

PHARMANUTRA S.P.A.: BOD APPROVED THE FIRST HALF FINANCIAL REPORT AS AT 30 JUNE 2024

Solid organic growth of the Group with the second quarter 2024 showing significant growth in revenues and margins

- Sales revenue €56.1 M (+13% compared to 30/06/2023)
- Gross Operating Margin €16.2 M (+15.3% compared to 30/06/2023)
 - Net result for the period €8.9 M (+23% compared to 30/06/2023)
- Net Financial Position € -4.5 M (1.9 million euro compared to 31/12/2023)

Pisa, 09 September 2024 – The Board of Directors of [PharmaNutra S.p.A.](#) (MTA; Ticker PHN), a company specialising in mineral-based nutritional supplements and medical devices for muscles and joints, today has approved the First Half Financial Report as at 30 June 2024 (subject to limited audit).

Roberto Lacorte, Vice Chairman of PharmaNutra S.p.A., stated: “ The Board of Directors of PharmaNutra S.p.A. is extremely proud and delighted to present the results of this First half financial report, which more than compensate for a first quarter conditioned by cyclical and non-structural components of the company. The figures of the second quarter of the year are clearly positive and bring the company back into the range of its usual growth rates that have always characterised its development, thus recovering all that was not achieved in the first quarter in just three months, and at the same time providing extremely interesting insights that leave much confidence and positivity for a 2024 in line with the history of PharmaNutra S.p.A..

This is a significant and particularly robust increase, which is part of a continuity on all the company's growth drivers that represent real game changers for the future, in a context of very important profitability and financial solidity, as evidenced by this First half financial report”.

ANALYSIS OF CONSOLIDATED RESULTS FOR THE FIRST HALF OF 2024

ECONOMIC DATA	2024	%	2023	%	Change
REVENUES	57,0	100,0%	50,2	100,0%	13,4%
SALES REVENUES	56,1	98,4%	49,6	98,8%	13,0%
EBITDA	16,2	28,4%	14,1	28,0%	15,3%
NET RESULT	8,9	15,6%	7,2	14,4%	23,0%
Earning per Share(Euro)	0,93		0,75		23,7%

BALANCE SHEET & EQUITY	2024	2023	Change
NET INVESTED CAPITAL	59,3	57,0	2,3
NET FINANCIAL POSITION	(4,5)	(2,6)	(1,9)
EQUITY	(54,8)	(54,4)	0,4

The first half of 2024 shows robust organic growth for the Group, with sales revenue increasing by 13% compared to the same period of the previous year, and EBITDA of approximately 28.4%. In the second quarter of 2024, sales revenue and EBITDA increased by approximately 36.3% and 127%, respectively, compared to the previous quarter.

The process of setting up the business activities of the subsidiaries PharmaNutra España, PharmaNutra USA and the Cetilar® Nutrition line is continuing as expected, resulting in a slight reduction in margins due to the costs incurred. From the financial point of view, a temporary absorption of liquidity related to the distribution of dividends resulted in a moderate reduction of the net financial position.

Revenues from sales

Consolidated sales revenue in the first half of 2024 increased by 13% compared to the corresponding period of the previous year and amounted to Euro 56.1 million (Euro 49.6 million as at 30 June 2023). The revenue contribution of the new initiatives (United States, Spain and Cetilar® Nutrition) is still marginal.

Revenues - Italy

Revenues from sales on the Italian market increased by about 6% to Euro 37.5 million (Euro 35.5 million as at 30 June 2023).

Revenues - Foreign markets

The revenues from foreign sales amounted to Euro 18.6 million, an increase of 31% compared to the first half of the previous year (Euro 14.2 million), and accounted for 33% of total revenues compared to 28.5% in the first half of the previous year. The result achieved is higher than expected and is due to the time dynamics characterising the acquisition of orders by distributors. The Group already has orders in hand for the whole of the third and fourth quarters.

