

INTERIM MANAGEMENT REPORT

30th September 2023

PharmaNutra S.p.A.

Headquarters

REA (Economic Administrative Index)

PISA Companies Register

Share capital

Tax no. | VAT | Co. Reg. of Pisa

Via Campodavola, 1 - 56122 PISA PI

PI-146259

01679440501

Euro 1,123,097.70 fully paid-in

01679440501

Our history

PharmaNutra Group is a group of Italian companies based in Pisa, specialising in the pharmaceutical and nutraceutical sector. **The Group includes PharmaNutra S.p.A., Junia Pharma S.r.l., Alesco S.r.l. Akern S.r.l., PharmaNutra España and PharmaNutra USA.**

Thanks to continuous investments in R&D activities that have led to the development of innovative technologies, in less than 20 years the PharmaNutra Group has become one of the market leaders in the production of iron-based nutritional supplements under the SiderAL® brand, where it boasts a number of important patents on Sucrosomial® technology and, and it is also considered to be one of the emerging top players in the sector of medical devices for the recovery of joint capacity thanks to the Cetilar® branded products.

The PharmaNutra Group **has more than 100 employees in Italy** and a network of **over 150 Sales Representatives** who are the real driving force of the company in the country. The Group's business model was built to respond to the peculiarities of the national market but has been able to adapt quickly and efficiently to international requirements.

PharmaNutra is present since 2013 on foreign markets with a flexible and innovative business model, based on a consolidated network of top-class partners: growing yet well-structured companies that focus their own business on innovative, high-quality products, sound scientific research and a sales structure that is as close as possible to the values of PharmaNutra. Currently, the Group's products are distributed in more than **over 70 countries** in Europe, Asia, Africa and America, through a network of **over 40 carefully selected sales partners.**

Akern S.r.l., a company specialised in bioelectrical impedance analysis with more than 40 years work and innovation experience, joined the PharmaNutra Group in 2022 in order to enhance and diversify its business lines through strategic synergy.

To support new growth strategies, **PharmaNutra España** and **PharmaNutra USA** were established in 2023

2000

ALESCO

Establishment of a new company specialised in nutraceutical raw materials.

2003

PHARMANUTRA

PharmaNutra is founded, for the development of medical devices and nutraceutical products.

2010

JUNIA PHARMA

Establishment of a new company focusing on the paediatric sector.

2022

AKERN

PharmaNutra started and completed the acquisition of 100% of the shares in Akern S.r.l.

2023

NEW STRATEGIES FOR GROWTH

Incorporation of PharmaNutra USA and PharmaNutra España.



CORPORATE BODIES

Board of Directors

Andrea Lacorte (Chairman)

Roberto Lacorte (Vice Chairman)

Carlo Volpi (Director)

Germano Tarantino (Director)

Alessandro Calzolari (Independent Director)

Marida Zaffaroni (Independent Director)

Giovanna Zanotti (Independent Director)

Board of Statutory Auditors

Giuseppe Rotunno (Chairman of the Board of Statutory Auditors)

Michele Luigi Giordano (Standing Auditor)

Debora Mazzacherini (Standing Auditor)

Alessandro Lini (Substitute Auditor)

Elena Pro (Substitute Auditor)

Independent auditors

BDO Italia S.p.A.



INTRODUCTION

PharmaNutra S.p.A., whose shares are traded on the STAR Segment of the Mercato Telematico Azionario ("MTA"), organised and managed by Borsa Italiana as of 15 December 2020, operates in the nutraceutical and pharmaceutical sector with the objective of improving people's well-being. Based on continuous research and development, it has introduced new nutritional concepts and new active ingredients to the market. It manufactures products using innovative technologies, paying particular attention to the protection of intellectual property.

The Board of Directors of PharmaNutra S.p.A. resolved to draft the Group's condensed consolidated financial statements in accordance with the International Accounting Standards and International Financial Reporting Standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB) and approved by the European Union.

The amounts in the accounting statements, tables and explanatory notes are expressed in thousands of Euro, unless otherwise stated.

Summary

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INTERIM MANAGEMENT STATEMENT AT 30 SEPTEMBER 2023

1.1 MAIN CONSOLIDATED INCOME STATEMENT AND BALANCE SHEET DATA

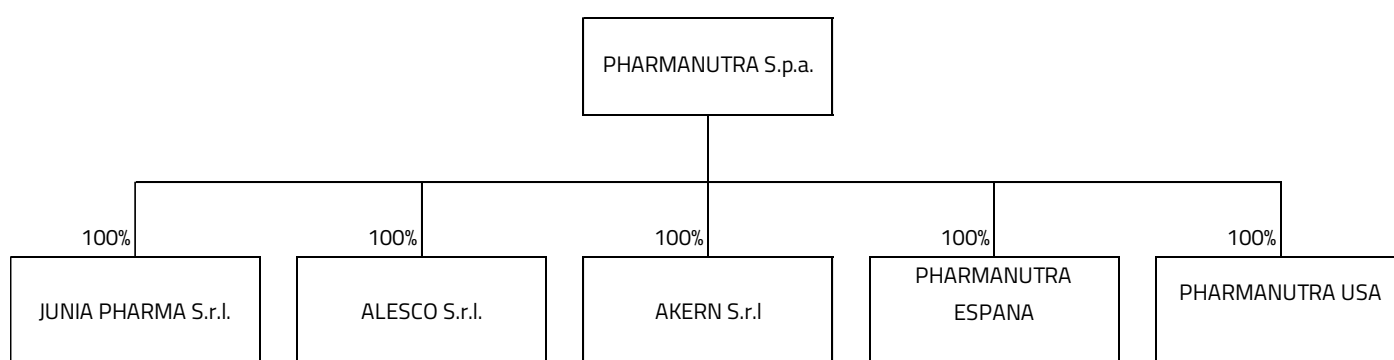
| INCOME STATEMENT FIGURES (€/millions) | 2023 | % | 2022 | % | Changes |
|--|------|--------|------|--------|---------|
| REVENUES | 72.2 | 100.0% | 60.5 | 100.0% | 19.2% |
| REVENUES FROM SALES | 71.4 | 99.0% | 60.3 | 99.6% | 18.5% |
| EBITDA | 19.0 | 26.4% | 19.1 | 31.5% | -0.3% |
| NET RESULT | 9.7 | 13.5% | 12.8 | 21.2% | -24.2% |
| NET RESULT excl. non-recurring items * | 11.7 | 16.3% | 12.8 | 21.2% | -8.6% |
| EPS - NET RESULT PER SHARE (Euro) | 1.01 | | 1.33 | | -24.1% |
| EPS - NET RESULT PER SHARE excl. non-recurring items (Euro)* | 1.21 | | 1.33 | | -8.5% |

| BALANCE SHEET FIGURES (€/millions) | 2023 | 2022 | Changes |
|------------------------------------|--------|--------|---------|
| NET INVESTED CAPITAL | 61.2 | 40.3 | 20.9 |
| NET FINANCIAL POSITION | (9.9) | 10.6 | (20.5) |
| SHAREHOLDERS' EQUITY | (51.3) | (51.0) | 0.3 |

* the Net Result and Net earnings per share excluding non-recurring items as at 30/09/2023 do not include the allocation made to the Provision for Taxes for the amount of 2 million euro, which represents the estimate related to the definition of the tax periods between 2017 and 2021 with the aim of adhering to the institute of cooperative compliance provided for by Italian Legislative Decree No. 128 of 5 August 2015.

1.2 THE PHARMANUTRA GROUP

Pharmanutra S.p.A. (hereinafter also "Pharmanutra" or the "Parent Company") is a company with registered office in Italy, in Via Campodavola 1, Pisa, which holds controlling investments in the group of companies (the "Group" or also the "Pharmanutra Group") shown in the following diagram:



PharmaNutra, a nutraceutical company based in Pisa, was founded in 2003 with the aim of developing products for food supplements and medical devices. Since 2005, it has been directly and independently developing and marketing a line of its own branded products, managed through a structure of Pharmaceutical Sales Representatives who present the products directly to the medical class; it now has the know-how to manage all stages from the design, formulation and registration of a new product, to marketing and sales, and even training of agents.

The business model developed has been pointed out by key health marketing experts as an example of innovation and efficiency in the entire pharmaceutical scenario.

The Company continuously invests in research and development in order to further strengthen its results in the pertaining industry.

Subsidiary company Junia Pharma S.r.l. (hereinafter also referred to as "Junia Pharma") is active in the production and marketing of pharmaceuticals, OTC medical devices and nutraceuticals for the paediatric sector.

Subsidiary company Alesco S.r.l. (hereinafter also referred to as "Alesco") produces and distributes raw materials and active ingredients for the food, pharmaceutical and food supplement industries.

