

ANNUAL FINANCIAL REPORT

31 December 2024

PharmaNutra S.p.A.

Headquarters

**REA (Economic Administrative
Index)**

PISA Companies Register

Share capital

Via Campodavela, 1 - 56122 PISA
(Italy) PI-146259

01679440501

Euro 1,123,097.70 f.p.

01679440501

 PHARMANUTRA



Andrea Lacorte, President of PharmaNutra S.p.A., comments: "We are used to presenting very positive statement of financial position data, it is a characteristic of our company of which we are proud, but this does not detract from the fact that satisfaction, every time, is at the highest levels, because these numbers are the concretization of our work, the tangible proof that we are a healthy company, with winning ideas and a strong work ethic. What I would like to underline is not only the present, which is more than positive, but the future of PharmaNutra, which we are building through incessant research and development, which has been implemented since we moved to our new headquarters, the launch of new products, supported by strong marketing and communication activities, and constant expansion in international markets".

Roberto Lacorte, Vice President and CEO of PharmaNutra S.p.A., adds: *"I am extremely proud and happy to share with the market the 2024 financial statements, which in addition to being very positive, highlight a series of really interesting aspects to highlight. The first is the confirmation of the great ability to generate cash, which allows us to face all growth drivers with extreme serenity. No less important is the confirmation of the organic growth of the Group's companies, which allows us to rely in a convinced and effective way on the lines of growth represented by new products, fundamental research and development activities, and new markets, with particular attention to the United States. Strategies that we can therefore carry out with extreme serenity and with a clear vision of the company in perspective, a future that includes steps forward that will represent 'game changers' in terms of size and also profit. 2024 and 2025 are the years in which the company's expansion lines are in full swing, largely supported by an extremely solid organic business in terms of profitability and cash".*

OUR HISTORY

The **PharmaNutra Group** specialises in the **pharmaceutical, nutraceutical and nutritional** sectors. As of today, the Group includes the Italian companies **PharmaNutra S.p.A. (Parent Company)** and **Akern S.r.l.**, as well as the two foreign subsidiaries **PharmaNutra U.S.A. Corp.** and **PharmaNutra España S.L.U.**

The Group's history began in 2000 with the foundation of Alesco S.r.l., a company focused on the development of nutraceutical raw materials, which was followed in 2003 by the establishment of PharmaNutra S.p.A., specialising in the development of nutraceutical products and medical devices. Finally, in 2010, Junia Pharma S.r.l. was established, a company operating in the paediatric sector. In 2022, following the acquisition of 100% of Akern S.r.l., the Group opened up to the nutritional research sector, acquiring unique technical and scientific know-how and generating important synergies.

The Group has been present on **foreign markets** since 2013 with a flexible and innovative business model, which is based on an established network of **premium quality distributors**. Currently, the products of PharmaNutra are present in over **80 countries worldwide, including Europe, Asia, Africa and America**, through a network of selected business partners.

In 2023, PharmaNutra España and PharmaNutra USA were established with the aim of directly overseeing the distribution of products in the markets of the two countries, while in 2024 the two historical companies, Junia Pharma S.r.l. and Alesco S.r.l., were merged into PharmaNutra.

This defines a new corporate structure, which **meets the requirements of the entire production chain**, from the development of new technologies and patents, to the marketing of nutraceuticals and medical devices covering health and wellness needs from early childhood to adulthood.

Thanks to the continuous **capital expenditures in R&D**, which have led to the approval of **several patents** referred to the Sucrosomial® technology and Cetylated Esters (CFA), the Group has succeeded in a short time in establishing itself as leader in the industry of mineral- and iron-based nutritional supplements, as well as in the field of medical devices dedicated to the restoration of articular function.

The PharmaNutra Group today employs more than 110 employees with a network of more than 160 single-brand Pharmaceutical Sales Representatives in Italy.



CORPORATE BODIES

Board of Directors

Andrea Lacorte (Chairman)

Roberto Lacorte (Vice Chairman)

Carlo Volpi (Director)

Germano Tarantino (Director)

Alessandro Calzolari (Independent Director)

Marida Zaffaroni (Independent Director)

Giovanna Zanotti (Independent Director)

Board of Statutory Auditors

Giuseppe Rotunno (Chairman of the Board of Statutory Auditors)

Michele Luigi Giordano (Standing Auditor)

Debora Mazzacherini (Standing Auditor)

Alessandro Lini (Alternate Auditor)

Elena Pro (Alternate Auditor)

Independent auditors

BDO Italia S.p.A.