TURNOVER BY PRODUCT LINE

The analysis of revenues by product line as at 30 June 2024 highlights an increase in revenues from all the main product lines, and in particular of Apportal® thanks to its characteristics as an energising tonic.

IQVIA data for the period January-June 2024, referring to 12,000 points of sale, confirm the continued growth of PharmaNutra S.p.A.'s entire range (+8.3%) against the nutraceutical market (+1.0%), compared to the same period last year.

In the first half of 2024, New Line's market research reports both Apportal®, in the tonics market, with a 44% increase over the same month of the previous year, and Cetilar®, in the anti-traumatic market, with a 17% increase, in the top 10 best-performing brands in pharmacy in January 2024. In May 2024, Apportal® continued to be in the same ranking with an increase of about 25%.

These results steadily improved PharmaNutra S.p.A.'s position within the market, taking it from the eighth position in 2021 to the sixth position in 2022, and to the fifth position in 2023 within the ranking of the top 10 of the more than 700 companies that make up the Italian nutraceutical market.

	Revenues by product line			Incidence		
	€/1000	2024	2023	Δ%	2024	2023
Sideral		39.054	34.814	12,2%	69,6%	70,1%
Cetilar		5.466	4.897	11,6%	9,7%	9,9%
Apportal		5.164	4.058	27,3%	9,2%	8,2%
Ultramag		672	580	15,8%	1,2%	1,2%
Other		1.352	1.355	-0,2%	2,4%	2,7%
Medical instruments		2.767	2.691	2,8%	4,9%	5,4%
Raw materials and S.F. products		1.597	1.237	29,1%	2,8%	2,5%
Totale		56.073	49.632	13,0%	100%	100%

SiderAL[®] line, the market leader in iron-based supplements, shows a growth of 12.2% compared to 30 June 2023, reaching a value market share of 52.7%¹ in its reference market.

The sales of Cetilar[®] line show an increase of about 11.6% compared to the first half of 2023, thus reaching a value market share of 4.5%².

Apportal[®] continues its growth trend with an increase in revenue of 27.3% compared to the same period last year and a value share of 5.4%³ of the tonics market.

Operating expenses for the first half of 2024 increased in proportion to revenue and amounted to Euro 40.8 million, an increase of 12.7% compared to 30 June 2023 (Euro 36.2 million).

PharmaNutra Group's **EBITDA** for the half year closed at 30 June 2024 was 16.2 million Euro (14.1 million Euro in the first half of 2023), corresponding to a 28.4% margin on revenues, and an approximate increase of 15.3% compared to the same period of the previous year. Excluding the operating start-up costs of new initiatives (approximately Euro 2.8 million), the EBIT margin would be higher than in the previous year.

The **Net result for the period** for the first half of 2024 amounted to Euro 8.9 million (Euro 7.2 million as at 30 June 2023).

¹ Source: Iqvia data updated to the latest 2024 rework

² Source: IQVIA data updated to the latest 2024 rework

³ Source: New Line market researches

The **Net result per share** for the first half of 2024 was Euro 0.93 compared to Euro 0.75 as at 30 June 2023.

The **Net Financial Position** as at 30 June 2024 showed a negative balance of Euro 4.5 million compared to the negative balance of Euro 2.6 million as at 31 December 2023, after paying dividends of Euro 8.2 million and purchasing treasury shares for Euro 0.3 million; capital expenditures in the half year amounted to about Euro 1,6 million.

Cash generated from operations in the period amounted to 7.8 million Euro, confirming the Group's large cash-generating capacity.

SIGNIFICANT EVENTS IN THE FIRST HALF OF 2024

Having exceeded the market capitalisation threshold of Euro 500 million for three consecutive years, at the beginning of the financial year PharmaNutra no longer qualified as a "Small and Medium Enterprise" ("SME") pursuant to article 1, paragraph 1, letter *w-quater.1* of Italian Legislative Decree No. 58/1998 (the Consolidated Law on Finance - "TUF"). Following the entry into force of Italian Law No. 21 of 05 March 2024 ("Capital Law"), which raised the relevant capitalisation threshold for qualifying as a "Small and Medium Enterprise" ("SME"), as from the date of entry into force of such Capital Law (i.e. 27 March 2024), PharmaNutra regained the "SME" status.

