PHARMANUTRA S.P.A.: BOARD APPROVES INTERIM MANAGEMENT REPORT AS OF 31st MARCH 2021

Performance growing in Q1 2021.
Confirming the turnover growth trend accompanied by a strengthened EBITDA.

Revenue from Sales € 14.2 M (+4% compared to 31/03/2020)

Restated EBITDA € 3.9 M (+28% compared to 31/03/2020)

Net Income excluding non-current items for the period € 2.5 M (+26% compared to 31/03/2020)

Positive Net Financial Position € 21.8 M (+ € 2.5 million compared to 31/12/2020)

Pisa, 10th May 2021 – The Board of Directors of PharmaNutra S.p.A. (MTA; Ticker PHN), a company specialised in the mineral-based nutritional supplements sector and medical devices for muscles and joints, today approved the Interim Management Report as of 31st March 2021 (not audited).

Roberto Lacorte, Vice President of PharmaNutra, declared: *"We are delighted to note the return to solid growth in the first few months of this year; as foreseen by our data analysis; it will rapidly lead us to a double figure growth curve, a tradition for our company. That is what is already happening at the start of the second quarter. We cannot wait to be able to share a year with a full return to our maximum growth drivers".*

ANALYSIS OF CONSOLIDATED RESULTS FOR Q1 2021

Amounts in million Euro	31/03/2021	%	31/03/2020	%	CHANGE
ECONOMIC DATA					
REVENUES	14,3	100,0%	14,8	100,0%	-3%
REVENUES FROM SALES	14,2	99,3%	13,7	92,2%	+4%
EBITDA - RESTATED *	3,9	27,0%	3,0	21,8%	+28%
EBITDA	*3,9*	*27,0%*	*4,1*	*27,4%*	*-5%*
NET RESULT EXCL. NON-RECURRING IT.**	2,5	17,5%	2,0	13,4%	26%
NET RESULT	*2,5*	*17,5%*	*2,7*	*17,9%*	*-6%*
EPS - NET EARNINGS PER SHARE EXCL. NON-RECURRING ITEMS (Units of Euro)	0,26		0,20		26%
EPS - NET EARNINGS PER SHARE (Units of Euro)	*0,26*		*0,27*		-6%

Amounts in million Euro	31/03/2021	31/12/2020	CHANGE
BALANCE SHEET DATA			
NET INVESTED CAPITAL	18,5	18,4	0,1
NFP (positive cash)	(21,8)	(19,4)	(2,5)
SHAREHOLDERS' EQUITY	40,3	37,7	2,6

* The Restated EBITDA as of 31st March 2020 is net of non-current revenue, related to a contractual indemnity for € 1 million.
** The Net Income non-recurrent items as of 31st March 2020 does not include non-recurrent revenue for € 1 million net of non-recurrent costs for € 100 thousand and the relative tax effect.

REVENUE FROM SALES Q1 2021

In the first quarter 2021, the PharmaNutra group earned **€ 14.2 million in sales revenue**, up +4% compared to the same period in the previous year. The result obtained is very positive considering that operating conditions in the first quarter 2021 were entirely influenced by the effects of the Covid-19 epidemic. Whereas last year this phenomenon only emerged in the month of March.

The performance achieved in revenue terms is higher than the Group expected and is very satisfactory considering that: (i) in March 2020 Italian market sales were influenced by significant orders, mainly referred to the wholesaler channel, generated by the uncertainty caused by the lock down adopted by the Authorities to contrast the diffusion of Covid-19, and (ii) the first quarter 2020 showed a concentration of orders from the foreign distributors which did not happen again in the first quarter 2021.

Finished product sales volumes as of 31st March 2021, for about 1.7 million pieces, are stable compared to the previous year, with an increase in the Italian market deliveries. Of particular note is the excellent performance of sales in March 2021, with 300,000 units sold (IMS figures and direct orders), up 11%

PharmaNutra S.p.A.
via delle Lenze, 216/b - 56122 Pisa (IT)
P.I. 01679440501 | tel. +39 050 7846500 | fax +39 050 7846524
pharmanutra.it | mail: info@pharmanutra.it | pec: pharmanutra@pec.it C.F.
P.Iva / Reg. Impr. 01679440501 | I.V. REA 146259
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compared to March 2020, representing the Group's best monthly growth result ever.

REVENUE FROM SALES - ITALY

Italian market revenue, for € 10.8 million (€ 10.0 million as of 31st March 2020), shows a 8.6% increase, with a 76% incidence on total turnover compared to 72.8% in the same period last year. The increase in turnover is for € 654 thousand the result of greater finished product sales and € 200 thousand from greater raw material sales.