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 aim 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.

The administrative body of PharmaNutra S.p.A. resolved to prepare the Consolidated and Parent Company Statutory Financial Statements in accordance with the IAS/IFRS (International Accounting Standards and International Financial Reporting Standards) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union.

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

The accompanying consolidated financial statements of Pharmanutra Group constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815.

The accompanying consolidated financial statements has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative

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MANAGEMENT REPORT

Dear Shareholders,

the consolidated financial statements of PharmaNutra Group for the year ended 31/12/2024 showed a net result for the financial year of Euro 16.6 million compared to the net result of Euro 12.8 million of the previous year.

Taxes for the year amounted to Euro 10.6 million (Euro 10.4 million in 2023).

Pre-tax result amounted to Euro 27.2 million (Euro 23.3 million in 2023). Pre-tax result, in turn, was determined by allocating approx. Euro 3.7 million (about Euro 3.1 million in 2023) to the provision for amortisation, depreciation and write-downs.

PharmaNutra Group (hereinafter also the "Group") consists of PharmaNutra S.p.A. ("PharmaNutra", the "Company" or the "Parent Company") and its subsidiaries Akern S.r.l. ("Akern"), PharmaNutra Usa Corp. ("PharmaNutra USA" or "PHN USA"), PharmaNutra España S.L. ("PharmaNutra España" or "PHN ESP") and Athletica Cetilar S.r.l. ("Athletica" or "ATHL").

PharmaNutra, a nutraceutical company based in Pisa, Italy, specialised in the development of nutritional supplements and medical devices and in the production and distribution of raw materials and active ingredients for the food, pharmaceutical and dietary supplement industries. In particular, it deals with the research, design, development and marketing of proprietary and innovative products. Among these, the most relevant are the ones based on Sucrosomial Iron®, namely the products of Sideral® line, the products for the restoration of articular function and movement capacity in osteo-articular diseases, consisting of Cetilar® line, and those of the Apportal® line, an energising tonic consisting of 19 nutrients including 5 minerals.

It complies with strict quality standards while focusing on the unique and exclusive raw materials used throughout the country, studies and produces formulations with an important scientific background.

Since 2005, it has been developing and marketing directly and independently a line of products under its own brand, being managed through a structure of Pharmaceutical Sales Representatives who present the products directly to the medical class. PharmaNutra now has the know-how to manage all stages from design, formulation and registration of a new product, to marketing and sales, up to Pharmaceutical Sales Representatives' training.

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 constantly boosts its research and development activities in order to further strengthen its results in its industry.

Akern is an Italian company established in 1980 to research, develop and produce medical instrumentation and software for monitoring body composition using bio-impedance techniques.

PharmaNutra 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.

PharmaNutra España was established in March 2023. 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.

Athletica Cetilar S.r.l. 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.

Operating conditions and business development

An analysis of the Group's financial position, performance and operating result is provided in the following paragraphs, 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.

Operating results

The consolidated financial statements of PharmaNutra Group for the financial year closed at 31/12/2024 are as follows:

ECONOMIC DATA (€ million)	2024	%	2023	%	Change
REVENUES	116,9	100,0%	102,0	100,0%	14,7%
SALES REVENUES	115,5	98,8%	100,2	98,3%	15,3%
EBITDA	31,0	26,6%	26,5	26,0%	17,2%
NET RESULT	16,6	14,2%	12,8	12,6%	29,4%
NET RESULT escl. non recurring items *	16,6	14,2%	15,5	15,2%	7,5%
Earning per Share(Euro)	1,73		1,33		29,5%
Earning per Share escl. Non recurring items (Euro) *	1,73		1,60		8,2%

BALANCE SHEET & EQUITY (€ million)	2024	2023	Change
NET INVESTED CAPITAL	56,6	57,0	(0,4)
NET FINANCIAL POSITION	5,6	(2,6)	8,2
EQUITY	(62,2)	(54,4)	7,8

the Net Result and Net Earnings per share excluding non-recurring items for the financial year closed at 31/12/2023 include the amount of Euro 2.6 million, which represents the burden incurred for the definition of the tax periods between 2017 and 2021 with the aim of complying with the institution of cooperative compliance provided for by Italian Legislative Decree No. 128 of 5 August 2015.

Revenues from sales

In 2024, consolidated revenues from sales amounted to Euro 115.5 million, with an increase of 15.3% compared to the previous year.

In terms of volumes, the sales of finished products as at 31 December 2024 reached 14.9 million units, an increase of approximately 12.7% compared to 13.2 million units in the previous year.

