

INTERIM MANAGEMENT REPORT

30th September 2024

PharmaNutra S.p.A.

Headquarters

REA (Economic Administrative Index)

PISA Companies Register

Share capital

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

Via Campodavella, 1 - 56122 PISA PI

PI-146259

01679440501

Euro 1,123,097.70 fully paid-in

01679440501

OUR HISTORY

The **PharmaNutra Group** is a group of companies specialising in the **pharmaceutical, nutraceutical** and **nutritional** sector. The Group currently consists of the Italian companies **PharmaNutra S.p.A. (Parent Company) and Akern S.r.l.** and two foreign subsidiaries: **PharmaNutra U.S.A. Corp. and PharmaNutra España S.L.U.**

The Group's journey began in 2000 with the establishment of Alesco S.r.l., a company dedicated to developing nutraceutical raw materials. This was followed by the creation of PharmaNutra S.p.A. in 2003, specialising in nutraceutical products and medical devices. In 2010, Junia Pharma S.r.l. was founded to focus on the paediatric sector. In 2022, the Group expanded into the nutritional research field by acquiring 100% of Akern S.r.l., bringing in unique technical and scientific expertise and fostering significant synergies.

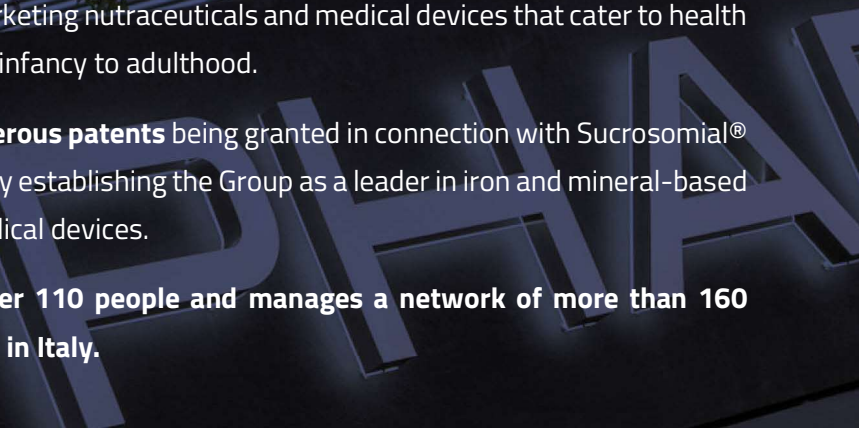
Since 2013, the Group has expanded into **foreign markets**, operating through a flexible and innovative business model, supported by **a network of top-tier distributors**. Currently, PharmaNutra products are available in **over 80 countries across Europe, Asia, Africa, and America**, through carefully selected commercial partners.

In 2023, PharmaNutra España and PharmaNutra USA were established to directly oversee product distribution in Spain and the United States, while in 2024, two historic companies, Junia Pharma S.r.l. and Alesco S.r.l. have been merged into PharmaNutra.

This has established a new corporate structure that **fulfils the requirements of the whole production chain**, from developing cutting-edge technologies to marketing nutraceuticals and medical devices that cater to health and wellness needs across all stages of life, from infancy to adulthood.

Continuous **investments in R&D** have led to **numerous patents** being granted in connection with Sucrosomial® Technology and Cetylated Fatty Acids (CFA), rapidly establishing the Group as a leader in iron and mineral-based nutritional supplements and joint restoration medical devices.

Currently, the PharmaNutra Group employs over 110 people and manages a network of more than 160 exclusive Pharmaceutical Sales Representatives in Italy.





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 (Alternate Auditor)

Elena Pro (Alternate Auditor)

Independent auditors

BDO Italia S.p.A.

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INTERIM MANAGEMENT REPORT AS AT SEPTEMBER 30, 2024

1.1 Main consolidated Income statement and Balance sheet data

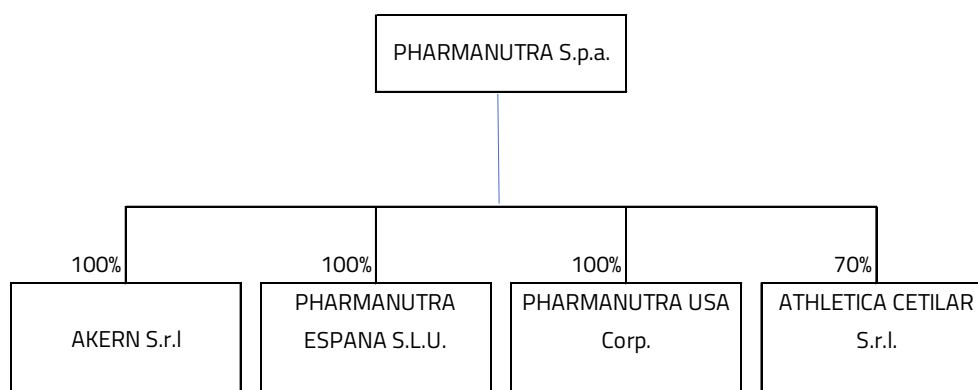
ECONOMIC DATA (€ million)	2024	%	2023	%	Change
REVENUES	84,5	100,0%	72,2	100,0%	17,1%
SALES REVENUES	83,5	98,8%	71,4	99,0%	16,9%
EBITDA	24,2	28,6%	19,0	26,4%	27,2%
NET RESULT	13,2	15,6%	9,7	13,5%	35,3%
Earning per Share(Euro)	1,37		1,01		36,2%

BALANCE SHEET & EQUITY (€ million)	2024	2023	Change
NET INVESTED CAPITAL	58,4	57,0	1,3
NET FINANCIAL POSITION	0,5	(2,6)	3,2
EQUITY	(58,9)	(54,4)	4,5

1.2 Pharmanutra Group

The PharmaNutra Group is a group of companies specializing in the pharmaceutical, nutraceutical, and nutritional sectors.

Pharmanutra S.p.A. (hereinafter also referred to as “Pharmanutra” or the “Parent Company”) is a company with its registered office in Italy, at Via Campodavola 1, Pisa. It holds controlling interests in the group of companies (the “Group” or the “PharmaNutra Group”) shown in the following chart.



Pharmanutra, a nutraceutical company based in Pisa, was founded in 2003 with the aim of developing dietary supplements and medical devices. Since 2005, it has independently developed and marketed a line of branded products managed through a network of scientific-commercial representatives who present the products directly to the medical community. This business model has been highlighted by prominent healthcare marketing experts as an example of innovation and efficiency across the entire pharmaceutical landscape.

In July 2024, the merger of its subsidiaries Junia Pharma S.r.l. and Alesco S.r.l. into Pharmanutra was completed, resulting in a new corporate structure designed to meet the requirements of the entire production chain, from the development of new technologies and patents to the commercialization of raw materials and active ingredients for the food, pharmaceutical, and dietary supplement industries, as well as nutraceutical products and medical devices that address health and wellness needs from infancy to adulthood. Pharmanutra has the expertise to manage all stages, from the design, formulation, and registration of a new product to marketing and commercialization, and the training of representatives.

Akern S.r.l. (hereinafter also "Akern") is an Italian company founded in 1980 dedicated to the research, development, and production of medical instruments and software for body composition monitoring using bioimpedance techniques.

Pharmanutra USA (hereinafter also "PHN USA") was established in December 2022 to commercialize Pharmanutra® branded products in the American market through selected e-commerce channels and direct distribution in the territory.

Pharmanutra España (hereinafter also "PHN ESP") was established in March 2023 to distribute Cetilar® and Cetilar® Nutrition line products in the Spanish market through selected online sales channels and a dedicated sales network.