Akern S.r.l. (hereinafter also referred to as "Akern") is an Italian company established in 1980 with the purpose of research, development and production of medical instrumentation and software for monitoring body composition using bioimpedance techniques. It joined the group in July 2022.

Pharmanutra USA (hereinafter also referred to as "PHN USA") was established in December 2022 to market Pharmanutra® branded products on the American market through direct territorial sales and selected ecommerce channels. The company has a capital of USD 300,000 and operational headquarters in Florida.

PharmaNutra España (hereinafter also referred to as "PHN ESP") was established in March 2023 with its headquarters in Barcelona and capital of 50,000 euro. It will be in charge of the distribution of the Cetilar® and Cetilar® Nutrition line products in the Spanish market through selected online sales channels and a dedicated sales network.

1.3 CONSOLIDATED POSITION AS AT 30 SEPTEMBER 2023

The Group's performance confirms the forecasts in terms of both revenue growth (+18.5% year-on-year) and slight reduction of margins due to operating costs related to the start-up of new development projects (Cetilar®

Nutrition, PHN USA, PHN ESP, China) . Excluding the operating costs related to the start-up of the new initiatives (about 3 million Euro), the incidence of EBITDA as at 30 September 2023 on revenues is in line with that reported in the same period of the previous year.

With reference to the American market, the operational and commercial structure of PHN USA was finalised with the opening of the office in Miami (Florida), the appointment of a Country Manager and an Operation Manager, as well as the hiring of a Sales Regional Manager who will coordinate the sales network currently consisting of 8 Sales Executives. The entire sales network visited PharmaNutra's headquarters in Italy at the end of September for a week of scientific training and mutual exchange of knowledge of the markets and their peculiarities. The first sales made upon the return of the sales force demonstrate the effectiveness of the model implemented. The products to be marketed are the SiderAL® line, a nutritional supplement containing Sucrosomial Iron®, the Cetilar® line, dedicated to the wellbeing of muscles and joints, based on Cetylated Esters (CFA) and available in Cream, Patch, Tape and Gold versions, and finally Apportal®, a complete nutritional supplement containing 19 nutrients. The company's e-commerce site for online sales went live at the beginning of October, joining the other sales channels represented by doctors, patients, pharmacies and hospitals.

The invitations to cross-examination notified by the Provincial Directorate of Pisa of the Revenue Agency for the tax periods from 2017 to 2021 were defined, through appeal to the institute of special voluntary repentance pursuant to law 197/2022. The total amount paid amounts to approximately Euro 3.5 million and will be paid in 4 installments by 31 December 2023.

The Directors believe that the definition made is of great importance since it eliminates the risk of potential future disputes and consequent tax liabilities and lays the foundations for achieving the objective, already informally anticipated to the tax control bodies, of joining the institute of the collaborative compliance required by Legislative Decree no. 128 of 5 August 2015. Adherence to the collaborative compliance institute will represent a fundamental step in the creation of value for the Group's stakeholders as it will allow preventive and constant dialogue with the tax authorities, abandoning the current system which provides for assessments following the submission of the declarations aimed at sanctioning any irregularities thereof. The preventive and constant dialogue with the financial administration ensures the taxpayer immediate preventive fiscal certainty, prevents the risk of tax disputes and eliminates the risk of administrative and criminal sanctions, integrates and strengthens the corporate governance and internal control system, making it possible, through the certainty of the tax rate, a more correct planning of investments and their expected return.

Performance in the third quarter of 2023

Income Statement

| CONSOLIDATED INCOME STATEMENT (€/1000) | 2023 | % | 2022 | % | Δ 23/22 | Δ % |
|--|---------------|---------------|---------------|---------------|----------------|----------------|
| REVENUES | 72.190 | 100.0% | 60.542 | 100.0% | 11.648 | 19.2% |
| Net revenues | 71.434 | 99.0% | 60.270 | 99.6% | 11.164 | 18.5% |
| Other revenues | 756 | 1.1% | 272 | 0.5% | 484 | 177.9% |
| OPERATING COSTS | 53.160 | 73.6% | 41.447 | 68.5% | 11.713 | 28.3% |
| Purchases of raw materials, consum. and supplies | 3.986 | 5.5% | 3.230 | 5.3% | 756 | 23.4% |
| Change in inventories | (2.366) | -3.3% | (1.150) | -1.9% | (1.216) | 105.7% |
| Costs for services | 46.276 | 64.1% | 35.425 | 58.5% | 10.851 | 30.6% |
| Personnel costs | 4.662 | 6.5% | 3.498 | 5.8% | 1.164 | 33.3% |
| Other operating costs | 602 | 0.8% | 444 | 0.7% | 158 | 35.6% |
| GROSS OPERATING MARGIN (EBITDA) | 19.030 | 26.4% | 19.095 | 31.5% | (65) | -0.3% |
| Amortisation, depreciation and write-downs | 1.265 | 1.8% | 973 | 1.6% | 292 | 30.0% |
| OPERATING MARGIN (EBIT) | 17.765 | 24.6% | 18.122 | 29.9% | (357) | -2.0% |
| FINANCIAL INCOME (EXPENSE) BALANCE | (69) | -0.1% | 338 | 0.6% | (407) | -120.4% |
| Financial income | 557 | 0.8% | 466 | 0.8% | 91 | 19.5% |
| Financial charges | (626) | -0.9% | (128) | -0.2% | (498) | 389.1% |
| PRE-TAX RESULT | 17.696 | 24.5% | 18.460 | 30.5% | (764) | -4.1% |
| Taxes | (7.965) | -11.0% | (5.594) | -9.2% | (2.371) | 42.4% |
| Net result of third parties | | 24.5% | (27) | 0.0% | 27 | 0.0% |
| Group net income | 9.731 | 13.5% | 12.839 | 21.2% | (3.108) | -24.2% |

Consolidated net revenues at 30 September 2023 amounted to 71.4 million euro, an increase of 11.2 million euro (+18.5%) compared to the same period of the previous year.

Revenues generated on the Italian market amounted to 47.1 million euro (42.5 million euro as at 30 September 2022), an increase of 11%, with a 66% ratio to total revenues, compared to 70% in the same period last year. The increase in revenues derives from higher sales of finished products and the consolidation of Akern for 3.6 million euro, while sales of raw materials remained substantially in line with the same period of the previous year.

Consolidated net sales revenues in foreign markets amounted to 20.7 million euro versus 16.9 million euro as at 30 September 2022, recording a net increase of 3.8 million euro (+22%). As a result of the above, the ratio of revenues from foreign markets to total revenues increased from 28% as at 30 September 2022 to 29% as at 30 September 2023. The contribution to revenues from new business is still marginal; the first units were sold in the USA during the last week of September, while marketing in Spain was constrained by issues related to obtaining

authorisations, which have now been resolved. China and Nutrition line are gradually increasing their sales volumes.

Sales volumes of finished products as at 30 September 2023, amounting to approximately 9.1 million units increased by about 8.5% if compared to the volumes at 30 September 2022 (8.4 million units).

Operating expenses as at 30 September 2023, amounting to approximately 53.2 million euro (approximately +28% compared to 30 September 2022), increase naturally as a consequence of the increase in revenue and for the operating expenses related to the start-up of new projects (3.0 million euro), in particular recruiting costs, personnel costs, administrative and commercial consulting and marketing costs.

The Taxes item includes the provision of 2 million euro as already mentioned.

As a result of the above, the Pharmanutra Group's **Gross Operating Profit (EBITDA)** amounted to 19.0 million euro (19.1 million euro as at 30 September 2022), equivalent to a 26.4% margin on total revenue, a decrease of approximately 4% compared to 30 September 2022. Excluding the effect of start-up costs of new initiatives, the Gross Operating Profit for the nine months ended 30 September 2023 amounts to Euro 20,4 milioni (about +9% compared to same period of the previous year) and in line with that recorded in the same period of the previous year, indicating the Group's recurring business solidity.

The **Net result** for the period amounts to 9.7 million euro compared to 12.8 million euro as at 30 September 2022.

The **Net result for the period excluding non-recurring items**, including the allowance to tax provision mentioned above, amounted to 11.7 million euro.

The **Net result per share** was 1.01 euro compared to 1.33 euro as at 30 September 2022.

The **Net Result per share excluding non-recurring items** at 30 September 2023 were 1.23 euro per share compared to 1.33 euro per share as at 30 September 2022.

