

INTERIM MANAGEMENT REPORT

30th June 2024

PharmaNutra S.p.A.

Headquarters
REA (Economic Administrative Index)
Share capital
Tax no. | VAT | Co. Reg. of Pisa

Via Campodavella 1 - 56122 PISA Italy
146259
Euro 1,123,097.70 fully paid-in
01679440501

Our history

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

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 about 110 employees in Italy** and a network of **over 150 Sales Representatives** who are the real driving force of the company in the country. The Group's business model was built to respond to the peculiarities of the national market but has been able to adapt quickly and efficiently to international requirements.

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

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

To support new growth strategies, **PharmaNutra España** and **PharmaNutra USA** were established in 2023 with the aim of dealing directly with the distribution of products.

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 (Alternate Auditor)

Elena Pro (Alternate Auditor)

Independent auditors

BDO Italia S.p.A.



INTRODUCTION

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

This First half financial report is presented in a single document in the condensed consolidated first half financial statements of PharmaNutra Group (hereinafter referred to as the "Group").

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

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

CONTENTS

Summary

FIRST HALF FINANCIAL REPORT ON OPERATIONS AS AT 30 JUNE 2024.....	1
1.1 MAIN FINANCIAL, INCOME STATEMENT AND BALANCE SHEET DATA.....	1
1.2 PHARMA N UTRA GROUP.....	1
1.3 ECONOMIC AND FINANCIAL PERFORMANCE IN THE FIRST HALF OF 2024	4
1.4 SIGNIFICANT EVENTS OCCURRING DURING THE HALF YEAR.....	8
1.5 PHARMA N UTRA GROUP RESULTS.....	10
1.6 REFERENCE MARKETS ON WHICH THE GROUP OPERATES.....	14
IRON MARKET.....	19
MARKET FOR TOPICAL PAINKILLERS.....	22
TONIC PRODUCTS MARKET.....	23
1.7 INVESTMENTS.....	24
1.8 RESEARCH AND DEVELOPMENT ACTIVITIES.....	24
1.9 PHARMA N UTRA ON THE STOCK EXCHANGE.....	25
1.10 TRANSACTIONS WITH RELATED PARTIES.....	28
1.11 TREASURY SHARES AND SHARES HELD BY SUBSIDIARIES.....	29
1.12 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES.....	30
1.13 SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD.....	30
1.14 BUSINESS OUTLOOK.....	30
CONDENSED CONSOLIDATED FIRST HALF FINANCIAL STATEMENTS AS AT 30 JUNE 2024 PHARMANUTRA GROUP	32
CONSOLIDATED BALANCE SHEET	33
CONSOLIDATED INCOME STATEMENT.....	34
STATEMENT OF COMPREHENSIVE INCOME	34
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY.....	35
CONSOLIDATED CASH FLOW – INDIRECT METHOD.....	36

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF PHARMANUTRA GROUP	37
1. LAYOUT AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS.....	37
2. CONSOLIDATION AREA.....	38
3. CONSOLIDATION CRITERIA AND TECHNIQUES.....	40
4. ACCOUNTING STANDARDS AND VALUATION CRITERIA	40
5. IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ENDORSED OR APPLICABLE/APPLIED FROM 01/01/2024	42
6. RISK AND UNCERTAINTY MANAGEMENT.....	43
6.1 EXTERNAL RISKS.....	43
6.2 MARKET RISKS.....	44
6.3 FINANCIAL RISKS.....	45
7. DISCLOSURE BY OPERATING SEGMENTS.....	48
8. COMMENTS ON THE MAIN ITEMS.....	50
9. OTHER INFORMATION	70
10. EVENTS AFTER THE CLOSE OF 30 JUNE 2024.....	70
11. COMMITMENTS.....	70
12. CONTINGENT LIABILITIES AND MAIN OUTSTANDING DISPUTES.....	70
13. TRANSACTIONS WITH RELATED PARTIES	71
CERTIFICATION OF THE CONDENSED FIRST HALF FINANCIAL STATEMENTS PURSUANT TO ART. 154-BIS, PARAGRAPH 5, OF ITALIAN LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998.....	76
INDEPENDENT AUDITOR'S REPORT	77

FIRST HALF FINANCIAL REPORT ON OPERATIONS AS AT 30 June 2024

1.1 Main financial, income statement and balance sheet data

This first half financial report for the six months ended 30 June 2024 has been prepared in accordance with article 154-ter of Italian Legislative Decree 58/1998, as amended ("TUF").

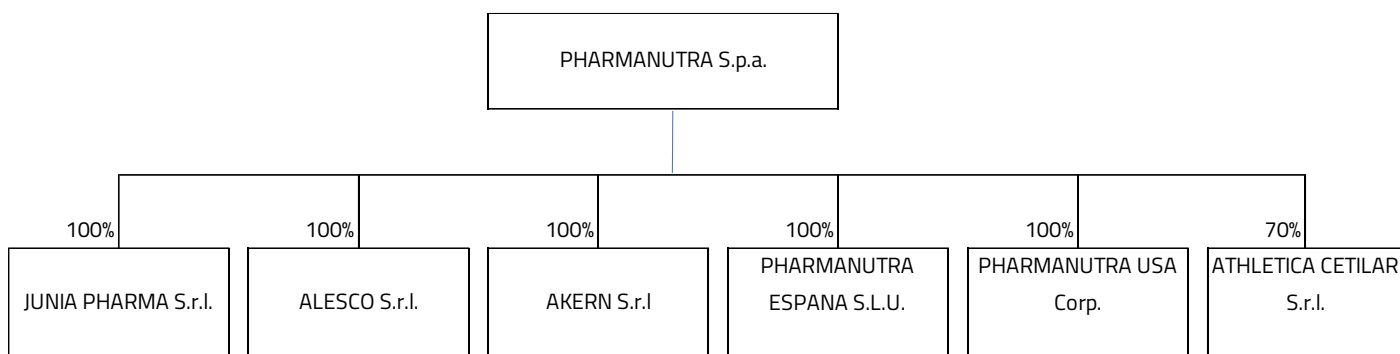
The main consolidated economics data of PharmaNutra Group for the six-month periods ended 30 June 2024 and 30 June 2023 and the financial data as at June 30, 2024 and December 31, 2023 are shown below:

ECONOMIC DATA	2024	%	2023	%	Change
REVENUES	57.0	100.0%	50.3	100.0%	13.4%
SALES REVENUES	56.1	98.4%	49.6	98.8%	13.0%
EBITDA	16.2	28.4%	14.1	28.0%	15.3%
NET RESULT	8.9	15.6%	7.2	14.4%	23.0%
Earning per Share (Euro)	0.93		0.75		23.7%

BALANCE SHEET & EQUITY	2024	2023	Change
NET INVESTED CAPITAL	59.3	57.0	2.3
NET FINANCIAL POSITION	(4.5)	(2.6)	(1.9)
EQUITY	(54.8)	(54.4)	0.4

1.2 PharmaNutra Group

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



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

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

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

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

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

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

PharmaNutra USA (hereinafter also referred to as "PHN USA") was established in December 2022 to distribute PharmaNutra® branded products in the US market through direct 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 (hereinafter also referred to as "PHN ESP") was established in March 2023 with its headquarters in Barcelona and capital of 50,000 euro. 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.

The subsidiary Athletica Cetilar S.r.l. (hereinafter also referred to as "Athletica Cetilar") was established in March 2024 with the aim of creating a sports medical centre geared towards optimising the performance of professional and amateur athletes and developing the applications of products from the Cetilar® line.

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 and hospital pharmacies.

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

Alesco's commercial activity in Italy is directed both outside the Group, to companies in the food, pharmaceutical and nutraceutical industries as well as to nutraceutical production workshops that produce 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 on 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.

An analysis of the Group's financial position, performance and operating result is provided in the following sections, which specifically deal with the market scenario and the products and services offered, the investments and the main indicators of economic performance and the evolution of the financial position.

1.3 Economic and financial performance in the First half of 2024

The first half of 2024 showed robust organic growth for the Group, with sales revenue up by 13% compared to the same period last year, and an EBITDA margin by about 29%. In Q2 2024, sales revenues and EBITDA increased by 36.3% and 127% respectively compared to the previous quarter.

The process of enhancing the business of the subsidiaries Pharmanutra España, Pharmanutra USA and the Cetilar® Nutrition line is proceeding in line with expectations, resulting in a moderate reduction in margins due to the costs incurred. On the financial side, there was a temporary absorption of liquidity related to the distribution of dividends, which led to a moderate reduction in the net financial position.

Revenues from sales

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

Revenues - Italy

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

Revenues - Foreign markets

The revenues from foreign sales amounted to Euro 18.6 million, up by 31% compared to the first half of the previous year (Euro 14.2 million); they accounted for 33% of total revenues compared to 28.5% in the first half of the previous year. The result obtained was higher than expected as a result of the time dynamics that characterise the acquisition of orders by distributors. The Group already has orders in hand for the whole of the third and fourth quarters.

Operating Costs

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

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

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

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

The **Net Financial Position** as at 30 June 2024 showed a negative balance of Euro 4.5 million compared to the negative balance of Euro 2.6 million as at 31 December 2023, after paying dividends of Euro 8.2 million and purchasing treasury shares for Euro 0.3 million; capital expenditures in the half year amounted to about Euro 1.6 million.

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

In light of the results obtained, there are no issues relating to the going concern, liquidity risk and the recoverability of goodwill as well as tangible and intangible assets recognised in the financial statements as at 30 June 2024.

Sales results

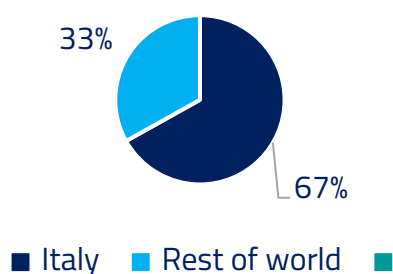
The consolidated revenues for the half year closed at 30 June 2024 (amounting to Euro 56.1 million) increased by 13% compared to the half year closed at 30 June 2023 (Euro 49.6 million).

Revenues by area of activity				Incidence	
€/1000	2024	2023	Δ%	2024	2023
Finished products- Italy	34.448	32.419	6,3%	61,4%	65,3%
Finished products- Rest of world	17.261	13.286	29,9%	30,8%	26,8%
Total finished products	51.708	45.705	13,1%	92,2%	92,1%
Raw mat. and semifin. Prod. -Italy	657	734	-10,4%	1,2%	1,5%
Raw mat. and semifin. Prod. -Italy	940	503	86,7%	1,7%	1,0%
Total Raw Mat. and semifin. Prod.	1.597	1.237	29,1%	2,8%	2,5%
Medical instruments - Italy	2.410	2.323	3,7%	4,3%	4,7%
Medical instruments - ROW	357	367	-2,6%	0,6%	0,7%
Total medical instruments	2.767	2.690	2,9%	4,9%	5,4%
Total	56.073	49.632	13,0%	100%	100%

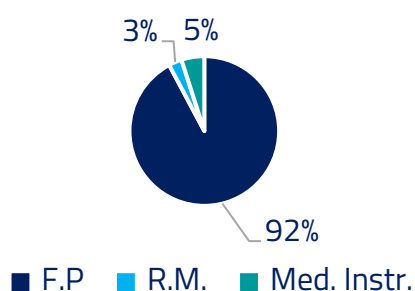
Revenues from sales of finished products increased by a total of about 13% with an increase of 6.3% and 29.9% on the Italian and foreign markets, respectively.

Revenues from the sale of raw materials and semi-finished goods showed an increase of 29% compared to 30/06/23.

Net Revenues by geographic area



Net revenues by business area



The following table shows the trend of revenues on foreign markets as at 30 June 2024 broken down by geographic area.

Revenues on foreign markets are almost exclusively represented by sales of products from Sideral® line.

The changes compared to the previous period are attributable to the higher number of active contracts and temporal dynamics of order acquisition by distributors.

Revenues by geographic area				Incidence	
	€/1000	2024	2023	Δ%	2024
Italy	37.515	35.476	5,7%	66,9%	71,5%
Total Italy	37.515	35.476	5,7%	66,9%	71,5%
Europe	10.577	8.119	30,3%	18,9%	16,4%
Middle east	3.784	4.492	-15,8%	6,7%	9,1%
South America	1.156	1.061	8,9%	2,1%	2,1%
Far east	997	262	281,0%	1,8%	0,5%
Other	2.044	222	818,8%	3,6%	0,4%
Total Rest of World	18.558	14.156	31,1%	33,1%	28,5%
Grand Total	56.073	49.632	13,0%	100%	100%

Higher sales in the Chinese market through the e-commerce platform with cross-border marketing structure contributed to the increase in revenues in the Far East for Euro 704 thousand (Euro 153 thousand as at 30/06/23).

The increase in Other stems from sales to the South African distributor and the start of distribution in the Central American markets.

In terms of volumes, the sales of finished products as at 30 June 2024 reached 6.8 million units, an increase of approximately 7.3% compared to 6.4 million units in the first half of previous year.

F.P. Volumes				Incidence	
	Units/1000	2024	2023	Δ%	2024
Finished products - Italy	2.373	2.320	2,3%	34,7%	36,4%
Finished products - Rest of world	4.466	4.051	10,2%	65,3%	63,6%
Total	6.839	6.371	7,3%	100%	100%

The following table shows the analysis of turnover by finished product line (Trademark).

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

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

1.4 Significant events occurring during the half year

The most significant events of the first half of 2024 are described below.

At the beginning of the financial year, as a result of exceeding the market capitalisation threshold of Euro 500 million for three consecutive years, PharmaNutra no longer qualified as a "Small and Medium Enterprise" ("SME") pursuant to article 1, paragraph 1, letter *w-quater*.1 of Italian Legislative Decree No. 58/1998 (the Consolidated Law on Finance - "TUF"). As a result of the enactment of Italian Law no. 21 of 5 March 2024 (so-called "Capital Law"), which raised the relevant capitalisation threshold for qualifying as "SME" (Small and Medium Enterprise), PharmaNutra regained the status of "SME" as of the date on which the Capital Law came into force (i.e. 27 March 2024).

On 4 March 2024, the Board of Directors of the Parent Company resolved to establish a new company, named Atletica Cetilar S.r.l. (Performance Centre). The company has a capital of Euro 100,000 and will be 70% owned by PharmaNutra.

The project envisages the creation of a sports medical centre aimed at optimising the performance of professional and amateur athletes, treating and resolving medical and physical problems, and developing the applications of the products of the Cetilar® lines.

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

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

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

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

During the half year, 7,071 treasury shares were bought back. The purpose of the program is to enable the Company to take advantage of the opportunity to make a profitable investment, in cases where the market price trend of PHN shares, including for factors external to the Company, is not able to adequately express the value of the same, and thus to provide the Company with a useful capital expenditures opportunity for any purpose permitted by current regulations. As at 30 June 2024, PharmaNutra holds 73,056 treasury shares equal to 0.75% of the share capital.

1.5 PharmaNutra Group Results

Below are the profit and loss accounts as at 30 June 2024 and 2023:

CONSOLIDATED PROFIT AND LOSS (€/1000)	2024	%	2023	%	Δ 24/23	Δ %
TOTAL REVENUES	56,996	100.0%	50,247	100.0%	6,749	13.4%
Net Revenues	56,073	98.4%	49,632	98.8%	6,441	13.0%
Other revenues	923	1.6%	615	1.2%	308	50.1%
OPERATING EXPENSES	40,797	71.6%	36,193	72.0%	4,604	12.7%
Purchases of Raw, auxiliary mat. and cons.	2,675	4.7%	3,213	6.4%	(538)	-16.7%
Change in Inventories	829	1.5%	(1,925)	-3.8%	2,754	-143.1%
Services expenses	32,745	57.5%	31,144	62.0%	1,601	5.1%
Employee expenses	3,928	6.9%	3,296	6.6%	632	19.2%
Other operating expenses	620	1.1%	465	0.9%	155	33.3%
EBITDA	16,199	28.4%	14,054	28.0%	2,145	15.3%
Amortization, Depreciation and Write off	1,707	3.0%	854	1.7%	853	99.9%
EBIT	14,492	25.4%	13,200	26.3%	1,292	9.8%
NET FINANCIAL INCOME/(EXPENSES)	(244)	-0.4%	7	0.0%	(251)	-3585.7%
Financial income	566	1.0%	362	0.7%	204	56.4%
Financial expenses	(810)	-1.4%	(355)	-0.7%	(455)	128.2%
PRE TAX RESULT	14,248	25.0%	13,207	26.3%	1,041	7.9%
Income Taxes	(5,351)	-9.4%	(5,975)	-11.9%	624	-10.4%
Group's Profit/(loss) of the period	8,897	15.6%	7,232	14.4%	1,665	23.0%

The 13.4% increase in revenue was offset by a 12.7% increase in operating expenses compared to the first half of 2022.

The EBITDA margin for the first half of 2024 improved compared to the same period of the previous year and continued to be affected by the costs incurred for the start-up of the subsidiaries PHN USA, PHN ESPAÑA and Cetilar® Nutrion in particular with regard to recruiting costs, administrative and commercial consulting, personnel costs, and marketing investments. Excluding costs related to new business, the EBITDA margin as at 30/06/24 would amount to about 33%.