Italy

The revenues deriving from sales on the Italian markets recorded an increase of about 11.2%, reaching Euro 75.6 million, of which Euro 5.2 million referred to Akern, compared to Euro 68.0 million in the previous year.

The result achieved reflects the strategic choices implemented and the investments made in support of the Group's brands, and is of absolute significance as it was achieved in a highly challenging competitive environment.

Foreign market

Overall, revenues from sales on foreign markets increased by about 23.8%, reaching approx. Euro 39.9 million (Euro 32.2 million in the previous year), and represent approximately 34.6% of total revenues. Revenues on foreign markets are represented almost exclusively by sales of products from the SiderAL® line.

The contribution to revenues in foreign markets of newly established subsidiaries PHN USA and PHN ESP is marginal.

The foreign market with the highest incidence is Europe, which accounted for about 52% of the total revenues in foreign markets as at 31 December 2024.

The development of new markets continued during 2024 with the definition of new distribution agreements.

PharmaNutra Group's **EBITDA** was approximately Euro 31.0 million as at 31 December 2024 (Euro 26.5 million in 2023), equal to a 26.6% margin (26.0% in 2023) on total revenues, with a 17.2% increase compared to the previous year. Excluding the operating start-up costs of new initiatives (approximately Euro 6,0 million), the EBITDA incidence on revenues as at 31 December 2024 would be about 31.0%. This confirms the Group's business growth solidity and potential.

The **Profit for the year** for the period amounted to Euro 16.6 million compared with Euro 12.8 million of the financial year closed at 31 December 2023.

The 2024 **Net result per share** was Euro 1.73 compared to Euro 1.33 in 2023.

The 2024 **Net Financial Position** recorded an increase of Euro 8.2 million compared to 31 December 2023, due to the generated liquidity and posted a positive balance of Euro 5.6 million compared to the negative one of Euro 2.6 million in the previous year.

The cash flow from operations amounted to Euro 20.5 million (Euro 12.1 million in 2023), thus confirming the Group's great cash generation capacity.

The results obtained come from continuous research and development and clinical activities on the products themselves, which generate a greater awareness of the effectiveness of the products among the medical class and a growing perception of quality on the part of consumers.

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 31 December

2024. The impairment test performed on the recoverability of goodwill amounted to Euro 17,621 thousand at 31 December 2024 (Euro 17,561 thousand at 31/12/2023), of which Euro 14,811 thousand related to the subsidiary Akern, Euro 2,750 thousand related to the goodwill carried forward from the merger by incorporation of the subsidiaries Alesco and Junia Pharma, and Euro 60 thousand related to the newly incorporated Athletica Cetilar®. The impairment test performed on Akern's goodwill showed an excess of the recoverable value equal to 27% of the amount of goodwill related to the subsidiary, while the test on the Parent Company's goodwill showed a recoverable value of 86 times the value recorded in the financial statements. For further details, see the relevant section of the Explanatory Notes to the Consolidated Financial Statements.

Information on the Russia – Ukraine conflict and the Middle East conflict

The effects of the ongoing conflict between Russia and Ukraine and the Middle East conflict on the Group's financial position, performance and cash flows are very limited.

Starting from the beginning of the conflict, in order to preserve the investments made in the past for the creation of the Russian market and not to deprive people of products that contribute to their well-being, the Group did not stop supplying to the Russian distributor, but allocated part of the margin realised to local humanitarian organisations to support Ukrainian refugee families hosted and to contribute to the provision of health services in Ukraine. During the year, as in previous years, business with the Russian distributor continued as usual.

Regarding Ukraine, a marginal market, there are no open positions as of today.

The sanctioning measures adopted by the international community against Russia, as well as the countermeasures activated by this country, have led to a sharp increase in prices, mainly of raw materials and energy, which have not impacted the Group's profitability thanks to careful and punctual management.

In light of the foregoing, the directors have assessed that the effects of the Russia-Ukraine conflict on the Group's performance are not indicators of possible impairment losses.

No significant effects are also expected due to the conflict in the Middle East, as the Group has no distribution agreements in Palestine.

Significant Events of 2024

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"). Following the entry into force of Italian Law No. 21 of 05 March 2024 ("Capital Law"), which raised the relevant capitalisation threshold for qualifying as a "Small and Medium Enterprise" ("SME"), as from the date of entry into force of such Capital Law (i.e. 27 March 2024), PharmaNutra regained the "SME" status.

On 4 March 2024, the Board of Directors of the Parent Company resolved to establish a new company, named 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.