Balance sheet

| CONSOLIDATED BALANCE SHEET (€/1000) | 30/09/2023 | 31/12/2022 |
|-------------------------------------|---------------|-----------------|
| TRADE RECEIVABLES | 24.576 | 21.647 |
| INVENTORIES | 7.839 | 5.261 |
| TRADE PAYABLES | (15.208) | (16.882) |
| OPERATING WORKING CAPITAL | 17.207 | 10.026 |
| OTHER RECEIVABLES | 6.679 | 4.958 |
| OTHER PAYABLES | (7.427) | (5.292) |
| NET WORKING CAPITAL | 16.459 | 9.692 |
| INTANGIBLE ASSETS | 22.596 | 21.560 |
| TANGIBLE ASSETS | 27.015 | 17.055 |
| NON CURRENT ASSETS | 3.556 | 1.310 |
| TOTAL ASSETS | 53.167 | 39.925 |
| PROVISIONS AND OTHER L/T LIAB. | (8.456) | (9.307) |
| NET INVESTED CAPITAL | 61.170 | 40.310 |
| NET EQUITY | 51.267 | 50.948 |
| NON CURRENT FINANCIAL LIAB. | 21.006 | 14.110 |
| CURRENT FINANCIAL LIAB. | 3.894 | 3.616 |
| NON CURRENT FINANCIAL ASSETS | (277) | (1.503) |
| CURRENT FINANCIAL ASSETS | (5.145) | (4.810) |
| CASH AND CASH EQUIVALENTS | (9.575) | (22.051) |
| NET FINANCIAL POSITION | 9.903 | (10.638) |
| TOTAL FUNDS | 61.170 | 40.310 |

The change in operating working capital compared to 31 December 2022 is attributable to the higher sales volumes realised in the period, the increase in inventories due to the production cost management policies implemented, and the timing dynamics of cash in and out. The increase in the item Other receivables is due to the recognition of deferrals related to marketing activities whose accrual extends beyond 30 September 2023, the recognition of the receivable related to the indemnity to be received from pre-listing shareholders and the current portion of purchased tax credits.

The increase in the item Other payables is related to the recognition of taxes on the result of the period.

The increase in the Intangible Fixed Assets item derives from capitalised costs related to patents and trademarks resulting from research activities while Tangible Fixed Assets increased as a result of current capital expenditures

and to the construction of the new headquarters. The increase in Financial Fixed Assets is attributable to tax credits acquired as capital expenditures using a portion of the Group's liquidity.

The item Current financial assets refers to a temporary use of part of the Group's liquid funds with the subscription of financial instruments as part of the individual management mandate granted to Azimut Capital Management.

PharmaNutra Group applies some alternative performance indicators that are not identified as accounting measures under IFRS, in order to allow for a better assessment of management performance.

Therefore, the assessment criteria used by the Group may not be consistent with those used by other groups and the balance obtained may not be comparable with that determined by the latter.

Such alternative performance indicators, determined in accordance with the requirements of the Guidelines on Alternative Performance Indicators issued by ESMA/2015/1415 and adopted by CONSOB with communication no. 92543 of 3 December 2015, refer only to the performance of the accounting period covered by this Interim Report and of the periods compared and not to the expected performance of the Group.

Below is a definition of the alternative performance indicators used in this Interim Report:

- EBITDA: it is represented by the Earnings before interest, taxes, depreciation and amortisation.
- Adjusted EBITDA: it is represented by the Earnings before interest, taxes, depreciation and amortisation net of non-recurring items.
- EBIT: it is represented by the Earnings before interest, taxes, depreciation and amortisation net of depreciation, amortisation and write-downs.
- Operating Working Capital: it is calculated as the sum of inventories and trade receivables net of trade payables.
- Net Working Capital: it is calculated as the sum of inventories and trade receivables net of trade payables and of all other items in the Balance sheet classified as other receivables or other payables.
- Net Invested Capital: it is the sum of Net Working Capital, Total Fixed Assets net of Provisions and other medium/long-term liabilities, excluding items of a financial nature which are included in the Net Financial Position balance.

- Net Financial Position (NFP): it is calculated as the sum of current and non-current bank loans and borrowings, current and non-current liabilities for rights of use, net of cash and cash equivalents, and current and non-current financial assets.

Total Sources: it is represented by the sum of Shareholders' Equity and NFP.

The table below shows the changes in financial position:

| CONSOLIDATED NET FINANCIAL POSITION €/1000 | 30/09/2023 | 31/12/2022 |
|--|-------------------|-------------------|
| Cash | (16) | (21) |
| Bank deposits | (9.559) | (22.030) |
| Cash and cash equivalents | (9.575) | (22.051) |
| Current financial assets | (5.145) | (4.810) |
| Current financial liabilities: due to banks | 0 | 0 |
| Current part of non current liabilities | 3.497 | 3.365 |
| Current fin. liabilities for rights of use | 397 | 251 |
| Current financial indebtedness net of fin. assets | (1.251) | (1.194) |
| Net Current Financial Indebtedness/(Availability) | (10.826) | (23.245) |
| Non current financial assets | 0 | (1.259) |
| Deposits paid | (277) | (244) |
| Non current bank debts | 20.037 | 13.612 |
| Non current fin. liabilities for rights of use | 969 | 498 |
| Non current financial indebtedness | 20.729 | 12.607 |
| Net Financial Position | 9.903 | (10.638) |

The **Net financial position** as of 30 September 2023 was negative in the amount of 9.9 million euro, compared to a positive balance of 10.6 million euro as of 31 December 2022. The operating cash flow for the period amounted to 3.2 million euro; capital expenditures for 12.3 million euro were made, treasury shares were repurchased for the amount of 1.6 million euro and tax credits for 4.3 million euro were purchased.

The increase in the item Non-current bank payables derives from a mortgage loan with progress draws disbursed in May by Banco BPM S.p.A. The amount of the loan is 12 million euro, of which 9 million euro was disbursed when the contract was signed. The loan expires on 30 June 2038 and will be repaid in 60 quarterly instalments of which 4 are interest-only. It is secured by a first mortgage and is subject to an annual financial covenant. The interest rate is variable and based on the quarterly Euribor rate plus a spread of 1.45 b.p.

The reduction in Non-current Financial Assets resulted from the collection of the insurance policy taken out to cover the Directors' termination indemnity provision, which was liquidated following the expiry of the Executive Directors' term of office.

For more details on changes in the Net Financial Position, please refer to the Consolidated Cash Flow Statement.

1.4 Pharmanutra Group's Business Lines

PharmaNutra Group's distribution and sales model consists of the following two business Lines:

- **Direct Business Line (LB1):** it is characterised by direct presence in the reference markets in which the Group operates; the logic that governs this model is to ensure complete control of the territory through an organisational structure of pharmaceutical sales representatives who, through sales and scientific information activities, ensure full control of all the players in the distribution chain: hospital doctors, outpatient doctors, pharmacies and hospital pharmacies.

This model, used for the Italian market, characterises PharmaNutra and Junia Pharma.

Alesco's commercial activity in Italy is directed both outside the Group, to companies in the food, pharmaceutical and nutraceutical industries as well as to nutraceutical production plants that manufacture on behalf of third parties and, within the Group, supplying and selling products and raw materials to Pharmanutra and Junia Pharma.

- **Indirect Business Line (LB2):** the business model is common to all three companies and is mainly used in foreign markets. It is characterised by the marketing of finished products (Pharmanutra and Junia Pharma) and raw materials (Alesco) through local partners which, under long-term exclusive distribution contracts, distribute and sell the products in their own markets.
- **Akern Business Line:** The business model involves the sale of instrumentation and software for body bioimpedance analysis in Italy and foreign markets through agents, distributors and online sales.

Consolidated net revenues at 30 September 2023 (71.4 million euro) increased by 18.5% compared to the same period last year (60.3 million euro).

| Revenues by area of activity | | | | Incidence | |
|-------------------------------------|---------------|---------------|--------------|--------------|--------------|
| | €/1,000 | 2023 | 2022 | Δ% | 2023 |
| LB1 | 46.259 | 41.352 | 11.9% | 64.8% | 68.6% |
| LB2 | 19.806 | 16.092 | 23.1% | 27.7% | 26.7% |
| Total Finished Products | 66.064 | 57.443 | 15.0% | 92.5% | 95.3% |
| Alesco Outgroup – Italy | 893 | 1.127 | -20.7% | 50.7% | 58.7% |
| Alesco Outgroup – Rest of the World | 870 | 795 | 9.5% | 49.3% | 41.4% |
| Total Raw Material | 1.763 | 1.922 | -8.2% | 2.5% | 3.2% |
| Akern Italy | 3.168 | 802 | n.s. | 87.8% | 1.3% |
| Akern Foreign markets | 439 | 104 | n.s. | 12.2% | 0.2% |
| Total Akern | 3.606 | 905 | n.s. | 5.1% | 1.5% |
| Total | 71.434 | 60.270 | 18.5% | 100% | 100% |

Revenues from sales of finished products increased by about 12% on the Italian market (LB1) and by about 23% on foreign markets (LB2) compared to 30 September of the previous year.

