

INTERIM MANAGEMENT REPORT

March 31st 2024

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 Sr.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 80 countries** in Europe, Asia, Africa and America, through a network of **over 50 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)

Index

INTERIM MANAGEMENT STATEMENT AS AT 31 MARCH 2024	5
1.1 MAIN CONSOLIDATED INCOME STATEMENT AND BALANCE SHEET DATA	5
1.2 THE PHARMANUTRA GROUP	5
1.3 CONSOLIDATED POSITION AS AT 31 MARCH 2024	6
1.4 PHARMANUTRA GROUP'S BUSINESS LINES	11
1.5 REFERENCE MARKETS IN WHICH THE GROUP OPERATES	15
1.6 SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD	19
1.7 BUSINESS OUTLOOK	20
CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2024 AND EXPLANATORY NOTES	22
CONSOLIDATED BALANCE SHEET	23
CONSOLIDATED INCOME STATEMENT	24
COMPREHENSIVE CONSOLIDATED INCOME STATEMENT	24
STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY	25
CONSOLIDATED CASH FLOW STATEMENT	26
EXPLANATORY NOTES TO CONSOLIDATED ACCOUNTING STATEMENTS	27
1. CRITERIA FOR DRAFTING AND CONSOLIDATION PRINCIPLES	27
2. COMMENTS ON THE MAIN ITEMS	27
DECLARATION PURSUANT TO PARAGRAPH 2 ARTICLE 154 BIS OF THE ITALIAN CONSOLIDATED FINANCE ACT	34

INTERIM MANAGEMENT STATEMENT AS AT 31 MARCH 2024

1.1 MAIN CONSOLIDATED INCOME STATEMENT AND BALANCE SHEET DATA

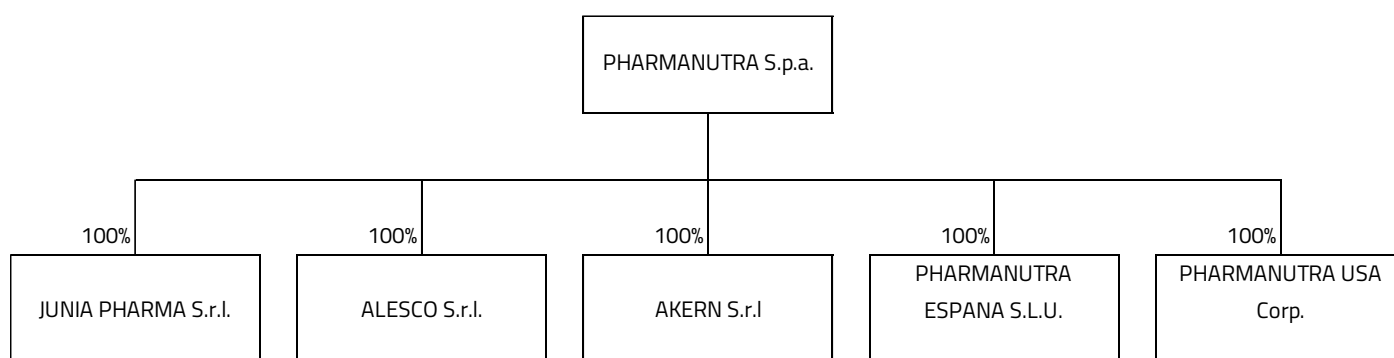
INCOME STATEMENT FIGURES (€/millions)	2024	%	2023	%	Changes
REVENUES*	24.0	100.0%	23.8	100.0%	1.1%
REVENUES FROM SALES	23.7	98.7%	23.6	99.3%	0.5%
EBITDA*	5.0	20.6%	6.6	27.7%	-24.8%
NET RESULT*	2.6	10.9%	4.6	19.5%	-43.2%
EPS - NET RESULT PER SHARE (Euro)*	0.27		0.48		-43.0%

BALANCE SHEET FIGURES (€/millions)	2024	2023	Changes
NET INVESTED CAPITAL	63.1	57.0	6.0
NET FINANCIAL POSITION	(6.0)	(2.6)	(3.4)
SHAREHOLDERS' EQUITY	(57.0)	(54.4)	2.6

* Revenues, EBITDA, Net result and Net result per share as at 31 March 2023 are net of non-recurring income of Euro 797 thousand.

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.

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.

PharmaNutra USA was established in December 2022 to distribute PharmaNutra® branded products in the US market through distribution on the territory and selected e-commerce channels. The company has a capital of USD 1,800,000 and operational headquarters in Florida.

PharmaNutra España was established in March 2023 with its headquarters in Barcelona and capital of Euro 50,000. It is 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 31 MARCH 2024

The first quarter of 2024 confirmed the expectations for revenues and margins of the recurring business and the continuation of the development programmes of the new initiatives (PharmaNutra USA, PharmaNutra España and Cetilar® Nutrition line).

Revenues from the recurring business are characterised by an increase in revenues on foreign markets, which was offset by the expected slowdown in sales on the Italian market due to the dynamics related to the procurement process of the wholesale channel.

This resulted in sales revenues in line with those of the same period of the previous financial year. The Net revenues as at 31 March 2024 amounted to Euro 23.7 million compared to Euro 23.6 million as at 31 March 2023.

The start-up process of the subsidiaries PharmaNutra USA and PharmaNutra España and of the Cetilar® Nutrition line continued. With regard to the US market, thanks to the experience gained during 2023, a new strategy based on a high-level approach (insurance companies, hospital chains, use of the B2C channel) is being implemented to replace the previous one based on a network of sales agents.

The Group concluded individual agreements with all employees for using smart working.

On 26 February 2024, the Board of Directors of the Parent Company approved the plan to merge by incorporation the subsidiaries Junia Pharma and Alesco into PharmaNutra.

On 4 March 2024, the Board of Directors of the Parent Company resolved to establish a new company, named Athletica Cetilar S.r.l. (Medical Performance Centre). The newly-formed 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 the one hand, the centre will represent a reference for the patient/customer for all diagnostic and therapeutic activities in both the emergency and preventive phases, and on the other hand it will be a reference centre for all applications of the solutions and products marketed by PharmaNutra and the companies of the Group both in the *experience* field, such as dissemination to the medical class, and for all activities concerning observational and clinical studies useful for PharmaNutra's R&D.