The subsidiary Athletica Cetilar S.r.l. (hereinafter also "Athletica Cetilar") was established in March 2024 with the objective of creating a sports medical center focused on optimizing the performance of professional and amateur athletes and on developing applications for the Cetilar® product line.

1.3 Consolidated position as at September 30, 2024

The results as at September 30, 2024, confirm a solid trend of organic growth in revenue and EBITDA, exceeding expectations, with increases of approximately 17% and 27%, respectively, compared to the same period of the

previous year. The contribution of new projects to revenues remains marginal, while the associated development costs (around €4 million) have led to the anticipated slight reduction in operating margin (-4%)

Performances of the third quarter

Income Statement

CONSOLIDATED INCOME STATEMENT						
(€/1000)	2024	%	2023	%	Δ 24/23	Δ %
TOTAL REVENUES	84.497	100,0%	72.190	100,0%	12.307	17,1%
Net Revenues	83.470	98,8%	71.434	99,0%	12.036	16,9%
Other revenues	1.027	1,2%	756	1,1%	271	35,9%
OPERATING EXPENSES	60.295	71,4%	53.160	73,6%	7.135	13,4%
Purchases of Raw, auxiliary mat. and cons.	4.112	4,9%	3.986	5,5%	126	3,2%
Change in Inventories	360	0,4%	(2.366)	-3,3%	2.726	-115,2%
Services expenses	49.236	58,3%	46.276	64,1%	2.960	6,4%
Employee expenses	5.784	6,9%	4.662	6,5%	1.122	24,1%
Other operating expenses	803	1,0%	602	0,8%	201	33,4%
EBITDA	24.202	28,6%	19.030	26,4%	5.172	27,2%
Amortization, Depreciation and Write off	3.059	3,6%	1.265	1,8%	1.794	141,8%
EBIT	21.143	25,0%	17.765	24,6%	3.378	19,0%
NET FINANCIAL INCOME/(EXPENSES)	(347)	-0,4%	(69)	-0,1%	(278)	402,9%
Financial income	842	1,0%	557	0,8%	285	51,2%
Financial expenses	(1.189)	-1,4%	(626)	-0,9%	(563)	89,9%
PRE TAX RESULT	20.796	24,6%	17.696	24,5%	3.100	17,5%
Income Taxes	(7.626)	-9,0%	(7.965)	-11,0%	339	-4,3%
Group's Profit/(loss) of the period	13.170	15,6%	9.731	13,5%	3.439	35,3%

Consolidated net revenues as at September 30, 2024, amount to €84.5 million, reflecting an increase of €12 million (+17%) compared to the same period of the previous year.

Revenues from the Italian market reached €55.5 million (€50.9 million as at September 30, 2023), showing an increase of 10% and representing 66.5% of total revenues compared to 70.4% in the same period of the previous year.

Revenues from foreign markets amount to €28.0 million, up from €21.1 million as at September 30, 2023, reflecting an increase of €6.9 million (+32.5%). As a result, the contribution of foreign market revenues to total revenue rose from 29.6% as at September 30, 2023, to 33.5% as at September 30, 2024.

Revenue performance for the quarter, compared to the same quarter of the previous year, shows an increase of 23% in Italian revenues, 28% in foreign revenues, and 43% in revenues from the Akern line.

Sales volumes of finished products as at September 30, 2024, totaling approximately 10.2 million units, increased by around 11.5% compared to 9.1 million units as of September 30, 2023.

Operating costs as at September 30, 2024, amount to €60.3 million (about +13.4% compared to September 30, 2023), naturally increasing as a result of revenue growth and including investments related to the startup of new projects totaling approximately €4 million, particularly regarding recruitment costs, personnel costs, administrative and commercial consulting, and marketing.

Inventory variation as at September 30, 2024, benefits from the release of the unrealized margin on intra-group sales as of January 1, 2024, following the merger of Alesco and Junia into Pharmanutra, amounting to €1.2 million.

As a result of the factors described above, the **Group's EBITDA** stands at €24.2 million (€19.0 million as at September 30, 2023), with a margin of approximately 29% of total revenues, reflecting an increase of about 27% compared to September 30, 2023. Excluding the startup costs of new initiatives, the EBITDA margin on total revenues as of September 30, 2024, would be approximately 33%, reflecting an increase of about 25% compared to the same period of the previous year, confirming the strength and growth potential of the Group's business.

Depreciation and amortization include a provision of € 600,000 to the risk fund, which represents the cost related to the partial repayment of the research and development tax credit decided by management following an audit of the 2015-2019 tax periods conducted by the Pisa Revenue Agency. For more information on this matter, please refer to section 1.6 of this Report.

Net profit for the period amounts to €13.2 million, compared to €9.7 million as at September 30, 2023.

Earnings per share are €1.37 compared to €1.01 as at September 30, 2023.

Balance Sheet

CONSOLIDATED BALANCE SHEET (€/1000)	9/30/2024	12/31/2023
TRADE RECEIVABLES	24.544	19.219
INVENTORIES	7.968	8.166
TRADE PAYABLES	(15.729)	(16.097)
OPERATING WORKING CAPITAL	16.783	11.288
OTHER RECEIVABLES	6.503	6.179
OTHER PAYABLES	(8.164)	(6.966)
NET WORKING CAPITAL	15.122	10.501
INTANGIBLE ASSETS	23.557	22.535
TANGIBLE ASSETS	25.194	26.359
NON CURRENT ASSETS	2.806	4.574
TOTAL ASSETS	51.557	53.468
PROVISIONS AND OTHER L/T LIAB.	(8.327)	(6.958)
NET INVESTED CAPITAL	58.352	57.011
NET EQUITY	58.895	54.407
NON CURRENT FINANCIAL LIAB.	20.322	23.430
CURRENT FINANCIAL LIAB.	4.159	4.585
NON CURRENT FINANCIAL ASSETS	(625)	(293)
CURRENT FINANCIAL ASSETS	(6.582)	(6.193)
CASH AND CASH EQUIVALENTS	(17.817)	(18.925)
NET FINANCIAL POSITION	(543)	2.604
TOTAL FUNDS	58.352	57.011

The change in operating working capital compared to December 31, 2023, is attributable to the higher volumes of revenues of the period.

The increase in the "Other Liabilities" item is related to the recognition of taxes on the period's earnings.

The increase in "Intangible Assets" is due to capitalized costs related to research projects and the registration of patents and trademarks resulting from R&D activities. The decrease in "Financial Fixed Assets" is due to the use of tax credits acquired as an investment of part of the Group's liquidity.

The "Current Financial Assets" item refers to the temporary investment of part of the Group's liquidity in financial instruments, managed under an individual management mandate granted to Azimut Capital Management.

To facilitate a better evaluation of its performance, the PharmaNutra Group utilizes certain alternative performance indicators that are not identified as accounting measures within IFRS.

Consequently, the Group's determination criteria may not be consistent with those adopted by other groups, and the resulting values may not be comparable.

These alternative performance indicators, calculated in accordance with the ESMA Guidelines on Alternative Performance Measures (ESMA/2015/1415) and adopted by CONSOB with communication no. 92543 of December 3, 2015, refer solely to the performance of the financial year covered by this Interim Report and the comparative periods, not the Group's expected performance.