On 4 March 2024, the Board of Directors of the Parent Company resolved to establish a new company, named Athletica Cetilar S.r.l. (Performance Centre). The company has a capital of Euro 100,000 and is 70% owned by PharmaNutra. The project envisages the creation of a sports medical centre aimed at optimising the performance of professional and amateur athletes, treating and resolving medical and physical problems, and developing the applications of the products of the Cetilar® lines.

On 15 April 2024, the Board of Directors of the Parent Company approved the plan to merge by incorporation the subsidiaries Junia Pharma and Alesco into PharmaNutra, pursuant to art. 2505 of Italian Civil Code and art. 17.2 of its Articles of Association.

In June, an important new scientific study on SiderAL® was published in an international journal following the peer-review method in a direct comparison with other competing oral iron-based products. This is a spontaneous retrospective observational clinical study conducted by Dr. Manoj A. Suva of the Pharmacology Unit of the University of Rajkot (India) involving 260 patients who had mild to moderate iron deficiency anaemia (haemoglobin values between 7 and 10 g/dL) and randomised into 4 different treatment groups.

The first group was treated with ascorbate iron (equal to 100 mg of elemental iron), the second with fumarate iron (equal to 50 mg of elemental iron), the third group with bisglycinate iron (30 mg of elemental iron) and the last with Sucrosomial® iron (30 mg of elemental iron). The study was aimed at assessing the efficacy and tolerability of the iron supplement treatments examined by analysing the haematochemical parameters at baseline (T0) and after 3 months of treatment (T1). The results showed that haemoglobin values after 3 months of supplementation improved significantly in the group treated with SiderAL® compared to the other conventional iron salts. These important results about SiderAL®'s superiority over the other products in the study were obtained by using a lower dosage of Sucrosomial® Iron (30 mg) than ascorbate iron and fumarate iron (100 mg and 50 mg, respectively), thus proving to be more effective even at low doses.

In the same month, the distribution of three products from the SiderAL® line on the Mexican market began under the agreement signed in November 2022 with the partner SMS Pharma, and the treasury share buyback programme was started in execution of the resolution passed at the Ordinary Shareholders' Meeting of 17 April 2024.

During the half year, 7,071 treasury shares were bought back. The purpose of the program is to enable the Company to take advantage of the opportunity to make a profitable investment, in cases where the market price trend of PHN shares, including for factors external to the Company, is not able to adequately express the value of the same, and thus to provide the Company with a useful capital expenditures

opportunity for any purpose permitted by current regulations. As at 30 June 2024, PharmaNutra holds 73,056 treasury shares equal to 0.75% of the share capital.

SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE FIRST HALF OF 2024

On 4 July the merger by incorporation of the subsidiaries Junia Pharma and Alesco into PharmaNutra was completed on schedule. The accounting and tax effects of the merger will be backdated to 1 January 2024.

The project for the organisational reorganisation of the PHN Group, aimed at pursuing greater management efficiency of the Group was concluded within the planned time frame, thus allowing for the development of significant IT, logistics, commercial, corporate and administrative synergies, also with a view to optimising business processes as well as allowing for the containment of the overall costs of the corporate structure. The organisational reorganisation will make it possible to unify and integrate operational processes and achieve greater flexibility and efficiency in the use of resources.

FORESEEABLE BUSINESS OUTLOOK

The solid organic growth that characterised the first half of 2024, in a highly challenging environment, is expected to continue in the second half of the year, allowing the company to achieve its targets for the current year.

In September, two products of the Sideral® line, SiderAL® Forte 30mg (in stick format) and SiderAL® 14mg (in stick format) will start being marketed in the German market. This is the first tangible result of the exclusive distribution agreement for Germany signed in June 2021 with Fresenius Kabi, a global healthcare company with which PharmaNutra has had a strong partnership for the distribution of its products in Austria and Hungary since 2015.