REVENUE FROM SALES - ABROAD

Revenue from sales on foreign markets amounts to € 3.4 million compared to € 3.7 million on 31st March 2020, down € 300 thousand (-8.1%), of which € 100 thousand related to finished product sales and about € 200 thousand to raw material sales. The slight drop in foreign turnover in the first quarter of the previous year can be attributed to the time dynamics for acquisition of orders from customers. At the end of the first quarter 2021, the incidence of international market sales on total turnover goes from 27.2% in the first quarter 2020, to 24% as of 31st March 2021. However, despite that, the foreign market represents allocation of 55% of units sold in Q1 2021.

TURNOVER BY PRODUCT LINE

The first quarter 2021 highlights the growth in turnover for all the main finished product lines; they maintain an essentially constant incidence on total turnover compared to Q1 2020.

Finished Product Turnover by Line				Incidence	
Product €/ 1000	2021	2020	Δ%	2021	2020
Sideral	10,635	10,173	4.5%	78.7%	78.5%
Cetilar	1,547	1,434	7.9%	11.5%	11.1%
Apportal	735	660	11.3%	5.4%	5.1%
Ultramag	166	125	32.7%	1.2%	1.0%
Others	422	564	-25.1%	3.1%	4.4%
Total	13,507	12,955	4.3%	100.0%	100.0%

The SiderAL® line, leader in the iron-based supplement market, shows the highest growth in absolute value, recording a + € 462 thousand compared to 31st March 2020 and reaching a market share worth 54%[1] in the iron-based supplements market.

[1] Source: Iqvia Data

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Cetilar® line sales show an 8% increase compared to the first quarter 2020 due to the progressive slackening of restriction to practice sports.

ApportAL® and Ultramag® show an increase of respectively about 11% and 33% compared to the same period last year, thanks to their energy tonic and restorative characteristics.

The reduction in the Other item can mainly be attributed to the drop in sales of products for the paediatric market caused by the Covid-19 restrictions.

ECONOMIC RESULTS

The **Restated EBITDA as of 31st March 2021**, obtained excluding the non-recurrent items of Q1 2020, amounts to € 3.9 million (€ 3 million as of 31st March 2020), with a margin on total revenue up to 27% compared to 21.8% as of 31st March 2020.

The operating costs for the first quarter 2021, for € 10.5 million, are essentially in line with the first quarter of the previous year related to the purchase of raw materials (€ 806 thousand compared to € 847 thousand as of 31st March 2020) and services (€ 8,653 thousand compared to € 8,614 for the same period in the previous year). The reduction in other operating costs which as of 31st March 2021 amount to € 80 thousand compared to € 581 thousand in Q1 2020, is attributable to contingent liabilities recognised in Q1 2020 for about € 450 thousand when an order from a foreign customer was not collected.

The **EBITDA** is € 3.9 million (€ 4.1 million as of 31st March 2020), equal to a margin of about 27% of total revenue.

Net income for the period is € 2.5 million, (€ 2.7 million as of 31st March 2020). On excluding the net effect from the above non-recurring items from net revenue as of 31st March 2020, it would amount to € 2 million.

The Net Financial Position as of 31st March 2021 is positive for € 21.8 million, compared to € 19.4 million as of 31st December 2020, further testimony to the strength of the Group. The liquidity generated in the period in question amounts to € 2.7 million.

KEY EVENTS AFTER CLOSURE OF Q1 2021

- On 7 April 2021 PharmaNutra communicated publication of an important new scientific study concerning a treatment for chronic fatigue post Covid-19 by taking ApportAL®. The preliminary results show that taking ApportAL® helps to reduce the sensation of persistent fatigue and improve quality of life.

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- On 19th April, SiderAL® Med, the first Food for Special Medical Purposes (FSMP) based on Sucrosomial® Iron, indicated to treat nutritional deficiencies in bariatric patients or those with serious cases of malabsorption was launched on the Italian market.
- On 26th April, the Shareholders' Meeting approved the financial statements for the year closed as of 31st December 2020 and decided distribution of a unitary dividend of € 0.67 per share entitled.

UPDATE RELATED TO THE COVID SITUATION

The restrictions still limiting scientific information activities and numerous events have not prejudiced the Group's operational effectiveness. It has continued to use "smart working" for all employees. There has been no infection in production workshops, in the network and between employees to generate negative impacts on the regularity of production and sales.