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 have been backdated to 1 January 2024.

This marked 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 made it possible to unify and integrate operational processes and achieve greater flexibility and efficiency in the use of resources.

In October, an agreement was entered into with a leading international strategic consulting firm to define the development plan of the subsidiary PharmaNutra USA. After a preliminary analysis of the market, which confirmed the lines of development identified by PharmaNutra and the significant potential expressed by the American market, a plan was developed in collaboration with PharmaNutra to accelerate its growth, which is expected to be realised over a three-year period.

In the same month, the Pisa Provincial Directorate of the Inland Revenue Agency concluded its audit on the Research and Development Tax Credit accrued in the 2015-2019 period. At the end of the discussion established with the auditors, the Directors deemed it appropriate to avail themselves of the spontaneous repayment procedure provided for in article 5, paragraphs 7 to 12, of Italian Decree-Law 146/2021 for the amount of Euro 600,000 without the application of interest and penalties. The audit carried out confirmed that the activities carried out by the Group meet the eligibility requirements for the tax credit; the decision to proceed with the repayment - in the conviction of the correctness of its actions and compliance with the relevant legal provisions - is determined by the sole purpose of preventing litigation, also with a view to accessing the cooperative compliance program. This

amount, which resulted mainly from the restatement by the auditors of part of the hours spent on research activities eligible for subsidies, was paid at the end of the month.

The same month also saw the Group's first sustainability rating by Ecovadis. The PHN Group received a silver medal with a score of 71/100, i.e. in the top 15% of all companies evaluated by EcoVadis over the past 12 months.

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

Sidevit® is the first line of Sucrosomial® Vitamins derived from the significant investments made in recent years in R&D. The latter have enabled PharmaNutra to apply the Sucrosomial® Technology patent - which has so far been successfully used for minerals (iron, magnesium, zinc, etc.) - also to certain vitamins.

Specifically, Sidevit® D3 contains 2000IU of vitamin D3, the dosage recommended by scientific societies, which, thanks to a bioavailability three times higher than conventional vitamin D3, allows it to be absorbed faster and in greater quantities, achieving a higher blood concentration and half-life than other formulations available on the market.

On the other hand, Sidevit® B12, an essential supply for activating our energy metabolism, has a bioavailability 2.5 times higher than conventional vitamin B12 and guarantees a high concentration of usable vitamin B12, which is essential for the body in cases of physical and mental fatigue or muscle weakness, when its intake is reduced due to strict diets and in cases of anaemia or problems with nutrient absorption.

SiderAL® Mamma is an extension of the SiderAL® line and is a food supplement in capsule form with Sucrosomial® Iron, plant-based DHA, vitamins, minerals and folic acid, designed to support nutrient requirements during pregnancy and lactation. An advanced and complete, highly tolerable formulation, perfectly covering mother's and baby's needs.

Lactopam® is the new dietary supplement in tablet form based on Lactium® (hydrolysed milk protein) and Sucrosomial® Magnesium, a highly innovative formulation designed to promote sleep and a good night's rest.

At the end of November, an agreement for the Canadian distribution of SiderAL® Forte, SiderAL® Folic, SiderAL® Drops and Ultramag® was signed with the Canadian pharmaceutical company Sigma Lifesciences.

Operating Performance

PharmaNutra Group's Business Lines

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

- **Italian Business Line:** it is characterised by direct presence in the reference markets in which the Group operates; for finished products, 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.

Raw material commercial activity 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.
- **Foreign Business Line:** it is characterised by the marketing of finished products and raw materials through local partners which, under long-term exclusive distribution contracts, distribute and sell the products in their own markets. The described business model is mainly used in foreign markets.
- **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.

The consolidated revenues as at 31 December 2024, amounting to Euro 115.5 million, increased by 15.3% compared to 31 December 2023 (Euro 100.2 million).

Revenues by area of activity				Incidence	
	€/1000	2024	2023	Δ%	2024
Finished products- Italy	69.337	62.508	10,9%	60,0%	62,4%
Finished products- Rest of world	37.381	30.452	22,8%	32,4%	30,4%
Total finished products	106.717	92.960	14,8%	92,4%	92,8%
Raw mat. and semifin. Prod. -Italy	1.055	1.054	0,2%	0,9%	1,1%
Raw mat. and semifin. Prod. -Italy	1.803	1.159	55,6%	1,6%	1,2%
Total Raw Mat. and semifin. Prod.	2.859	2.213	29,2%	2,5%	2,2%
Medical instruments - Italy	5.201	4.413	17,9%	4,5%	4,4%
Medical instruments - ROW	721	617	16,9%	0,6%	0,6%
Total medical instruments	5.922	5.030	17,7%	5,1%	5,0%
Total	115.498	100.202	15,3%	100%	100%

The breakdown of revenues in the Group's business areas shows that the sales of finished products increased by about 11% and 22.8% on the Italian market and on foreign markets, respectively, compared to the previous year.