Below are definitions of the alternative performance indicators used in this Interim Report:

- EBITDA: represented by Operating Gross Result.
- Adjusted EBITDA: represented by Operating Gross Result net of non-recurring items.
- EBIT: represented by Operating Gross Result net of Depreciation and Amortization.
- Operating Working Capital: calculated as the sum of Inventories and Trade Receivables net of Trade Payables.
- Net Working Capital: calculated as the sum of Inventories and Trade Receivables, net of Trade Payables and all other Balance Sheet items classified as Other Receivables or Other Liabilities.
- Net Invested Capital: represented by the sum of Net Working Capital and Total Fixed Assets, net of Provisions and other medium-to-long-term liabilities, excluding financial items that are included in the Net Financial Position balance.
- Net Financial Position (NFP): calculated as the sum of Current and Non-Current Bank Debt and Current and Non-Current Lease Liabilities, net of Cash and Cash Equivalents, as well as Current and Non-Current Financial Assets.
- Total Sources: represented by the sum of Net Equity and NFP.

Net financial position changes are shown in the following table:

NET FINANCIAL POSITION (€/1000) STATEMENT	30/9/24	31/12/23
Cash	(66)	(40)
Bank deposits	(17.751)	(18.885)
Cash and cash equivalents	(17.817)	(18.925)
Current financial assets	(6.582)	(6.193)
Current financial liabilities: due to banks	146	627
Current part of non current liabilities	3.752	3.588
Current fin. liabilities for rights of use	261	370
Current financial indebtedness net of fin. assets	(2.423)	(1.608)
Net Current Financial Indebtedness/(Availability)	(20.240)	(20.533)
Non current financial assets	(437)	0
Deposits paid	(191)	(293)
Non current bank debts	19.422	22.188
Non current fin. liabilities for rights of use	900	1.242
Non current financial indebtedness	19.694	23.137
Net Financial Position	(546)	2.604

The **Net Financial Position** as at September 30, 2024, is positive (net cash) at €0.5 million, compared to the negative balance of €2.6 million as at December 31, 2023. Operating activities during the period generated €14 million in cash (€5 million as at September 30, 2023); investments totaling €2.7 million were made, and treasury shares were repurchased for an amount of €0.5 million.

For more details, please refer to the Consolidated Cash Flow Statement.

1.4 Pharmanutra Group business lines

The PharmaNutra Group's distribution and sales model is structured into the following business lines:

Italy Business Line: this line is characterized by direct oversight of the target markets in which the Group operates. For finished products, the guiding principle is to ensure comprehensive territorial coverage through an organizational structure of scientific-commercial representatives, who, by engaging in sales and scientific information activities, provide full oversight of all actors in the distribution chain: hospital physicians, outpatient physicians, pharmacies, and hospital pharmacies.

The commercial activity for raw materials targets companies in the food, pharmaceutical, and nutraceutical industries, as well as nutraceutical production facilities that operate on a contract manufacturing basis.

Foreign Business Line: This line focuses on the commercialization of finished products and raw materials through local partners who, under multi-year exclusive distribution agreements, distribute and sell the products in their respective markets. This business model is primarily used in foreign markets.

Akern Business Line: The business model includes the sale of devices and software for measuring body bioimpedance in Italy and abroad through agents, distributors, and online sales.

Consolidated net revenues as of September 30, 2024 (€83.5 million) increased by 16.8% compared to the same period in the previous year (€71.4 million).

Revenues by area of activity				Incidence	
	€/1000	2024	2023	Δ%	2024
Finished products- Italy	51.084	46.259	10,4%	61,2%	64,8%
Finished products- Rest of world	26.092	19.806	31,7%	31,3%	27,7%
Total finished products	77.176	66.065	16,8%	92,5%	92,5%
Raw mat. and semifin. Prod. -Italy	856	893	-4,2%	1,0%	1,3%
Raw mat. and semifin. Prod. -Italy	1.370	870	57,5%	1,6%	1,2%
Total Raw Mat. and semifin. Prod.	2.226	1.763	26,2%	2,7%	2,5%
Medical instruments - Italy	3.546	3.168	12,0%	4,3%	4,4%
Medical instruments - ROW	522	439	19,0%	0,6%	0,6%
Total medical instruments	4.068	3.606	12,8%	4,9%	5,1%
Total	83.470	71.434	16,9%	100%	100%

Revenue from sales of finished products increased by approximately 10.4% in the Italian market and by around 32% in foreign markets compared to September 30 of the previous year.

Revenue from the sale of proprietary and non-proprietary raw materials shows a net increase of approximately €460,000, generated by higher sales in foreign markets.

Revenue for the Akern business line amounts to €4.1 million, marking an increase of about 13% compared to September 30, 2023.

The following table shows the revenue breakdown by the business lines described above.

Revenues by business line				Incidence	
	€/1000	2024	2023	Δ%	2024
Italy	51.940	47.153	10,2%	62,2%	66,0%
Rest of World	27.462	20.676	32,8%	32,9%	28,9%
Medical instruments	4.068	3.606	12,8%	4,9%	5,1%
Totale	83.470	71.434	16,9%	100%	100%

Overall, revenue from the Italy segment increased by approximately 10%, reaching EUR 51.9 million (compared to EUR 47.2 million in the previous year) and representing about 62% of total revenue.

Due to the increase in revenue from the foreign segment, which amounted to approximately EUR 27.5 million as at 30 September 2024 (compared to around EUR 20.7 million on 30 September 2023), the share of foreign revenue in total revenue rose from 29% to 33% as at 30 September 2024.

Revenue from the medical equipment segment saw an increase in line with other business segments, maintaining a steady share of total revenue.

The following table provides the breakdown of revenue by geographical area as at 30 September 2024:

Revenues by geographic area				Incidence	
	€/1000	2024	2023	Δ%	2024
Italy	55.486	50.320	10,3%	66,5%	70,4%
Total Italy	55.486	50.320	10,3%	66,5%	70,4%
Europe	15.284	12.759	19,8%	18,3%	17,9%
Middle east	6.197	6.069	2,1%	7,4%	8,5%
South America	1.653	1.247	32,5%	2,0%	1,8%
Far east	1.546	594	160,3%	1,9%	0,8%
Other	3.304	445	641,7%	4,0%	0,6%
Total Rest of World	27.984	21.114	32,5%	33,5%	29,6%
Grand Total	83.470	71.434	16,9%	100%	100%

Revenue from foreign market sales is almost exclusively generated by the Sideral® line.

Europe remains the market with the highest share of foreign revenue. The growth in the Far East is due to the progressive development of sales in the Chinese market through cross-border internet marketing. As at 30

September 2024, revenue from the Chinese market reached approximately EUR 1 million, with significant growth prospects. Revenue from Other Geographical Areas pertains to the South African market.

Variations in other areas are attributable to the timing dynamics of purchase order formalizations by distributors.

The analysis of finished product revenue by product line (Trademark) presented in the following table highlights strong growth across all main product lines, with Apportal® maintaining its significant growth trend from previous quarters, reaching the 12th position among the top-performing brands in the tonic market in pharmacies (source: New Line market research, September 2024), an improvement of three positions since May.

Revenues by Product Line				Incidence	
€/1000	2024	2023	Δ%	2024	2023
Sideral	57.757	50.317	14,8%	69,2%	70,4%
Cetilar	8.074	7.125	13,3%	9,7%	10,0%
Apportal	8.312	6.104	36,2%	10,0%	8,5%
Ultramag	1.194	776	53,9%	1,4%	1,1%
Other	1.839	1.743	5,5%	2,2%	2,4%
Medical instruments	4.068	3.606	12,8%	4,9%	5,1%
Raw Materials	2.226	1.763	26,2%	2,7%	2,5%
Totale	83.470	71.434	16,9%	100%	100%

In terms of volume, sales of finished products as of 30 September 2024 amounted to 10.2 million units, an increase of approximately 11.5% compared to 9.1 million units in the corresponding period of the previous year.