The Group, in fact, did not use any kind of social safety net benefit of those made available by the Authorities for the Covid-19 emergency.

FORESEEABLE EVOLUTIONS IN MANAGEMENT

Directors believe that Financial Year 2021 will show turnover growth exceeding that of 2020, with different quarterly dynamics. The sales trend in the first quarter exceeded targets on both the Italian and foreign markets. For what concerns the Italian market, the return to normal following the ongoing vaccination campaign should allow the scientific information activities to be performed without the current restrictions and the recovery of many activities suspended until now, enabling the Group to achieve its targets. For what concerns the foreign markets, orders in portfolio cover Q2 2021 targets in full and a part of those for the third quarter.

The Group will continue the strategy to strengthen its leadership in the oral iron market and increase the turnover for other products. For what concerns expansion on foreign markets, activities contracted in 2020 are expected to start, along with definition of agreements related to ongoing negotiations, and the expansion of the range of products sold in markets where the Group is already present. The growth strategies outlined could also be implemented, if deemed strategically relevant, through corporate partnerships.

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The interim management report as of 31st March 2021, not audited, will be made available to the public through methods and timing set forth in laws in force.

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CERTIFICATION OF THE MANAGER IN CHARGE OF DRAFTING CORPORATE ACCOUNTS

The Manager in charge of drafting corporate accounts, Francesco Sarti, declares, pursuant to paragraph 2 of 154 bis of Legislative Decree 58/1998, that the account information in this press release corresponds to what is found in the accounts, books and records.

ACCOUNT STATEMENTS (NOT AUDITED)

Appendix 1 - Consolidated Balance Sheet

Appendix 2 - Consolidated Income Statement

Appendix 3 - Comprehensive Consolidated Income Statement

Appendix 4 - Consolidated Financial Statement (indirect method)

PharmaNutra S.p.A.
via delle Lenze, 216/b - 56122 Pisa (IT)
P.I. 01679440501 | tel. +39 050 7846500 | fax +39 050 7846524
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Appendix 1

Pharmanutra Group - Consolidated Balance Sheet

BALANCE SHEET (€/1000)	31/03/21	31/12/20
NON-CURRENT ASSETS	**11.613**	**11.303**
Tangible assets	4.845	4.799
Intangible assets	5.173	5.181
Investments	254	254
Non-current financial assets	220	218
Other non-current financial assets	254	-
Deferred tax assets	867	851
CURRENT ASSETS	**44.341**	**40.406**
Inventories	1.964	1.894
Cash and cash equivalents	18.760	16.455
Current financial assets	4.166	4.349
Trade receivables	16.123	15.053
Other current assets	1.872	1.031
Tax assets	1.456	1.624
TOTAL ASSETS	**55.954**	**51.709**
LIABILITIES AND EQUITY	**31/03/21**	**31/12/20**
EQUITY:	**40.312**	**37.730**
Share capital	1.123	1.123
Legal reserve	225	225
Other reserves	36.435	22.363
Reserve IAS 19	3	(50)
Financial Instruments Reserve (FVOCI)	87	67
FTA reserve	(70)	(70)
Profit (loss) for the period	2.509	14.072
Capital and reserve attributable to non-controlling interests		-
Profit (loss) attributable to non-controlling interests		-
NON-CURRENT LIABILITIES	**2.869**	**2.835**
Non-current financial liabilities	525	562
Provisions for liabilities and charges	1.008	1.018
Post-employment benefits	1.336	1.255
CURRENT LIABILITIES	**12.773**	**11.144**
Current financial liabilities	1.036	1.101
Trade payables	7.603	7.175
Other current liabilities	2.504	2.348
Taxes payable	1.630	520
TOTAL LIABILITIES AND EQUITY	**55.954**	**51.709**

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Appendix 2

Pharmanutra Group - Consolidated Income Statement

INCOME STATEMENT (€/000)	31/03/21	31/03/20
A) REVENUE	**14.335**	**14.848**
Net revenue	14.238	13.683
Other revenue	97	1.165
of which other non-recurring revenue	-	*1.049*
B) OPERATING COSTS	**10.471**	**10.787**
Purchases of raw and ancillary materials and consumables	806	847
Changes in inventories	(70)	(174)
Service costs	8.653	8.614
Personnel expenses	1.002	919
Other operating costs	80	581
(A-B) EBITDA	**3.864**	**4.061**
C) Amortisation, depreciation and impairments	296	340
of which non-recurring impairments	-	*100*
(A-B-C) EBIT	**3.568**	**3.721**
D) FINANCIAL INCOME [EXPENSE]	**25**	**16**
Financial income	27	42
Financial expense	(2)	(26)
PRE-TAX PROFIT (A-B-C+D)	**3.593**	**3.737**
Taxes for the year	(1.084)	(1.078)
Taxes for previous years		-
(Profit)/loss attributable to non-controlling interests	**-**	**-**
Profit/(loss) attributable to the parent company's shareholders	**2.509**	**2.659**
Earnings per share (in Euro)	**0,26**	**0,27**