Revenues relating to the selling of proprietary and non-proprietary raw materials to companies in the food, pharmaceutical and nutraceutical industry, as well as to nutraceutical product production plants working on behalf of third parties (Alesco outgroup), managed by the subsidiary Alesco, show an overall decrease of 159 thousand euro due to lower sales on the Italian market.

Revenues related to the Akern business line amounted to 3.6 million euro, of which 3.2 million euro related to the Italian market and 439 thousand euro to foreign markets. Please note that Akern was subject to consolidation as of 1 July 2022.

The following table shows the breakdown of revenues into the business lines described above.

| Revenues by Business Line | | | | Incidence | |
|---------------------------|---------------|---------------|--------------|-------------|-------------|
| | €/1,000 | 2023 | 2022 | Δ% | 2023 |
| Total LB1 | 47.152 | 42.479 | 11.0% | 66.0% | 70.5% |
| Total LB2 | 20.676 | 16.886 | 22.4% | 28.9% | 28.0% |
| Akern | 3.606 | 905 | n.s. | 5.1% | 1.5% |
| Total | 71.434 | 60.270 | 18.5% | 100% | 100% |

Overall, revenues from sales on the LB1 line increased by about 11%, and amounted to 47.2 million euro (42.5 million euro in the previous year), and represent 66% of total revenues.

At 30 September 2023, revenues from the LB2 line amounted to 20.7 million euro (16.9 million euro at 30 September 2022), accounting for about 29% of total revenues.

Akern's revenues accounted for approximately 5% of total revenues.

| Revenues by geographic area | | | | Incidence | |
|-----------------------------|---------------|---------------|--------------|-------------|-------------|
| €/1,000 | 2023 | 2022 | Δ% | 2023 | 2022 |
| Europe | 12.945 | 9.174 | 41.1% | 61.3% | 54.0% |
| Middle East | 6.069 | 6.170 | -1.6% | 28.7% | 36.3% |
| South America | 1.061 | 629 | 68.9% | 5.0% | 3.7% |
| Far East | 594 | 510 | 16.4% | 2.8% | 3.0% |
| Other | 445 | 507 | -12.2% | 2.1% | 3.0% |
| Total | 21.114 | 16.990 | 24.3% | 100% | 100% |

Europe remains the market with the highest impact on foreign revenues. The increase in South America stems from the start of the commercialisation of products following contracts signed in previous years. The changes in the other areas are attributable to the time dynamics required for the distributors to formalise purchase orders.

Revenues on foreign markets are represented almost exclusively by the SiderAL® line.

The analysis of revenues from finished products by product line (Trademark) shown in the table below, shows a year-on-year decrease in Apportal® sales, in line with the general trend in the topical products market, owing to the gradual fading of the effects of Covid 19.

Sideral® sales by quantity decreased by 0.8% compared to the previous quarter, compared to a 3% decrease in the iron food supplement market and a 4.3% decrease in the overall market.

| F.P. Revenues by Product Line | | | | Incidence | |
|----------------------------------|---------------|---------------|--------------|-------------|-------------|
| | €/1,000 | 2023 | 2022 | Δ% | 2023 |
| Sideral | 50.316 | 42.872 | 17.4% | 72.2% | 73.5% |
| Cetilar | 7.125 | 5.820 | 22.4% | 10.2% | 10.0% |
| Apportal | 6.104 | 6.312 | -3.3% | 8.8% | 10.8% |
| Ultramag | 776 | 647 | 19.9% | 1.1% | 1.1% |
| Other | 1.745 | 1.791 | -2.6% | 2.5% | 3.1% |
| Akern | 3.606 | 905 | n.s. | 5.2% | 1.6% |
| Total | 69.671 | 58.347 | 19.4% | 100% | 100% |

In terms of volumes, sales of finished products as at 30 September 2023 amounted to 9,107 thousand units, an increase of approximately 8.5% compared to 8,397 thousand units in the corresponding period of the previous year.

| F.P. Volumes | | | | Incidence | |
|--------------|--------------|--------------|-------------|-------------|-------------|
| | Units/1,000 | 2023 | 2022 | Δ% | 2023 |
| LB1 | 3.300 | 2.970 | 11.1% | 36.2% | 35.4% |
| LB2 | 5.807 | 5.427 | 7.0% | 63.8% | 64.6% |
| Total | 9.107 | 8.397 | 8.5% | 100% | 100% |

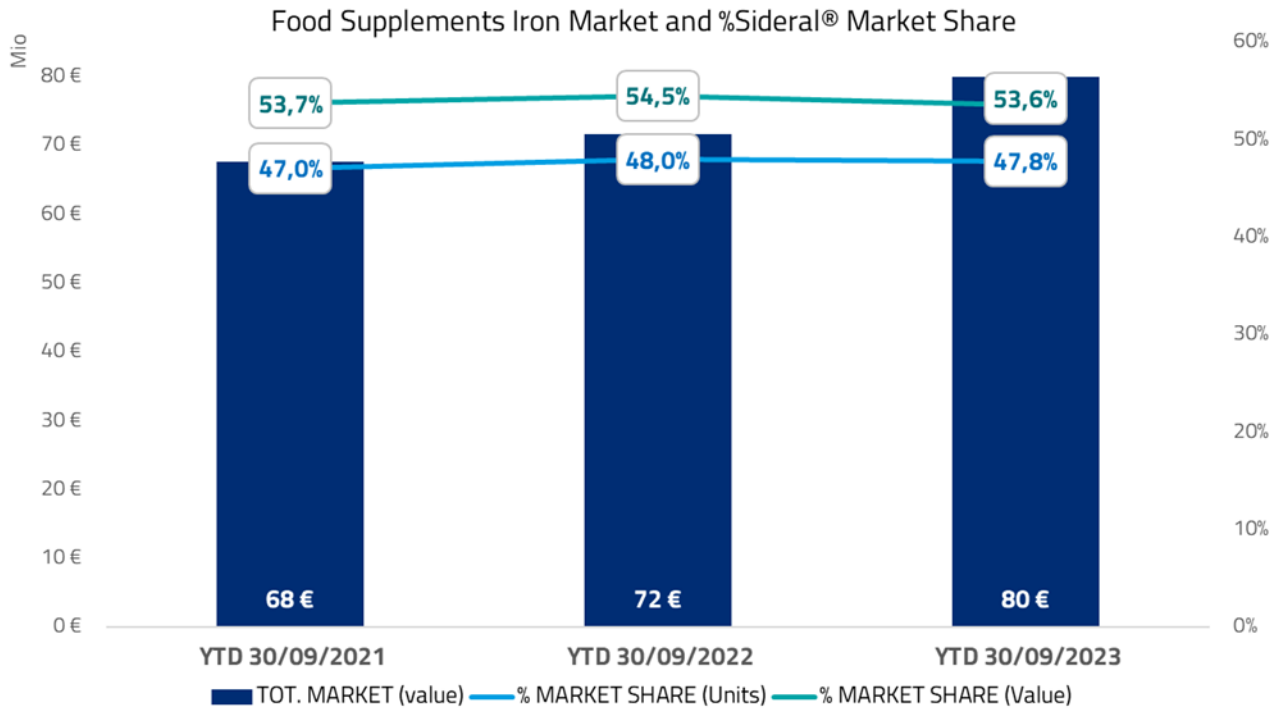
1.5 Reference markets in which the Group operates

PharmaNutra Group, specialised in the development of nutraceutical products and medical devices, is one of the main players in the Italian market with a growing presence abroad.

Below is an analysis of the reference markets in Italy of the two most important product lines in terms of turnover, the Sideral® line and the Cetilar® line.

1.5.1 Iron market

Pharmanutra Group operates in the iron-based supplements market (Food Supplements and Drugs) with the Sideral® product line, in which it confirmed its leadership position in the 9 months of 2023 with a market share in value of approximately 53.6% and 47.8% in volumes¹.