F.P. Volumes				Incidence	
Units/1000	2024	2023	Δ%	2024	2023
Finished products - Italy	3.500	3.300	6,0%	34,5%	36,2%
Finished products - Rest of world	6.659	5.807	14,7%	65,6%	63,8%
Totale	10.158	9.107	11,6%	100%	100%

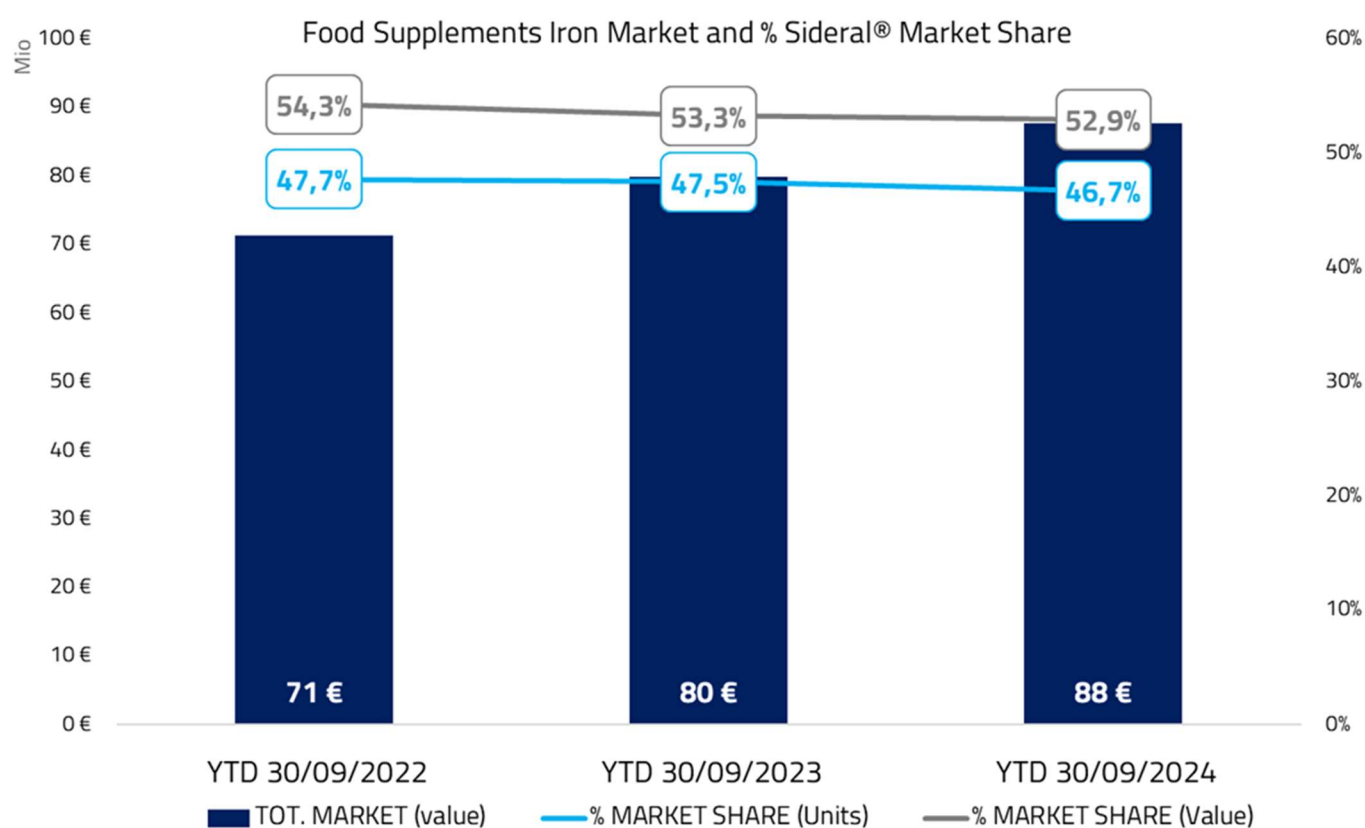
1.5 Target markets in which the Group operates

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 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, Sideral®, Cetilar® and Apportal® lines.

1.5.1 Iron market

The Pharmanutra Group operates in the iron-based supplement market (Food Supplements and Drugs) with its Sideral® product line, where it confirmed its leadership position in the first nine months of 2024, with a market share by value of 53% and of 47% in volumes¹

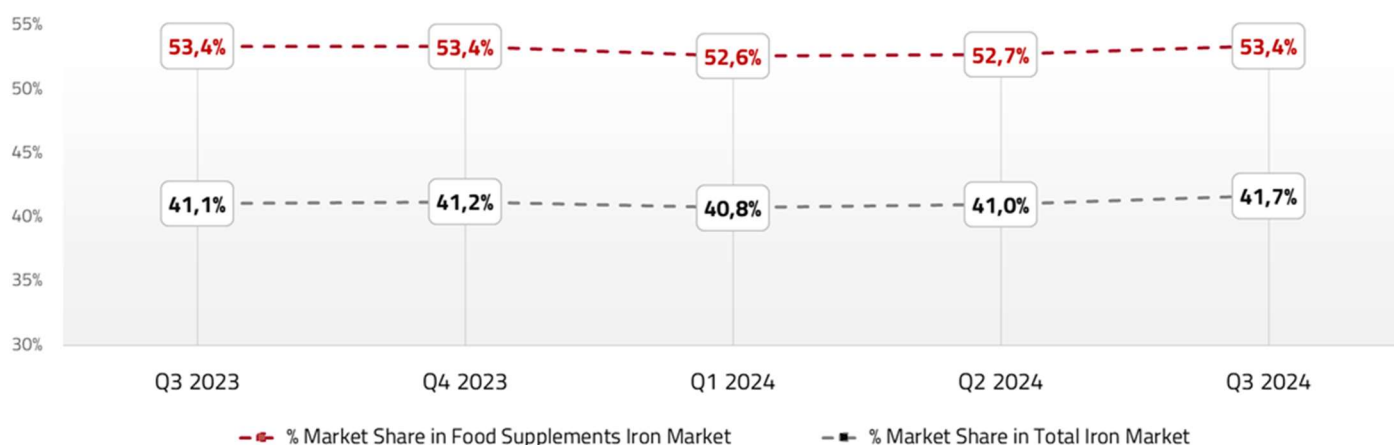


The chart below shows the quarterly trend of Sideral®'s market share (expressed in value) in relation to both the iron supplements market alone (Food Supplements Iron Market) and the overall market (Total Iron Market)².