Performance in the first quarter of 2024

Income Statement

It should be noted that the income statement as at 31 March 2023 included non-recurring income for Euro 797 thousand referring to an indemnity owed by the pre-existing shareholders at the date of listing on the AIM market (July 2017) for taxes, penalties and interest paid for the settlement of the tax dispute relating to the 2016 financial year. In the second quarter of 2023, a different accounting treatment of this item was adopted by eliminating it from the income statement. Therefore, such accounting treatment has been reflected in the comparative figures indicated in this Interim Report.

CONSOLIDATED OPERATING INCOME						
STATEMENT (€/1,000)	2024	%	2023	%	Δ 24/23	Δ %
REVENUES	24,041	100.0%	23,778	100.0%	263	1.1%
Net revenues	23,726	98.7%	23,608	99.3%	118	0.5%
Other revenues	315	1.3%	170	0.7%	145	85.3%
OPERATING COSTS	19,089	79.4%	17,197	72.3%	1,892	11.0%
Purchases of raw materials, consum. and supplies	1,289	5.4%	1,755	7.4%	(466)	-26.6%
Change in inventories	(50)	-0.2%	(2,160)	-9.1%	2,110	-97.7%
Costs for services	15,677	65.2%	15,748	66.2%	(71)	-0.5%
Personnel costs	1,956	8.1%	1,643	6.9%	313	19.1%
Other operating costs	217	0.9%	211	0.9%	6	2.8%
GROSS OPERATING MARGIN (EBITDA)	4,952	20.6%	6,581	27.7%	(1,629)	-24.8%
Amortisation, depreciation and write-downs	867	3.6%	410	1.7%	457	111.5%
OPERATING MARGIN (EBIT)	4,085	17.0%	6,171	26.0%	(2,086)	-33.8%
FINANCIAL INCOME (EXPENSE) BALANCE	(60)	-0.3%	118	0.5%	(178)	-150.9%
Financial income	256	1.1%	243	1.0%	13	5.4%
Financial charges	(316)	-1.3%	(125)	-0.5%	(191)	152.8%
PRE-TAX RESULT	4,025	16.7%	6,289	26.5%	(2,264)	-36.0%
Taxes	(1,394)	-5.8%	(1,654)	-7.0%	260	-15.7%
Group net income	2,631	10.9%	4,635	19.5%	(2,004)	-43.2%

As at 31 March 2024, the consolidated net revenues amounted to Euro 23.7 million, in line with the same period of the previous financial year.

Revenues generated on the Italian market amounted to Euro 16.0 million (Euro 16.6 million as at 31 March 2023), with a decline of about -3% and a 67.7% ratio to total revenues, compared to 70.3% in the same period of the previous financial year.

Sales revenues from foreign markets amounted to Euro 7.7 million versus Euro 7.0 million as at 31 March 2023, recording an increase of about 9%. As a result of the above, the ratio of revenues from foreign markets to total revenues increased from about 30% as at 31 March 2023 to 32.3% as at 31 March 2024.

Sales volumes of finished products as at 31 March 2024, amounting to approximately 2.6 million units, decreased by about 9% if compared to the volumes at 31 March 2023 (2.8 million units).

In the first quarter of 2024, operating costs amounted to Euro 19.1 million (+11% compared to 31 March 2023) and increased as a result of investments made to support ongoing development projects (US, Cetilar Nutrition line, China and Spain) for approximately Euro 1.4 million.

As a result of the above, the PharmaNutra Group's **EBITDA** amounted to about Euro 5.0 million (roughly Euro 6.6 million as at 31 March 2023), representing a margin of 20.6% on total revenues and a decrease of about 25% compared to the first quarter of 2023. Excluding investments related to new projects, EBITDA margin for the period would be in line with the previous financial year.

The **Net result** for the period amounted to Euro 2.6 million compared to Euro 4.6 million as at 31 March 2023.

The **Net result per share** as at 31 March 2023 amounted to Euro 0.27 compared to Euro 0.48 in the same period last year.

Balance sheet

OPERATING BALANCE SHEET (€/1,000)	31/03/2024	31/12/2023
TRADE RECEIVABLES	26,049	19,219
INVENTORIES	8,223	8,166
TRADE PAYABLES	(14,695)	(16,097)
OPERATING WORKING CAPITAL	19,577	11,288
OTHER RECEIVABLES	6,658	6,179
OTHER PAYABLES	(8,195)	(6,964)
NET WORKING CAPITAL	18,040	10,503
INTANGIBLE FIXED ASSETS	22,913	22,542
TANGIBLE FIXED ASSETS	25,997	26,352
FINANCIAL FIXED ASSETS	3,185	4,574
TOTAL FIXED ASSETS	52,095	53,468
PROVISIONS AND OTHER M/L-TERM LIABILITIES	(7,078)	(6,958)
TOTAL USES	63,057	57,013
SHAREHOLDERS' EQUITY	57,014	54,409
NON-CURRENT FINANCIAL LIABILITIES	22,214	23,430
CURRENT FINANCIAL LIABILITIES	6,179	4,585
NON-CURRENT FINANCIAL ASSETS	(740)	(293)
CURRENT FINANCIAL ASSETS	(6,127)	(6,193)
LIQUID FUNDS	(15,483)	(18,925)
NET FINANCIAL POSITION	6,043	2,604
TOTAL SOURCES	63,057	57,013

The change in Operating Working Capital is a consequence of the timing dynamics of collections and payments.

The increase in the item Other payables mainly refers to the recognition of taxes on the result for the period and the VAT position at the end of the period.

The decrease in the item Financial Assets was caused by the reclassification of the short-term portion of tax credits and Industry 4.0 credits under Other Receivables.

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.
- 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.
- Operating Working Capital: it is calculated as the sum of inventories and trade receivables net of trade 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:

	31/03/2024	31/12/2023
Cash	(65)	(40)
Liquid funds	(15,418)	(18,885)
Total cash and cash equivalents	(15,483)	(18,925)
Current financial assets	(6,127)	(6,193)
Current financial liabilities: due to banks	1,867	627
Current portion of non-current debt	3,965	3,588
Current financial payables for rights of use	347	370
Net current financial indebtedness FA	52	(1,608)
Net current financial (assets)/indebtedness	(15,431)	(20,533)
Non-current financial assets	(436)	0
Deposits paid	(304)	(293)
Non-current bank payables	21,000	22,188
Non-current financial payables for rights of use	1,214	1,242
Non-current financial indebtedness	21,474	23,137
Net financial position	6,043	2,604

The **Net Financial Position** as at 31 March 2024 was a negative Euro 6.0 million compared to Euro 2.6 million as at 31 December 2023. Operating activities for the period resulted in a cash absorption of Euro 2.3 million, compared to Euro 2.1 million absorbed as at 31 March 2023. See the Statement of Cash Flows for further details.