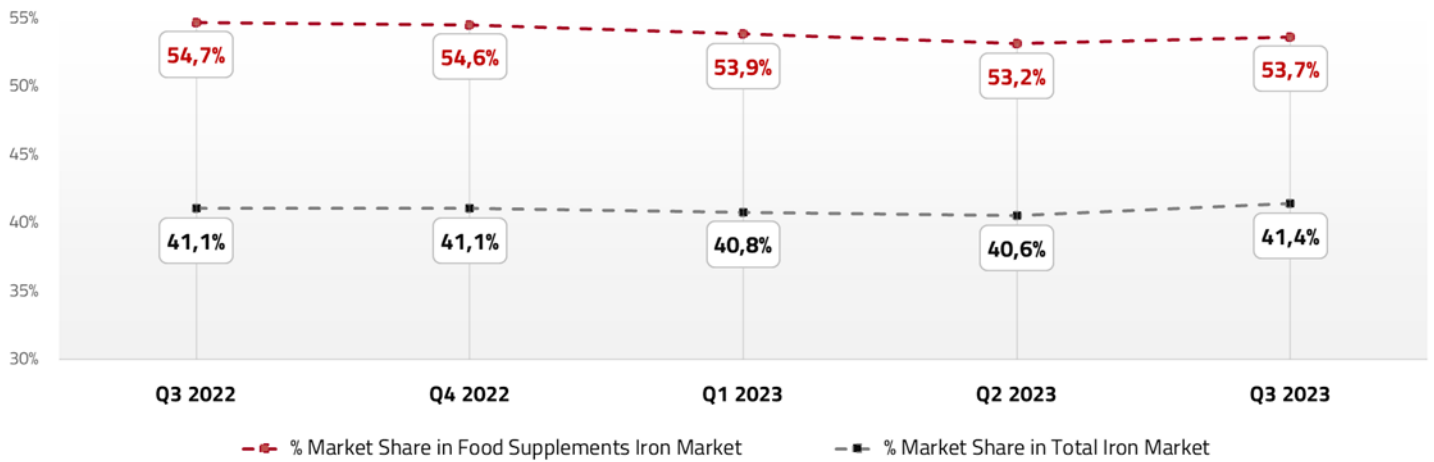
If the total market consisting of both food supplements and pharmaceuticals (Total Iron Market) is taken into account, the market share as at 30 September 2023 increases from 40.5% to 40.9% (in terms of value) and from 21.4% to 22.3% (in terms of units), compared to the same period last year.

The graph below shows the quarterly trend in Sideral® market share (expressed in value) compared to the iron-based supplement market only (Food Supplements Iron Market) and the total market (Total Iron Market)².

¹ Source: IQVIA data

² Source: IQVIA data

% Sideral Market Share in Food Supplements & Total Iron Market (VAL)_Quarter

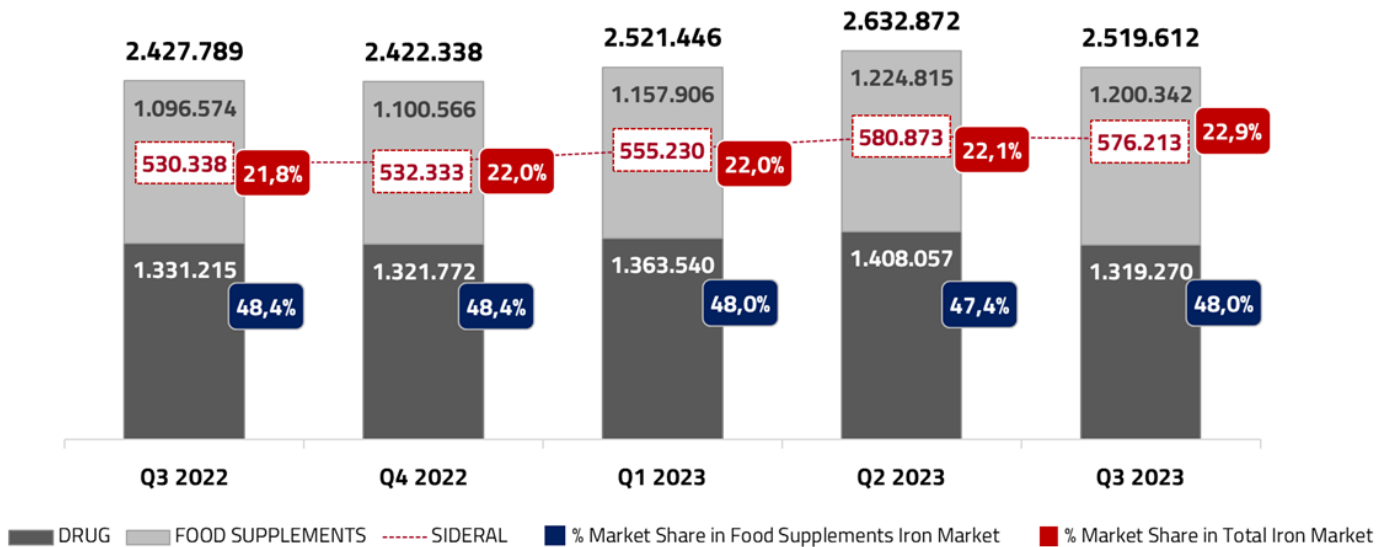


It is worth noting that the Sideral® product line also has a significant market share in the overall market, amounting to 41.4%.

The performance of Sideral® in terms of units in the iron-based supplements market and the overall iron market is shown in the chart below.

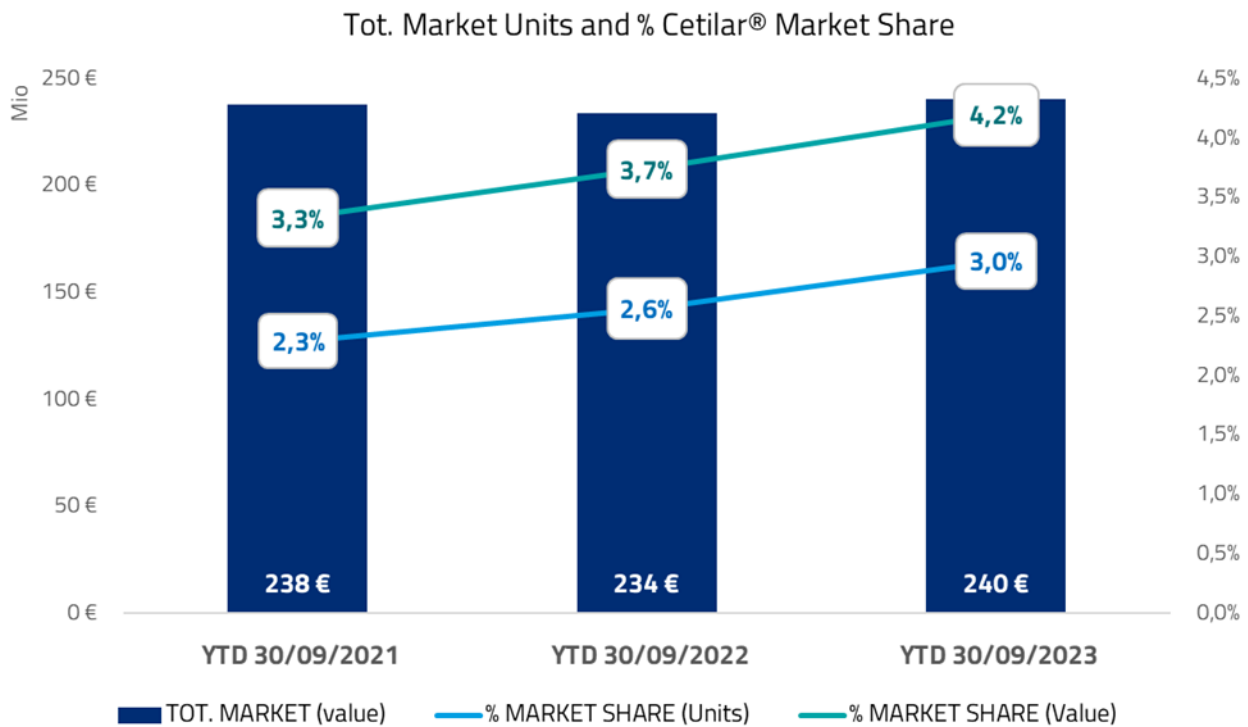
While quantities sold in the overall market fell by -4.3% compared to the previous quarter (-3% for food supplements), sales of Sideral® fell only by 0.8%, indicating its leading position on the market.