¹ Source : IQVIA Data

² Source : IQVIA Data

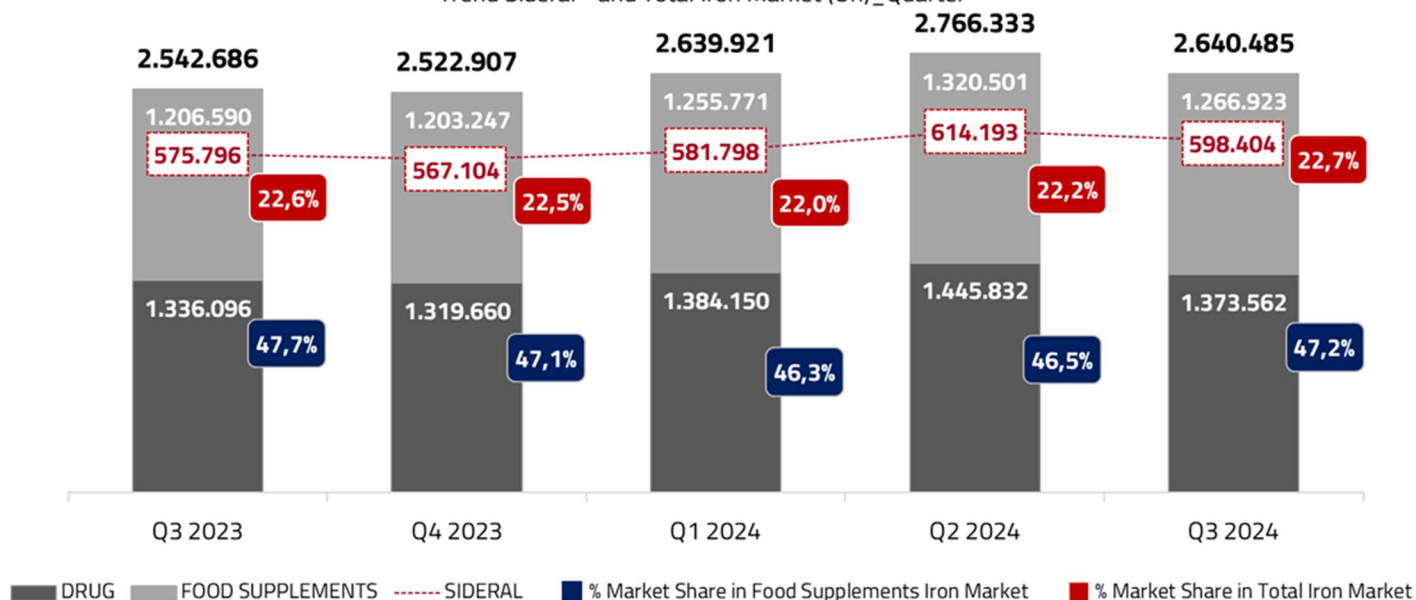
% Sideral® Market Share in Food Supplements & Total Iron Market (Val)_Quarter



It is worth highlighting that the Sideral® product line holds a significant market share within the overall market landscape, amounting to 41,7%.

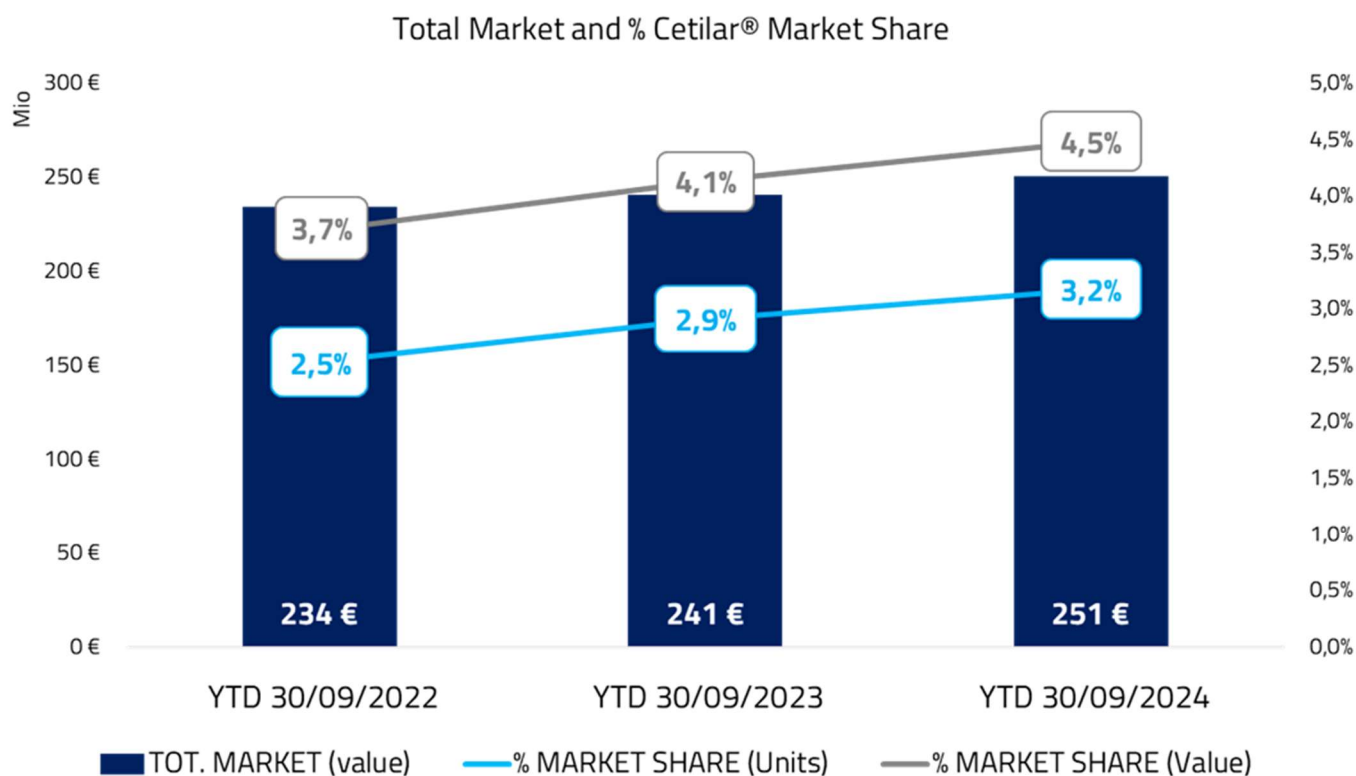
The quarterly performance of Sideral® in terms of units in the iron-based dietary supplements market and the overall iron market is shown in the following chart.

Trend Sideral® and Total Iron Market (Un)_Quarter



1.5.2 Topical pain relievers market

The Cetilar® line shows a steady increase in its market share (expressed in both value and units) in the target market for topical pain relievers, as shown in the following chart.

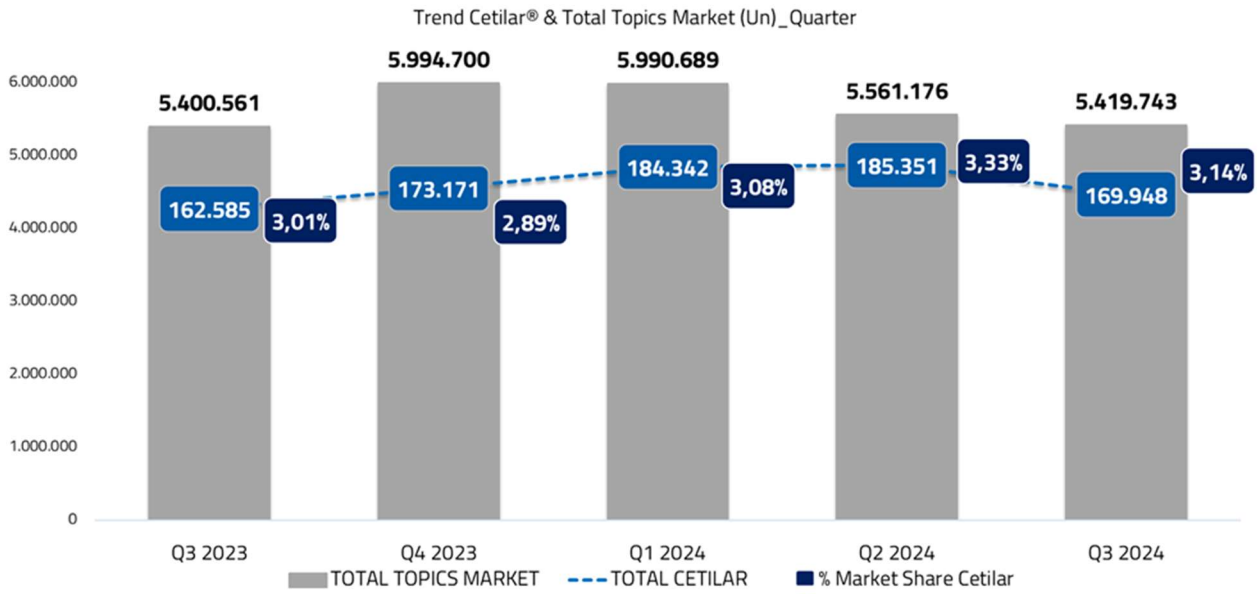


In a market context declining in units (-1%) but showing slight growth in value (+4%) for the period January-September 2024 compared to the same period of the previous year, and within a highly fragmented competitive landscape, the Cetilar® line confirms its growth trend both in units (+8%) and in value (+13%).