The increase in the item Non-current financial assets occurred following the subscription of the insurance policy taken out to cover the Directors' termination indemnity provision set aside.

1.4 PharmaNutra Group's Business Lines

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

- **Direct Business Line:** 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, hospital pharmacies and wholesalers.

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:** 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.
- **Medical Instruments Business Line:** the business model adopted by Akern involves the sale of instrumentation and software for body bioimpedance analysis in Italy and foreign markets through agents, distributors and online sales.

Revenues by area of activity				Incidence	
	€/1,000	2024	2023	Δ%	2024
Finished products - Italy	14,448	14,812	-2.5%	60.9%	62.7%
Finished products - Foreign market	6,917	6,430	7.6%	29.2%	27.2%
Total Finished Products	21,365	21,243	0.6%	90.1%	90.0%
Raw mat. and semi-fin. goods - Italy	328	445	-26.2%	1.4%	1.9%
Raw mat. and semi-fin. goods - Foreign market	589	385	53.0%	2.5%	1.6%
Total Raw Material	917	830	10.5%	3.9%	3.5%
Medical instrumentations - Italy	1,282	1,339	-4.3%	5.4%	5.7%
Medical instrumentations - Foreign market	162	196	-17.2%	0.7%	0.8%
Total Medical instrumentations	1,444	1,535	-6.0%	6.1%	6.5%
Total	23,726	23,608	0.5%	100%	100%

The breakdown of revenues into the Group's business areas shows that, as at 31 March 2024, revenues from sales of finished products decreased by 2.5% in the Italian market and increased by 7.6% in foreign markets compared to 31 March of the previous year. The drop in revenues in the Italian market is attributable to the purchasing dynamics of the wholesale channel (target the reduction of product stocks) and a physiological increase in competition.

Revenues from the sale 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, managed by the subsidiary Alesco, showed an overall increase of 10.5% with an increase in sales on foreign markets and a reduction in the Italian market.

Revenues related to the medical instrumentations business line amounted to Euro 1.4 million, of which Euro 1.3 million related to the Italian market and Euro 196 thousand to foreign markets. The decrease compared to the same period of the previous financial year is solely due to the dynamics of order acquisition.

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

Turnover by Business Line				Incidence	
	€/1,000	2024	2023	Δ%	2024
Direct line	14,776	15,289	-3.4%	62.3%	64.8%
Indirect line	7,506	6,783	10.7%	31.6%	28.7%
Medical instruments	1,444	1,535	-6.0%	6.1%	6.5%
TOTAL	23,726	23,608	0.5%	100%	100%

Overall, revenues from the direct line decreased by about 3%, and amounted to Euro 14.8 million (Euro 15.3 million in the previous financial year), and represent about 62% of total revenues.

As at 31 March 2024, revenues from the indirect line amounted to Euro 7.5 million (Euro 6.8 million as at 31 March 2023), accounting for about 32% of total revenues.

Revenues from the medical instrumentations line accounted for approximately 6% of total revenues.

The table below provides a breakdown of revenues by geographic area.

Revenues by geographic area				Incidence	
	€/1,000	2024	2023	Δ%	2024
Italy	16,059	16,597	-3.2%	67.7%	70.3%
Total Italy	16,059	16,597	-3.2%	67.7%	70.3%
Europe	5,083	4,338	17.2%	21.4%	18.4%
Middle East	696	1,690	-58.8%	2.9%	7.2%
South America	396	689	-42.5%	1.7%	2.9%
Far East	228	147	54.3%	1.0%	0.6%
Other	1,265	147	763.3%	5.3%	0.6%
Total Foreign Markets	7,667	7,011	9.4%	32.3%	29.7%
Grand Total	23,726	23,608	0.5%	100%	100%

Europe remains the market with the highest impact on foreign revenues.

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 highlights the growth of Cetilar® and Apportal® with a decrease in Sideral® line due to the different purchasing policies of the wholesale channel and a physiological increase in competition. Despite a slight decline in the first quarter of 2024, Sideral® line remains the market leader with a 52.6% share in value and 46.3% share in volume¹.

Revenues by Product Line				Incidence	
€/1,000	2024	2023	Δ%	2024	2023
Sideral	15,741	16,111	-2.3%	66.3%	68.2%
Cetilar	2,603	2,425	7.4%	11.0%	10.3%
Apportal	2,188	1,813	20.7%	9.2%	7.7%
Ultramag	245	258	-5.3%	1.0%	1.1%
Other	588	635	-7.4%	2.5%	2.7%
Medical instrumentations	1,444	1,535	-6.0%	6.1%	6.5%
Raw materials	917	830	10.5%	3.9%	3.5%
Total	23,726	23,608	0.5%	100%	100%

In terms of volumes, the sales of finished products as at 31 March 2024 amounted to 2,571 thousand units, a decrease of approximately 9% compared to 2,823 thousand units in the same period of the previous year.

F.P. Volumes				Incidence	
Units/1,000	2024	2023	Δ%	2024	2023
Finished products - Italy	1,006	1,067	-5.7%	39.1%	37.8%
Finished products - Foreign market	1,565	1,756	-10.9%	60.9%	62.2%
Total	2,571	2,823	-8.9%	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.