The performance of the sales area of proprietary and non-proprietary raw materials to companies in the food, pharmaceutical and nutraceutical industry, as well as to nutraceutical production plants producing on behalf of third parties, recorded a significant increase in the foreign markets and remained steady in the Italian market.

The revenues generated by Akern increased by 17.7% compared to 2023, confirming the significant development potential resulting from its integration into the Group.

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

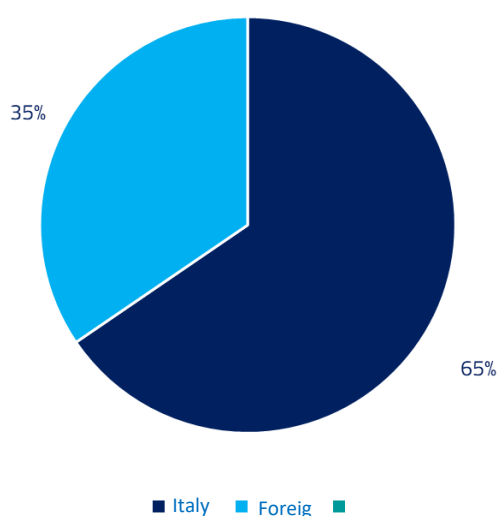
Revenues by business line				Incidence	
	€/1000	2024	2023	Δ%	2024
Italy	70.392	63.562	10,7%	60,9%	63,4%
Rest of World	39.184	31.611	24,0%	33,9%	31,5%
Medical instruments	5.922	5.030	17,7%	5,1%	5,0%
Totale	115.498	100.202	15,3%	100%	100%

Overall, revenues from sales on the Italian market increased by about 10.8%, reaching Euro 70.4 million (Euro 63.6 million in the previous year), and represent about 61% of total revenues.

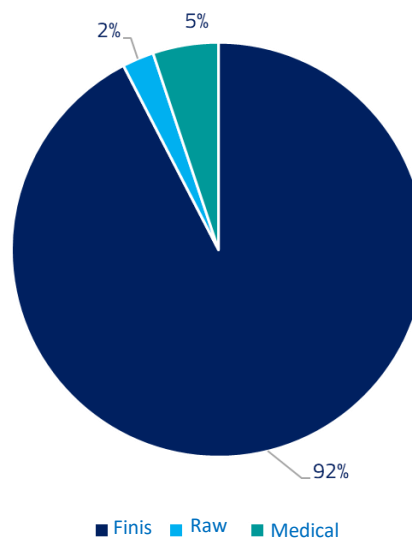
Revenues on foreign markets increased by 24.0% to Euro 39.2 million (Euro 31.6 million in 2023), and accounted for about 34% of total revenues compared to 31.6% in the previous year.

Akern's revenues refer for Euro 5.2 million to the Italian market and for Euro 0.7 million to foreign markets.

Net revenues by Business Line



Net revenues by Business Area



Revenues by geographic area				Incidence		
	€/1000	2024	2023	Δ%	2024	2023
Italy		75.593	67.974	11,2%	65,4%	67,8%
Total Italy		75.593	67.974	11,2%	65,4%	67,8%
Europe		20.951	16.885	24,1%	18,1%	16,9%
Middle east		9.943	10.613	-6,3%	8,6%	10,6%
South America		2.554	1.950	31,0%	2,2%	1,9%
Far east		2.911	1.550	87,8%	2,5%	1,5%
Other		3.546	1.230	188,3%	3,1%	1,2%
Total Rest of World		39.905	32.228	23,8%	34,6%	32,2%
Grand Total		115.498	100.202	15,3%	100%	100%

The increase in revenues on foreign markets compared to 2023 arises from the progressive increase in volumes due to contracts concluded in previous years. The foreign market with the highest incidence is Europe, which accounted for 52.5% of the foreign market total as at 31 December 2024. The increase in the Far East stems from the progressive development of sales in the Chinese market, which, through cross-border internet e-commerce, reached about Euro 2 million with significant growth prospects. Revenues from Other Geographical Areas refer to the market in South Africa, Central and North America.