Market share increased from 4,1% to 4,5% in value and from 2,9% to 3,2% volume³.

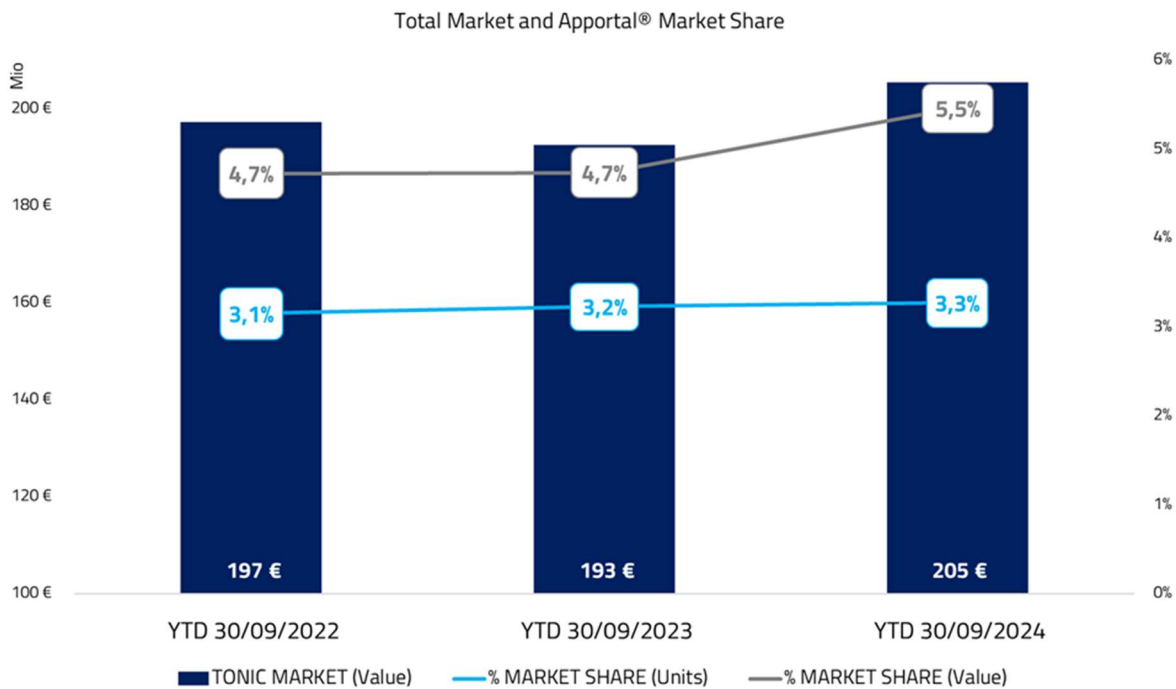
The following chart shows the quarterly trend, from July 2023 to September 2024, of the overall topical pain reliever market and the Cetilar® line.

³ Source : IQVIA Data



1.5.3 Tonic market

The following chart shows the trend of Apportal®'s market share (expressed in value and units) in relation to the target market ⁴.



⁴Source: New Line market researches

Amid modest growth in the tonic market (+6.6% in value) during the period January - September 2024 compared to 2023, Apportal®'s market share increased from 4.7% to 5.5% in value and from 3.2% to 3.3% in volume, achieving a 23% increase in value with prospects for further future growth.

1.6 Significant events after the end of the period

In October 2024, an agreement was signed with a leading international strategic consulting firm to define the development plan for the subsidiary Pharmanutra USA, which is engaged in the distribution and commercialization of the Group's products in the United States. Following a preliminary market analysis conducted in recent months, which confirmed the growth strategies identified by Pharmanutra and the significant potential of the U.S. market, the renowned American strategic consulting firm has moved to the next phase. This phase, spanning two months, involves drafting, in collaboration with Pharmanutra, a plan aimed at accelerating its growth.

In the same month, the Pisa Provincial Directorate of the Italian Revenue Agency concluded its audit on the Research and Development Tax Credit accrued during the 2015-2019 period. Following discussions with the tax auditors, the Directors deemed it appropriate to use the voluntary repayment procedure under Article 5, paragraphs 7 to 12, of Decree Law 146/2021 for an amount of EUR 600,000, without the application of interest or penalties. The audit confirmed that the Group's activities meet the eligibility requirements for the tax credit. The decision to proceed with the repayment, despite the Group's confidence in the correctness of its actions and compliance with relevant legal provisions, was made solely to prevent litigation and to facilitate access to the collaborative compliance program. This amount, resulting mainly from the tax auditors' re-evaluation of some of the hours spent by the Directors on research activities eligible for incentives, has been allocated to the risk provisions fund.

At the beginning of November, products from the new Sidevit® line (Sidevit® D3 and Sidevit® B12), SiderAL® Mamma, and Lactopam® were launched on the market.

Sidevit® is the first line of Sucrosomial® Vitamins, the result of significant R&D investments made in recent years, enabling PharmaNutra to apply its Sucrosomial® Technology—previously successfully used for minerals (iron, magnesium, zinc, etc.)—to certain vitamins as well.

Specifically, Sidevit® D3 contains 2000 IU of vitamin D3, the dosage recommended by scientific societies, which, thanks to three times higher bioavailability than conventional vitamin D3, allows it to be absorbed more quickly

and in greater quantities, achieving a higher blood concentration and longer half-life compared to other formulations available on the market.

Sidevit® B12, an essential supply for activating our energy metabolism, has 2.5 times higher bioavailability than conventional vitamin B12 and ensures a high concentration of usable vitamin B12. This is especially important for the body in cases of physical and mental fatigue or muscle weakness, when intake is reduced due to strict diets or in cases of anemia or nutrient absorption issues.

SiderAL® Mamma is an extension of the SiderAL® line and is a dietary supplement in capsule form containing Sucrosomial® Iron, plant-based DHA, vitamins, minerals, and folic acid. It is designed to support the nutritional needs during pregnancy and breastfeeding. This advanced, comprehensive, and highly tolerable formulation is perfectly suited to meet the needs of both mother and baby.

Lactopam® is a new dietary supplement in tablet form, containing Lactium® (hydrolyzed milk proteins) and Sucrosomial® Magnesium, an innovative formulation designed to promote sleep and restful nighttime rest.

1.7 Business outlook

The strong organic growth that has characterized the Group's performance over the first nine months of 2024, despite a highly challenging environment, is expected to continue in the fourth quarter, enabling results that exceed both expectations and the Group's targets.

The Directors believe that the achievements thus far (the start of distribution of two Sideral products in Germany, the merger of subsidiaries Junia and Alesco into Pharmanutra, the launch of new products, and the development of new projects), together with ongoing and expanding Research and Development activities, lay the foundation for significant value creation in the coming years.