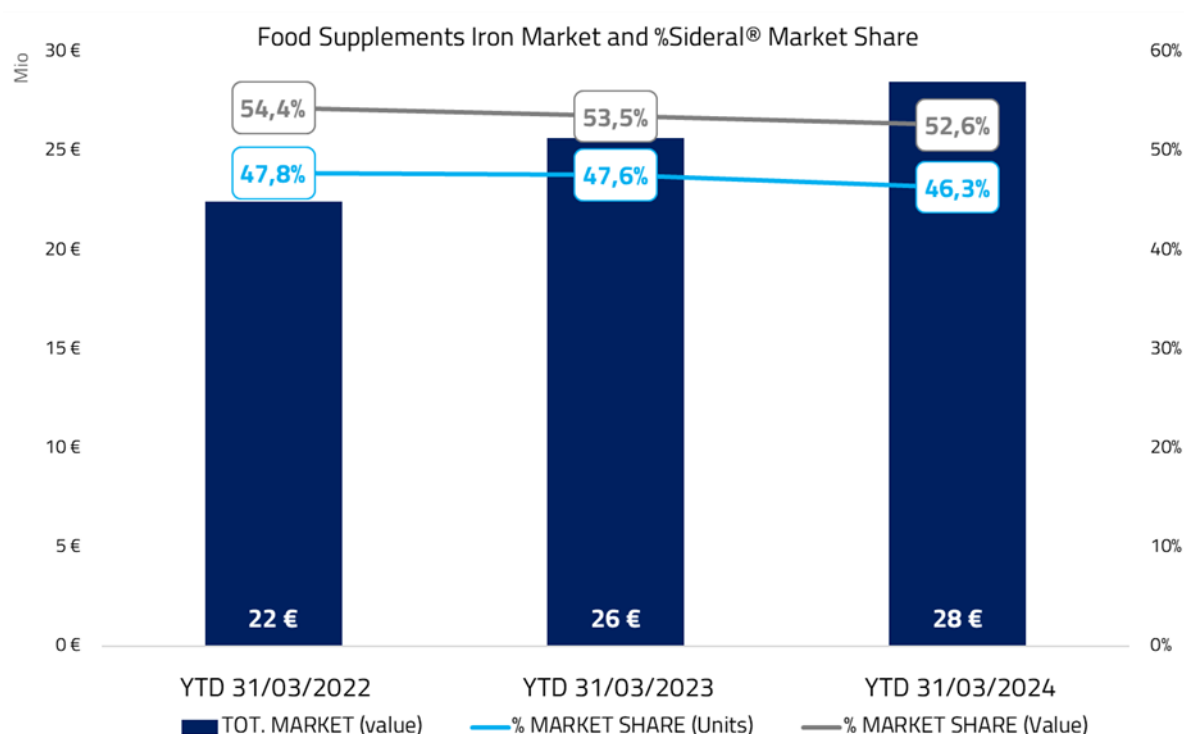
¹ Source: IQVIA Rework Data January 2024

Below is an overview of the general performance of the food supplements market and an in-depth analysis of the main reference markets in Italy for the product lines being more relevant in terms of turnover.

1.5.1 Iron market

The graph below shows the quarterly trend in Sideral®'s market share (expressed in units and values) in relation to the market of iron-based supplements only (Food Supplements Iron Market) and the total market consisting of both food supplements and pharmaceuticals (Total Iron Market)².

Please note that as of 1/1/2024, the data provider IQVIA has made changes to the sample of pharmacies used for processing sales data. This has led to a change in the data with an impact on historical data as well.



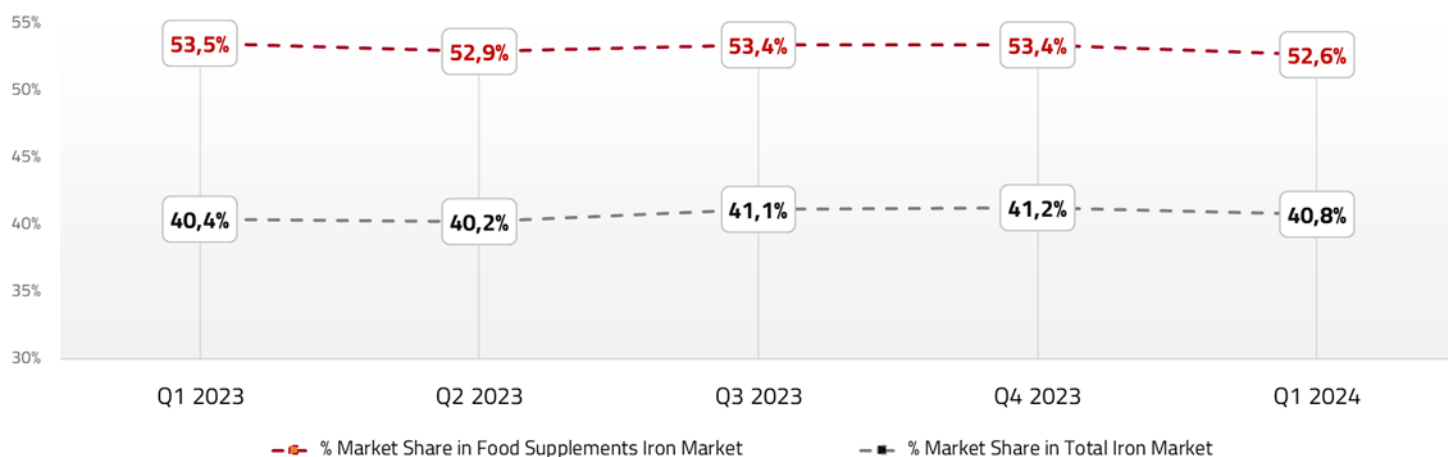
Despite a slight decline characterising the first quarter of 2024, Sideral® line remains the market leader with a 52.6% share in value and 46.3% share in volume.

The graphs below show the quarterly trends in the market share for the Sideral® line (expressed in value) in relation to the market for iron-based supplements only (Food Supplements Iron Market) and the total market consisting of both food supplements and pharmaceuticals (Total Iron Market)³.