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 six-month accounting period covered by this First half financial 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 Financial 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 all other balance sheet items 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 reclassified income statement figures as at 30 June 2024 and as at 31 December 2023 are shown below:

(1,000)	30/06/2024	31/12/2023
TRADE RECEIVABLES	23,795	19,219
INVENTORIES	7,573	8,166
TRADE PAYABLES	(16,039)	(16,097)
OPERATING WORKING CAPITAL	15,329	11,288
OTHER RECEIVABLES	6,475	6,179
OTHER PAYABLES	(6,408)	(6,964)
NET WORKING CAPITAL	15,396	10,503
INTANGIBLE ASSETS	23,245	22,542
TANGIBLE ASSETS	25,393	26,352
NON CURRENT ASSETS	2,825	4,574
TOTAL ASSETS	51,463	53,468
PROVISIONS AND OTHER L/T LIAB.	(7,541)	(6,958)
NET INVESTED CAPITAL	59,318	57,013
NET EQUITY	54,807	54,409
NON CURRENT FINANCIAL LIAB.	21,171	23,430
CURRENT FINANCIAL LIAB.	5,879	4,585
NON CURRENT FINANCIAL ASSETS	(733)	(293)
CURRENT FINANCIAL ASSETS	(6,271)	(6,193)
CASH AND CASH EQUIVALENTS	(15,535)	(18,925)
NET FINANCIAL POSITION	4,511	2,604
TOTAL FUNDS	59,318	57,013

The change in operating working capital compared to 31 December 2023 is attributable to higher sales volumes during the period and to the timing of cash inflows and outflows. The item Other receivables includes the recognition of deferrals related to marketing activities whose competence extends beyond 30 June 2024, and the current portion of tax receivables acquired last year.

The change in the item Other payables is related to the recognition of taxes on the result of the period and to the payment of variable remuneration to executive directors.

The decrease in Financial Fixed Assets is attributable to use of tax credits acquired as capital expenditures using a portion of the Group's liquidity.

The increase in Non-current Financial Assets is due to the taking out of the insurance policy to cover the Directors' termination indemnity (TFM) provision for the Executive Directors.

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

The consolidated Net Financial Position as at 30/06/2024 and 31/12/2023 is detailed below.

	30/06/2024	31/12/2023
Cash	(6)	(40)
Bank deposits	(15,529)	(18,885)
Cash and cash equivalents	(15,535)	(18,925)
Current financial assets	(6,271)	(6,193)
Current financial liabilities: due to banks	1,671	627
Current part of non-current liabilities	3,942	3,588
Current fin. liabilities for rights of use	266	370
Current financial indebtedness net of fin. assets	(392)	(1,608)
Net Current Financial Indebtedness/(Availability)	(15,927)	(20,533)
Non-current financial assets	(437)	0
Deposits paid	(296)	(293)
Non-current bank debts	20,206	22,188
Non-current fin. liabilities for rights of use	965	1,242
Non-current financial indebtedness	20,438	23,137
Net Financial Position	4,511	2,604

The change in Current Financial Liabilities arises from temporary positions on current accounts.

For changes in Non-current financial assets, please refer to what has already been reported.

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

1.6 Reference markets on 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.






Food supplements market ¹

Over the past twelve months, the supplement market has performed well compared to last year with +2.8% in turnover and +1.0% in volume.

The weights of the channels see the Pharmacy channel leading the way, remaining stable compared to last year, the Parapharmacy channel decreasing slightly, and the Super + Hyper and Online channels growing slightly.

Supplement Market - 5 Channels

Totale 5 canali: MAT 4.667,7 Mio€, +2,8% | YTD 2.385,8 Mio€, +4,2% | UM 395,5 Mio€, +1,9%

		Periodo	Valore (Mio€)	Trend	Contributo alla Crescita*	Quota Canale
	FARMACIA	MAT 2024	3.620,7	+2,8%	+2,1%	77,6%
		YTD 6/24	1.847,0	+4,3%	+3,3%	77,4%
		Ultimo mese	300,3	+2,1%	+1,6%	75,9%
	PARAFARMACIA	MAT 2024	344,8	-2,5%	-0,2%	7,4%
		YTD 6/24	172,8	-1,5%	-0,1%	7,2%
		Ultimo mese	28,0	-5,3%	-0,4%	7,1%
	ONLINE	MAT 2024	336,7	+5,3%	+0,4%	7,2%
		YTD 6/24	180,0	+8,5%	+0,6%	7,5%
		Ultimo mese	28,2	+5,9%	+0,4%	7,1%
	IPER+SUPER No Corner	MAT 2024	238,4	+5,8%	+0,3%	5,1%
		YTD 6/24	122,0	+4,6%	+0,2%	5,1%
		Ultimo mese	26,2	+3,1%	+0,2%	6,6%
	IPER+SUPER Con Corner	MAT 2024	127,0	+7,6%	+0,2%	2,7%
		YTD 6/24	64,1	+5,0%	+0,1%	2,7%
		Ultimo mese	12,7	+2,0%	+0,1%	3,2%

*Individual channel contribution to the overall market

¹ Source: New Line data processing - rolling year ending June 2024

Again with reference to the last twelve months, about 18.4 thousand new references (representing 14% of the managed products) were placed on the supplement market, which can generate a value of Euro 150 million, or 3% of the total turnover.

The price trend over the last 12 rolling months records a more or less significant impact than the market average on some segments.

Specifically, compared to an average price increase across all channels of about 1.4%, the categories that see significant price increases are:

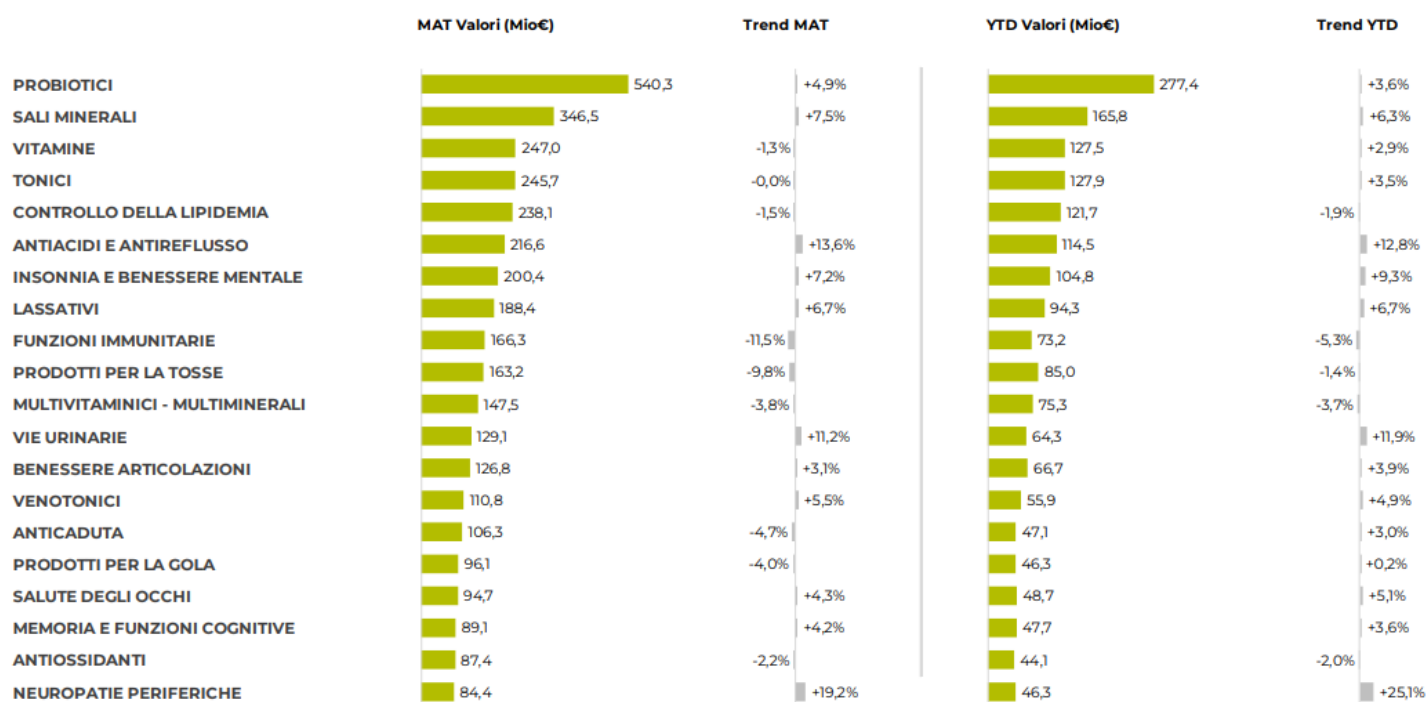
TOTALE 5 CANALI	+1,4%
IDRATANTI VISO	+14,0%
ANTIACIDI E ANTIREFLUSSO	+7,5%
ANTICELLULITE	+7,3%
INCREMENTO MASSA MUSCOLARE	+7,0%
PRODOTTI PER LA GOLA	+6,3%
DRENANTI	+5,5%
VITAMINE	+4,9%
NEUROPATIE PERIFERICHE	+4,8%
ACNE	+4,4%
ANTIPERTENSIVI	+4,3%

Looking at the main categories that make up the supplements market, the markets with the largest growth variances in these six months of the year are: Probiotics, Mineral Salts and Antacids.

Lipid control, immune functions and cough products markets down.

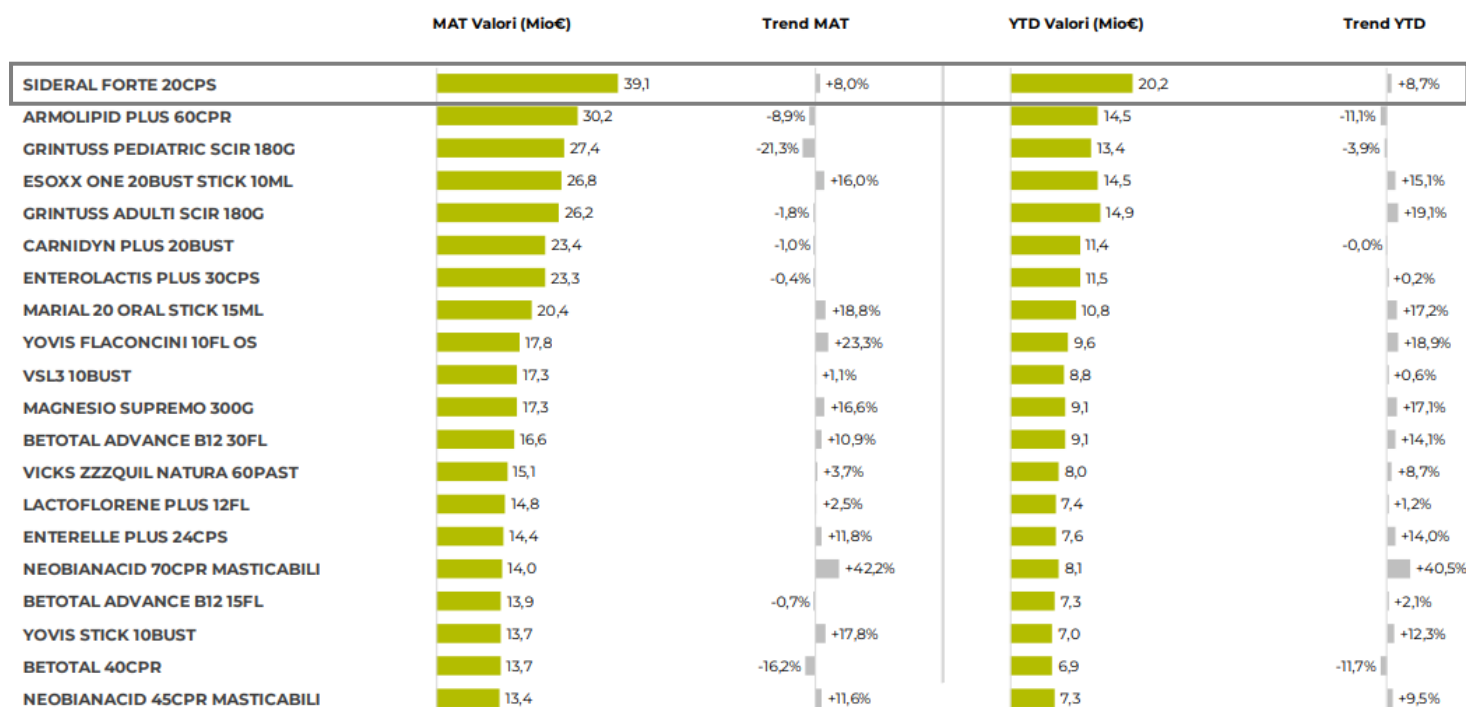
The market for Food Supplements – Top 20 categories (sell-out at MAT and YTD values)²

² Values in millions of Euro



Sideral® Forte is still among the most sold items on the food supplements market in terms of sell-out by value and volume.

The Food Supplements Market - Top 20 products (sellout at MAT and YTD values)³



³ Values in millions of Euro

The market for Food Supplements – Top 20 product codes (sell-out in volume MAT and YTD)

	MAT Volumi (Mgl)	Trend MAT	YTD Volumi (Mgl)	Trend YTD
ENERVIT THE PROTEIN DEAL 55GR 1CT S GLUT	3.285,3	+0,3%	1.687,4	-3,8%
GRINTUSS PEDIATRIC SCIR 180G	1.935,8	-24,5%	927,9	-7,3%
GRINTUSS ADULTI SCIR 180G	1.852,4	-5,9%	1.029,0	+14,8%
PROTEIN BAR VANIGLIA 55G	1.831,9	+0,0%	1.149,4	
ENERVIT PROTEIN BAR 40GR 1CT S GLUT	1.724,2	-8,1%	847,9	-14,9%
SIDERAL FORTE 20CPS	1.509,9	+5,7%	771,6	+5,4%
ENERVIT PROTEIN BAR 48GR 1CT S GLUT	1.447,8	+2,6%	731,0	-2,8%
CITROSODINA EFFERV GRAN 150G	1.439,9	-2,9%	718,1	-1,3%
YOVIS FLAONCINI 10FL OS	1.235,9	+20,5%	657,4	+15,6%
ESOX ONE 20BUST STICK 10ML	1.207,2	+12,5%	652,0	+13,9%
CARNIDYN PLUS 20BUST	1.183,4	-3,4%	573,4	-2,6%
LACTOFLORENE PLUS 12FL	1.162,0	-0,7%	588,8	-0,1%
BRIOSCHI 250GR 1CT DIGESTIVO EFFERV.	1.132,3	+0,0%	567,3	+2,1%
YOVIS STICK 10BUST	989,6	+13,5%	494,6	+8,0%
DIGER SELZ 42GR 12CT DIGESTIVO EFFERV.	936,3	-1,4%	450,9	-1,4%
MAALOX REFLURAPID 20BUST	926,7	+63,7%	452,7	+41,9%
ENERVIT CRUNCHY CIOKO 1BAR	916,1	-5,6%	476,5	-4,9%
YOVIS CAPS 10CPS	910,9	+15,0%	460,0	+8,9%
MARIAL 20 ORAL STICK 15ML	893,0	+16,4%	473,1	+15,6%
ENTEROLACTIS PLUS 30CPS	886,2	-2,5%	427,8	-4,4%

Going into the details of the Pharmacy channel, a very important fact concerns the positioning, for four and a half years, of Sideral® Forte as the first best-selling dietary supplement in Italy by value, a position conquered in November 2019 and consolidated year after year. On top of this, Apportal® achieved a great result, entering the Top20 most sold supplements in Italy by value in June, reaching the 15th position.

The market for Food Supplements – Top 20 product codes, Pharmacy channel (sell-out at MAT and YTD values)⁴

⁴ Values in millions of Euro

	MAT Valori (Mio€)	Trend MAT	YTD Valori (Mio€)	Trend YTD
SIDERAL FORTE 20CPS	34,9	+8,1%	18,0	+8,7%
GRINTUSS PEDIATRIC SCIR 180G	23,9	-21,1%	11,7	-4,0%
ESOXX ONE 20BUST STICK 10ML	23,7	+15,3%	12,7	+13,7%
GRINTUSS ADULTI SCIR 180G	22,3	-1,2%	12,7	+19,5%
CARNIDYN PLUS 20BUST	19,0	-1,6%	9,3	+1,1%
ARMOLIPID PLUS 60CPR	18,9	-9,0%	9,0	-9,9%
MARIAL 20 ORAL STICK 15ML	18,8	+18,6%	9,9	+16,6%
ENTEROLACTIS PLUS 30CPS	18,0	+1,8%	9,0	+5,2%
VSL3 10BUST	16,3	+1,2%	8,3	+0,6%
YOVIS FLACONCINI 10FL OS	15,1	+25,4%	8,2	+21,7%
BETOTAL ADVANCE B12 30FL	13,2	+10,0%	7,2	+12,8%
REUFLOL GOCCE 5ML	11,9	-4,8%	6,1	-8,2%
ENTERELLE PLUS 24CPS	11,8	+12,8%	6,2	+14,3%
DICOFLOL GOCCE 5ML	11,7	-4,4%	6,1	-6,1%
APPORTAL 14BUST	11,5	+5,8%	6,1	+19,9%
VICKS ZZZQUIL NATURA 60PAST	11,4	+5,1%	6,1	+9,9%
BETOTAL 40CPR	11,2	-17,6%	5,7	-11,8%
LACTOFLORENE PLUS 12FL	10,8	+0,2%	5,4	-2,1%
NEOBIANACID 45CPR MASTICABILI	10,7	+13,9%	5,9	+10,4%
BETOTAL ADVANCE B12 15FL	10,7	-2,3%	5,6	+1,3%

In the first half of 2024, New Line's market research also places in the Top10 best-performing pharmacy brands in January 2024 both Apportal®, in the tonics market, with an increase of 44% compared to the same month last year, and Cetilar®, in the anti-trauma market, with an increase of 17%. In May 2024, Apportal® continues to be in the same ranking with an increase of about 25%.