Pisa, November 11th, 2024

For the Board of Directors

The Chairman

(Andrea Lacorte)

CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2024

AND EXPLANATORY NOTES

Consolidated Balance Sheet

€/1000	9/30/2024	12/31/2023
NON CURRENT ASSETS	52.182	53.761
Buildings, plant and equipment	25.194	26.359
Intangible assets	23.557	22.535
Investments	274	4
Non current financial assets	188	293
Other non current assets	1.788	3.046
Deferred tax assets	1.181	1.524
CURRENT ASSETS	63.414	58.682
Inventories	7.968	8.166
Cash and cash equivalents	17.817	18.925
Current financial assets	6.582	6.193
Trade receivables	24.544	19.219
Other current assets	5.964	5.066
Tax receivables	539	1.113
TOTAL ASSETS	115.596	112.443
NET EQUITY	58.895	54.407
Share Capital	1.123	1.123
Statutory Reserve	225	225
Treasury shares	(4.564)	(4.013)
Merger Surplus	9.960	-
Other reserves	38.873	44.125
IAS 19 Reserve	208	199
Fair value OCI reserve	(81)	(89)
FTA Reserve	12	12
Currency conversion Reserve	(31)	(7)
Result of the period	13.170	12.832
Group Equity	58.895	54.407
Third parties equity		
NON CURRENT LIABILITIES	28.649	30.388
Non current financial liabilities	20.322	23.430
Provision for non current risks and charges	4.646	4.458
Provision for employees and directors benefit	3.681	2.500
CURRENT LIABILITIES	28.052	27.648
Current financial liabilities	4.159	4.585
Trade payables	15.734	16.107
Other current liabilities	3.914	3.844
Tax payables	4.245	3.112
TOTAL LIABILITIES & EQUITY	115.596	112.443

Consolidated Income Statement

€/1000	NOTE	2024	2023
TOTAL REVENUES		84.497	72.190
Net revenues	2.1.1	83.470	71.434
Other revenues	2.12	1.027	756
OPERATING EXPENSES		60.295	53.160
Purchases of raw material, cons. and supplies	2.2.1	4.112	3.986
Change in inventories	2.2.2	360	(2.366)
Expense for services	2.2.3	49.236	46.276
Employee expenses	2.2.4	5.784	4.662
Other operating expenses	2.2.5	803	602
EBITDA		24.202	19.030
Amortization, depreciation and write offs	2.3	3.059	1.265
EBIT		21.143	17.765
FINANCIAL INCOME/(EXPENSES) BALANCE		(347)	(69)
Financial income	2.4.1	842	557
Financial expenses	2.4.2	(1.189)	(626)
PRE TAX RESULT		20.796	17.696
Income taxes	2.5	(7.626)	(7.965)
Third parties result			
Net result of the Group		13.170	9.731
Net Earning per Share (Euro)		1,37	1,01

Comprehensive Consolidated Income Statement

€/1000	2024	2023
Result for the period	13.170	9.731
Gains (losses) from IAS adoption which will reversed to P&L		
Gains (losses) from IAS adoption which will not be reversed to P&L	18	(75)
Comprehensive result of the period	13.188	9.656

Statement of changes in Shareholders' equity

€/1000	Share Capital	Treasury Shares	Legal reserve	Other reserves	Merger Surplus	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)	12.832	54.407
Other changes		(551)		-			8	10			(533)
Merger	-		-	(9.962)	9.960	-		(1)			(3)
Dividends paid				(8.172)							(8.172)
Allocation of result				12.832						(12.832)	-
Result of the period										13.170	13.170
Exchange differences	-			50					(24)		26
Balance as at 30/09	1.123	(4.564)	225	38.873	9.960	12	(81)	208	(31)	13.170	58.895

€/1000	Share capital	Treasury Shares	Legal reserve	Other reserves	Merger Surplus	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)		-			(124)	49		(1.696)
Dividends paid				(7.714)						(7.714)
Allocation of the result				15.048					(15.048)	-
Result of the period									9.731	9.731
Exchange differences	-			(2)						(2)
Balance as at 30/09/n-1	1.123	(3.983)	225	44.123		12	(239)	275	9.731	51.267

Statement of consolidated Cash Flow- Indirect method

€/1000	2024	2023
Net result before minority interests	13.170	9.731
NON MONETARY COST/REVENUES		
Depreciation and write offs	3.059	1.265
Allowance to provisions for employee and director benefits	718	653
CHANGES IN OPERATING ASSETS AND LIABILITIES		
Change in provision for non current risk and charges	(412)	1.038
Change in provision for employee and director benefit	463	(2.542)
Change in inventories	198	(2.578)
Change in trade receivables	(5.434)	(3.078)
Change in other current assets	(898)	(2.992)
Change in tax receivables	574	1.271
Change in other current liabilities	64	155
Change in trade payables	1.371	(1.672)
Change in tax payables	1.133	1.975
CASH FLOW FROM OPERATIONS	14.006	3.226
Investments in intangible, property, plant and equipment	(2.460)	(12.260)
Disposal of intangibles, property, plant and equipment	258	150
Net investments in financial assets	(270)	0
Change in other assets	1.258	(957)
Change in deferred tax assets	343	(30)
CASH FLOW FROM INVESTMENTS	(871)	(13.097)
Other increase/(decrease) in equity	44	(77)
Treasury shares purchases	(551)	(1.621)
Dividends distribution	(8.172)	(7.714)
Financial assets increase	(102)	(1.690)
Financial assets decrease	(183)	567
Financial liabilities increase	(2.228)	10.171
Financial liabilities decrease	(2.600)	(2.858)
Financial ROU liabilities increase	40	863
Financial ROU liabilities decrease	(491)	(246)
CASH FLOW FROM FINANCING	(14.243)	(2.605)
TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	(1.108)	(12.476)
Cash and cash equivalents at the beginning of the period	18.925	22.051
Cash and cash equivalents at the end of the period	17.817	9.575
CHANGE IN CASH AND CASH EQUIVALENTS	(1.108)	(12.476)

EXPLANATORY NOTES TO CONSOLIDATED ACCOUNTING STATEMENTS

1. Criteria for drafting and consolidation principles

This Interim Management Report as of September 30, 2024 (hereinafter "Interim Report") has been prepared as a STAR issuer in accordance with the provisions set out in the Italian Stock Exchange Notice No. 7587 of April 21, 2016, "STAR Issuers: information on interim management statements." The content is consistent with Article 154-ter, paragraph 5, of Legislative Decree No. 58 of February 24, 1998.

The Interim Report is prepared in compliance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union. The term "IFRS" also includes the International Accounting Standards ("IAS") still in effect, as well as all interpretative documents issued by the Interpretations Committee, formerly known as the International Financial Reporting Interpretations Committee ("IFRIC") and, prior to that, the Standing Interpretations Committee ("SIC"). The accounting standards adopted in preparing this Interim Report are the same as those used in the preparation of the consolidated financial statements as of December 31, 2023, except for new standards and interpretations effective from January 1, 2024, which did not have a material impact during the period.

There have been no changes in the consolidation area compared to December 31, 2023.

The newly established Athletica Cetilar S.r.l., in which Pharmanutra holds a 70% shareholding, has not been included in the consolidation area, as it is not yet operational.

This Interim Report has not been subject to audit by the independent auditing firm.

The Interim Report was approved by the Board of Directors of Pharmanutra on November 11, 2024, and on the same date, the same body authorized its publication.

2. Comments on the main items

2.1 Revenues

2.1.1 Net revenues

Net revenues as at September 30 2024 increased by Euro 12 million compared to the same period of the previous year.