² Source: IQVIA Rework Data January 2024

³ Source: IQVIA Rework Data March 2024

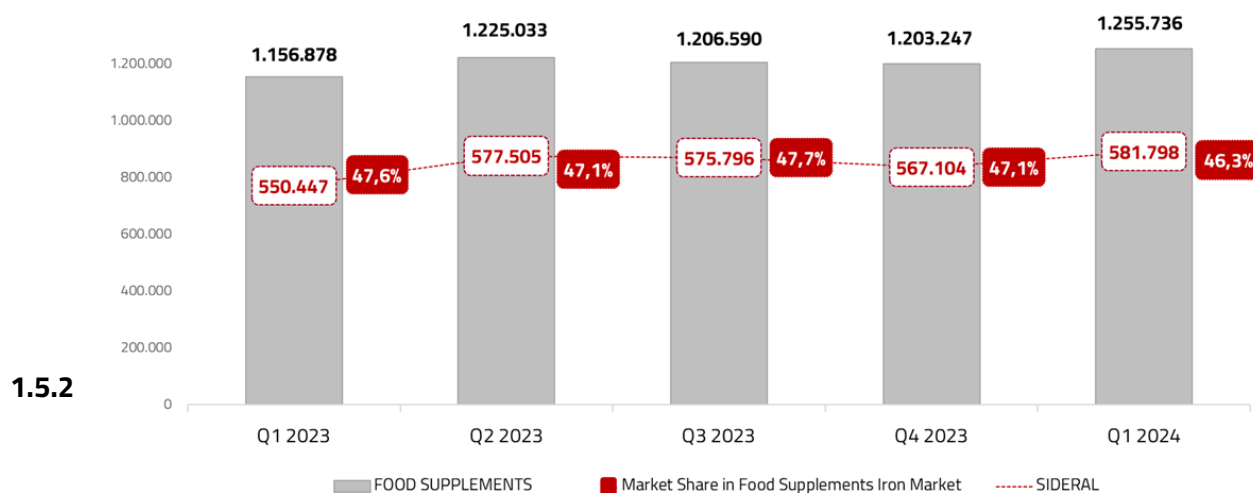
% Sideral® Market Share in Food Supplements & Totale Iron Market (VAL)_Quarter



It is worth noting that the Sideral® product line also has a significant market share in the overall market, amounting to 40.8%.

The development of Sideral® in terms of units in the iron supplement market is shown in the table below.

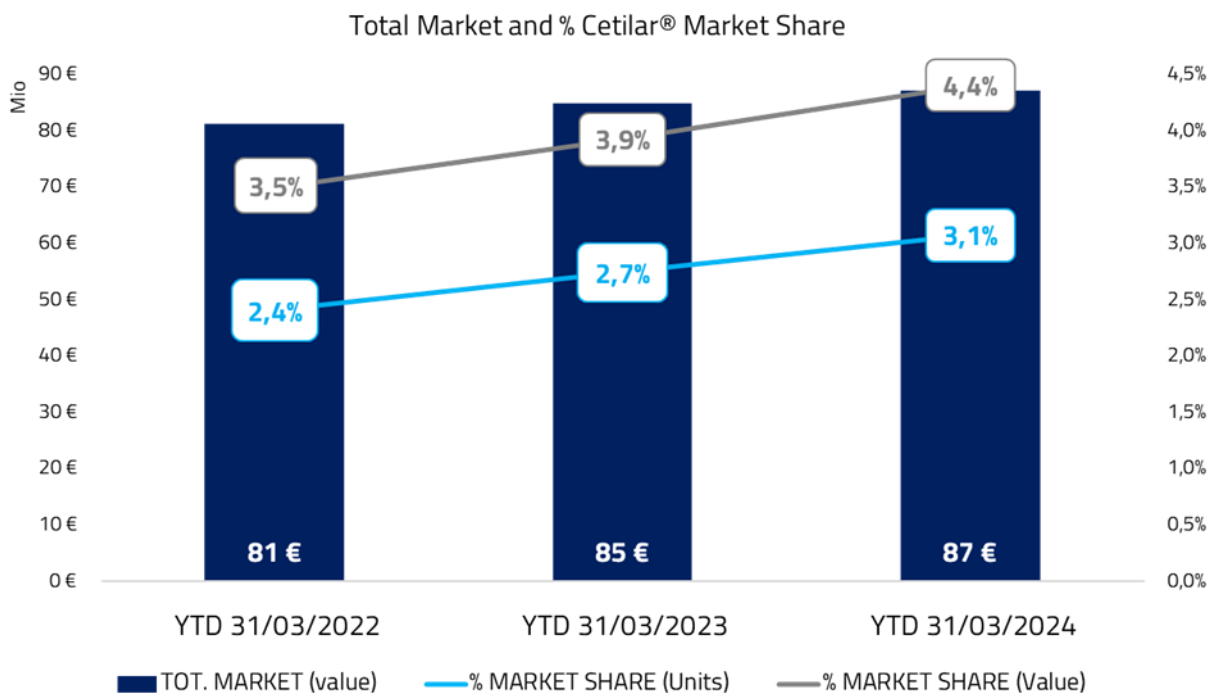
Trend Sideral® in Food Supplements Iron Market (UN)_Quarter



1.5.2

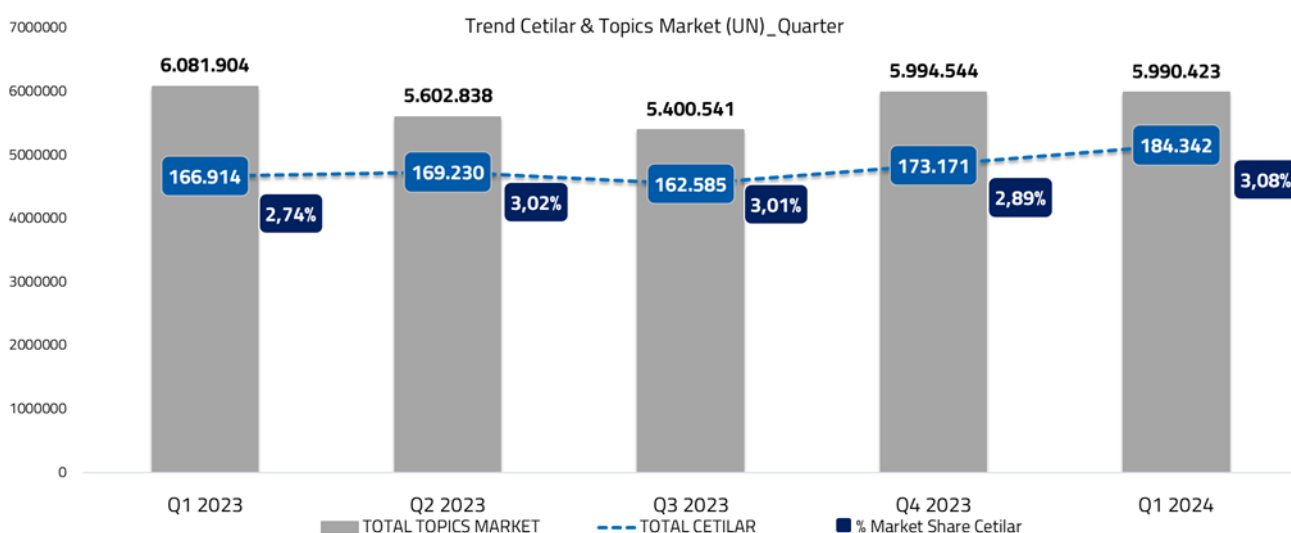
Market for topical painkillers

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



Against a backdrop of a slightly growing market (approximately +2.6%) in the first quarter of 2024 compared to the first quarter of 2023 and a highly fragmented competitive scenario, the market share of the Cetilar® range increased by 15%, from 3.9% to 4.4% in value and from 2.7% to 3.1% in volume terms⁴.