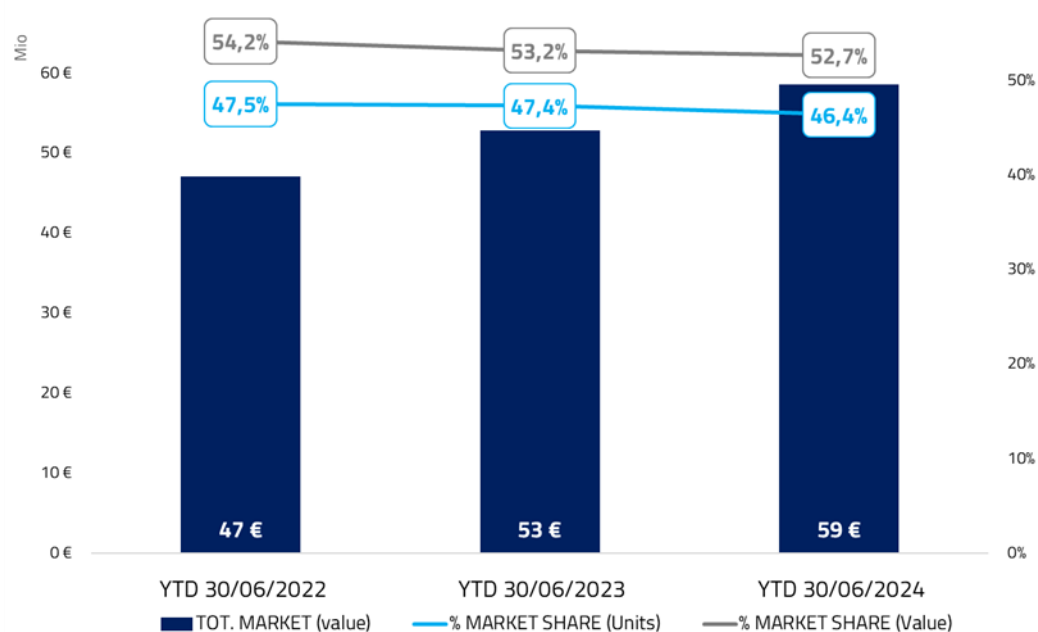
The market for Food Supplements – Top 10 product codes, no new entry (average values per pharmacy - sell-out at MAT values)

MERCATO	BRAND	+/-% vs GEN
VENOTONICI	DAFLON	+30,9%
PRODOTTI TOSSE	FLUIMUCIL	+27,9%
DERMATITE ATOPICA	CERAMOL	+18,3%
ANALGESICI	BRUFEN	+154,4%
CURA DELLE FERITE	BETADINE	+31,8%
ANALGESICI	NUROFEN	+25,0%
TONICI	APPORTAL	+44,3%
TONICI	CARNIDYN	+21,0%
LASSATIVI	DULCOSOFT	+15,9%
ANTITRAUMATICI	CETILAR	+17,0%

MERCATO	BRAND	+/-% vs MAG
VENOTONICI	DAFLON	+19,7%
PRODOTTI TOSSE	FLUIMUCIL	+40,7%
CURA DELLE FERITE	BETADINE	+28,8%
ANTITRAUMATICI	DICLOREUM	+21,8%
PRODOTTI TOSSE	SEKI	+32,1%
ANALGESICI	BRUFEN	+26,7%
NEUROPATIE PERIFERICHE	MAVOSTEN	+146,4%
TONICI	APPORTAL	+24,8%
ANALGESICI	NUROFEN	+21,2%
SINDROME DEL COLON IRRITABILE [IBS]	COLILEN	+31,7%

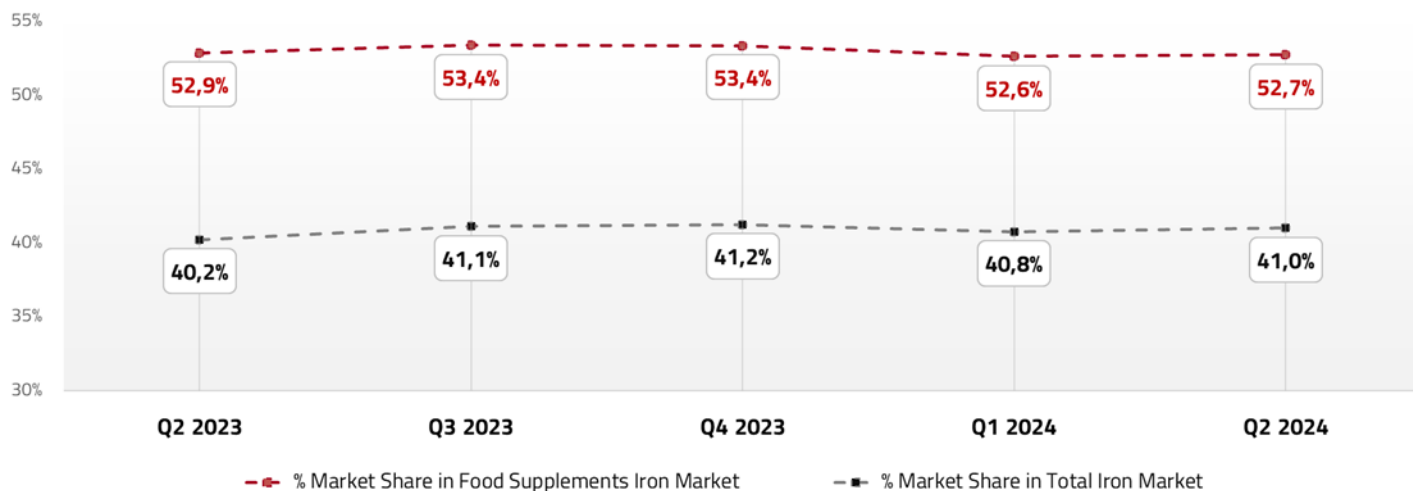
Iron market

The Pharmanutra Group operates in the iron-based supplement market (Food Supplements and Drug) with its Sideral® product line, which confirms its leadership position with a market share of 52.7% in value and 46.4% in volume⁵.



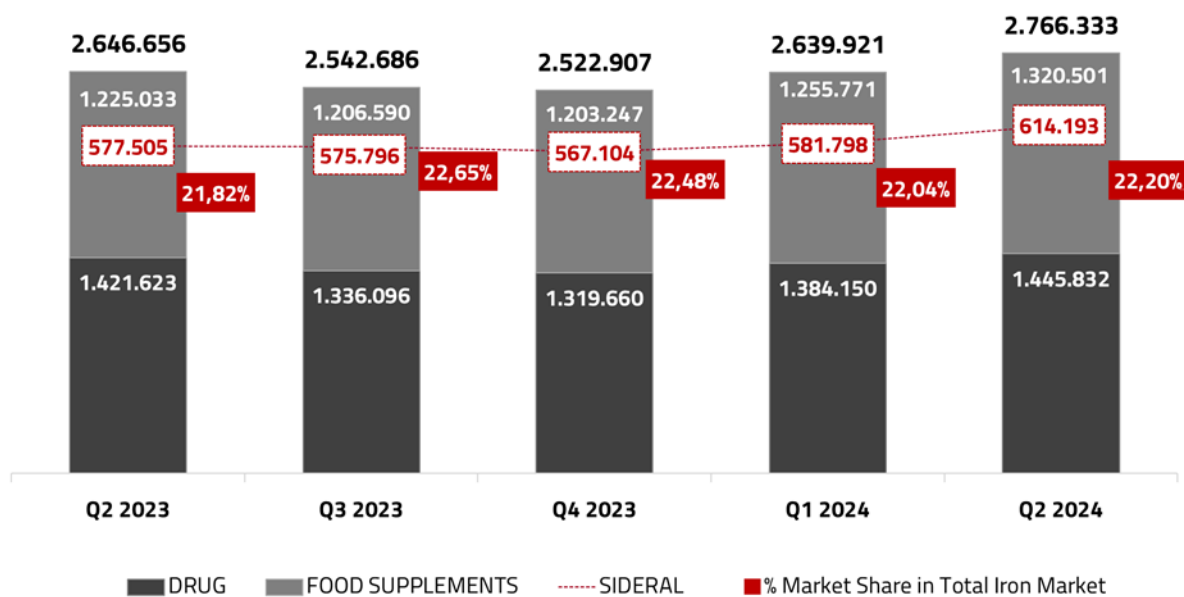
⁵ Source: IQVIA data updated to latest Rework 2024

The charts below show the quarterly trends in the market share of Sideral® (expressed in value) in relation to the market for iron-based supplements only (Food Supplements) and the overall market consisting of both Food Supplements and Drugs.



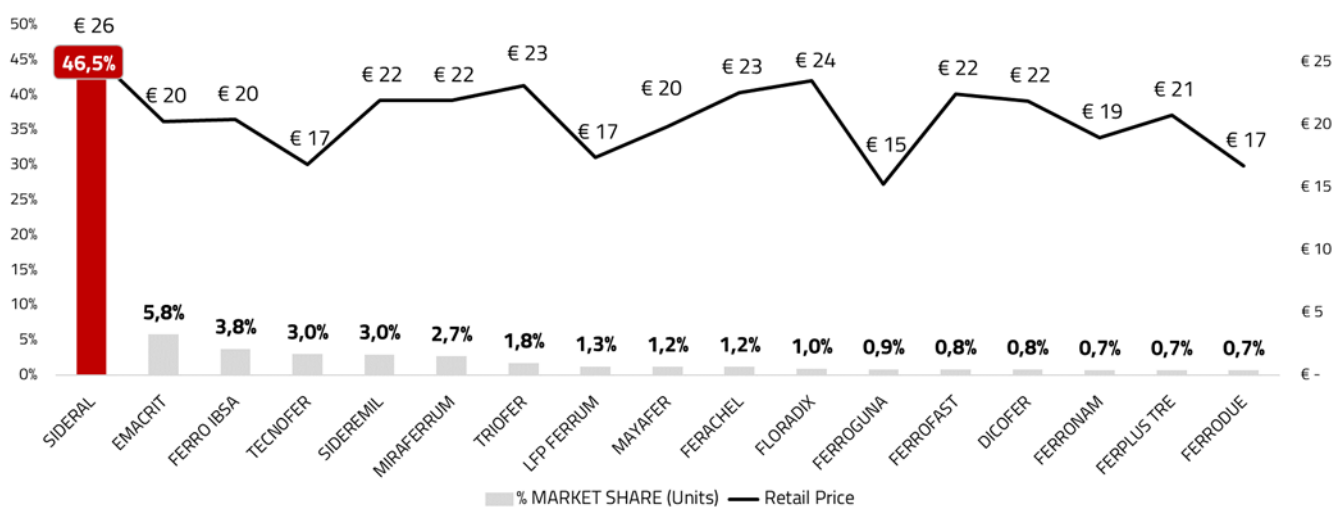
It should be noted that the Sideral® product line also has a significant market share in the entire panorama of the overall market, whose growth is driven by the food supplements segment at the expense of the drugs one.

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



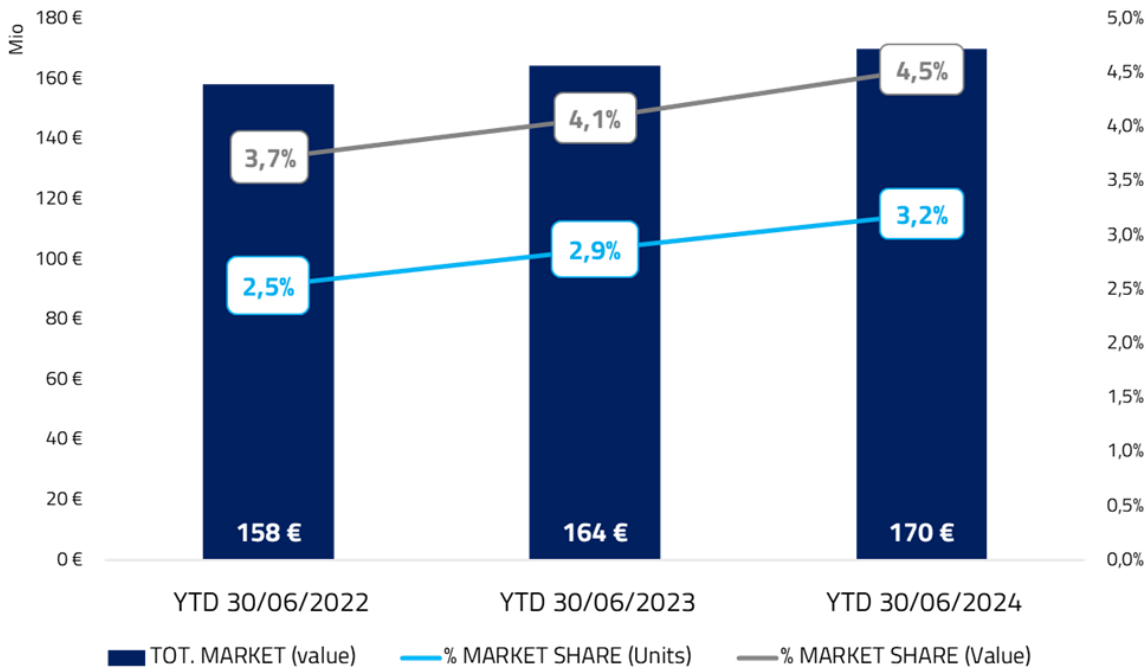
In the second half of 2024, the trend of Sideral® products per unit increased compared to the previous half year with the total market share increasing from 21.82% at 30/06/2023, to 22.20% at 30/06/2024.

Going into detail, the different players operating in the iron-based supplements segment in terms of market shares and average price, the direct competitors of Sideral® have much smaller market shares (the second competitor has a market share 8 times lower than Sideral®) and, on average, lower market prices. This shows how the Sideral® product line is able to gain significant recognition in the market in terms of premium retail price, achieved thanks to significant investments in research and development and marketing.

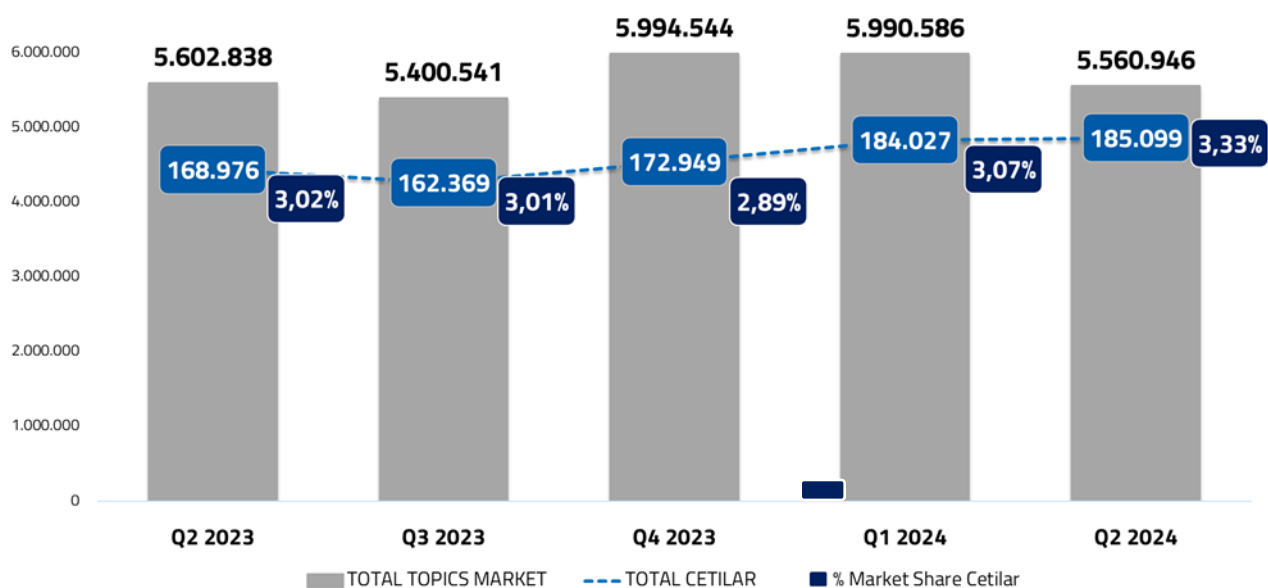


Market for topical painkillers

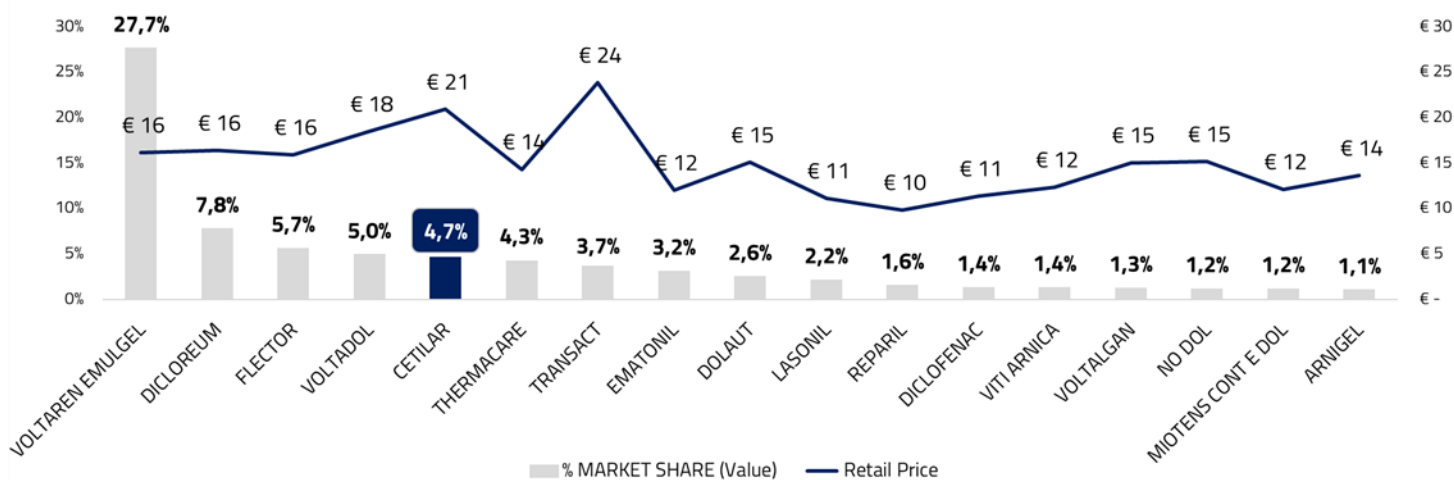
As at 30 June 2024, the painkiller market showed a slight increase in value compared to 30 June 2023 (+3.4%); the Cetilar® line increased its share in both volume and value.



