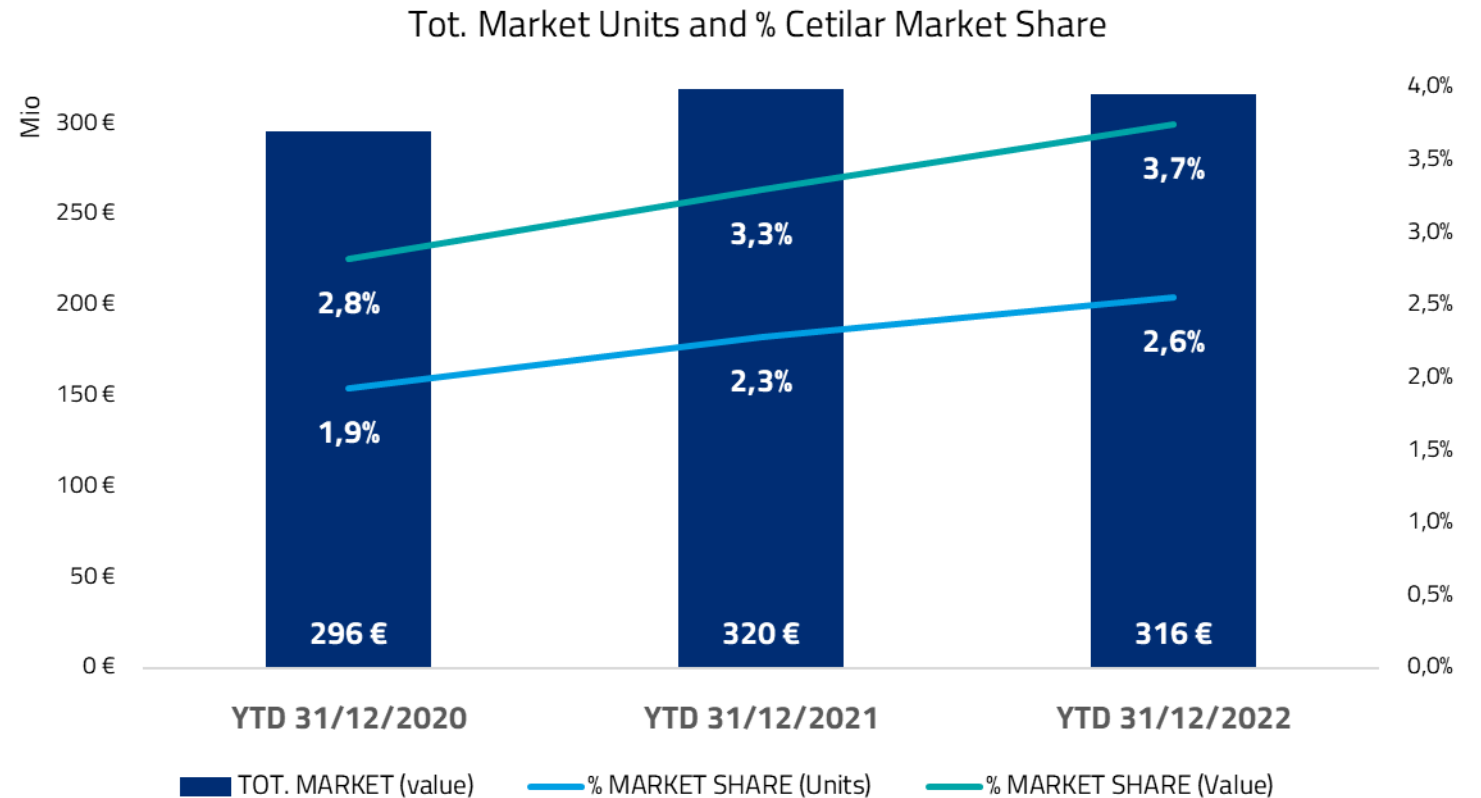
IRON SUPPLEMENTS SIDERAL® MARKET SHARE IN ITALY



Excluding products that contain only lactoferrin

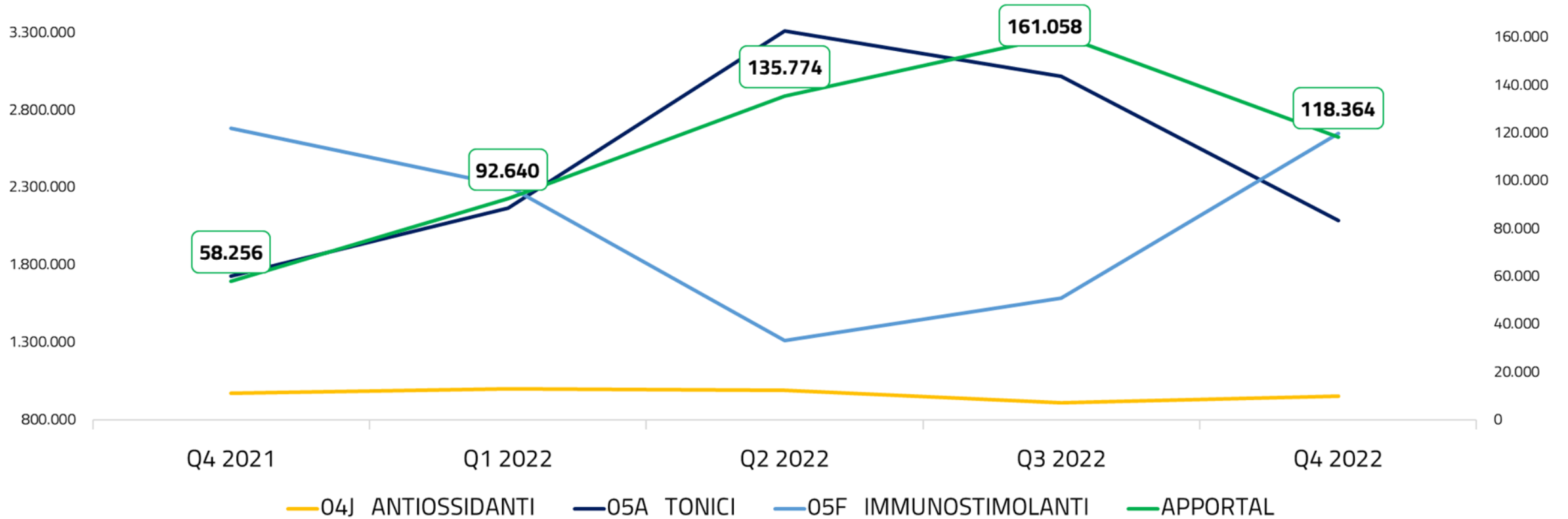
Source IQVIA

ANTI-INFLAMMATORY TOPICAL CREAM CETILAR® MARKET SHARE IN ITALY



Source IQVIA

APPORTAL® COMPARED TO THE REFERENCE MARKETS



Source IQVIA

INTERNATIONAL DEVELOPMENT

11 new distribution contracts signed (**Benelux, Denmark, Saudi Arabia, Malta, Indonesia, Kuwait, Mexico, Albania, Nigeria, Chile, Uruguay**).