The graph below shows the trend by quarter from January 2023 to March 2024 of the overall market for topical products and Cetilar® line.

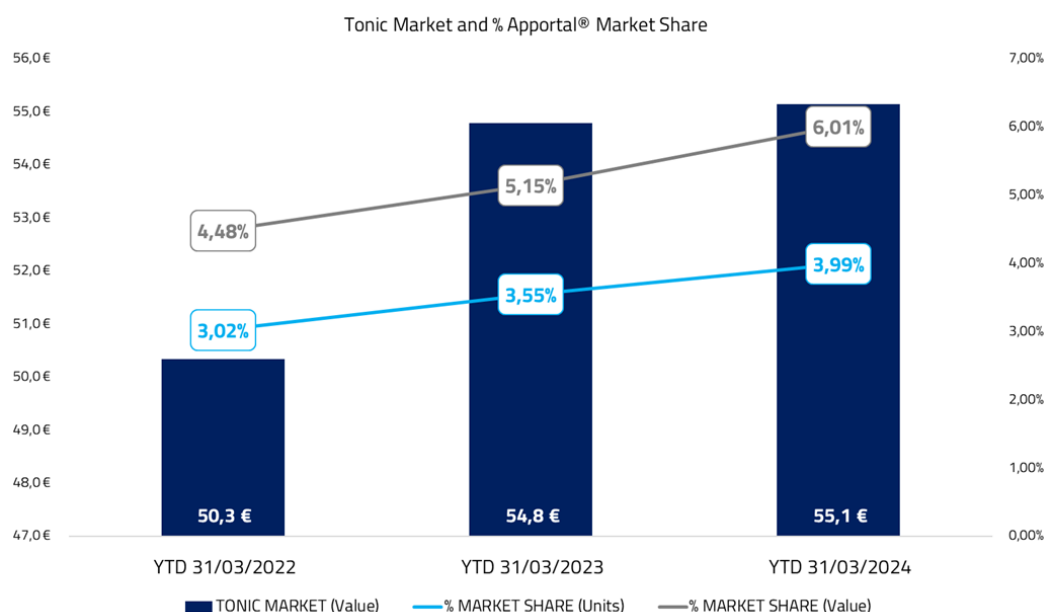


⁴ Source: IQVIA, Rework Data January 2024

In the first quarter of 2024, with the overall market down approximately 1.5% compared to the first quarter of 2023, Cetilar® line is up 10.4%.

1.5.3 Tonic products market

The following graph shows the development of Apportal®'s market share (expressed in value and units) in relation to the target market⁵.



With the tonic products market growing slightly (approximately +0.7%) in the first quarter of 2024 compared to the first quarter of 2023, Apportal®'s market share rose from 5.1% to 6% in value and from 3.5% to 4% in volume, registering an increase in value of 17.5% with prospects for further growth in the future.

1.6 Significant events after the end of the period

On 15 April 2024, the Board of Directors of the Parent Company and the Extraordinary Shareholders' Meetings of the subsidiaries Junia Pharma and Alesco (the "Merged Companies") approved the plan for the merger by incorporation of the Merged Companies into PharmaNutra.

The aforesaid merger will be carried out under the simplified forms provided for in Article 2505 of the Italian Civil Code and Article 17.2 of PharmaNutra's Articles of Association.

⁵Source: New Line Market researches

The operation is part of a broader project for the organisational reorganisation of the group to which PharmaNutra belongs and meets the need to pursue greater management efficiency of the Group, 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.

The process is expected to be completed in July 2024.

Given the ongoing merger finalisation, and in order to respond effectively to the dynamics of the Italian market, a revision of the organisational structure of the sales network was implemented in May, with the aim of achieving a more capillary and flexible coverage of the territory.

1.7 Business outlook

2024 proves to be a challenging year both in terms of maintaining organic growth in the recurring business and developing the new projects launched in 2023 (Cetilar® Nutrition, PharmaNutra USA and PharmaNutra España).

In the first quarter, the Group's performance is in line with forecasts and the foreign order backlog is such as to ensure the achievement of targets for the second and third quarters. It is believed that the implementation of the reorganisation of the external network in anticipation of the merger by incorporation of Junia Pharma into PharmaNutra, and the boost resulting from continued investment in Research and Development will contribute to the achievement of its objectives.

The continuation of the investments planned to support the new projects described will result in 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.

In this general framework, the PharmaNutra Group will work while maintaining a constant focus on the efficient management of its economic and financial structure to respond flexibly and immediately to the uncertainties of

2024, strengthened by a portfolio of unique products and clear and effective development strategies to continue a solid growth path.

Pisa, 13 May 2024

For the Board of Directors

The Chairman

(Andrea Lacorte)

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2024
AND EXPLANATORY NOTES

Consolidated Balance Sheet

€/1,000	31/03/2024	31/12/2023
NON-CURRENT ASSETS	52,836	53,761
Property, plant and equipment	25,997	26,352
Intangible assets	22,913	22,542
Investments	22	4
Non-current financial assets	304	293
Other non-current assets	2,150	3,046
Deferred tax assets	1,450	1,524
CURRENT ASSETS	62,539	58,682
Inventories	8,223	8,166
Cash and cash equivalents	15,483	18,925
Current financial assets	6,126	6,193
Trade receivables	26,049	19,219
Other current assets	6,034	5,066
Tax receivables	624	1,113
TOTAL ASSETS	115,375	112,443
SHAREHOLDERS' EQUITY	57,014	54,409
Share capital	1,123	1,123
Legal reserve	225	225
Equity shares	(4,013)	(4,013)
Other reserves	56,961	44,125
IAS 19 reserve	221	199
OCI Fair Value Reserve	(143)	(89)
FTA reserve	12	12
Conversion reserve	(3)	(7)
Result for the period	2,631	12,834
SHAREHOLDERS' EQUITY	57,014	54,409
Non-controlling interest		
NON-CURRENT LIABILITIES	29,292	30,388
Non-current financial liabilities	22,214	23,430
Provisions for risks and charges	4,211	4,458
Provisions for employee and director benefits	2,867	2,500
CURRENT LIABILITIES	29,069	27,646
Current financial liabilities	6,179	4,585
Trade payables	14,695	16,107
Other current liabilities	4,469	3,842
Tax payables	3,726	3,112
TOTAL LIABILITIES	115,375	112,443