The chart below shows the overall market trend (Topical products and Cetilar® line) from the second quarter of last year.

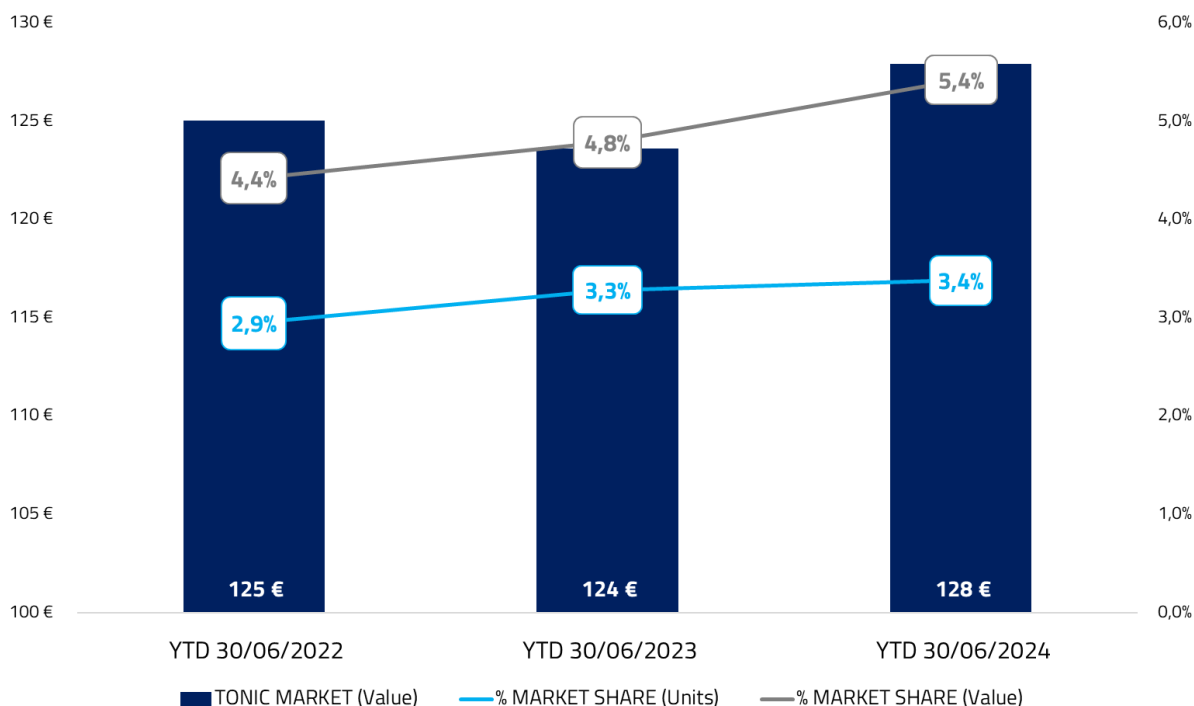


The following are the market shares (value) referring to the second quarter of 2024 of the key market competitors.



Tonic products market

The following graph shows the development of Apportal®'s market share (expressed in value and units) in relation to the target market⁶.



⁶Source: New Line Market researches

With the tonic products market growing slightly (approximately +3.5%) in the first half of 2024 compared to the first half of 2023, Apportal®'s market share rose from 4.8% to 5.4% in value and from 3.3% to 3.4% in volume, registering an increase in value of 17.2% with prospects for further growth in the future.

1.7 Investments

In the first half of 2024, the Group invested a total of Euro 1.6 million in fixed assets, of which about Euro 1 million in intangible assets, for the registration of trademarks and patents (Euro 197 thousand), for the implementation of management software (Euro 184 thousand) and for research projects (Euro 563 thousand).

Capital expenditure on property, plant and equipment amounted to approximately Euro 0.6 million and mainly related to the completion of the new headquarters.

1.8 Research and development activities

The research costs incurred during the period amount to Euro 1.2 million, of which Euro 657 thousand posted to the income statement (Euro 481 thousand as at 30 June 2023) and Euro 563 thousand capitalised, to which personnel costs for research and development activities should be added.

During the half year, 3 applications for the registration of new patents and 4 applications for the registration of new trademarks were filed.

During the period under review, Research and Development (R&D) focused on the development and start-up of new laboratories for cell biology, quality control and pharmaceutical techniques. New research projects have been launched on various fields of application such as the development and study of sucrosomial B12 and D3 vitamins, the development and study of formulations containing hyaluronic acid in combination with CFAs and formulations based on CFAs and Vitamin D3. In tandem, new research models were developed to insource, speed up and control the different experimental steps such as the MIVO (multi-in vitro-organ) dynamic culture system.

The activity of PharmaNutra Group's R&D department also includes the execution of clinical studies on its products, both in the development and post-marketing phases. The practical implementation of these studies is carried out through formal collaborative relationships with clinics, hospitals, Italian and foreign research centres,

depending on the skills and know-how required, or through formal agreements with Contract Research Organisations (CRO).

The clinical research carried out in the first half of the year focused mainly on the products Lipocet® and UltraD3, Sideral® up-grade, Cetilar® up-grade, and in addition, two studies with UltraB12 and one with SideralMed are ongoing.

The development of the finished product Myosave and other products in the Cetilar nutrition line such as Dual Protein, Iron Race and Race Bar Coconut was completed in this first half year.

To date, the research team working in the laboratory consists of five people with a new researcher expected to join by the end of the year.

1.9 PharmaNutra on the Stock Exchange

The shares of PharmaNutra S.p.A. have been listed on the AIM Italia (Mercato Alternativo del Capitale) from 18 July 2017 to 14 December 2020. As of 15 December 2020, the shares of PharmaNutra S.p.A. are listed on Mercato Telematico Azionario (MTA) of Borsa Italiana, STAR segment.

ISIN	IT0005274094
Alphanumeric code	PHN
Bloomberg Code	PHN IM
Reuters Code	PHNU.MI
Specialist	Intermonte
No. Of ordinary shares	9,680,977
Price of admission*	10.00
Price as at June 30,2024	47.55
Capitalization at the date of admission	96,809,770
Capitalization as at June 30,2024	460,330,456

*= value on the date of admission to AIM

The share capital of the Company is represented by 9,680,977 ordinary shares, without nominal value, which confer the same number of voting rights.

According to the results of the shareholders' register as well as on the basis of other information available to PharmaNutra S.p.A., the following table shows the shareholders who hold a significant stake in the share capital as at 30 June 2024.

Declarant or subject at the top of the controlling chain	Direct shareholder	Number of shares	% on S.C. with voting rights
Andrea Lacorte	ALH S.r.l.	3,038,334	1) 31.38%
Roberto Lacorte	RLH S.r.l.	2,224,833	2) 22.98%
	Roberto Lacorte	14,000	0.14%
		<hr/>	
		2,238,833	23.13%
Carlo Volpi	Beda S.r.l.	1,015,843	10.49%
	Market	3,314,911	34.24%
	PharmaNutra	73,056	0.75%
	Total	9,680,977	100.0%

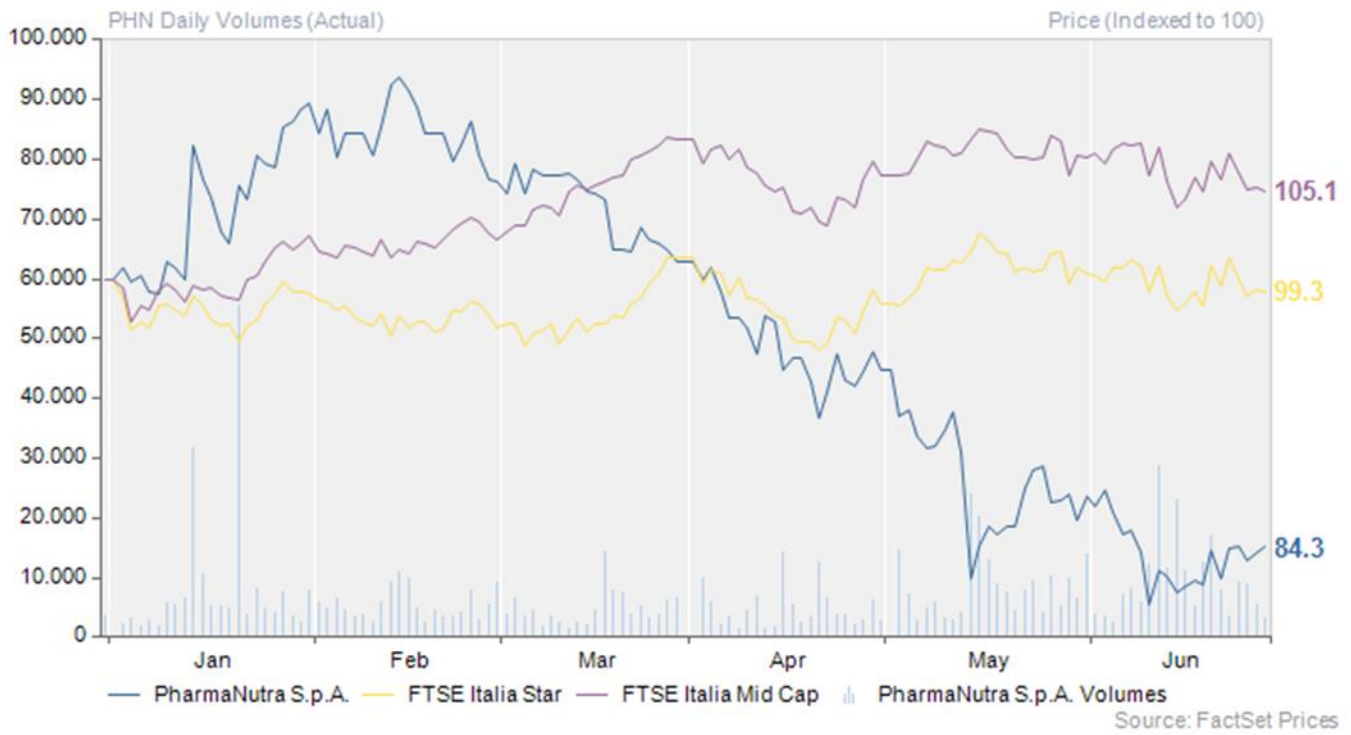
1) Including 953,334 PHN ordinary shares through the trust company COFIRCONT Compagnia Fiduciaria S.r.l. under a specific fiduciary mandate.

2) Including 953,334 PHN ordinary shares through the trust company COFIRCONT Compagnia Fiduciaria S.r.l. under a specific fiduciary mandate.

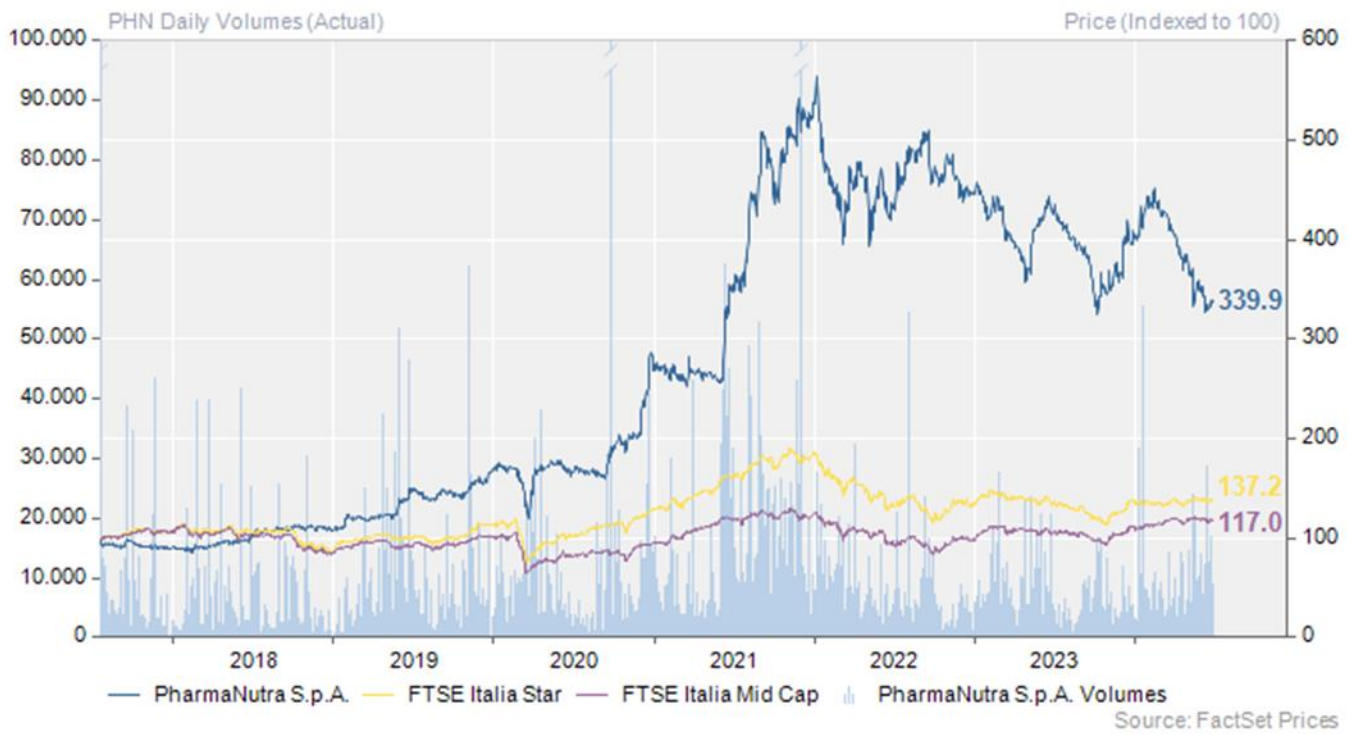
Andrea Lacorte is the sole shareholder and the sole director of ALH S.r.l., Roberto Lacorte is the sole shareholder and the sole director of RLH S.r.l. and Carlo Volpi is the sole shareholder and the sole director of Beda S.r.l.

In the first half of 2024, the Company's shares had an average price of Euro 55.00 (Euro 58.47 in 2023), a maximum price of Euro 63.10 (as at 14 February 2024) and a minimum price of Euro 45.65 (as at 11 June 2024). During the same period, average daily trading volumes were approximately 7,005 shares (6,163 average trading volumes in 2023).

From the beginning of the year to 30 June 2024, the market value of the Company's shares fell by 15.4%, underperforming both the FTSE Italia Mid Cap index (+5.1%) and the FTSE Italia STAR index (-0.7%). The graph below sets out respectively the prices and traded volumes of the Company's shares and the performance of the FTSE Italia Mid Cap and FTSE Italia STAR indices in the first half of 2024.



The graph below shows the performance and traded volumes of the Company's shares from the start of trading on the AIM Italia segment (18 July 2017) until 30 June 2024, compared with the performance of the FTSE Italia STAR and FTSE Italia Mid Cap indices over the same period. On this time horizon, PharmaNutra's stock has recorded an increase of 340% compared to +37% of the FTSE Italia STAR index and +17% of the FTSE Mid Cap index.



ANALYST COVERAGE	STIFEL	INTERMONTE
Starting of the coverage	01/06/2021	03/06/2021
Update	14/05/2024	14/05/2024
Target price	86.0	79.0

1.10 Transactions with related parties

All transactions with related parties are carried out at market conditions, form part of the Group's ordinary operations and are undertaken solely in the interests of the Group.

Pursuant to Consob Resolution no. 17221 of 12 March 2010, it is hereby acknowledged that during the first half of 2024 the Group did not enter into any significant transactions with related parties or transactions which had a material impact on the Group's financial position or results.