COUNTRIES



PARTNERS

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


OUTLOOK 2023

GROWTH BOOSTERS

THE NEW GROWTH DRIVERS FOR THE NEXT 5 TO 10 YEARS

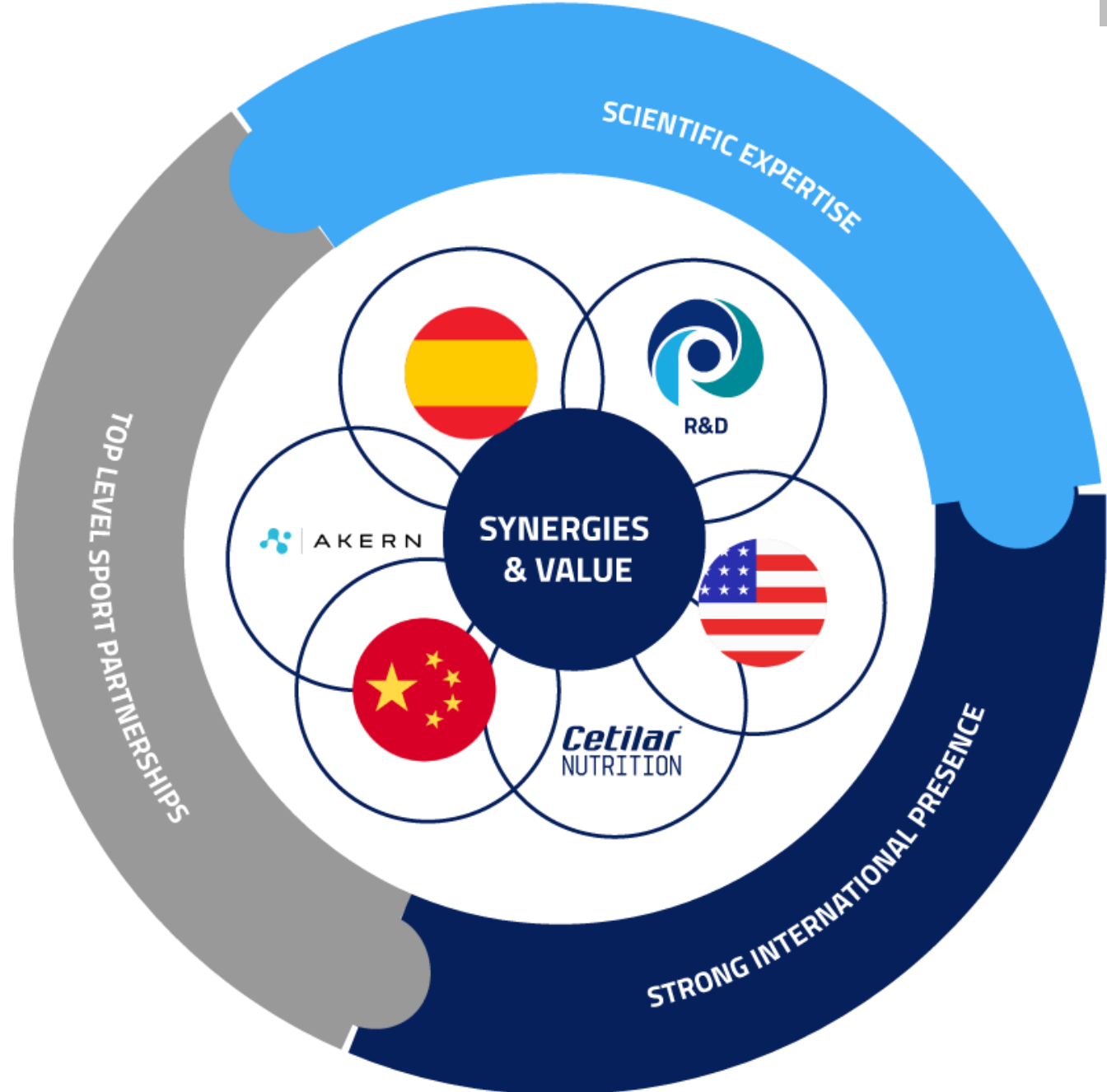
THE RIGHT MOMENTUM TO INVEST IN LONG TERM BUSINESS OPPORTUNITIES

 Financial strength - positive cash position

 Solid double-digit organic growth trend in terms of sales and profitability

 Significant potential market opportunities to exploit

 Capability to support existing and future investments with sustainable financial risk



AKERN

EXPLOITING NEW TARGET

Gaining benefit from Pharmanutra's established network of partners



SPORTS FIELD AND SPORTING EVENTS

Strengthen the presence in sports field through the organization of joint scientific events with Pharmanutra



CLINICAL ENVIRONMENT

Developing new clinical market segments thanks to the Pharmanutra's know-how



DEVELOPING AKERN'S BUSINESS

Pursuing international and domestic development of the existing business with a new e-commerce website and growing sales network