The fourth quarter will be marked by the launch of the orosoluble sucrosomial vitamin D3 and B12, for which studies have shown rapid and effective absorption compared to conventional formulations.

The development of the new projects launched in 2023 (Cetilar® Nutrition, PharmaNutra USA and PharmaNutra España) will continue, with a moderate reduction in margins for the current and next financial year.

The current international tensions and unpredictable developments in the scenarios linked to the current geopolitical situation generate widespread macroeconomic uncertainty that could affect the achievement of the company objectives.

The First half financial report as at 30 June 2024, which has been subject to a limited audit, will be made available to the public in the manner and within the time frame provided for by applicable regulations.

STATEMENT OF THE MANAGER RESPONSIBLE FOR PREPARING THE FINANCIAL REPORTS

The manager responsible for preparing the company's financial reports, Mr. Francesco Sarti, declares, pursuant to paragraph 2 of article 154-bis of the Italian Legislative Decree no. 58/1998, that the accounting information contained in this press release corresponds to the documentary results, books and accounting records.

FINANCIAL STATEMENTS (subject to limited audit)

Annex 1 – Consolidated Balance Sheet

Annex 2 – Consolidated Income Statement and Consolidated Comprehensive Income Statement

Annex 3 – Statement of changes in Consolidated Shareholders' Equity

Annex 4 – Consolidated Cash Flow Statement (indirect method)

CONSOLIDATED BALANCE SHEET

€/1000	30/06/2024	31/12/2023
NON CURRENT ASSETS	52.196	53.761
Buildings, plant and equipment	25.393	26.352
Intangible assets	23.245	22.542
Investments	142	4
Non current financial assets	296	293
Other non current assets	1.788	3.046
Deferred tax assets	1.332	1.524
CURRENT ASSETS	59.649	58.682
Inventories	7.573	8.166
Cash and cash equivalents	15.535	18.925
Current financial assets	6.271	6.193
Trade receivables	23.795	19.219
Other current assets	5.866	5.066
Tax receivables	609	1.113
TOTAL ASSETS	111.845	112.443
NET EQUITY	54.807	54.409
Share Capital	1.123	1.123
Statutory Reserve	225	225
Treasury shares	(4.341)	(4.013)
Other reserves	48.774	44.125
IAS 19 Reserve	256	199
Fair value OCI reserve	(144)	(89)
FTA Reserve	12	12
Currency conversion Reserve	5	(7)
Result of the period	8.897	12.834
Group Equity	54.807	54.409
Third parties equity		
NON CURRENT LIABILITIES	28.712	30.388
Non current financial liabilities	21.171	23.430
Provision for non current risks and charges	4.319	4.458
Provision for employees and directors bene	3.222	2.500
CURRENT LIABILITIES	28.326	27.646
Current financial liabilities	5.879	4.585
Trade payables	16.097	16.107
Other current liabilities	3.632	3.842
Tax payables	2.718	3.112
TOTAL LIABILITIES & EQUITY	111.845	112.443

CONSOLIDATED INCOME STATEMENT

€/1000	2024	2023
TOTAL REVENUES	56.996	50.247
Net revenues	56.073	49.632
Other revenues	923	615
OPERATING EXPENSES	40.797	36.193
Purchases of raw material, cons. and supplies	2.675	3.213
Change in inventories	829	(1.925)
Expense for services	32.745	31.144
Employee expenses	3.928	3.296
Other operating expenses	620	465
EBITDA	16.199	14.054
Amortization, depreciation and write offs	1.707	854
EBIT	14.492	13.200
FINANCIAL INCOME/(EXPENSES) BALANCE	(244)	7
Financial income	566	362
Financial expenses	(810)	(355)
PRE TAX RESULT	14.248	13.207
Income taxes	(5.351)	(5.975)
Third parties result		
Net result of the Group	8.897	7.232
Net income per share (Euro)	0,93	0,75