It should be noted that, pursuant to article 9.4 of the "Procedure for Transactions with Related Parties" adopted by PHN (the "RPT Procedure"), the Merger by incorporation of Junia Pharma and Alesco into PharmaNutra is exempted from the application of the relevant provisions since it is a transaction carried out by PHN with companies controlled by it in which no significant interests of other related parties of PHN are present, as verified by the Board of Directors of the Company in compliance with the RPT Procedure. In this regard, it should also be noted that the value of the Merger transaction does not exceed any of the materiality indices for the qualification of "significant transactions" under article 10.2 of the RPT Procedure.

Transactions with related parties are as follows:

- Transactions entered into by PharmaNutra with its subsidiaries and transactions between subsidiaries: regard the sale of goods and services that are part of the Group's ordinary operations. The related costs and revenues, receivables and payables have been eliminated in the preparation of the consolidated financial statements. The transactions between companies of the Group concern the supply by Alesco of the main active ingredients, the payment by PharmaNutra and Junia Pharma to Alesco of royalties for the exploitation of the patent relating to Sucrosomial® Iron technology, and the charge-back of personnel costs between companies of the Group.
- Transactions carried out with related parties other than Group's companies:

they mainly consist of commercial transactions involving the rental of property, advertising consultancy services, and the provision of services for sponsored events.

In general, the transactions with related parties are governed by the RPT Procedure that PharmaNutra has adopted from time to time, aimed at ensuring effective correctness and transparency, both substantive and procedural, in this area and to encourage - where necessary - full co-responsibility of the Board of Directors in the related decisions.

Please refer to Note 13 to the Condensed consolidated first half financial statements for details on the amounts related to the transactions with related parties.

1.11 Treasury shares and shares held by subsidiaries

The Ordinary Shareholders' Meeting of PharmaNutra held on 17 April 2024, after revocation of the previous resolution, authorised the purchase and disposal of treasury shares pursuant to articles 2357 and 2357-ter of the Italian Civil Code, as well as article 132 of Italian Legislative Decree 58/1998, for a period of 18 months and for a maximum amount of Euro 3 million, so as to allow the company to take advantage of the opportunity to make an advantageous investment, in cases where the market price of PharmaNutra shares, also due to factors external to the Company, is not able to adequately express its value. As at 31 December 2023, the Company held 65,985 treasury shares; during the first half of 2024, the Company purchased a total of 7,071 treasury shares at a weighted average price of Euro 46.42 each, net of fees, for a total outlay of Euro 328 thousand. As at 30 June 2024, the Company held a total of 73,056 treasury shares corresponding to a value of Euro 4,341 thousand.

This amount is recorded as a reduction of the Company's shareholders' equity in a special unavailable reserve.

The purchases were made in accordance with current regulations, in particular with the provisions of Article 132 of Italian Legislative Decree no. 58 of 24 February 1998 and Article 144-bis of the Regulations approved by Consob Resolution 11971 of 14 May 1999 and subsequent amendments and additions, with the operating procedures established by the Regulations of the markets organised and managed by Borsa Italiana S.p.A.

PharmaNutra's subsidiaries do not hold shares in the parent company.

1.12 Financial risk management objectives and policies

The treasury management policy adopted by the Group provides for a periodic monitoring of the financial situation (trends in cash inflows and outflows and balances relating to the main financial items, including current accounts) so as to have a complete picture of the Group's liquid funds.

In the context of financial policy decisions, the Group separately assesses the need for working capital, which responds to a short-term time horizon, compared to investment needs, which respond to medium/long-term requirements.

In the context of short-term management, also thanks to the management of working capital, the Group generates sufficient cash for its financial requirements while, in the context of medium/long-term financial management policies, investments are adequately covered by medium/long-term loans.

1.13 Significant events after the end of the period

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

This marks the completion, within the planned timeframe, of the PHN group's organisational reorganisation project aimed at pursuing 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.

1.14 Business outlook

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

In September, two products from the Sideral® line, SiderAL® Forte 30mg (in stick format) and SiderAL® 14mg (in stick format), will be marketed on the German market. This is the first tangible result of the exclusive distribution

contract for Germany entered into in June 2021 with Fresenius Kabi, a global healthcare company with which PharmaNutra has had a strong partnership since 2015 for the distribution of its products in Austria and Hungary.

The third quarter will see the launch of orosoluble sucrosomial vitamin D3, for which studies have shown rapid and effective absorption compared to conventional formulations, and the start of distribution of Sideral® line products on the German market.

The development of the new projects launched in 2023 (Cetilar® Nutrition, Pharmanutra USA and Pharmanutra España) will continue, which will result in a moderate reduction in margins for the current financial year and for the subsequent one as well.

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, 09 September 2024

For the Board of Directors

The Chairman

(Andrea Lacorte)

**CONDENSED CONSOLIDATED FIRST HALF FINANCIAL
STATEMENTS AS AT 30 June 2024 PHARMANUTRA GROUP**

Consolidated Balance Sheet

€/1,000	NOTES	30/06/2024	31/12/2023
NON CURRENT ASSETS		52,196	53,761
Buildings, plant and equipment	8.1.1	25,393	26,352
Intangible assets	8.1.2	23,245	22,542
Investments	8.1.3	142	4
Non-current financial assets	8.1.4	296	293
Other non-current assets	8.1.5	1,788	3,046
Deferred tax assets	8.1.6	1,332	1,524
CURRENT ASSETS		59,649	58,682
Inventories	8.2.1	7,573	8,166
Cash and cash equivalents	8.2.2	15,535	18,925
Current financial assets	8.2.3	6,271	6,193
Trade receivables	8.2.4	23,795	19,219
Other current assets	8.2.5	5,866	5,066
Tax receivables	8.2.6	609	1,113
TOTAL ASSETS		111,845	112,443
NET EQUITY		54,807	54,409
Share Capital		1,123	1,123
Statutory Reserve		225	225
Treasury shares		(4,341)	(4,013)
Other reserves		48,774	44,125
IAS 19 Reserve		256	199
Fair value OCI reserve		(144)	(89)
FTA Reserve		12	12
Currency conversion Reserve		5	(7)
Result of the period		8,897	12,834
Group Equity		54,807	54,409
Third parties equity			
NON CURRENT LIABILITIES		28,712	30,388
Non-current financial liabilities	8.4.1	21,171	23,430
Provision for non-current risks and charges	8.4.2	4,319	4,458
Provision for employees and directors benefit	8.4.3	3,222	2,500
CURRENT LIABILITIES		28,326	27,646
Current financial liabilities	8.5.1	5,879	4,585
Trade payables	8.5.2	16,097	16,107
Other current liabilities	8.5.3	3,632	3,842
Tax payables	8.5.4	2,718	3,112
TOTAL LIABILITIES & EQUITY		111,845	112,443

Pursuant to CONSOB Resolution no. 15519 of 27 July 2006, the effects of transactions with related parties on the Consolidated Balance Sheet are reported in the specific Consolidated Balance Sheet table included in Note 13.

Consolidated Income Statement

€/1,000	NOTES	2024	2023
TOTAL REVENUES		56,996	50,247
Net revenues	8.6.1	56,073	49,632
Other revenues	8.6.2	923	615
OPERATING EXPENSES		40,797	36,193
Purchases of raw material, cons. and supplies	8.7.1	2,675	3,213
Change in inventories	8.7.2	829	(1,925)
Expense for services	8.7.3	32,745	31,144
Employee expenses	8.7.5	3,928	3,296
Other operating expenses	8.7.6	620	465
EBITDA		16,199	14,054
Amortization, depreciation and write offs	8.8	1,707	854
EBIT		14,492	13,200
FINANCIAL INCOME/(EXPENSES) BALANCE		(244)	7
Financial income	8.9.1	566	362
Financial expenses	8.9.2	(810)	(355)
PRE TAX RESULT		14,248	13,207
Income taxes	8.10	(5,351)	(5,975)
Third parties result			
Net result of the Group		8,897	7,232
Net earning per share (Euro)	8.11	0.93	0.75

Statement of comprehensive income

€/1,000	2024	2023
Result for the period	8,897	7,232
Gains (losses) from IAS adoption which will be reversed to P&L		
Gains (losses) from IAS adoption which will not be reversed to P&L	2	(126)
Comprehensive result of the period	8,899	7,106

Pursuant to CONSOB Resolution no. 15519 of 27 July 2006, the effects of transactions with related parties on the Consolidated Income Statement are reported in the specific Consolidated Income Statement table included in Note 13.

Consolidated statement of changes in Shareholders' Equity

€/1,000	Share Capital	Treasury Shares	Legal reserve	Other reserves	FTA Reserve	OCI Fair value reserve	IAS 19 Reserve	Currency conversion Reserve	Result of the period	Total
Balance as at 1/1	1,123	(4,013)	225	44,125	12	(89)	199	(7)	12,834	54,409
Other changes		(328)		-		(55)	57			(326)
Dividends paid				(8,173)						(8,173)
Allocation of result				12,834					(12,834)	-
Result of the period									8,897	8,897
Exchange differences	-			(12)				12		-
Balance as at 30/06	1,123	(4,341)	225	48,774	12	(144)	256	5	8,897	54,807

€/1,000	Share capital	Treasury Shares	Legal reserve	Other reserves	FTA reserve	OCI Fair value reserve	IAS 19 Reserve	Result of the period	Total
Balance as at 1/1/n-1	1,123	(2,362)	225	36,791	12	(115)	226	15,048	50,948
Other changes	-	(1,621)		-		(127)	1		(1,747)
Dividends paid				(7,714)					(7,714)
Allocation of the result				15,048				(15,048)	-
Result of the period								7,232	7,232
Exchange differences	-			(7)					(7)
Balance as at 30/6/n-1	1,123	(3,983)	225	44,118	12	(242)	227	7,232	48,712

Consolidated Cash Flow – Indirect method

€/1,000	2024	2023
Net result before minority interests	8,897	7,232
NON MONETARY COST/REVENUES		
Depreciation and write offs	1,707	854
Allowance to provisions for employee and director benefits	472	410
CHANGES IN OPERATING ASSETS AND LIABILITIES		
Change in provision for non-current risk and charges	(139)	1,927
Change in provision for employee and director benefit	250	(2,666)
Change in inventories	593	(2,077)
Change in trade receivables	(4,757)	(3,126)
Change in other current assets	(800)	(3,378)
Change in tax receivables	504	1,377
Change in other current liabilities	(210)	(243)
Change in trade payables	1,712	(616)
Change in tax payables	(394)	496
CASH FLOW FROM OPERATIONS	7,834	190
Investments in intangible, property, plant and equipment	(1,560)	(9,761)
Disposal of intangibles, property, plant and equipment	294	211
Net investments in financial assets	(138)	0
Change in other assets	1,258	(855)
Change in deferred tax assets	192	274
CASH FLOW FROM INVESTMENTS	46	(10,131)
Other increase/(decrease) in equity	14	(133)
Treasury shares purchases	(328)	(1,621)
Dividends distribution	(8,173)	(7,714)
Financial assets increase	(1,008)	(423)
Financial assets decrease	932	113
Financial liabilities increase	12	12,280
Financial liabilities decrease	(2,338)	(4,919)
Financial ROU liabilities increase	52	808
Financial ROU liabilities decrease	(433)	(188)
CASH FLOW FROM FINANCING	(11,270)	(1,797)
TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	(3,390)	(11,738)
Cash and cash equivalents at the beginning of the period	18,925	22,051
Cash and cash equivalents at the end of the period	15,535	10,313
CHANGE IN CASH AND CASH EQUIVALENTS	(3,390)	(11,738)

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF PHARMANUTRA GROUP

1. LAYOUT AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

These condensed Consolidated First Half Financial Statements as at 30 June 2024 have been prepared 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 accounting standards used to prepare these condensed First Half financial statements, prepared in accordance with IAS 34 – Interim Financial Reporting, are the same as those used to prepare the Consolidated financial statements as at 31 December 2023, with the exception of the new standards and interpretations effective from 1 January 2024. The new standards that have led to a change in the Group’s accounting policies from the current first half of the year are described in paragraph 5.1.

It should be noted that the condensed consolidated first half financial statements do not include all the information and notes required in the annual financial statements and, as such, should be read in conjunction with the consolidated financial statements as at 31 December 2023.

It should also be noted that the information contained in these condensed first half financial statements is not comparable to that contained in a complete set of financial statements prepared in accordance with IAS 1, with particular reference to the fewer details provided on financial assets and liabilities.

With regard to the performance in the first half of 2024, reference should be made to the Directors’ Interim Report on Operations.

The figures in the Income Statement are provided for the six-month period in question and are compared with the figures for the same period of the previous financial year. The figures in the Balance Sheet, relating to the closing date of the first half of the year, are compared with the figures at the end of the last financial year. Therefore, the comments on the items in the Income Statement are made with reference to the same period of the previous year (30 June 2023), while those on the Balance Sheet are made with reference to the previous year (31 December 2023).

The reference date of the condensed consolidated first half financial statements coincides with the closing date of the first half of 2024 of the Parent Company and its subsidiaries.

The following classifications have been used:

- Balance sheet by current/non-current items;
- Income statement by nature;
- Cash flow statement - indirect method.

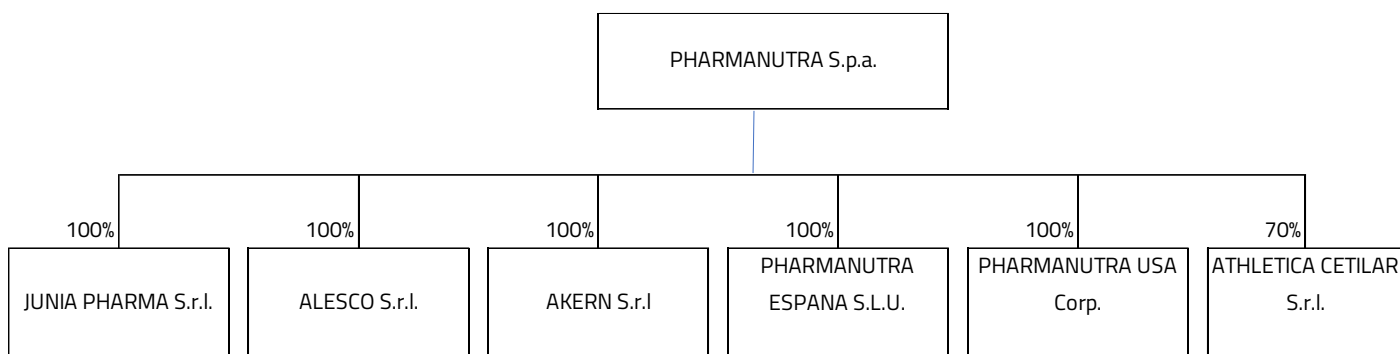
It is believed that these classifications provide information that is better suited to represent the financial position, results of operations and cash flows of the company.

The functional currency of the Parent Company and the presentation currency of the consolidated financial statements is the Euro (EUR). The schedules and tables contained in these explanatory notes are in thousands of Euro (EUR), unless otherwise specified.

These consolidated financial statements have been prepared using the accounting policies and criteria illustrated below.

2. CONSOLIDATION AREA

PharmaNutra S.p.A.(hereinafter also referred to as "PharmaNutra" or the "Parent Company") is a company with registered office in Italy, Via Campodavola 1, Pisa, which holds controlling interests in all the companies (the "Group" or also "PharmaNutra Group") shown in the following table:



Subsidiaries are companies in which PharmaNutra has the power to determine administrative and management decisions. Generally, control exists when the Group holds more than half of the voting rights, or exercises a dominant influence in the corporate and operating decisions.

Associated companies are those in which PharmaNutra exercises significant influence even though it does not have control. This generally occurs when it holds between 20% and 49% of the voting rights.

The consolidation area is unchanged compared to the situation as at 31 December 2023. The companies included are as follows:

COMPANY	REGISTERED OFFICE	Direct ownership	Indirect ownership	TOTAL
Pharmanutra S.p.A.	Pisa, Via Campodavella 1		HOLDING	
Junia Pharma S.r.l.	Pisa, Via Campodavella 1	100%	0%	100%
Alesco S.r.l.	Pisa, Via Campodavella 1	100%	0%	100%
Akern S.r.l.	Pisa, Via Campodavella 1	100%	0%	100%
Pharmanutra España S.L.U.	Barcelona, Gran Via de les Corts Catalanes 630	100%	0%	100%
Pharmanutra USA Corp.	251, Little Falls Drive , Wilmington, county of New Castle, Delaware	100%	0%	100%

The newly incorporated Athletica Cetilar S.r.l., in which Pharmanutra holds shares representing 70% of the share capital, was not included in the scope of consolidation as it is not yet operating.

3. CONSOLIDATION CRITERIA AND TECHNIQUES

Consolidation is carried out using the line-by-line method, which consists in including all assets and liabilities in their entirety. The main consolidation criteria adopted for the application of this method are as follows:

- subsidiaries are consolidated from the date on which control is actually transferred to the Group and are no longer consolidated on the date on which control is transferred outside the Group;
- where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies used with those adopted by the Group;
- the assets and liabilities, charges and income of companies consolidated on a line-by-line basis are fully included in the consolidated financial statements;
- the book value of investments is netted against the related share in the shareholders' equity of consolidated companies, attributing to balance sheet assets and liabilities the respective current value at the time control was acquired. Any residual difference is recorded under the asset item "Goodwill", if positive or in the income statement, if negative;
- the balances of receivables and payables, as well as the economic effects of intra-group economic transactions and dividends approved by the consolidated companies have been eliminated in full. The consolidated financial statements do not include any profits or losses not yet made by the Group as a whole as they result from intra-group transactions. The portions of shareholders' equity and the results for the period of minority shareholders are shown separately in the consolidated shareholders' equity and income statement.