Trend Sideral® and Total Iron Market (UN)_Quarter



1.5.2 Market for topical painkillers

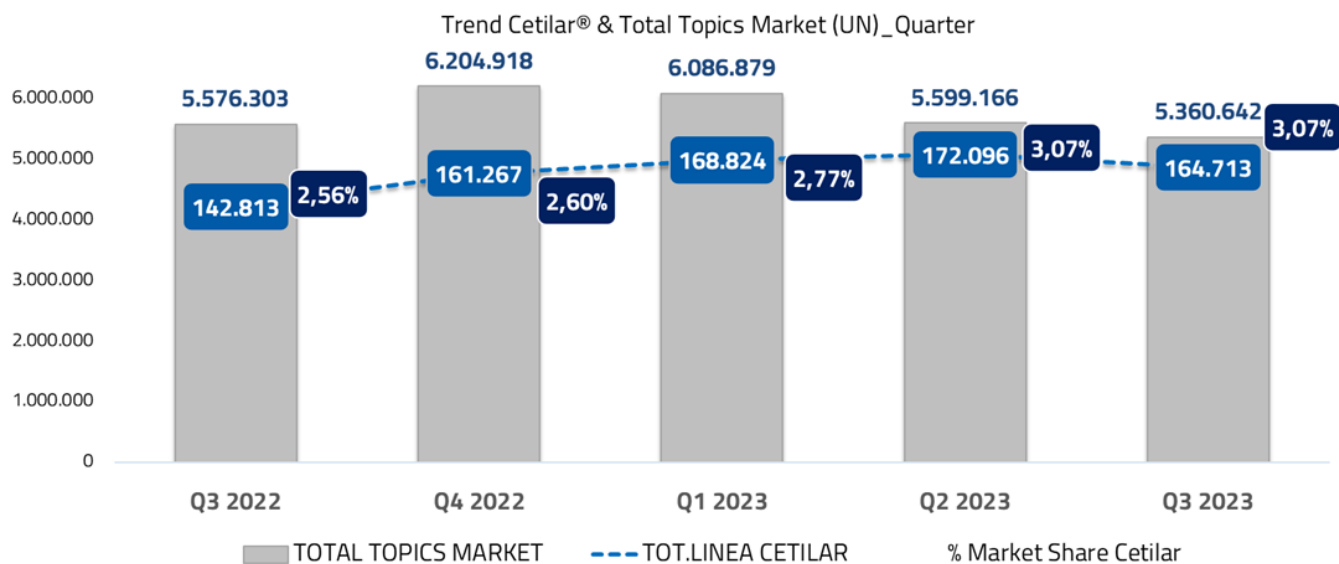
The following chart shows the trend of Cetilar's market share (expressed in value and units) in relation to the reference market.



Against a market environment that was down in terms of units (-2%) and up slightly in value (+3%) in the January-September 2023 period compared to the same period of the previous year, and in a highly fragmented competitive scenario, the Cetilar® line's market share increased both in terms of value and units, rising from 3.7% to 4.2% in value and from 2.6% to 3.0% in volume³.

The graph below shows the quarterly trend from July 2022 to September 2023 of the overall market for topical products and the Cetilar® line.

³ Source: IQVIA data



1.6 Significant events after the end of the period

On 5 October, the Group's new headquarters were inaugurated. The new headquarters occupy a total area of more than 5,300 square metres, of which 2,200 square metres are dedicated to production, 1,600 square metres to executive offices, and about 1,500 square metres to additional services. Moreover, there are more than 10,000 square metres of outdoor space.

The building is a concrete commitment to sustainability, with several green areas, relaxation and social areas, not to mention a gym, all designed for the well-being of the workers. This reflects the company's philosophy which has always maintained its focus on people, combining flexibility, efficiency, research, innovation and quality.

This is a highly strategic capital expenditure for the Group's development, with which it has been possible to internalise the production of proprietary raw materials and research activities, which will be carried out in one of the most innovative nutritional research and development laboratories in Europe, so that new product development times will be reduced.

An agreement was signed in October with the Tuscan Regional Directorate of the Italian Revenue Agency to access the facilitated taxation regime provided by the former Patent Box for the 2019–2023 five-year period, referring to the direct exploitation of technical know-how and patents that had not been included in the previous agreement.

Calculations are being prepared to determine the size of the resulting tax benefit.

1.7 Business outlook

The solid base represented by a double-digit growth trend in terms of revenues, coupled with the constant marginality of the Group's recurring business, will allow the Group to focus on the commercial development of the new line of food supplements designed specifically for sports enthusiasts (Cetilar® Nutrition), the marketing of which began at the end of the first quarter through a dedicated network of sales agents and the e-commerce channel, the development of the operations of Pharmanutra USA, through which the distribution of all the Group's main products in the USA has just begun, and the development of the operations of Pharmanutra España for the marketing of the Cetilar® (cream, patch, tape and gold) and Cetilar® Nutrition line products on the Spanish market.

The investments planned to support the projects described are expected to result in a moderate reduction in margins for the next two financial years.

The current international tensions and the unpredictable developments of the scenarios related to the conflict between Russia and Ukraine and the conflict in the Middle East create a generalised macroeconomic uncertainty that could affect the achievement of corporate objectives.

Pisa, 6 November 2023

For the Board of Directors

The Chairman

(Andrea Lacorte)

**CONSOLIDATED FINANCIAL STATEMENTS AS AT 30
SEPTEMBER 2023 AND EXPLANATORY NOTES**

Consolidated Balance Sheet

| €/1000 | 30/09/2023 | 31/12/2022 |
|---|----------------|----------------|
| NON CURRENT ASSETS | 53.444 | 41.428 |
| Buildings, plant and equipment | 27.015 | 17.055 |
| Intangible assets | 22.596 | 21.560 |
| Investments | 4 | 4 |
| Non current financial assets | 277 | 244 |
| Other non current assets | 2.216 | 1.259 |
| Deferred tax assets | 1.336 | 1.306 |
| CURRENT ASSETS | 53.814 | 58.727 |
| Inventories | 7.839 | 5.261 |
| Cash and cash equivalents | 9.575 | 22.051 |
| Current financial assets | 5.145 | 4.810 |
| Trade receivables | 24.576 | 21.647 |
| Other current assets | 5.873 | 2.881 |
| Tax receivables | 806 | 2.077 |
| TOTAL ASSETS | 107.258 | 100.155 |
| NET EQUITY | 51.267 | 50.948 |
| Share Capital | 1.123 | 1.123 |
| Statutory Reserve | 225 | 225 |
| Treasury shares | (3.983) | (2.362) |
| Other reserves | 44.125 | 36.791 |
| IAS 19 Reserve | 275 | 226 |
| Fair value OCI reserve | (239) | (115) |
| FTA Reserve | 12 | 12 |
| Result of the period | 9.731 | 15.048 |
| Group Equity | 51.267 | 50.948 |
| Third parties equity | | |
| NON CURRENT LIABILITIES | 29.462 | 23.417 |
| Non current financial liabilities | 21.006 | 14.110 |
| Provision for non current risks and charges | 6.452 | 5.414 |
| Provision for employees and directors bene | 2.004 | 3.893 |
| CURRENT LIABILITIES | 26.529 | 25.790 |
| Current financial liabilities | 3.894 | 3.616 |
| Trade payables | 15.216 | 16.885 |
| Other current liabilities | 3.920 | 3.765 |
| Tax payables | 3.499 | 1.524 |
| TOTAL LIABILITIES & EQUITY | 107.258 | 100.155 |

Consolidated Income Statement

| €/1000 | NOTE | 2023 | 2022 |
|---|-------|---------------|---------------|
| TOTAL REVENUES | | 72.190 | 60.542 |
| Net revenues | 2.1.1 | 71.434 | 60.270 |
| Other revenues | 2.1.2 | 756 | 272 |
| OPERATING EXPENSES | | 53.160 | 41.447 |
| Purchases of raw material, cons. and supplies | 2.2.1 | 3.986 | 3.230 |
| Change in inventories | 2.2.2 | (2.366) | (1.150) |
| Expense for services | 2.2.3 | 46.276 | 35.425 |
| Employee expenses | 2.2.5 | 4.662 | 3.498 |
| Other operating expenses | 2.2.6 | 602 | 444 |
| EBITDA | | 19.030 | 19.095 |
| Amortization, depreciation and write offs | 2.3 | 1.265 | 973 |
| EBIT | | 17.765 | 18.122 |
| FINANCIAL INCOME/(EXPENSES) BALANCE | | (69) | 338 |
| Financial income | 2.4.1 | 557 | 466 |
| Financial expenses | 2.4.2 | (626) | (128) |
| PRE TAX RESULT | | 17.696 | 18.460 |
| Income taxes | 2.5 | (7.965) | (5.594) |
| Third parties result | | | (27) |
| Net result of the Group | | 9.731 | 12.839 |
| Utile netto per azione (Euro) | | 1,01 | 1,33 |

Comprehensive consolidated income statement

| €/1,000 | 2023 | 2022 |
|--|--------------|---------------|
| Result for the period | 9.731 | 12.839 |
| Gains (losses) from IAS application that will be recognised in the P&L | | |
| Gains (losses) from IAS application that will not be recognised in the P&L | (75) | (40) |
| Overall result for the period | 9.656 | 12.799 |