Consolidated Income Statement

€/1,000	NOTES	2024	2023
TOTAL REVENUES		24,041	23,778
Net revenues	2.1.1	23,726	23,608
Other revenues	2.1.2	315	170
OPERATING COSTS		19,089	17,197
Purchases of raw materials, consumables and supplies	2.2.1	1,289	1,755
Change in inventories	2.2.2	(50)	(2,160)
Costs for services	2.2.3	15,677	15,748
Personnel costs	2.2.4	1,956	1,643
Other operating costs	2.2.5	217	211
EBITDA		4,952	6,581
Amortisation, depreciation and write-downs	2.3	867	410
OPERATING RESULT		4,085	6,171
FINANCIAL INCOME (EXPENSE) BALANCE		(60)	118
Financial income	2.4.1	256	243
Financial charges	2.4.2	(316)	(125)
PRE-TAX RESULT		4,025	6,289
Taxes	2.5	(1,394)	(1,654)
Net result of third parties			
Group net income		2,631	4,635
Net result per share (Euro)		0.27	0.48

Comprehensive consolidated income statement

€/1,000	2024	2023
Result for the period	2,631	4,635
Gains (losses) from IAS application that will be recognised in the income statement		
Gains (losses) from IAS application that will not be recognised in the income statement	(32)	40
Overall result for the period	2,599	4,675

Statement of changes in Consolidated shareholders' equity

€/1,000	Share capital	Equity shares	Legal reserve	Other reserves	FTA reserve	OCI Fair Value Reserve	IAS 19 reserve	Conversion reserve	Result for 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						(54)	22			(32)
Result dest.				12,834					(12,834)	-
Result for the period									2,631	2,631
Exchange rate difference	-			2				4		6
Balance as at 31/3	1,123	(4,013)	225	56,961	12	(143)	221	(3)	2,631	57,014

€/1,000	Share capital	Equity shares	Legal reserve	Other reserves	FTA reserve	OCI Fair Value Reserve	IAS 19 reserve	Result for 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)				31	9		(1,581)
Result dest.				15,048				(15,048)	-
Result for the period								4,635	4,635
Balance as at 31/3/n-1	1,123	(3,983)	225	51,839	12	(84)	235	4,635	54,002

Consolidated cash flow statement

CASH FLOW STATEMENT (€/1,000) - INDIRECT METHOD	2024	2023
Net result before minority interests	2,631	4,635
NON-MONETARY COSTS/REVENUES		
Depreciation and write-downs amortisation	867	410
Allowances to provisions for employee and director benefits	240	209
CHANGES IN OPERATING ASSETS AND LIABILITIES		
Change in provisions for non-current risks and charges	(247)	68
Change in provisions for employee and director benefits	127	111
Change in inventories	(57)	(2,158)
Change in trade receivables	(6,926)	(2,572)
Change in other current assets	(968)	(3,774)
Change in tax receivables	489	452
Change in other current liabilities	629	383
Change in trade payables	332	(1,598)
Change in tax payables	614	1,735
CASH FLOW FROM OPERATIONS	(2,269)	(2,099)
Investments in intangible assets, property, plant and equipment	(775)	(3,643)
Transfer of int. assets, property, plant and equipment	(16)	102
Net investments in financial fixed assets	(18)	(392)
Change in other assets	896	0
Change in deferred tax assets	74	(89)
CASH FLOW FROM INVESTMENTS	161	(4,022)
Increase/(decrease) in assets	(28)	40
Purchase of Treasury shares		(1,621)
Cash flow from dividend distribution		
Increase in financial assets	(1,111)	(515)
Decrease in financial assets	891	1
Increase in financial liabilities		
Decrease in financial liabilities	(1,035)	(300)
Increase in ROU financial liabilities	63	841
Decrease in ROU financial liabilities	(114)	(105)
CASH FLOW FROM FINANCING	(1,334)	(1,659)
TOTAL CHANGE IN CASH	(3,442)	(7,780)
Liquid funds at the beginning of the year	18,925	22,051
Liquid funds at the end of the year	15,483	14,271
CHANGE IN LIQUID FUNDS	(3,442)	(7,780)

EXPLANATORY NOTES TO CONSOLIDATED ACCOUNTING STATEMENTS

1. CRITERIA FOR DRAFTING AND CONSOLIDATION PRINCIPLES

This Interim Management Report as at 31 March 2024 (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 of 24 February 1998 no.58.

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 2023, except for the new standards and interpretations effective from 1st January 2024 and are required to be, which did not have a material impact on the period.

It should be noted that the companies PharmaNutra España and PharmaNutra USA, incorporated in March 2023 and December 2022 respectively, have not been consolidated as at 31 March 2023.

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

The Interim Report was approved by PharmaNutra's Board of Directors on 13 May 2024 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

As at 31 March 2024, net revenues were in line with the same period of the previous financial year. As per the table below, the quarter trend shows a decrease in sales on the Italian market and an increase in sales on foreign markets.