4. ACCOUNTING STANDARDS AND VALUATION CRITERIA

In the preparation of the condensed consolidated first half financial statements as at 30 June 2024, the same accounting policies were applied as in the preparation of the consolidated financial statements for the year ended 31 December 2023, to which reference should be made, except as noted in the section "Accounting standards, amendments and interpretations applicable/applied from 1 January 2024".

The condensed consolidated first half financial statements have also been prepared in accordance with the provisions adopted by CONSOB regarding financial statement formats, in application of art. 9 of Italian Legislative Decree 38/2005 and other CONSOB rules and regulations on financial statements.

The financial statements have been prepared on a going concern basis and on the basis of the historical cost principle with the exception of the measurement of certain financial instruments, for which the fair value criterion is applied.

The preparation of the condensed consolidated first half financial statements and the related explanatory notes in accordance with IFRS requires the Directors to make estimates and assumptions that affect the amounts of revenues, costs, assets and liabilities in the First half financial report and the disclosure of contingent assets and liabilities as at 30 June 2024.

If in the future such estimates and assumptions, which are based on the Directors' own best judgement, differ from the actual circumstances, they will be modified as appropriate in the period in which the circumstances change. Estimates and assumptions are reviewed periodically and the effects of any changes are immediately reflected in the Income Statement and Shareholders' Equity.

It should also be noted that certain measurement processes, in particular the more complex ones, such as the determination of any impairment of non-current assets, are generally only carried out in full during the preparation of the annual financial statements, when all the information that may be necessary is available, except in cases where there are impairment indicators that require an immediate assessment of any impairment losses. With reference to the impairment test carried out when preparing the consolidated financial statements for the year ended 31 December 2023, it should be noted that the tests performed did not lead to any impairment losses. On the basis of the outcome of the above test, and of the Group performance in the first half of 2024, the directors believe that there is no evidence to suggest any critical issues regarding the recoverability of the carrying amount of goodwill.

Deferred tax assets have been calculated taking into account the cumulative amount of all the temporary differences, on the basis of the expected rates in force when the temporary differences will reverse. Deferred tax assets have been recognised because there is reasonable certainty that taxable income will not be less than the

amount of the differences to be reversed, in the years in which the deductible temporary differences against which deferred tax assets have been recognised will reverse.

The publication of this First half financial report as at 30 June 2024, subject to a limited audit by BDO Italia S.p.A., was authorised by a resolution of the Board of Directors on 09 September 2024.

5. IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ENDORSED OR APPLICABLE/APPLIED FROM 01/01/2024

5.1.1 Accounting standards and interpretations endorsed and effective from 1 January 2024

- Amendment entitled "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current" and an amendment entitled "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current – deferral of Effective Date". The amendments clarify the principles that must be applied for the classification of liabilities as current or non-current.
- Amendment to IAS 12 "Income Taxes: International Tax Reform - Pillar Two Model Rules" (issued on 23 May 2023);
- Amendments to IFRS 16, Lease Liabilities in a Sale and Leaseback (issued on 22 September 2022);

The amendments and changes above had no impact on the financial statements or the disclosure.

5.1.2 International reporting standards and/or interpretations issued but not yet effective and/or not yet endorsed

The following amendments have not been endorsed yet:

- Amendment to IAS 21 entitled "The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability" (published on 15 August 2023);
- Amendment entitled "Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (published on 25 May 2023);

None of these Standards and Interpretations have been early adopted by the Group. The Group is in the process of assessing the impact of these Standards and Interpretations and based on the current state of analysis, no significant impact is expected.

6. RISK AND UNCERTAINTY MANAGEMENT

The main risks identified, monitored and actively managed by PharmaNutra Group are as follows:

6.1 EXTERNAL RISKS

6.1.1 Risks associated with production entrusted to third party suppliers

The Group is exposed to the risk that production activities entrusted to third party suppliers may not be carried out properly according to the quality standards required by the Group, leading to delays in the supply of products or even the need to replace the third party in charge. In addition, the production facilities of third party suppliers are subject to operational risks such as, for example, interruptions or delays in production due to faulty or failed machinery, malfunctions, breakdowns, delays in the supply of raw materials, natural disasters, or the revocation of permits and authorisations or even regulatory or environmental interventions. The possible occurrence of such circumstances could have negative effects on the Group's business.

6.1.2 Risks associated with the regulatory framework and the situation in the countries in which the Group operates

As a result of its international presence, the Group is exposed to a number of risk factors, particularly in developing countries where the regulatory framework is not permanently defined and clear. This could force the Group to change its business practices, increase costs or expose it to unforeseen civil and criminal liability.

Moreover, the Group cannot be sure that its products can be successfully marketed in these developing markets, given the less stable economic, political or social conditions than in Western European countries and which may result in the possibility of facing political, social, economic and market risks.

With reference to the geopolitical situation of the conflict between Russia and Ukraine, following the sanctions issued by the European Union against Russia, the Group decided not to suspend the supply of products to the Russian distributor in order to protect the investments made in previous years. Part of the margin obtained from sales on the Russian market is donated to local non-profit organisations in support of Ukrainian families. It is not

considered that the possible adoption of even stronger penalties could lead to a decrease in the expected revenues for the year. Regarding Ukraine, a marginal market, there are no open positions as of today and no commercial operations.

6.1.3 Risks associated with the high degree of competitiveness of the reference market

In view of the fact that the market segments in which the Group is active are characterised by a high level of competition in terms of quality, price and brand awareness and by the presence of a large number of operators, the possible difficulty for the Group in facing competition could have a negative impact on its market position, with consequent negative effects on the Group's business.

The production activities of the Group are characterised by technology that cannot be replicated and is protected by patents, and this is considered an important competitive advantage, which - together with proprietary raw materials, the strategy of protecting intellectual property rights (trademarks and patents) and continuous investment in research and development - makes it possible to obtain products with characteristics that cannot be replicated by competitors.

6.2 MARKET RISKS

6.2.1 Risks associated with dependence on certain key products

The Group's ability to generate operating profits and cash flows largely depends on maintaining the profitability of a number of key products; among these, the most significant are those based on Sucrosomial® Iron, consisting of the products of the Sideral line, which represent approximately 70% of the Group's revenues as at 30 June 2024. A contraction in sales of these key products could have negative effects on the Group's business and prospects.

6.2.2 Risks associated with the iron-related therapy market in which the Group operates

The risks to which the Group is exposed are related to any changes in the regulatory framework in relation to the way iron is taken, to the identification of new therapeutic protocols relating to these consumption ways (of which the Group is unable to predict the timing and methods) and/or to the need to reduce the selling prices of products. Currently, the Group's iron products are all classified as food supplements with the exception of one product classified as Food for Special Medical Purposes (FSMP). In the case of iron, as well as many other nutrients,

regulations concern the amount of daily intake beyond which the product cannot be marketed as a food supplement because it would fall into the pharmaceutical category.

A possible regulatory change could have more of an impact on the maximum (or minimum) level of intake which would then lead to a simple formula adjustment.

6.3 FINANCIAL RISKS

6.3.1 Credit risk

Credit risk represents the exposure to potential losses deriving from the non-fulfilment of the obligations undertaken by both commercial and financial counterparties.

The Group's credit risk is essentially attributable to the amount of trade receivables for the sale of finished products and, to a very limited extent, raw materials.

The Group does not have a significant concentration of credit risk and is subject to moderate credit risks.

6.3.2 Liquidity risk

The liquidity risk relates to the Group's ability to meet its commitments arising from its financial liabilities.

To cover the investment relating to the construction of the new headquarters, the Parent Company obtained a medium/long-term loan secured by a mortgage and backed by an annual financial covenant for the amount of Euro 12 million. As at 31/12/2023, the covenant is respected. The loan provides for a variable interest rate calculated with a spread of 1.45% on the quarterly Euribor.

During the period, the Group met its operating financial needs through the use of its own resources without recourse to new credit lines from the banking system. Despite having available short-term bank credit lines, aimed at managing the requirements related to increases in working capital, the management did not deem it necessary to use these instruments during the year thanks to the generation of liquidity from current operations.

In any case, the liquidity risk originating from normal operations is kept at a low level by managing an adequate level of cash and cash equivalents and controlling the availability of funds obtainable through credit lines.

Trade payables and other liabilities are all due within 12 months.

6.3.3 Interest rate risk

The Group's companies have variable-rate loan agreements in place and are thus exposed to the risk of changes in interest rates, which is considered low. Current and non-current variable rate debt as a percentage of total medium/long-term borrowings was 81% as at 30 June 2024 and 31 December 2023.

The Group does not currently adopt policies to hedge interest rate risk. Simulations were carried out in order to assess the advisability of adopting interest rate risk hedging policies. The cost of these hedges was higher than the higher interest that could result from the expected trend in rates.

The Group is also exposed to the risk of changes in interest rates on financial assets held in the portfolio. This risk is considered to be low given the characteristics of the investment portfolio.

Financial assets and liabilities measured at fair value

As required by IFRS 13 - Fair Value Measurement, the following disclosure is provided.

The fair value of trade assets and liabilities and other financial receivables and payables approximates the nominal value recorded in the financial statements.

The fair value of receivables and payables due from and to banks and related companies does not differ from the values recorded in the financial statements, as the credit spread has been kept constant.

In relation to financial instruments recognised in the Balance Sheet at fair value, IFRS 7 requires these values to be classified on the basis of a hierarchy of levels that reflects the significance of the inputs used in determining the fair value. The following levels are distinguished:

Level 1 - quotations recorded on an active market, for assets or liabilities subject to valuation;

Level 2 - inputs other than quoted prices, as referred to in the previous paragraph, that are observable directly (prices) or indirectly (derived from prices) on the market;

Level 3 - inputs that are not based on observable market data.

With respect to the values as at 30 June 2024 and 31 December 2023, the following table shows the fair value hierarchy for the Group's assets that are measured at fair value:

€/1,000	30/06/2024				31/12/2023			
	Level				Level			
	1	2	3	Total	1	2	3	Total
<i>Current financial assets:</i>								
Bonds	4,426		304	4,730	4,416		386	4,802
Investment Funds	541			541	591			591
Time deposits			1,000	1,000			800	800
Total	4,967	-	1,304	6,271	5,007	-	1,186	6,193

For the bonds that fall within Level 3, the valuation model applied is that of nominal value since the underlying of the issue is a securitisation of reinsured trade receivables.

6.3.4 Risk related to exchange rate fluctuations

The risk related to exchange rate fluctuations is limited since all transactions with foreign countries are made in Euro with the exception of transactions with the subsidiary Pharmanutra USA, which are covered by forward contracts.

6.3.5 Risk of changes in cash flows

The Group has historically highlighted a substantial and constant increase in the cash flows generated by operations compared to the previous year.

There is no particular need for access to bank credit except for investment activities, given, however, the bank's willingness to extend existing credit facilities with the Group's companies when necessary.

In view of the above, for the companies of the Group, the risk associated with a decrease in cash flows is considered to be low.

6.3.6 Risks related to litigation

The Parent Company and the subsidiary Junia Pharma are part of a series of single-brand agency and procurement agreements for the promotion of their products. The activity carried out by agents for the Group also plays an important role in providing scientific information to the medical class. Through the years, there were a number of cases in which agents initiated disputes aimed at ascertaining the existence of an employment relationship and

claiming for compensation. They were all resolved by settlement. For the risks highlighted, specific provisions were set aside to cover the estimated liabilities.

There are uncertainties of interpretation regarding the qualification for direct tax purposes of the indemnity received by the Company in 2019 from the pre-listing shareholders on the basis of the reps and warranties given by them in the admission document section one, chapter 16, paragraph 16.1. The risk cannot be excluded that, if the position taken by PharmaNutra is not considered correct by the Italian Inland Revenue, the latter may ascertain the existence of taxes to be paid in relation to the indemnity amount (up to a maximum of approximately Euro 220 thousand) plus penalties and interest.

7. DISCLOSURE BY OPERATING SEGMENTS

The Group has identified operating segments on the basis of the three business lines that represent the organisational components according to which the business is managed and monitored, i.e., as required by IFRS 8, *'... a component whose operating results are periodically reviewed at the entity's highest operational decision-making level for the purposes of making decisions about resources to be allocated to the segment and performance assessment'*.

The segments identified are Italy (BL1), abroad (BL2) and Akern, which represent the Group's business model.

PROFIT & LOSSES (€/000)	30/06/2024	BL1	BL2	AKERN	30/06/2023	BL1	BL2	AKERN
A) REVENUES	56,996	35,774	18,438	2,775	50,247	33,685	13,843	2,719
Net revenues	56,073	35,094	18,204	2,766	49,632	33,152	13,789	2,691
Other revenues	923	680	234	9	615	533	54	28
B) OPERATING COSTS	(40,797)	(25,846)	(13,153)	(1,798)	(36,193)	(24,588)	(9,942)	(1,663)
Cost for services, goods and other operating costs	(33,259)	(21,551)	(10,760)	(948)	(29,233)	(20,240)	(8,099)	(894)
Cost for personnel and corporate bodies	(7,538)	(4,295)	(2,393)	(850)	(6,960)	(4,348)	(1,843)	(769)
(A-B) EBITDA	16,199	9,928	5,285	977	14,054	9,097	3,901	1,056
Ebitda margin (on net revenues)	28.9%	28.3%	29.0%	35.3%	28.3%	27.4%	28.3%	39.2%
C) Amortization, depreciation and write off	(1,707)				(854)			
(A-B-C) EBIT	14,492				13,200			
D) FINANCIAL INCOME (EXPENSES)	(244)				7			
Financial income	566				362			
Financial expenses	(810)				(355)			
PROFIT/(LOSS) BEFORE TAXES	14,248				13,207			
Taxes	(5,351)				(5,975)			
NET PROFIT/(LOSS) OF THE PERIOD	8,897				7,232			

The performance of the business lines BL1 and BL2 in the first half of 2024 compared to the previous year reflects what has already been reported above in relation to the Group's performance.

The increase in net revenues compared to the same period of the previous year generated an improvement in margins, which were nevertheless affected by the costs incurred for the start-up of new business (about Euro 2.8 million) and higher costs related to marketing activities in support of the Group's brands. The EBITDA of BL1 segment in the first half of 2024 amounted to Euro 9.9 million (Euro 9.1 million in 2023), an increase of approx. 9% compared to 2023, while the EBITDA of BL2 segment increased by approx. 25.5% from Euro 3.9 million in 2023 to Euro 5.3 million as at 30 June 2024.

The slight decrease in revenue and operating margin in the Akern segment can be attributed to the order portfolio acquisition trends.

8. COMMENTS ON THE MAIN ITEMS

8.1 Non-current assets

8.1.1. Property, plant and equipment

Net Book Value	Opening balance	Increases	Decreases	Depreciation	Other movements	Closing balance
Land and buildings	19,180	93		-519		18,754
Plant and machinery	2,147	57		-154	123	2,173
Equipment	13	34		-4		43
Furniture and office machines	1,151	189	2	-129		1,213
Vehicles	873	62	-26	-186		723
Other tangible assets	2					2
Rights of use	2,852	73	-241	-241		2,443
Assets under construction	134	31			-123	42
TOTAL	26,352	539	-265	-1,233	0	25,393

Historical cost	Opening balance	Increases	Decreases	Other movements	Closing balance
Land and buildings	20,421	93		0	20,514
Plant and machinery	2,583	57		123	2,763
Equipment	126	34		0	160
Furniture and office machines	2,294	189		0	2,483
Vehicles	1,857	62	-87	0	1,832
Other tangible assets	9			0	9
Rights of use	4,239	73	-1,400	0	2,912
Assets under construction	134	31		-123	42
TOTAL	31,663	539	-1,487	0	30,715

Accumulated depreciation	Opening balance	Depreciation	Decreases	Other movements	Closing balance
Land and buildings	1,241	519		0	1,760
Plant and machinery	436	154		0	590
Equipment	113	4		0	117
Furniture and office machines	1,143	129	-2	0	1,270
Vehicles	984	186	-61	0	1,109
Other tangible assets	7			0	7
Rights of use	1,387	241	-1,159	0	469
TOTAL	5,311	1,233	-1,222	0	5,322

The amount of increases for the period mainly relates to investments made for the completion of the group's new headquarters.

8.1.2 Intangible assets

The following table shows historical costs net of previous amortisation and depreciation, movements during the period and final balances for each item.

	Opening balance	Increases	Decreases	Amortization	Other movements	Closing balance
R&D expenses	81	103		-29	85	240
Patents	2,114	285		-185	55	2,269
Trademarks, concessions and licenses	1,521	43	-13	-70	1	1,482
Goodwill	17,561			0	0	17,561
Other intangible assets	106		-16	-9	0	81
Intangibles in progress and advances	1,159	590			-137	1,612
TOTAL	22,542	1,021	-29	-293	4	23,245

The increases in intangible fixed assets refer to the capitalisation of research and development costs in the amount of Euro 103 thousand, and to the patent and trademark management activities for Euro 197 thousand.

The increase in fixed assets under construction refers to costs capitalised on research contracts in progress and software being implemented.

With reference to Goodwill as at 30 June 2024, there were no indicators of impairment that required updating the impairment test performed as at 31 December 2023.

8.1.3 Investments

	30/06/2024	31/12/2023	Change
Investments in subsidiaries	138	0	138
Investments in other companies	4	4	0
Investments	142	4	138

The increase in the item Equity investments in subsidiary companies derives from the subscription of 70% of the shares representing the share capital of Athletica Cetilar S.r.l., already mentioned, and the disbursement of a shareholders' loan to the same in the amount of Euro 75 thousand.