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

In terms of volumes, the sales of finished products as at 31 December 2024 reached 14.9 million units, an increase of approximately 12.7% compared to 13.2 million units in the previous year.

F.P. Volumes				Incidence	
	Units/1000	2024	2023	Δ%	2024
Finished products - Italy	4.797	4.453	7,7%	32,2%	33,7%
Finished products - Rest of world	10.095	8.757	15,3%	67,8%	66,3%
Totale	14.892	13.211	12,7%	100%	100%

The volumes of finished products invoiced on the Italian market increased by about 7.7% compared to the previous year, while the volumes of sales on foreign markets increased by about 15.3%.

The analysis of finished products revenues by product line (Trademark) reported in the following table shows a strong growth of the main Group products.

Revenues by Product Line				Incidence	
	€/1000	2024	2023	Δ%	2024
Sideral	80.626	71.534	12,7%	69,8%	71,4%
Cetilar	11.393	10.055	13,3%	9,9%	10,0%
Apportal	10.484	8.092	29,6%	9,1%	8,1%
Ultramag	1.451	1.024	41,7%	1,3%	1,0%
Other	2.762	2.255	22,5%	2,4%	2,3%
Medical instruments	5.922	5.030	17,7%	5,1%	5,0%
Raw Materials	2.859	2.213	29,2%	2,5%	2,2%
Totale	115.498	100.202	15,3%	100%	100%

The Sideral® line, with an increase in revenues reaching Euro 80.6 million as at 31 December 2024 (+12.7% compared to 2023) and an incidence on the total finished product turnover of about 70%, confirms itself as the main line in the Group's product portfolio with further growth margins.

The Cetilar® line recorded an increase of approximately 13.3% over the previous year. The incidence on total revenues remained in line with the previous year. Apportal® shows a significant increase compared to the previous year (+29.6%) thanks to its features of energising tonic.

PharmaNutra Group Results

The reclassified income statement and statement of financial position figures of the last two financial years are shown below.

The income statement is shown below:

OPERATING PROFIT & LOSS (€/1000)	2024	%	2023	%	Δ 24/23	Δ %
TOTAL REVENUES	116.911	100,0%	101.963	100,0%	14.948	14,7%
Net Revenues	115.498	98,8%	100.202	98,3%	15.296	15,3%
Other revenues	1.413	1,2%	1.761	1,7%	(348)	-19,8%
OPERATING EXPENSES	85.868	73,5%	75.480	74,0%	10.388	13,8%
Purchases of Raw, auxiliary mat. and cons.	4.965	4,3%	5.148	5,1%	(183)	-3,6%
Change in Inventories	1.415	1,2%	(2.699)	-2,7%	4.114	-152,4%
Services expenses	69.166	59,2%	65.376	64,1%	3.790	5,8%
Employee expenses	8.036	6,9%	6.807	6,7%	1.229	18,1%
Other operating expenses	2.286	2,0%	848	0,8%	1.438	169,6%
EBITDA	31.043	26,6%	26.483	26,0%	4.560	17,2%
Amortization, Depreciation and Write off	3.669	3,1%	3.123	3,1%	546	17,5%
EBIT	27.374	23,4%	23.360	22,9%	4.014	17,2%
NET FINANCIAL INCOME/(EXPENSES)	(212)	-0,2%	(100)	-0,1%	(112)	112,0%
Financial income	1.410	1,2%	905	0,9%	505	55,8%
Financial expenses	(1.622)	-1,4%	(1.005)	-1,0%	(617)	61,4%
PRE TAX RESULT	27.162	23,2%	23.260	22,8%	3.902	16,8%
Income Taxes	(10.610)	-9,1%	(10.428)	-10,2%	(182)	1,8%
Third parties (Profit)/Loss of the period	57	23,2%	0	0,0%	57	0,0%
Group's Profit/(loss) of the period	16.609	14,2%	12.832	12,6%	3.777	29,4%

In 2024, the 15.3% increase in net revenue was offset by a 13.8% increase in operating expenses compared to 2023. This increase is accompanied by a physiological increase in operating costs, as a result of the higher volume of revenue generated (logistics, sales network, samples), and marketing costs, which generated significant sales development in China through the e-commerce channel, and supported the development of the subsidiaries PharmaNutra España, PharmaNutra USA and the new Cetilar® Nutrition line. As expected, the costs incurred for the development of the new business resulted in a slight reduction in margins due to the costs incurred in particular with regard to administrative and commercial consulting, personnel and structural costs, as well as the marketing investments made.