	2024	2023	Variation
Direct sales revenues	51.940	47.152	4.788
Indirect sales	27.462	20.676	6.786
Medical instruments revenues	4.068	3.606	462
Total Net Revenues	83.470	71.434	12.036

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

	2024	2023	Variation	Δ%	Incidence 2024	Incidence 2023
Italy	51.084	46.259	4.825			
Total F.P. Italy	51.084	46.259	4.825	10,4%	61,2%	64,8%
Europe	14.702	12.179	2.524	20,7%		
Middle East	5.527	5.736	(208)	-3,6%		
South America	1.650	1.247	403	32,3%		
Far East	1.530	582	947	162,7%		
Other	2.682	62	2.621	4240,5%		
Total F.P. Rest of World	26.092	19.806	6.286	31,7%	31,3%	27,7%
Raw materials Italy	856	893	(37)	-4,2%	1,0%	1,3%
Raw materials Rest of World	1.370	870	500	57,5%	1,6%	1,2%
Total Raw Materials	2.226	1.763	463	26,2%	2,7%	2,5%
Medical instr. Italy	3.546	3.168	378	12,0%	4,3%	4,4%
Medical instr. Rest of World	522	439	83	19,0%	0,6%	0,6%
Total Medical instruments	4.068	3.606	462	12,8%	4,9%	5,1%
Total Net revenues	83.470	71.434	12.036	16,9%	100%	100%

2.1.2 Other revenues

	2024	2023	Variation
Tax receivables		96	-96
Contractual Indemnities	99	21	78
Reimbursement and expenses recover	49	33	16
Contingent assets	396	178	218
Other revenues	483	428	55
Total other revenues	1.027	756	271

2.2 OPERATING EXPENSES

2.2.1 Purchases of raw materials, consumables and finished products

Purchases are broken down in the following table:

	2024	2023	Variation
Raw and semifinished materials	2.389	2.325	64
Consumables	539	463	76
Finished products	1.184	1.198	-14
Total raw materials, semif., consumables and finished prod.	4.112	3.986	126

2.2.2 Change in inventories

	2024	2023	Variation
Change in raw mat. inventories	-2.600	101	-2.701
Change in semifin. prod. inventories	-125	-80	-45
Change in F.P. inventories	2.716	-2.483	5.199
Inventories write off accrual	369	96	273
Change in inventories	360	-2.366	2.726

The change in inventories as of September 30, 2023, is due to higher revenue volumes achieved and the intercompany margin excluded from inventories as of January 1, 2024, which was realized following the merger of Alesco and Junia Pharma into Pharmanutra.

The final value of inventories is adjusted by the inventory write-down provision, amounting to 570 thousand euros (369 thousand euros as of December 31, 2023).

2.2.3 Services expenses

	2024	2023	Variation
Marketing	12.472	10.610	1.862
Production and logistic	14.083	14.035	48
Other general expenses	5.500	4.916	584
R&D	778	727	51
Information technology	453	348	105
Commercial and sales network	8.646	8.570	76
Corporate bodies	7.013	6.809	204
Rent and leases	108	104	4
Financial services	183	157	26
Total services expenses	49.236	46.276	2.960

The increase in the item "Service Costs" is primarily due to higher Marketing Costs resulting from initiatives undertaken to support the group's brands and development projects. The increase in General Services is attributable to costs related to managing the new headquarters and higher travel expenses. The increase in the Corporate Bodies item is due to higher compensation approved by the General Meeting of Shareholders on April 26, 2023.

2.2.4 Personnel cost

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

	2024	2023	Variation
Wages and salaries	4.283	3.405	878
Social contributions	1.251	1.065	186
Leaving Indemnity accrual	227	175	52
Other personnel expenses	23	17	6
Total Personnel cost	5.784	4.662	1.122

This item includes all expenses for employees, including accrued vacation, additional monthly payments, and related social security contributions, as well as provisions for severance indemnity and other contractually stipulated costs.

The increase compared to September 30, 2023, is due to new hires made during the period to progressively adjust the organizational structure to growing activity volumes.

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

	2024	2023	Variation
Managers	3	3	0
White collars	99	89	10
Blue collars	9	4	5
Total	110	96	14

As of September 30, 2024, the number of Group employees totals 119, compared to 109 as of September 30, 2023.

2.2.5 Other operating expenses

	2024	2023	Variation
Capital losses	22	17	5
Sundry tax charges	84	97	-13
Losses on receivables	5		5
Membership fees	30	34	-4
Charitable donations	78	118	-40
Other expenses	584	336	248
Total other operating expenses	803	602	201

2.3 Amortization, depreciation and accruals

	2024	2023	Variation
Amortization of intangible assets	518	316	202
Tangible assets depreciation	1.832	800	1.032
Accrual to prov. for risks	600		600
Accrual to doubtful accounts prov.	1	112	-111
Non ded. accrual for doubtful acc.	108	37	71
Total amort., depr. and accruals	3.059	1.265	1.794

The increase in depreciation on tangible assets is due to investments made for the construction of the Group's new headquarters.

The provision for the risk fund was recorded following the decision to repay part of the Research and Development tax credit accrued during the 2015–2019 period. For further details, please refer to paragraph 1.6 of this report.

2.4 FINANCIAL INCOME/EXPENSES

2.4.1 Financial income

	2024	2023	Variation
Interest income	338	223	115
Interest income from customers	3	1	2
Dividends	5	0	5
Exchange gains	62	44	18
Other financial income	434	289	145
Total financial income	842	557	285

2.4.2 Financial expenses

	2024	2023	Variation
Other financial expenses	-232	-75	-157
Interest expenses	-826	-536	-290
Exchange losses	-131	-15	-116
Total financial expenses	-1.189	-626	-563

2.5 INCOME TAXES

	2024	2023	Variation
Current taxes	7.074	5.895	1.179
Deferred taxes	346	20	326
Other taxes	-72		-72
Previous years taxes	278		278
Accrual to provision for tax		2.050	-2.050
Total income taxes	7.626	7.965	-339

The increase in deferred tax assets is due to the intra-group margin excluded from inventories as at January 1, 2024, which, following the merger, was realized during the period.

The 2023 provision for tax liabilities relates to the expense incurred for settling tax periods from 2017 to 2021 in anticipation of joining the cooperative compliance regime.

Taxes are accrued according to the accrual principle and have been calculated based on the applicable 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 at September 30, 2024 compared to 31 December 2023 is as follows:

	30/9/24	31/12/23
A Cash	(17.817)	(18.925)
B Cash equivalents		
C Other current financial assets	(6.582)	(6.193)
D Cash and cash equivalents (A+B+C)	(24.399)	(25.118)
1) E Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	407	997
F Current portion of non current financial debt	3.752	3.588
G Current financial debt (E+F)	4.159	4.585
of which secured	620	295
of which unsecured	3.539	4.290
H Net current financial debt (G-D)	(20.240)	(20.533)
2) I Non-current financial debt (excluding the current portion and debt instruments)	20.322	23.430
J Debt instruments		
K Trade and other non current debts		
L Non current financial debt (I+J+K)	20.322	23.430
of which secured	11.233	11.705
of which unsecured	9.089	11.725
M Net financial debt (H+L) com. CONSOB (4/3/21 ESMA32-382-1138)	82	2.897
3) N Other current and non current financial assets	(628)	(293)
O Net financial debt (M-N)	(546)	2.604

- 1) It Includes the following items of the financial statement: Current financial liabilities (Financial debts for rights of use Euro 261 thousand);
- 2) It Includes the following items of the financial statement: Non current financial liabilities (Long term loans Euro 19.422 thousand, Non current financial debts for rights of use Euro 900 thousand);

- 3) It Includes the following items of the financial statement: Non current financial assets (Deposits paid Euro 191 thousand) and Other non currents assets (Directors' TFM insurance Euro 437 thousand).

Pisa, November 11th, 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 September 30, 2024 corresponds to the documented results, books and accounting records.

Pisa, November 11th, 2024

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