8.1.4 Non-current financial assets

	30/06/2024	31/12/2023	Change
Deposits and advances	296	293	3
Non-current financial assets	296	293	3

The item includes security deposits, amounting to Euro 123 thousand, which refer to Euro 105 thousand for sums paid at the signing of leasing contracts entered into with the related company Solida S.r.l.; they also include advance payments made by PharmaNutra to Solida S.r.l. amounting to Euro 85 thousand.

8.1.5 Other non-current assets

	30/06/2024	31/12/2023	Change
Insurance for Directors severance	437		437
Tax receivables purchased	1,126	2,091	-965
L/T tax assets from Industry 4.0	225	955	-730
Other non-current assets	1,788	3,046	-1,258

The increase in the item Insurance for Directors' termination indemnity is due to the insurance policy taken out to cover the Directors' termination indemnity for the end of term of office of the Executive Directors.

The change in Purchased tax receivables and Industry 4.0 tax receivables results from the reclassification of the portion due within the year.

8.1.6 Deferred tax assets

	Opening Balance	Increase	Decrease	Ending balance
All. to prov. for legal disputes risks	146			146
All. to provision for inv. write off	105	66	-47	124
All. to prov. for doubtful accounts	374	14		388
Directors' compensation	654	327	-396	585
Accrual to prov. for leaving indem.	51	3	-2	52
Acc. to prov. for termination of agency cont.	-126		-72	-198
Consolidation entries	451	9	-78	382
Goodwill amortization	-130		-17	-147
TOTAL	1,525	419	-612	1,332

Deferred tax assets have been calculated taking into account the cumulative amount of all the temporary differences, on the basis of the expected rates in force when the temporary differences will reverse. Deferred tax assets have been recognised because there is reasonable certainty that taxable income will not be less than the amount of the differences to be reversed, in the years in which the deductible temporary differences against which deferred tax assets have been recognised will reverse.

The deferred tax assets relating to the application to the Provision for Termination Indemnity, the Provision for Supplementary Agents Indemnity and the Provision for Bad Debts as a result of the IAS/IFRS valuation of these items, were the result of all adjustments made from the FTA up to the closing of the financial statements under review.

Deferred tax assets relating to the remuneration of corporate bodies relate to the deferred deductibility of the variable remuneration for the first half of 2024.

8.2 Current assets

8.2.1 Inventories

	30/06/2024	31/12/2023	Change
Raw mat., aux. and cons.	1,072	816	256
Works in progress and semi fin. prod.	327	238	89
Finished prod.and goods	6,488	7,481	-993
Provision for inventories w/o	-314	-369	55
Inventories	7,573	8,166	-593

The decrease in inventories of finished goods and merchandise is attributable to higher sales volumes in the period.

The value of finished product inventories is net of the sum of Euro 314 thousand (Euro 369 thousand as at 31/12/2023) set aside as a write-down of finished product inventory.

8.2.2 Cash and cash equivalents

	30/06/2024	31/12/2023	Change
Bank and postal accounts	15,529	18,885	-3,356
Cash and cheques	6	40	-34
Total cash and cash equivalents	15,535	18,925	-3,390

The balance represents the liquid funds and the existence of cash and securities at the end of the period. For the evolution of cash and cash equivalents, reference should be made to the cash flow statement for the year and to what is indicated in the Management Report.

8.2.3 Current financial assets

	30/06/2024	31/12/2023	Change
Mutual funds	541	591	-50
Bonds	4,730	4,802	-72
Time deposits	1,000	800	200
Total current financial assets	6,271	6,193	78

This item represents a temporary investment of part of the company's liquidity made through an individual asset management mandate granted to Azimut Capital Management S.g.r. In accordance with this mandate, bonds and units in investment funds of adequately rated issuers have been subscribed. As at 30/06/2024, a comparison with the market value of the bonds held shows a net capital loss of Euro 55 thousand which was recorded in a shareholders' equity reserve, based on the valuation criteria adopted by the Group in accordance with IFRS9.

Considering the liquid funds available and the regular continuation of activities as stated above, the Group does not foresee the need to resort to the early disposal of the financial instruments in question.

8.2.4 Trade receivables

	30/06/2024	31/12/2023	Change
Trade receivables- domestic market	17,601	9,778	7,823
Trade receivables RoW	4,433	5,299	-866
Other trade receivables	3,472	5,886	-2,414
Invoices/(Credit Notes) to be issued	61	-16	77
Provision for doubtful accounts	-1,772	-1,728	-44
Total trade receivables	23,795	19,219	4,576

The amounts shown in the financial statements are net of provisions made in the Provision for doubtful accounts, estimated by the Group's management on the basis of the seniority of the receivables, the assessment of their collectability and also taking into account historical experience and forecasts of future bad debts also for the part of receivables that is collectable at the reporting date. For an update on the ongoing litigation involving contractual indemnities, refer to note 12.

The breakdown of trade receivables by geographical area is shown below:

€/1,000	30/06/2024	31/12/2023	Change
Italy	18,902	12,866	6,036
Asia	2,685	2,599	87
Europe	1,461	2,451	(990)
Africa	0	0	0
America	748	1,304	(556)
Total trade receivables	23,795	19,219	4,576

Changes in the Provision for doubtful accounts during the first half of 2023 were as follows:

	PROVISION FOR DOUBT. ACC.
Opening Balance	(1,728)
Accruals	(181)
Disposals	
Ending Balance	(1,772)

8.2.5 Other current assets

A breakdown of "Other current assets" is provided in the table below:

	30/06/2024	31/12/2023	Change
Rec. from shareholders for indemnification	341	793	-452
Receivables from employees	63	63	0
Advances to suppliers	1,695	1,630	65
Purchased tax receivables	1,360	1,523	-163
Prepayments and accr. income	2,407	1,057	1,350
Total other current assets	5,866	5,066	800

The item Receivables from shareholders for indemnification refers to the residual amount of the reimbursement due to the Parent Company by the pre-existing shareholders as at the date of listing on the AIM market (July 2017) for taxes, penalties and interest paid in March for the settlement of 2016 tax period based on the declarations and guarantees issued by them in the admission document Section 1, Chapter 16, paragraph 16.1.

Purchased tax receivables refers to the amount of purchased tax receivables that are expected to be used within 12 months.

The item "Advances" includes receivables from agents for advances of Euro 288 thousand (Euro 292 thousand as at 31/12/2023), relating to sums advanced by Group companies when signing agency contracts, and advances to suppliers of Euro 1,407 thousand (Euro 1,338 thousand as at 31/12/2023).

The advances paid to agents shall be returned on termination of the relationship with each agent.

The change in the item "Prepayments and accrued income" is due to the recognition of deferred costs relating to marketing costs pertaining to one year, but which will have a financial impact during the first half of the year.

8.2.6 Tax receivables

"Tax receivables" can be broken down as follows:

	30/06/2024	31/12/2023	Change
VAT receivables	207	381	-174
R&D tax receivables	345	526	-181
Patent Box tax receivables		167	-167
Other tax receivables	57	39	18
Tax receivables	609	1,113	-504

8.3 Shareholders' Equity

8.3.1 Shareholders' equity

The changes in the Group's shareholders' equity items are shown below:

€/1,000	Share Capital	Treasury Shares	Legal reserve	Other reserves	FTA Reserve	OCI Fair value reserve	IAS 19 Reserve	Currency conversion Reserve	Result of the period	Total
Balance as at 1/1	1,123	(4,013)	225	44,125	12	(89)	199	(7)	12,834	54,409
Other changes		(328)		-		(55)	57			(326)
Dividends paid				(8,173)						(8,173)
Allocation of result				12,834					(12,834)	-
Result of the period									8,897	8,897
Exchange differences	-			(12)				12		-
Balance as at 30/06	1,123	(4,341)	225	48,774	12	(144)	256	5	8,897	54,807

The Share capital, fully subscribed and paid up, amounts to Euro 1,123 thousand and consists of 9,680,977 ordinary shares, with no par value, of the Parent Company.

7,071 treasury shares were purchased during the half year as part of the share buyback program approved by the Ordinary Shareholders' Meeting on 14 April 2024. As at 30 June 2024, PharmaNutra holds 73,056 treasury shares equal to 0.75% of the share capital.

On 14 April 2024 the Shareholders' Meeting held by the Parent Company's shareholders resolved the distribution of Euro 0.85 dividend per share, corresponding to a payout ratio of approximately 64% of the 2023 consolidated net result, for a total amount of Euro 8,173 thousand.

8.4 Non-current liabilities

8.4.1 Non-current financial liabilities

	30/06/2024	31/12/2023	Change
BPER Loan	2,757	3,256	-499
Intesa loan	69	171	-102
Credem loan	2,545	3,137	-592
BPM loan	3,435	3,919	-484
BPM guaranteed loan	11,400	11,705	-305
Non-current fin. liab. for rights of use	965	1,242	-277
Non-current financial liabilities	21,171	23,430	-2,259

Bank loans and borrowings consist of the portion of loans payable by the Group's companies due beyond 12 months.

Non-current payables for rights of use represent the discounted amount due beyond one year of the rental and lease contracts in force as at 30/06/2024 in accordance with IFRS 16.

In accordance with the requirements of the CONSOB communication of 28 July 2006 and in compliance with ESMA update with reference to the "Recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses", we report that the Group's Net Financial Position as at 30 June 2024 is as follows:

	30/06/2024	31/12/2023
A Cash	(15,535)	(18,925)
B Cash equivalents		
C Other current financial assets	(6,271)	(6,193)
D Cash and cash equivalents (A+B+C)	(21,806)	(25,118)
1) E Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	1,937	997
F Current portion of non-current financial debt	3,942	3,588
G Current financial debt (E+F)	5,879	4,585
of which secured	600	295
of which unsecured	5,279	4,290
H Net current financial debt (G-D)	(15,927)	(20,533)
2) I Non-current financial debt (excluding the current portion and debt instruments)	21,171	23,430
J Debt instruments		
K Trade and other non-current debts		
L Non-current financial debt (I+J+K)	21,171	23,430
of which secured	11,400	11,705
of which unsecured	9,771	11,725
M Net financial debt (H+L) com. CONSOB comm. (4/3/21 ESMA32-382-1138)	5,244	2,897
3) N Other current and non-current financial assets	(733)	(293)
O Net financial debt (M-N)	4,511	2,604

- 1) It includes the following items of the financial statements: Current financial liabilities (Bank overdrafts for temporary use Euro 1,671 thousand and Financial payables for rights of use Euro 266 thousand).
- 2) It includes the following items of the financial statements: Non-current financial liabilities (M/L-term loans Euro 20,206 thousand, Financial payables for non-current rights of use Euro 965 thousand);
- 3) It includes the following items of the financial statements: Non-current financial assets (Deposits paid Euro 296 thousand) and Other non-current assets (Insurance for Directors' termination indemnity Euro 437 thousand).

8.4.2 Provisions for non-current risks and charges

	30/06/2024	31/12/2023	Change
Provision for tax liabilities			0
Provision for indem. for term. of agency contracts	811	950	-139
Provision for sundry risks and legal disputes	508	508	0
Provision for contractual obligations	3,000	3,000	0
Provision for risks and charges	4,319	4,458	-139

Provisions for risks and charges include:

Provision for indemnity for termination of agency contracts, set up under article 1751 of the Italian Civil Code and the current collective economic agreement of 30 July 2014, which provide that, upon termination of the agency relationship, the agent is entitled to an indemnity for employment termination. The indemnity for termination of agency contracts is calculated by applying to the fees and other considerations accrued by the agent during the course of the employment relationship, a rate that can vary from 3 to 4%, depending on the duration of the agency contract. The resulting amount was measured in accordance with IAS/IFRS International Accounting Standards (IAS 37).

Provision for risks to cover the risk of ongoing legal disputes refers to the only open dispute as at 30 June 2024. This litigation was settled in July 2024 with a charge in line with the provision.

Provision for contractual commitments: this represents the maximum amount of debt related to the earn-out contractually foreseen for Akern's sellers recognised at the outcome of the audits performed.

8.4.3 Provisions for employee and director benefits

	30/06/2024	31/12/2023	Change
Provision for leaving indemnity	1,210	1,205	5
Provision for Directors' severance indemnity	842	515	327
Provision for L/T directors compensation	1,170	780	390
Provision for employee and directors benefit	3,222	2,500	722

The amounts set aside for the Directors' termination indemnity provision and for the medium/long-term variable remuneration provision were based on the resolutions of the Ordinary Shareholders' Meeting held on 26 April 2023 and correspond to the Company's actual commitment to the Directors at the reporting date.

The directors' remuneration policy meets the requirements of the Corporate Governance Code issued by Borsa Italiana (the "Code"), which are summarised below:

- fixed and variable component adequately balanced according to the strategic objectives;
- provision of maximum limits for variable components;
- adequacy of the fixed component to compensate directors' performance if the variable component is not achieved due to failure to meet targets;
- objectives whose achievement is linked to the payment of variable components that are predetermined, measurable and linked to the creation of value for shareholders;
- deferred payment of a significant portion of the variable component in an appropriate timeframe with respect to the vesting period.

Based on the foregoing and on the expected achievement of the targets envisaged for disbursement, the medium/long-term variable remuneration due to Executive Directors accrued in the half-year amounted to Euro 390 thousand.

The provision for severance indemnity set aside by the companies included in the consolidated financial statements.

The liability for the provision for employee severance indemnity has been calculated in compliance with the current provisions governing the employment relationship for employees and corresponds to the actual commitment of the companies towards individual employees at the reporting date. The amount set aside refers to employees who, following the entry into force of the new supplementary pension system, have expressly allocated their severance indemnity accruing from 1 January 2007 to the company. The amount relating to the provision for employee severance indemnity is therefore net of the amounts paid out during the year and allocated to pension funds. The resulting amount was measured in accordance with IAS/IFRS (IAS 19).

8.5 Current liabilities

8.5.1 Current financial liabilities

	30/06/2024	31/12/2023	Change
S/T part of long term loans	3,942	3,588	354
S/T financial debts	1,671	627	1,044
Current fin. liab. for rights of use	266	370	-104
S/T Financial liabilities	5,879	4,585	1,294

The item "S/T part of long term loans" represents the portion of debt relating to loans and instalments of loans to be repaid within the next financial year. The increase in payables to banks for overdrafts derives from temporary items.

8.5.2 Trade payables

Trade payables are broken down in the table below:

	30/06/2024	31/12/2023	Change
Trade payables domestic suppliers	9,500	12,543	-3,043
Trade payables RoW suppliers	2,157	1,114	1,043
Advances	4,440	2,450	1,990
Total trade payables	16,097	16,107	-10

The increase in the item Advances refers to orders from foreign customers in the portfolio as at 30/06/2024.

The following table shows the breakdown of trade payables by geographical area:

€/1,000	30/06/2024	31/12/2023	Change
Italy	9,500	12,543	(3,043)
Asia	1,304	629	676
Europe	2,522	590	1,932
America	1,228	864	365
Other	1,541	1,481	60
Total trade payables	16,097	16,107	(10)

8.5.3 Other current liabilities

A breakdown of "Other current liabilities" is provided in the table below:

	30/06/2024	31/12/2023	Change
Payables for wages and salaries	1,472	887	585
Payables to social security institutions	502	356	146
Payables to directors and statutory auditors	1,108	1,776	-668
Other payables	96	336	-240
Provision for agents indemnity	127	160	-33
Guarantee withholdings	220	220	0
Security deposits from customers	107	107	0
Total other current liabilities	3,632	3,842	-210

The decrease in Payables to directors and auditors is due to the payment of the amount of short-term variable remuneration accrued by Executive Directors and set aside as at 31 December 2023.

8.5.4 Tax payables

	30/06/2024	31/12/2023	Change
Income taxes	1,660	2,178	-518
Payables for withholdings	556	884	-328
VAT payables	502	50	452
Total tax payables	2,718	3,112	-394

8.6 Revenues

8.6.1 Net revenues

	2024	2023	Variation
Direct sales revenues	35,102	33,152	1,950
Indirect sales	18,204	13,789	4,415
Medical instruments revenues	2,767	2,691	76
Total Net Revenues	56,073	49,632	6,441

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

€/1,000	2024	2023	Variation	Δ%	Incidence 2024	Incidence 2023
Italy	34,448	32,419	2,029			
Total F.P. Italy	34,448	32,419	2,029	6.3%	61.4%	65.3%
Europe	10,114	7,655	2,459	32.1%		
Middle East	3,304	4,316	(1,012)	-23.5%		
South America	1,154	1,061	93	8.8%		
Far East	993	253	740	292.4%		
Other	1,695	-	1,695	n.s.		
Total F.P. Rest of World	17,261	13,286	3,975	29.9%	30.8%	26.8%
Raw materials Italy	657	734	(76)	-10.4%	1.2%	1.5%
Raw materials Rest of World	940	503	436	86.7%	1.7%	1.0%
Total Raw Materials	1,597	1,237	360	29.1%	2.9%	2.5%
Medical instruments Italy	2,410	2,323	87	3.7%	4.3%	4.7%
Medical instruments Rest of World	357	367	(10)	-2.6%	0.6%	0.7%
Total Medical instruments	2,767	2,690	77	2.9%	4.9%	5.4%
Total Net revenues	56,073	49,632	6,441	13.0%	100%	100%

As described above, the Group's activities are divided into three business lines, sale of finished products (PharmaNutra and Junia Pharma), sale of raw materials and semi-finished products (Alesco), and sale of machinery and instruments for measuring body bioimpedance (Akern):

Direct business line: it is characterised by the direct control of the distribution channels in the reference markets and the relevant marketing activities by the companies of PharmaNutra Group.