	2024	2023	Change
Direct Line revenues	14,776	15,258	-482
Indirect Line revenues	7,505	6,815	690
Medical instruments revenues	1,445	1,535	-90
Total Net revenues	23,726	23,608	118

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

€/1,000	2024	2023	Change	Δ%	Incidence 2024	Incidence 2023
Italy	14,448	14,812	(364)			
F.P. Total Italy	14,448	14,812	(364)	-2.5%	60.9%	62.7%
Europe	4,794	4,082	712	17.5%		
Middle East	381	1,515	(1,134)	-74.9%		
South America	394	689	(295)	-42.8%		
Far East	224	145	80	55.0%		
Other	1,124	-	1,124	n.s.		
F.P. Total Foreign market	6,917	6,430	486	7.6%	29.2%	27.2%
Raw materials - Italy	328	445	(117)	-26.2%	1.4%	1.9%
Raw materials - Abroad	589	385	204	53.0%	2.5%	1.6%
Total Raw materials	917	830	87	10.5%	3.9%	3.5%
Medical instruments - Italy	1,282	1,339	(58)	-4.3%	5.4%	5.7%
Medical instruments - Foreign market	162	196	(34)	-17.2%	0.7%	0.8%
Total Medical instruments	1,444	1,535	(91)	-6.0%	6.1%	6.5%
Total Net revenues	23,726	23,608	118	0.5%	100%	100%

2.1.2 Other revenues and income

	2024	2023	Change
Refunds and recovery of expenses	25	17	8
Contingent assets	186	31	155
Other revenues and income	104	122	-18
Total Other revenues and income	315	170	145

2.2 OPERATING COSTS

2.2.1 Purchases of raw materials, consumables and supplies

Purchases are broken down in the following table:

	2024	2023	Change
Costs for raw materials and semi-fin. goods	699	1,120	-421
Consumables	192	151	41
Costs for finished products	398	484	-86
Total raw materials, semi-finished goods, consumables and finished products	1,289	1,755	-466

2.2.2 Change in inventories

	2024	2023	Change
Change in raw materials	-208	-11	-197
Change in semi-finished products inventory	44	6	38
Change in finished products inventory	66	-2,246	2,312
Allowance to Provision for inventory write-downs	48	91	-43
Change in inventories	-50	-2,160	2,110

The change in inventories of finished goods resulted from the lower revenues in the quarter under review.

The final value of inventories is adjusted by the inventory write-down provision of Euro 416 thousand (Euro 369 thousand as at 31 December 2023).

2.2.3 Costs for services

	2024	2023	Change
Marketing	4,079	3,577	502
Production and logistics	4,474	5,133	-659
Overheads	1,607	1,449	158
Research and Development	318	240	78
Computer services	130	124	6
Commercial costs and commercial network costs	2,627	2,831	-204
Corporate bodies	2,357	2,328	29
Rentals and leases	30	16	14
Financial services	55	50	5
Total costs for services	15,677	15,748	-71

The decrease in items Production and logistics and Commercial costs and commercial network costs is related to the lower sales volumes compared to the same period of the previous financial year and the cost efficiency policies implemented. The increase in Marketing item is due to the investments made in support of new projects. The increase in item General service costs mainly results from travel costs and the running costs of the new premises.

2.2.4 Personnel costs

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

	2024	2023	Change
Wages and salaries	1,457	1,200	257
Social security charges	418	382	36
Provision for severance indemnity	76	55	21
Other personnel costs	5	6	-1
Total personnel costs	1,956	1,643	313

The increase compared to 31 March 2023 is due to hirings made in the period as the organisational structure was gradually adjusted to deal with increasing business volumes and to consolidation of PharmaNutra USA and PharmaNutra España (6 employees).

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

Units	2024	2023	Change
Executives	3	2	1
White collars	90	71	19
Blue collars	9	4	5
Total	101	77	24

As at 31 March 2024, the number of employees was 111 compared to 90 at 31 March 2023.

2.2.5 Other operating costs

	2024	2023	Change
Capital losses	11		11
Sundry tax charges	20	15	5
Loss on receivables	5		5
Membership fees		9	-9
Charitable donations and social security charges	13	53	-40
Other costs	168	134	34
Total other operating costs	217	211	6

2.3 AMORTISATION, DEPRECIATION AND PROVISIONS

	2024	2023	Change
Amortisation of intangible assets	125	98	27
Depreciation of tangible assets	646	249	397
Provision for doubtful accounts	67	63	4
Non-deductible provision for doubtful accounts	29		29
Total amortisation, depreciation and write-downs	867	410	457

The increase in depreciation of tangible assets resulted from the new premises beginning activity.

2.4 FINANCIAL INCOME/CHARGES

2.4.1 Financial income

	2024	2023	Change
Interest income	60	75	-15
Interest income on late payments	2		2
Dividends	2		2
Exchange gains	-4	4	-8
Other financial income	196	164	32
Total financial income	256	243	13

2.4.2 Financial charges

	2024	2023	Change
Other financial charges	-24	-41	17
Interest expense	-286	-82	-204
Exchange losses	-6	-2	-4
Total financial charges	-316	-125	-191

2.5 INCOME TAXES

	2024	2023	Change
Current taxes	1,322	1,743	-421
Deferred tax assets	74	-89	163
Other taxes and duties	-2		-2
Total taxes	1,394	1,654	-260

Taxes are accrued on an accrual basis and have been determined on the basis of current rates and regulations.

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 31 March 2024 compared to 31 December 2023 is as follows:

	31/03/2024	31/12/2023
A Cash and cash equivalents	(15,483)	(18,925)
B Cash equivalents		
C Other current financial assets	(6,126)	(6,193)
D Liquidity (A+B+C)	(21,609)	(25,118)
1) E Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	2,214	997
F Current portion of non-current financial debt	3,965	3,588
G Current financial debt (E+F)	6,179	4,585
of which guaranteed	440	295
of which not guaranteed	5,739	4,290
H Net current financial debt (G-D)	(15,430)	(20,533)
2) I Non-current financial debt (excluding current portion and debt instruments)	22,214	23,430
J Debt instruments		
K Trade payables and other non-current payables		
L Non-current financial debt (I+J+K)	22,214	23,430
of which guaranteed	11,560	11,705
of which not guaranteed	10,654	11,725
M Net financial debt (H+L) - CONSOB comm. (4/3/21 ESMA32-382-1138)	6,784	2,897
3) N Other current and non-current financial assets	(741)	(293)
O Net financial debt (M-N)	6,043	2,604

- 1) It includes the following items of the financial statements: Current financial liabilities (Payables to banks Euro 2,085 thousand, Financial payables for rights of use Euro 347 thousand);
- 2) It includes the following items of the financial statements: Non-current financial liabilities (M/L financial debt Euro 21 million, Non-current financial payables for rights of use Euro 1,214 thousand);
- 3) It includes the following items of the financial statements: Non-current financial assets (Deposits paid Euro 304 thousand) and Other non-current assets (Insurance for Directors' termination indemnity Euro 437 thousand).

Pisa, 13 May 2024

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 31 March 2024 corresponds to the documented results, books and accounting records.

Pisa, 13 May 2024

PharmaNutra S.p.A.

Executive in charge for drafting
the financial statements

Francesco Sarti

PharmaNutra SpA

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