CETILAR® NUTRITION

COMMUNICATION INVESTMENTS

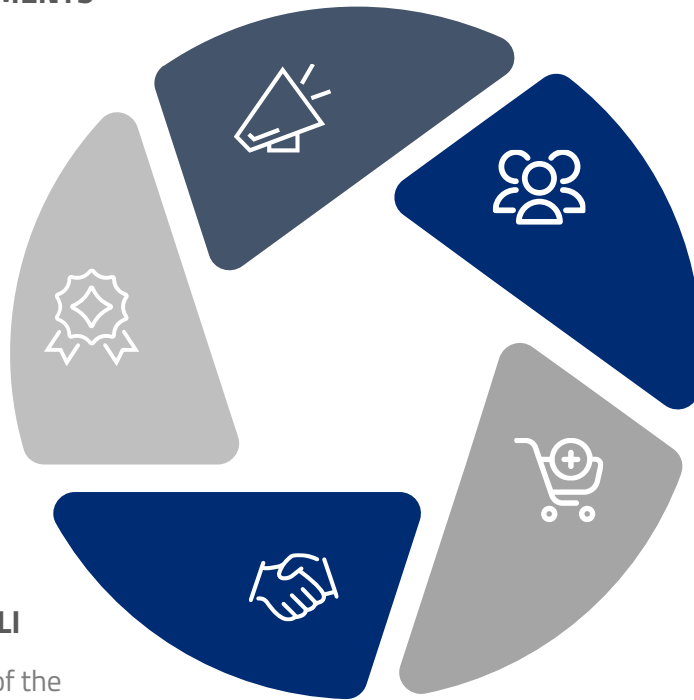
Investments in tailored marketing & communication campaign, exploiting Cetilar strong franchise in sport

INNOVATIVE PRODUCTS PORTFOLIO

Premium products with proprietary formulation thanks to the uniqueness of the raw materials

PARTNERSHIP WITH LUNA ROSSA PRADA PIRELLI

Human Performance Partner of the Luna Rossa Prada Pirelli challenge for the 37° America's Cup



B2B

Creation of a specific sales network to promote products to doctors, pharmacies, sport shops and professional sport teams

E - COMMERCE

Development and management of a proprietary B2C e-commerce web site



PHARMANUTRA ESPAÑA



CULTURAL AFFINITIES

Culture, habits and lifestyle similar to Italy



SYNERGIES WITH AKERN

Opportunity to develop the domestic Spanish market in collaboration with Akern



CROSS PRODUCT PORTFOLIO

Sales & Distribution of the full Cetilar brand portfolio - Cetilar® and Cetilar® Nutrition product lines