As at 30 June 2024, the direct business line accounted for 62.6% (about 66.8% in 2023) of net revenues.

The distribution channels for the companies PharmaNutra and Junia Pharma can be broken down into:

- Direct, deriving from the activity carried out by the network of sales agents who are entrusted with the marketing of products throughout the national territory.
- Wholesalers, who directly supply the pharmacies and parapharmacies with the products.

The activity carried out by pharmaceutical sales representatives directly addressing the medical class in order to make known the clinical efficacy and uniqueness of the products is paramount for both distribution channels.

- Tenders for supply contracts with public facilities.

Alesco's commercial activity in Italy outside the Group is aimed at companies in the food, pharmaceutical and nutraceutical industries as well as at nutraceutical production plants that produce on behalf of third parties.

Indirect business line: the business model 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 who, under long-term distribution contracts, distribute and sell the products in their own markets.

In the first half of 2023, the Indirect business line accounted for 32.5% of the turnover (about 27.8% in the previous year).

Akern business line: the business model involves the sale of instrumentation and software for body bioimpedance analysis in Italy and foreign markets through agents, distributors and online sales.

8.6.2 Other revenues and income

	2024	2023	Variation
Tax receivables		96	-96
Contractual Indemnities	63	37	26
Reimbursement and expenses recover	35	25	10
Contingent assets	387	149	238
Other revenues	438	308	130
Total other revenues	923	615	308

8.7 Operating costs

8.7.1 Purchases of raw materials, consumables and supplies

Purchases are broken down in the following table:

	2024	2023	Variation
Raw and semifinished materials	1,425	1,939	-514
Consumables	368	287	81
Finished products	882	987	-105
Total raw materials, semif., consumables and finished prod.	2,675	3,213	-539

The increase in the purchase costs of raw materials, supplies and consumables is related to the higher business volumes compared to the previous half-year.

8.7.2 Change in inventories

	2024	2023	Variation
Change in raw mat. inventories	-671	-35	-636
Change in semifin. prod. inventories	-89	-79	-10
Change in F.P. inventories	1,420	-1,905	3,325
Inventories write off accrual	169	94	75
Change in inventories	829	-1,925	2,754

The change in inventories of raw materials as at 30/06/24 results from production planning in accordance with implemented company strategies. The decrease in inventories of finished goods is attributable to higher revenue in the period.

8.7.3 Costs for services

	2024	2023	Variation
Marketing	8,276	7,246	1,030
Production and logistic	9,341	9,546	-205
Other general expenses	3,607	3,336	271
R&D	638	456	182
Information technology	308	232	76
Commercial and sales network	5,705	5,599	106
Corporate bodies	4,673	4,613	60
Rent and leases	64	41	23
Financial services	133	75	58
Total services expenses	32,745	31,144	1,601

The change in the item Costs for services is mainly due to higher Marketing costs as a result of initiatives undertaken to support the group's brands. The increase in the item General expenses is attributable to costs related to the management of the new headquarters and higher travel expenses. The increase in the item Corporate bodies occurred as a result of the higher remuneration approved by the Shareholders' Meeting on 26 April 2023.

8.7.4 Personnel costs

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

	2024	2023	Variation
Wages and salaries	2,949	2,454	495
Social contributions	824	735	89
Leaving Indemnity accrual	144	96	48
Other personnel expenses	11	11	0
Total Personnel cost	3,928	3,296	632

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

The increase compared to the previous year is due to the hiring of new employees.

As at 30/06/2024 Group employees are 112 (101 as at 30 June 2023).

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

Units	2024	2023	Variation
Managers	3	3	0
White collars	96	77	19
Blue collars	8	4	4
Total	107	84	23

8.7.5 Other operating costs

	2024	2023	Variation
Capital losses	22	17	5
Sundry tax charges	53	65	-12
Losses on receivables	5		5
Membership fees	13	22	-9
Charitable donations	47	101	-54
Other expenses	480	260	220
Total other operating expenses	620	465	155

8.8 AMORTISATION, DEPRECIATION AND PROVISIONS

	2024	2023	Variation
Amortization of intangible assets	286	198	88
Tangible assets depreciation	1,240	537	703
Accrual to doubtful accounts prov.	126	109	17
Non ded. accrual for doubtful acc.	55	10	45
Total amort., depr. and accruals	1,707	854	853

The increase in depreciation of tangible assets is related to the depreciation of investments made for the construction of the new headquarters.

8.9 FINANCIAL INCOME/(EXPENSES) BALANCE

8.9.1 Financial income

	2024	2023	Variation
Interest income	284	171	113
Interest income from customers	3		3
Dividends	2	0	2
Exchange gains	4	16	-12
Other financial income	273	175	98
Total financial income	566	362	204

8.9.2 Financial expenses

	2024	2023	Variation
Other financial expenses	-216	-50	-166
Interest expenses	-564	-300	-264
Exchange losses	-30	-5	-25
Total financial expenses	-810	-355	-455

8.10 INCOME TAXES

	2024	2023	Variation
Current taxes	4,898	3,603	1,295
Deferred taxes	192	322	-130
Other taxes	-17		-17
Previous years taxes	278		278
Accrual to provision for tax		2,050	-2,050
Total income taxes	5,351	5,975	-624

Taxes are recognised on an accruals basis and have been determined in accordance with current rates and regulations.

8.11 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the Group's results of operations by the weighted average number of shares outstanding during the period.

The calculation of basic earnings per share is shown in the following table:

EURO	2024	2023
Group's Net result	8,899,168	7,231,855
N. of outstanding shares	9,608,377	9,664,080
Net Earning per share	0.93	0.75

9. OTHER INFORMATION

In accordance with the law, the total compensation due to the Directors, the members of the Board of Statutory Auditors and the independent auditors, if any, is shown below:

Directors: Euro 4,244 thousand

Board of Statutory Auditors: Euro 34 thousand

Independent auditors: Euro 25 thousand

10. EVENTS AFTER THE CLOSE OF 30 June 2024

With regard to events after the close of 30 June 2024, please refer to the Directors' Report on Operations.

11. COMMITMENTS

The Parent Company has issued the following guarantees in favour of its subsidiaries:

To Alesco, a guarantee for credit limit subject to collection for Euro 400,000;

To Alesco, a guarantee for credit facility on current account for Euro 52,000.

The purchase agreement for the shares of Akern S.r.l. provides for the payment of an incentive and deferred earn-out to the sellers up to a maximum of Euro 3 million, subject to the achievement of Akern's incremental EBITDA and industrial margin targets in 2022, 2023 and 2024.

Land and buildings are encumbered by a first mortgage of Euro 18 million in favour of Banco BPM S.p.A. to guarantee the loan granted in 2023.

12. CONTINGENT LIABILITIES AND MAIN OUTSTANDING DISPUTES

The Group does not have any significant contingent liabilities of which information has not already been provided in this report and which are not covered by adequate provisions.

With regard to the pending litigation concerning an indemnity contractually due to the subsidiary Junia Pharma following the termination of the contract by the supplier, on 10 June 2024, the accounting report was filed by the expert appointed at the hearing of 7 March.

The lawsuit, as filed by the opposing party, is based on two requests, the second of which is put forward as a subordinate claim or in the event that the main one is not accepted. The counterparty's main request is to ascertain the invalidity or nullity of the clause of the contract stipulated between the supplier and Junia Pharma S.r.l. - according to the counterparty's assumption, the aforementioned clause would have been vexatious and therefore not stipulated according to legal criteria. The subordinate request relates to the allegedly excessive amount of the "penalty" referred to in the above clause.

The fact that Junia Pharma S.r.l. lost the case is to be considered remote.

13. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are identified according to the extended definition provided by IAS 24, i.e. including relations with administrative and control bodies as well as with senior managers.

The financial and economic impact of transactions with related parties in the period is shown in the tables below:

Related party Balance sheet (€/1000)	Investments	Non-current financial assets	Other current assets	Other current liabilities	Trade payables
Members of Pharmanutra S.p.A. BoD			920	2.011	162
Members of subsidiaries BoD			41		
Board of Statutory Auditors					21
Supervisory Board compensation			0		16
Senior management compensation			104	193	
Solida S.r.l.		258			
Calabughi S.r.l.					79
Studio Bucarelli, Lacorte, Cognetti					3
Other related parties	146				
TOTAL	146	258	1.065	2.205	282

Related party Income Statement (€/1000)	Costs for services	Financial expenses	Personnel costs	Amort. Rights of use
Members of Pharmanutra S.p.A. BoD	3.671		59	
Members of subsidiaries BoD	572			
Board of Statutory Auditors	34			
Supervisory Board compensation	28			
Senior management compensation			260	
Solida S.r.l.	0	0		86
Calabughi S.r.l.	560			
Studio Bucarelli, Lacorte, Cognetti	60			
TOTAL	4.926	0	319	86

On 29 June 2021, PharmaNutra's Board of Directors approved the new procedure for related party transactions, in compliance with the provisions of Consob Resolution no. 21624 of 10 December 2020, the "New RPT Procedure". This procedure, which is effective as of 1 July 2021, is available on the website www.pharmanutra.it, in the "Governance" section. It should also be noted that the company, as (i) a smaller company, as well as (ii) a newly listed company pursuant to art. 3 of the RPT Regulations, will apply to the related party transactions governed by the New RPT Procedure, including those of greater importance (as identified pursuant to Annex 3 of the RPT Regulations), a procedure which takes into account the principles and rules set out in art. 7 of the RPT Regulations, as an exception to art. 8 of the RPT Regulations.

The members of the Board of Directors of the Parent Company receive a compensation consisting of a fixed part, and for executive directors only, also a variable part and a part by way of severance indemnity. The variable component paid to Executive Directors is divided between a short-term component and a medium/long-term component based on the recommendations contained in the Corporate Governance Code defined by the Corporate Governance Committee.

The remuneration of senior management consists of a fixed component and a variable incentive calculated on the basis of sales volumes and parameters relating to the financial statements.

The Parent Company, Junia and Alesco had established their registered office and operational headquarters in buildings owned by Solida S.r.l., which is owned by some of the shareholders of the Parent Company. Following the move to the new premises, the lease agreements were terminated on 30 April 2024. The Group companies paid rent and paid Solida S.r.l. amounts as security deposits and advances.

The Parent Company has outsourced part of its communication and marketing activities, by strategic choice. These activities are entrusted to Calabughi S.r.l., a company in which the wife of the Vice President, Roberto Lacorte, holds 47% of the capital and is the Chairwoman of the Board of Directors. The contract between PharmaNutra and Calabughi S.r.l. has annual duration with tacit renewal unless terminated by one of the parties three months prior to the expiry of the contract and consists in the provision of communication services. These services include the management of the Company websites and media channels, the design, development and implementation of advertising campaigns to support the products and corporate image, the graphic design of product packaging, promotional material and scientific information documents, as well as the organisation and management of corporate conventions. Moreover, the Parent Company entered into a contract with the same firm, Calabughi, for the sponsorship as "Title Sponsor" of the 151 Miglia regatta and a contract for the management of all the communication, event planning, merchandising activities related to the participation of Cetilar Racing - the team sponsored by the Parent Company - in the endurance world championship races in Europe and the United States.

The Parent Company, Junia and Alesco have entered into consulting agreements with Studio Bucarelli, Lacorte, Cognetti. The contracts, which are valid for one year and renewable from year to year by tacit consent, cover general tax advice, the drafting and sending of tax returns, general advice on labour law and the processing of monthly pay slips.

In accordance with Consob Resolution no. 15519 of 27 July 2006 and Consob Communication DEM/6064293 of 28 July 2006, the consolidated balance sheet and the consolidated income statement, showing transactions with related parties separately, are provided below.

	30/06/2024	of which with related parties	31/12/2023	of which with related parties
NON CURRENT ASSETS	52,196	404	53,761	512
Buildings, plant and machinery	25,393		26,352	294
Intangible assets	23,245		22,542	
Investments	142	146	4	0
Non-current financial assets	296	258	293	218
other non-current assets	1,788		3,046	
Deferred taxes	1,332		1,524	
CURRENT ASSETS	59,649	0	58,682	0
Inventories	7,573		8,166	
Trade receivables	23,795		19,219	0
Other current assets	5,866		5,066	
Tax receivables	609		1,113	
Current financial assets	6,271		6,193	
Cash and cash equivalents	15,535		18,925	
TOTAL ASSETS	111,845	404	112,443	512
NET EQUITY	54,807		54,409	
Share capital	1,123		1,123	
Treasury shares	(4,341)		(4,013)	
Legal reserve	225		225	
Other reserves	48,774		44,125	
Reserve IAS 19	256		199	
Reserve Fair Value OCI	(144)		(89)	
Reserve FTA	12		12	
Net result	8,897		12,834	
GROUP SHAREHOLDERS EQUITY	54,807		54,409	
Third parties equity				
NON CURRENT LIABILITIES	28,712	2,205	30,388	1,672
Non-current financial liabilities	21,171		23,430	193
Provisions for risks and non-current expenses	4,319		4,458	
Provision for employee and directors benefit	3,222	2,205	2,500	1,479
CURRENT LIABILITIES	28,326	1,347	27,646	2,133
Current financial liabilities	5,879		6,329	104
Trade payables	16,097	282	14,363	267
Other current liabilities	3,632	1,065	3,842	1,762
Tax payables	2,718		3,112	
TOTAL LIABILITIES & EQUITY	111,845	3,552	112,443	3,805

	30/06/2024	of which with related parties	30/06/2023	of which with related parties
TOTAL REVENUES	56,996	0	50,247	0
Net Revenues	56,073		49,632	
Other revenues	923		615	
OPERATING EXPENSES	40,797	5,244	36,193	5,438
Purchases of raw, aux. materials and cons.	2,675		3,213	
Change in Inventories	829		(1,925)	
Services expenses	32,745	4,925	31,144	5,062
Employee expenses	3,928	319	3,296	376
Other operating expenses	620		465	
EBITDA	16,199	(5,244)	14,054	(5,438)
Amortization, Depreciation and Write off	1,707	86	854	88
EBIT	14,492	(5,330)	13,200	(5,526)
NET FINANCIAL INCOME/(EXPENSES)	(244)	0	7	(2)
Financial income	566		362	
Financial expenses	(810)		(355)	(2)
PRE TAX RESULT	14,248	(5,330)	13,207	(5,528)
Income Taxes	(5,351)		(5,975)	
Net result of third parties				
Group's result	8,897	(5,330)	7,232	(5,528)
Net earning per share (Euro)	0.92		0.75	

Pisa, 09 September 2024

For the Board of Directors

The Chairman

(Andrea Lacorte)

CERTIFICATION OF THE CONDENSED FIRST HALF FINANCIAL STATEMENTS PURSUANT TO ART. 154-BIS, PARAGRAPH 5, OF ITALIAN LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998

1. The undersigned Roberto Lacorte, Managing Director, and Francesco Sarti, Manager responsible for the preparation of PharmaNutra S.p.A.'s financial reports, taking into account the provisions of article 154-*bis*, paragraphs 3 and 4, of Italian Legislative Decree No. 58 of 24 February 1998, certify:

- a) the adequacy in relation to the characteristics of the undertaking; and
- b) the effective application of administrative and accounting procedures for the preparation of the consolidated financial statements during the period from January to June 2024.

2. It is also certified that:

the condensed first half financial statements as at 30 June 2024:

- are prepared in accordance with the applicable international accounting standards recognised in the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, and in particular IAS 34 - Interim Financial Reporting, as well as the provisions issued in implementation of Article 9 of Italian Legislative Decree 38/2005;
- correspond to the results of the accounting books and records;
- are capable of providing a true and fair view of the equity, economic and financial position of the issuer as well as of all the companies included in the consolidation;
- the interim management report contains references to important events that occurred in the first six months of the year and their impact on the condensed first half financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year, as well as information on significant transactions with related parties.

Pisa, 09 September 2024

PharmaNutra S.p.A.

Managing Director

PharmaNutra S.p.A.

Manager in charge

INDEPENDENT AUDITOR'S REPORT

PHARMANUTRA S.p.A.

*Review report on interim condensed
consolidated financial statements
as of June 30, 2024*

(Translation from the Italian original which remains the original version)

Review report on interim condensed consolidated financial statements

To the shareholders of
Pharmanutra S.p.A.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements comprising the consolidated balance sheet, the income statement, the statement of comprehensive income, the statement of changes in consolidated shareholders' equity, the consolidated cash flow statement and related explanatory notes of Pharmanutra and its subsidiaries (Pharmanutra Group) as at and for the six months ended June 30, 2024.

The Directors of Pharmanutra S.p.A. are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express our conclusion on these condensed interim consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with review standard recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 dated July 31, 1997. A review of the condensed interim consolidated financial statements consists of making inquiries, mainly of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements of Pharmanutra Group as at and for the six months ended June 30, 2024, are not prepared, in all material respects, in accordance with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Milan, September 13, 2024

BDO Italia S.p.A.
(signed on the original)
Vincenzo Capaccio
Partner

PharmaNutra SpA

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Share Capital € 1.123.097,70 i.v.

www.pharmanutra.it