Excluding the operating start-up costs of new initiatives (approximately Euro 6 million), the EBITDA incidence on net revenues as at 31 December 2024 would be about 31%. This figure is in line with that recorded in the previous year and confirms business solidity.

Personnel costs increased due to the hiring of new staff as part of the ongoing development process. The increase in Other Operating Costs is determined by the charge related to the reversal of part of the Research and Development Tax Credit mentioned in the section on significant events in the period (about Euro 600 thousand), costs related to the abandonment of some patents for which no future use is foreseen (Euro 250 thousand) and accounting adjustments following the merger.

PharmaNutra Group applies some alternative performance indicators that are not identified as accounting measures under IFRS, in order to allow for a better assessment of management performance.

Therefore, the assessment criteria used by the Group may not be consistent with those used by other groups and the balance obtained may not be comparable with that determined by the latter.

Such alternative performance indicators, determined in accordance with the requirements of the Guidelines on Alternative Performance Indicators issued by ESMA/2015/1415 and adopted by CONSOB with communication no. 92543 of 3 December 2015, refer only to the performance of the accounting period covered by this 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 of all other items in the Statement of financial position 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.

OPERATING STATEMENT OF FINANCIAL POSITION (€/1000)	12/31/2024	12/31/2023
TRADE RECEIVABLES	22.052	19.219
INVENTORIES	6.942	8.166
TRADE PAYABLES	(15.786)	(16.097)
OPERATING WORKING CAPITAL	13.208	11.288
OTHER RECEIVABLES	6.915	6.179
OTHER PAYABLES	(6.789)	(6.966)
NET WORKING CAPITAL	13.334	10.501
INTANGIBLE ASSETS	23.319	22.535
TANGIBLE ASSETS	25.659	26.359
NON CURRENT ASSETS	2.755	4.574
TOTAL ASSETS	51.733	53.468
PROVISIONS AND OTHER L/T LIAB.	(8.426)	(6.958)
NET INVESTED CAPITAL	56.641	57.011
NET EQUITY	62.196	54.407
NON CURRENT FINANCIAL LIAB.	19.507	23.430
CURRENT FINANCIAL LIAB.	4.764	4.585
NON CURRENT FINANCIAL ASSETS	(729)	(293)
CURRENT FINANCIAL ASSETS	(13.477)	(6.193)
CASH AND CASH EQUIVALENTS	(15.620)	(18.925)
NET FINANCIAL POSITION	(5.555)	2.604
TOTAL FUNDS	56.641	57.011

The increase in working capital compared to 31 December 2023 is attributable to higher revenue realised at the end of the period and to the timing of cash inflows and outflows.

The increase in the item Intangible fixed assets comes from the capitalised costs relating to research projects, patents and trademarks deriving from research activities, ongoing research projects and costs for the purchase and implementation of software.

The decrease in Tangible fixed assets represents the balance of increases related to the completion of the new headquarters and decreases resulting from the termination of lease contracts for the former headquarters.

The reduction in Financial fixed assets resulted from the utilisation of the year's portion of tax credits acquired in 2023 and Industry 4.0 credits arising from investments made for the construction of the new headquarters.

The increase in the item Provisions and other medium/long-term liabilities derives from the allocation of the medium/long term variable remuneration for the Executive Directors and the portion of Directors' termination indemnity accrued by the same in accordance with the resolution passed at the Shareholders' Meeting of 26 April 2023.

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, and of time deposits with banks.

Below are the Alternative Performance Indicators (APIs) considered most significant by the Group.

	31/12/2024	31/12/2023
EBITDA /Revenues	26.6%	26.0%
EBIT /Revenues	23.4%	22.9%
R.O.S. (EBITDA /Net revenues)	26.9%	26.4%
R.O.I. (EBITDA /Net invested capital)	54.8%	46.5%
R.O.E. (Return On Equity)	26.7%	23.6%
NFP/Equity	0.09	-0.05
NFP/EBITDA	-0.18	0.10

The index analysis shows an improvement in all indices and in particular in ROI.