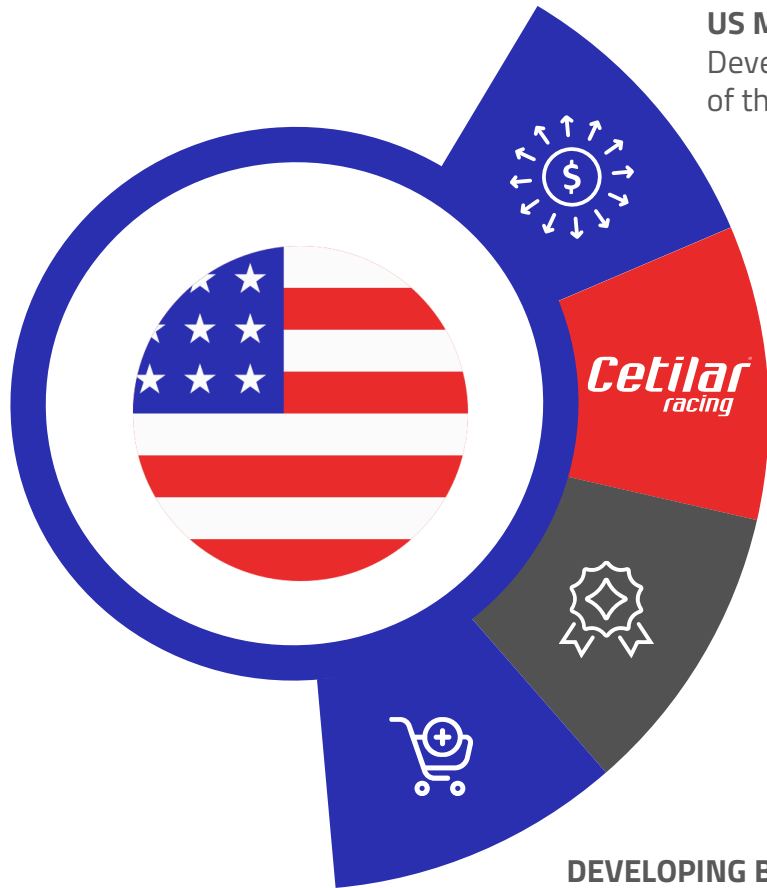


FINANCIAL EFFORT

Limited investments required to set up the business



PHARMANUTRA USA



US MARKET POTENTIAL

Developing Pharmanutra's footprint in one of the most wealthy markets in the world

NETWORK OF PARTNERS

Strengthen and develop the relationships established during scientific congresses and motorsport events

PHARMANUTRA'S TOP BRAND AND PRODUCTS

Entering in the US Market with our top selling products (SiderAL®, Cetilar® and ApportAL®) with a gradual approach to the market on the basis of day by day experience

DEVELOPING BUSINESS

Two-way strategy: B2B with medical detailing for doctors and hospital and B2C with DtC marketing and communication campaign supported by a strong e-commerce activity



CHINA

OTC MARKET POTENTIAL

Online iron market estimated above 100 M€ per year with more than 40 M€ from foreign products. Yearly double-digit growth on the e-commerce channel expected in the next five years

MARKETING

Flexible marketing strategies that can be quickly adapted to different market scenarios



B2C

Cross-border sales through the TMG store e-commerce platform (the biggest in China)

FLEXIBILITY

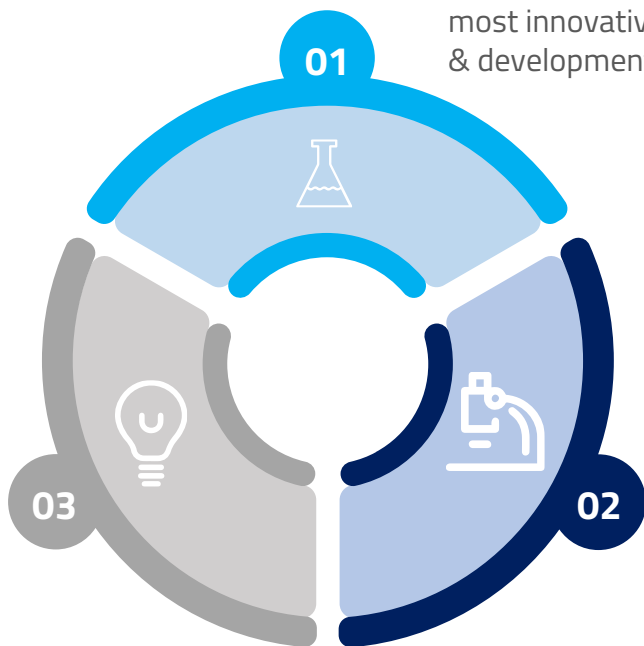
Lean structure that does not require significant investments - communication and marketing only



SPEED UP R&D & INNOVATION

NEW LABORATORY

The new HQ will hold one of the most innovative nutritional research & development laboratory in Europe



R&D

- Exclusive lab models for the simulation of digestion and uptake of nutrients
- Increased prototypes in vitro scanning capabilities
- Higher efficacy second generation sucrosomes

INNOVATION

- Sucrosomial® vitamines development
- Discovery of novel bone metabolism frontiers
- Newer evidences in new applications on our sucrosomial® iron