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

€/1000	2024	2023
Result for the period	8.897	7.232
Gains (losses) from IAS adoption which will be reversed to P&L		
Gains (losses) from IAS adoption which will not be reversed to P&L	2	(126)
Comprehensive result of the period	8.899	7.106

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	1.123	(4.013)	225	44.125	12	(89)	199	(7)	12.834	54.409
Other changes		(328)		-		(55)	57			(326)
Dividends paid				(8.173)						(8.173)
Allocation of result				12.834					(12.834)	-
Result of the period									8.897	8.897
Exchange differences	-			(12)				12		-
Balance as at 30/6	1.123	(4.341)	225	48.774	12	(144)	256	5	8.897	54.807

€/1000	Share capital	Treasury Shares	Legal reserve	Other reserves	FTA reserve	OCI Fair value reserve	IAS 19 Reserve	Result of the period	Total
Balance as at 1/1/n-1	1.123	(2.362)	225	36.791	12	(115)	226	15.048	50.948
Other changes	-	(1.621)		-		(127)	1		(1.747)
Dividends paid				(7.714)					(7.714)
Allocation of the result				15.048				(15.048)	-
Result of the period								7.232	7.232
0	-			(7)					(7)
Balance as at 30/06/n-1	1.123	(3.983)	225	44.118	12	(242)	227	7.232	48.712

CONSOLIDATED CASH FLOW STATEMENT (INDIRECT METHOD)

€/1000	2024	2023
Net result before minority interests	8.897	7.232
NON MONETARY COST/REVENUES		
Depreciation and write offs	1.707	854
Allowance to provisions for employee and director benefits	472	410
CHANGES IN OPERATING ASSETS AND LIABILITIES		
Change in provision for non current risk and charges	(139)	1.927
Change in provision for employee and director benefit	250	(2.666)
Change in inventories	593	(2.077)
Change in trade receivables	(4.757)	(3.126)
Change in other current assets	(800)	(3.378)
Change in tax receivables	504	1.377
Change in other current liabilities	(210)	(243)
Change in trade payables	1.711	(616)
Change in tax payables	(394)	496
CASH FLOW FROM OPERATIONS	7.834	190
Investments in intangible, property, plant and equipment	(1.560)	(9.761)
Disposal of intangibles, property, plant and equipment	294	211
Net investments in financial assets	(138)	0
Change in other assets	1.258	(855)
Change in deferred tax assets	192	274
CASH FLOW FROM INVESTMENTS	46	(10.131)
Other increase/(decrease) in equity	14	(133)
Treasury shares purchases	(328)	(1.621)
Dividends distribution	(8.173)	(7.714)
Financial assets increase	(1.568)	(423)
Financial assets decrease	932	113
Financial liabilities increase	572	12.280
Financial liabilities decrease	(2.338)	(4.919)
Financial ROU liabilities increase	52	808
Financial ROU liabilities decrease	(433)	(188)
CASH FLOW FROM FINANCING	(11.270)	(1.797)
TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	(3.390)	(11.738)
Cash and cash equivalents at the beginning of the period	18.925	22.051
Cash and cash equivalents at the end of the period	15.535	10.313
CHANGE IN CASH AND CASH EQUIVALENTS	(3.390)	(11.738)

PharmaNutra S.p.A.

Founded and led by the President Andrea Lacorte and Vice President Roberto Lacorte, PharmaNutra was established in 2003. It develops unique nutritional supplements and innovative nutritional devices, handling the entire production process, from proprietary raw materials to finished product. PharmaNutra is a leader in the production of iron-based nutritional supplements with the SiderAL® brand, where it can claim important Sucrosomial® Technology patents, and is considered one of the top players in the sector of medical devices dedicated to the restoration of joint capacity thanks to the Cetilar® brand, now on the market also with Cetilar® Nutrition, a line of supplements designed for those who practice sport constantly. Over the years the Group - present abroad in over 80 countries - has developed precise strategy for the management and production of intellectual property, founded on the integrated management of all the various elements: proprietary raw materials, patents, brands and clinical evidence.

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For further details

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