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Appendix 3

Pharmanutra Group - Comprehensive Consolidated Income Statement

COMPREHENSIVE INCOME STATEMENT (€/1000)	31/03/21	31/03/20
PROFIT (LOSS) FOR THE PERIOD	2.509	2.659
Profits (losses) from IAS application that will be reversed to P&L	-	-
Profits (losses) from IAS application that will not be reversed to P&L	73	(195)
Comprehensive Income/(Loss) for the year	**2.582**	**2.464**

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Appendix 4

PharmaNutra Group - Consolidated Financial Statement (indirect method)

CASH FLOW STATEMENT (€/000) - Indirecy method	31/03/21	31/03/20
Net profit including attributable to non-controlling interests	2.509	2.659
NON-MONETARY COSTS/REVENUE		
Amortisation, depreciation and impairments	296	340
Provisions for post-employment benefits	48	35
CHANGES IN OPERATING ASSETS AND LIABILITIES		
Changes in provisions for liabilities and charges	(10)	93
Changes in post-employment benefits provisions	33	44
Changes in inventories	(70)	(172)
Changes in trade receivables	(1.134)	(2.251)
Changes in other current assets	(841)	(772)
Changes in tax assets	168	(4)
Changes in other current liabilities	156	185
Changes in trade payables	428	(1.331)
Changes in tax payable	1.110	891
CASH FLOWS FROM (FOR) OPERATING ACTIVITIES	**2.693**	**(283)**
Net investment in tangible and intangible assets	(270)	(344)
(Increase)/decrease in other non-current assets	(270)	(394)
CASH FLOWS FROM (FOR) INVESTING ACTIVITIES	**(540)**	**(738)**
Increase/(decrease) in equity	73	(195)
Cash flow for dividend distribution	0	0
Increase/(decrease) in non-current financial liabilities	(37)	(220)
(Increase)/decrease in current financial assets	183	757
(Increase)/decrease in non-current financial assets	(2)	0
CASH FLOWS FROM (FOR) FINANCING ACTIVITIES	**217**	**342**
TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	**2.370**	**(679)**
Opening cash and cash equivalents less current financial liabilities	**15.354**	**8.891**
Closing cash and cash equivalents less current financial liabilities	**17.724**	**8.212**
Total cash and cash equivalents	18.760	11.238
Total current financial liabilities	(1.036)	(3.026)
Closing cash and cash equivalents less current financial liabilities	**17.724**	**8.891**

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PharmaNutra S.p.A.

Founded and led by the President Andrea Lacorte and Vice President Roberto Lacorte, PharmaNutra was established in 2003. It develops unique nutritional supplements and innovative medical devices, handling the entire production process, from proprietary raw materials to the finished product. The effectiveness of its products is documented by considerable scientific proof, including 140 publications. The Group distributes and sells its products in Italy and abroad. In Italy, products are sold through a network of 150 Pharmaceutical Representatives serving doctors and also exclusively selling PharmaNutra products to pharmacies throughout Italy. Products are sold in over 50 countries abroad, through 39 partners selected from among the finest pharmaceutical companies. PharmaNutra leads the market in the production of iron-based nutritional supplements under the SiderAL® brand, where it boasts a number of important patents on Sucrosomial® technology. Over the years, the Group has developed a precise strategy for the management and production of intellectual property, founded on the integrated management of all the various elements: proprietary raw materials, patents, brands and clinical evidence.

PharmaNutra.it

For further information:

PharmaNutra S.p.A.

Via Delle Lenze, 216/b - 56122 Pisa
Tel. +39 050 7846500
investorrelation@PharmaNutra.it

Internal Press Office
press@calabughi.com

Press Office - Spriano Communication & Partners

Via Santa Radegonda, 16 - 20121 Milan
Tel. +39 02 83635708

Matteo Russo
mrusso@sprianocommunication.com
Cristina Tronconi
ctronconi@sprianocommunication.com