Statement of changes in Consolidated shareholders' equity

| €/1000 | Share Capital | Treasury Shares | Legal reserve | Other reserves | FTA Reserve | OCI Fair value reserve | IAS 19 Reserve | Currency conversion Reserve | Result of the period | Total |
|------------------------------|---------------|-----------------|---------------|----------------|-------------|------------------------|----------------|-----------------------------|----------------------|---------------|
| Balance as at 1/1/23 | 1.123 | (2.362) | 225 | 36.791 | 12 | (115) | 226 | | 15.048 | 50.948 |
| Other changes | - | (1.621) | | - | | (124) | 49 | | | (1.696) |
| Dividends paid | | | | (7.714) | | | | | | (7.714) |
| Allocation of result | | | | 15.048 | | | | | (15.048) | - |
| Result of the period | | | | | | | | | 9.731 | 9.731 |
| Exchange differences | - | | | | | | | (2) | | (2) |
| Balance as at 30/9/23 | 1.123 | (3.983) | 225 | 44.125 | 12 | (239) | 275 | (2) | 9.731 | 51.267 |

| €/1000 | Share capital | Treasury Shares | Legal reserve | Other reserves | FTA reserve | OCI Fair value reserve | IAS 19 Reserve | Result of the period | Minorities reserves | Third Parties Equity | Total |
|------------------------------|---------------|-----------------|---------------|----------------|-------------|------------------------|----------------|----------------------|---------------------|----------------------|---------------|
| Balance as at 1/1/22 | 1.123 | | 225 | 29.949 | (70) | 28 | 56 | 13.771 | | | 45.082 |
| Other changes | - | (2.159) | - | (921) | 31 | (191) | 111 | | (1) | | (3.130) |
| Change in cons. area | - | | - | 924 | (32) | | 40 | | 169 | | 1.101 |
| Dividends paid | | | | (6.852) | | | | | | | (6.852) |
| Allocation of the result | | | | 13.771 | | | | (13.771) | | | - |
| Result of the period | | | | | | | | 12.839 | | 27 | 12.866 |
| Balance as at 30/9/22 | 1.123 | (2.159) | 225 | 36.872 | (71) | (163) | 207 | 12.839 | 168 | 27 | 49.068 |

Consolidated cash flow statement

| CONSOLIDATED CASH FLOW (€/1000)- INDIRECT METHOD | 2023 | 2022 |
|--|-----------------|-----------------|
| Net result before minority interests | 9.731 | 12.839 |
| NON MONETARY COST/REVENUES | | |
| Depreciation and write offs | 1.265 | 973 |
| Allowance to provisions for employee and director benefits | 653 | 575 |
| CHANGES IN OPERATING ASSETS AND LIABILITIES | | |
| Change in provision for non current risk and charges | 1.038 | 2.578 |
| Change in provision for employee and director benefit | (2.542) | 467 |
| Change in inventories | (2.578) | (1.575) |
| Change in trade receivables | (3.078) | (6.841) |
| Change in other current assets | (2.992) | (1.407) |
| Change in tax receivables | 1.271 | (813) |
| Change in other current liabilities | 152 | 280 |
| Change in trade payables | (1.669) | 1.592 |
| Change in tax payables | 1.975 | 57 |
| CASH FLOW FROM OPERATIONS | 3.226 | 8.725 |
| Investments in intangible, property, plant and equipment | (12.260) | (21.485) |
| Disposal of intangibles, property, plant and equipment | 150 | 552 |
| Net investments in financial assets | 0 | 250 |
| Change in other assets | (957) | (493) |
| Change in deferred tax assets | (30) | 75 |
| CASH FLOW FROM INVESTMENTS | (13.097) | (21.101) |
| Other increase/(decrease) in equity | (77) | 151 |
| Treasury shares purchases | (1.621) | (2.159) |
| Dividends distribution | (7.714) | (6.852) |
| Financial assets increase | (1.690) | (219) |
| Financial assets decrease | 567 | 68 |
| Financial liabilities increase | 10.171 | 12.174 |
| Financial liabilities decrease | (2.858) | (284) |
| Financial ROU liabilities increase | 863 | 142 |
| Financial ROU liabilities decrease | (246) | (211) |
| CASH FLOW FROM FINANCING | (2.605) | 2.810 |
| TOTAL CHANGE IN CASH AND CASH EQUIVALENTS | (12.476) | (9.566) |
| Cash and cash equivalents at the beginning of the period | 22.051 | 29.409 |
| Cash and cash equivalents at the end of the period | 9.575 | 19.843 |
| CHANGE IN CASH AND CASH EQUIVALENTS | (12.476) | (9.566) |

EXPLANATORY NOTES TO CONSOLIDATED ACCOUNTING STATEMENTS

1. CRITERIA FOR DRAFTING AND CONSOLIDATION PRINCIPLES

This Interim Management Report as at 30 September 2023 (hereinafter the "Interim Report") has been drafted as required for a STAR issuer (High Standard Mid Cap Segment) in accordance with the provisions of Borsa Italiana Notice No. 7587 of 21 April 2016 "STAR issuers": information on interim management statements STAR/issuers; its content is consistent with the provisions of Article 154-ter, paragraph 5, of Italian Legislative Decree No. 58 of 24 February 1998.

The Interim Report has been drafted in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union. IFRS also include the International Accounting Standards ("IAS") still in force, as well as all the interpretative documents issued by the Interpretation Committee, previously known as the International Financial Reporting Interpretations Committee ("IFRIC") and, before that, the Standing Interpretations Committee ("SIC"). The financial standards implemented in drafting this Interim Report are the same as those implemented in drafting Consolidated Financial Statements for the year ended 31 December 2022, except for the new standards and interpretations effective from 1st January 2023 and are required to be, which did not have a material impact on the period.

It should be noted that compared to 31 December 2022, the companies Pharmanutra España and Pharmanutra USA, incorporated in March 2023 and December 2022, respectively, were included in the scope of consolidation.

This Interim Report has not been audited by the independent auditors.

The Interim Report was approved by Pharmanutra Board of Directors on 6 November 2023 and on the same date the same body authorised its publication.

2. COMMENTS ON THE MAIN ITEMS

2.1 REVENUES

2.1.1 Net revenues

At 30 September 2023, net revenue increased by 11.2 million euro compared to the same period of the previous year. As shown in the table below, the increase in revenue is attributable to higher sales on both the Italian and foreign markets, as well as the contribution from the consolidation of Akern, which was consolidated in July 2022.

| | 2023 | 2022 | Variation |
|-----------------------|---------------|---------------|---------------|
| LB1 revenues | 47.148 | 42.477 | 4.671 |
| LB2 revenues | 20.679 | 16.887 | 3.792 |
| LB Akern revenues | 3.607 | 906 | 2.701 |
| Total revenues | 71.434 | 60.270 | 11.164 |

The table below provides a breakdown of net revenues by business segment and geographical market:

| €/1000 | 2023 | 2022 | Change | Δ% | Incidence 2023 | Incidence 2022 |
|--------------------------------------|---------------|---------------|---------------|--------------|-------------------|-------------------|
| Italy | 46.259 | 41.351 | 4.908 | | | |
| Total LB1 | 46.259 | 41.351 | 4.908 | 11,9% | 64,8% | 68,6% |
| Europe | 12.365 | 8.957 | 3.407 | 38,0% | | |
| Middle East | 5.736 | 6.007 | (271) | -4,5% | | |
| South America | 1.061 | 629 | 433 | 68,8% | | |
| Far East | 582 | 231 | 351 | 151,9% | | |
| Other | 62 | 268 | (206) | -76,9% | | |
| Total LB2 | 19.806 | 16.092 | 3.714 | 23,1% | 27,7% | 26,7% |
| Raw Materials domestic market | 893 | 1.127 | (234) | -20,7% | 1,3% | 1,9% |
| Raw Materials foreign market | 870 | 795 | 75 | 9,5% | 1,2% | 1,3% |
| Akern Italy | 3.168 | 802 | 2.366 | 295,2% | 4,4% | 1,3% |
| Akern Foreign markets | 439 | 104 | 335 | 322,1% | 0,6% | 0,2% |
| Total net revenues | 71.434 | 60.270 | 11.164 | 18,5% | 100% | 100% |

2.1.2 Other revenues and income

| | 2023 | 2022 | Change |
|--|------------|------------|------------|
| Tax Credits | 96 | 7 | 89 |
| Contractual indemnities | 21 | 2 | 19 |
| Refunds and recovery of expenses | 33 | 43 | -10 |
| Contingent assets | 178 | 130 | 48 |
| Other revenues and income | 428 | 90 | 338 |
| Total Other revenues and income | 756 | 272 | 484 |

2.2 OPERATING COSTS

2.2.1 Purchases of raw materials, consumables and supplies

Purchases are broken down in the following table:

| | 2023 | 2022 | Variation |
|--|--------------|--------------|------------|
| Raw and semifinished materials | 2.325 | 1.642 | 683 |
| Consumables | 463 | 399 | 64 |
| Finished products | 1.198 | 1.189 | 9 |
| Total raw materials, semif., consumables and finished prod. | 3.986 | 3.230 | 756 |

The increase in the purchase costs of raw materials, supplies and consumables is related to production cost efficiency policies and higher business volumes compared to 30 September 2022.

2.2.2 Change in inventories

| | 2023 | 2022 | Variation |
|--------------------------------------|---------------|---------------|---------------|
| Change in raw mat. inventories | 101 | -277 | 378 |
| Change in semifin. prod. inventories | -80 | -219 | 139 |
| Change in F.P. inventories | -2.483 | -776 | -1.707 |
| Inventories write off accrual | 96 | 122 | -26 |
| Change in inventories | -2.366 | -1.150 | -1.216 |

The change in inventories as at 30.09.23 results from production planning in accordance with implemented company strategies.

The final value of inventories is adjusted by the inventory write-down provision of 279 thousand euro (400 thousand euro at 31 December 2022).

2.2.3 Costs for services

| | 2023 | 2022 | Variation |
|--------------------------------|---------------|---------------|---------------|
| Marketing | 10.610 | 8.143 | 2.467 |
| Production and logistic | 14.035 | 9.952 | 4.083 |
| Other general expenses | 4.916 | 3.123 | 1.793 |
| R&D | 727 | 362 | 365 |
| Information technology | 348 | 249 | 99 |
| Commercial and sales network | 8.570 | 7.374 | 1.196 |
| Corporate bodies | 6.809 | 6.027 | 782 |
| Rent and leases | 104 | 21 | 83 |
| Financial services | 157 | 174 | -17 |
| Total services expenses | 46.276 | 35.425 | 10.851 |

The increase in the Cost of Services for Production and Logistics and Commercial Costs is due to the higher revenues generated during the period and to the increased production volumes. Commercial costs include PHN USA and PHN ESP sales network costs and Cetilar® Nutrition costs amounting to approximately 800 thousand euro.

The increase in the General Services item derives from costs (consulting, travel, legal, etc.) incurred for the start-up of the subsidiaries PHN España and PHN USA, for the launch of the Cetilar® Nutrition line, and for cross-border internet marketing with China. The increase in Marketing and advertising costs relates to new projects for approximately 1.4 million euro. The increase in the item Corporate Bodies occurred as a result of the higher remuneration approved by the Shareholders' Meeting on 26 April 2023.

2.2.4 Personnel costs

The breakdown of personnel costs is shown in the table below:

| | 2023 | 2022 | Variation |
|---------------------------------|--------------|--------------|--------------|
| Wages and salaries | 3.405 | 2.559 | 846 |
| Social contributions | 1.065 | 789 | 276 |
| Leaving Indemnity accrual | 175 | 143 | 32 |
| Other personnel expenses | 17 | 7 | 10 |
| Total Personnel expenses | 4.662 | 3.498 | 1.164 |

The item includes all expenses for employees, including accrued holidays and additional months' pay as well as related social security charges, in addition to the provision for severance indemnity and other contractual costs.

The increase compared to 30 September 2022 is the result of recruitment during the period for the gradual adaptation of the organisational structure to increasing business volumes and the consolidation of Akern (20 employees) and foreign subsidiaries

The breakdown of the average number of employees by category is shown in the following table:

| Units | 2023 | 2022 | Change |
|---------------|-----------|-----------|-----------|
| Executives | 3 | 2 | 1 |
| White collars | 89 | 77 | 12 |
| Blue collars | 4 | 3 | 1 |
| Total | 96 | 82 | 14 |

As at 30 September 2023, the number of employees was 109 compared to 86 at 30 September 2022.

2.2.5 Other operating costs

| | 2023 | 2022 | Variation |
|---------------------------------------|------------|------------|------------|
| Capital losses | 17 | 34 | -17 |
| Sundry tax charges | 97 | 58 | 39 |
| Losses on receivables | | 23 | -23 |
| Membership fees | 34 | 34 | 0 |
| Charitable donations | 118 | 113 | 5 |
| Other expenses | 336 | 182 | 154 |
| Total other operating expenses | 602 | 444 | 158 |

2.3 AMORTISATION, DEPRECIATION AND PROVISIONS

| | 2023 | 2022 | Variation |
|---|--------------|------------|------------|
| Amortization of intangible assets | 316 | 250 | 66 |
| Tangible assets depreciation | 800 | 556 | 244 |
| Accrual to doubtful accounts prov. | 112 | 134 | -22 |
| Non ded. accrual for doubtful acc. | 37 | 33 | 4 |
| Total amort., depr. and accruals | 1.265 | 973 | 292 |

2.4 FINANCIAL INCOME/CHARGES

2.4.1 Financial income

| | 2023 | 2022 | Change |
|----------------------------------|------------|------------|-----------|
| Interest income | 223 | 78 | 145 |
| Interest income on late payments | 1 | | 1 |
| Exchange gains | 44 | 2 | 42 |
| Other financial income | 289 | 386 | -97 |
| Total financial income | 557 | 466 | 91 |

2.4.2 Financial charges

| | 2023 | 2022 | Change |
|--------------------------------|-------------|-------------|-------------|
| Other financial charges | -75 | -64 | -11 |
| Interest expense | -536 | -31 | -505 |
| Exchange losses | -15 | -33 | 18 |
| Total financial charges | -626 | -128 | -498 |

2.5 INCOME TAXES

| | 2023 | 2022 | Variation |
|------------------------------|--------------|--------------|--------------|
| Current taxes | 5.895 | 5.603 | 292 |
| Deferred taxes | 20 | -9 | 29 |
| Accrual to provision for tax | 2.050 | | 2.050 |
| Total income taxes | 7.965 | 5.594 | 2.371 |

Taxes are recognised on an accruals basis and have been determined in accordance with current rates and regulations. For the Provision for taxes, please refer to what has already been described above.

NET FINANCIAL POSITION

As required by the CONSOB circular dated 28 July 2006 and in accordance with the ESMA update with reference to the "Recommendations for the current uniformity of the European Commission's Regulation on Prospectuses", the Group's Net Financial Position as of 30 September 2023 compared to 31 December 2022 is as follows:

| | 30/09/2023 | 31/12/2022 |
|---|-----------------|-----------------|
| A Cash and cash equivalents | (9,575) | (22,051) |
| B Cash equivalents | | |
| C Other current financial assets | (5,145) | (4,810) |
| D Liquidity (A+B+C) | (14,720) | (26,861) |
| 1) E Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt) | 397 | 251 |
| F Current portion of non-current financial debt | 3,497 | 3,365 |
| G Current financial debt (E+F) | 3,894 | 3,616 |
| of which guaranteed | 114 | 114 |
| of which not guaranteed | 3,780 | 3,502 |
| H Net current financial debt (G-D) | (10,826) | (23,245) |
| 2) I Non-current financial debt (excluding current portion and debt instruments) | 21,006 | 14,110 |
| J Debt instruments | | |
| K Trade payables and other non-current payables | | |
| L Non-current financial debt (I+J+K) | 21,006 | 14,110 |
| of which guaranteed | 8,838 | 8,838 |
| of which not guaranteed | 12,168 | 5,272 |
| M Net financial debt (H+L) - CONSOB comm. (4/3/21 ESMA32-382-1138) | 10,180 | (9,135) |
| 3) N Other current and non-current financial assets | (277) | (1,503) |
| O Net financial debt (M-N) | 9,903 | (10,638) |

- 1) It includes the following items of the financial statements: Current financial liabilities (Financial payables for rights of use 397 thousand euro);
- 2) It includes the following items of the financial statements: Non-current financial liabilities (M/L-term loans 20,037 thousand euro, financial payables for non-current rights of use 969 thousand euro);
- 3) It includes the following items of the financial statements: Non-current financial assets (Deposits paid 277 thousand euro).

Pisa, 6 November 2023

For the Board of Directors

The Chairman

(Andrea Lacorte)

Declaration pursuant to paragraph 2 Article 154 bis of the Italian Consolidated Finance Act

The undersigned Francesco Sarti, Manager in charge of drafting the corporate accounting documents of Pharmanutra S.p.A.

DECLARES

pursuant to paragraph 2 of Article 154 bis of the Italian Consolidated Finance Act, that the accounting information contained in the Pharmanutra Group's Interim Management Report as at 30 September 2023 corresponds to the documented results, books and accounting records.

Pisa, 6 November 2023

PharmaNutra S.p.A.

Manager in charge for drafting
the financial statements

Francesco Sarti

PharmaNutra SpA

C.F. | P.Iva | Reg. Impr. Pisa: 01679440501

Registered Office: Via Campodavola 1 - 56122 Pisa (PI)

I.V. | R.E.A 146259

Share Capital € 1.123.097,70 i.v.

www.pharmanutra.it