NET FINANCIAL POSITION (€/1000)	31/12/24	31/12/23
Cash		(40)
Bank deposits	(15.620)	(18.885)
Cash and cash equivalents	(15.620)	(18.925)
Current financial assets	(13.477)	(6.193)
Current financial liabilities: due to banks	408	627
Current part of non current liabilities	4.038	3.588
Current fin. liabilities for rights of use	318	370
Current financial indebtedness net of fin. assets	(8.713)	(1.608)
Net Current Financial Indebtedness/(Availability)	(24.333)	(20.533)
Non current financial assets	(437)	0
Deposits paid	(292)	(293)
Non current bank debts	18.149	22.188
Non current fin. liabilities for rights of use	1.358	1.242
Non current financial indebtedness	18.778	23.137
Net Financial Position	(5.555)	2.604

The **Net Financial Position** as at 31 December 2024 was positive (available cash) in the amount of Euro 5.6 million compared to a negative balance of Euro 2.6 million as at 31 December 2023. The operating cash flow for the period amounted to Euro 20.5 million; capital expenditures for Euro 2.2 million were made, treasury shares were repurchased for Euro 0.6 million and dividends for Euro 8.2 million were distributed.

On 14 April 2024 the Shareholders' Meeting resolved the distribution of Euro 0.85 dividend per share, corresponding to a payout ratio of approximately 64% of 2023 consolidated net profit, given its structural financial capacity and the consolidated corporate practice on dividend distribution.

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

Income Statement and Statement of financial position of the Parent Company

As at 31 December 2024, PharmaNutra results are as follows:

NET RESULT FOR THE PERIOD: €/000 17,923

NET FINANCIAL POSITION: €/000 (5,388)

Below is a summary of the Parent Company's statement of financial position and income statement.

It should be noted that the comparison of the economic performance in 2024 and the balances as at 31/12/24 compared to the previous year is influenced by the merger of the subsidiaries Junia Pharma and Alesco into Pharmanutra, which was finalised in July 2024; the accounting and tax effects of this transaction were backdated to 01/01/2024. For an easier understanding of the financial and economic trends with respect to 2023, a 2023 proforma statement has been prepared, as shown in the tables below, which represents the consolidated statements of the three entities (Pharmanutra, Junia Pharma and Alesco) involved in the merger.

OPERATING PROFIT & LOSS	2024	%	2023	%	Δ	Δ %	2023 Proforma	Δ	Δ %
TOTAL REVENUES	110.888	100,0%	85.775	100,0%	25.113	29,3%	97.562	13.326	13,7%
Net revenues	109.515	98,8%	83.642	97,5%	25.873	30,9%	95.643	13.872	14,5%
Other revenues	1.373	1,2%	2.133	2,5%	(760)	-35,6%	1.919	(546)	-28,5%
OPERATING EXPENSES	79.929	72,1%	64.555	75,3%	15.374	23,8%	71.152	8.777	12,3%
Purchase of raw materials, cons, and supplies	3.628	3,3%	3.575	4,2%	53	1,5%	4.218	(590)	-14,0%
Change in Inventories	1.625	1,5%	(2.041)	-2,4%	3.666	-179,6%	(2.259)	3.884	-171,9%
Services expenses	66.665	60,1%	58.794	68,5%	7.871	13,4%	63.346	3.319	5,2%
Employee expenses	5.816	5,2%	3.558	4,2%	2.258	63,5%	5.055	761	15,1%
Other operating expenses	2.195	2,0%	669	0,8%	1.526	228,1%	792	1.403	177,2%
EBITDA	30.959	27,9%	21.220	24,7%	9.739	45,9%	26.410	4.549	
Amortization, Depreciation and Write off	3.367	3,0%	2.667	3,1%	700	26,3%	2.950	417	14,1%
EBIT	27.592	24,9%	18.553	21,6%	9.039	48,7%	23.460	4.132	
NET FINANCIAL INCOME/(EXPENSES)	367	0,3%	1.941	2,3%	(1.574)	-81,1%	237	130	54,9%
Financial income	1.952	1,8%	2.902	3,4%	(950)	-32,7%	1.208	744	61,6%
Financial expenses	(1.585)	-1,4%	(961)	-1,1%	(624)	64,9%	(971)	(614)	63,2%
PRE TAX RESULT	27.959	25,2%	20.494	23,9%	7.465	36,4%	23.697	4.262	18,0%
Income Taxes	(10.036)	-9,1%	(8.483)	-9,9%	(1.553)	18,3%	(9.937)	(99)	1,0%
NET RESULT	17.923	16,2%	12.011	14,0%	5.912	49,2%	13.760	4.163	30,3%

The comparison of the 2024 figures with the 2023 proforma figures confirms once again the significant strength of the recurring business with an increase in net revenue of 14.5%. Operating costs increased by 12.3% due to both higher revenue volumes and marketing costs that generated significant sales growth in China through the e-commerce channel, and supported the development of the subsidiaries Pharmanutra España, Pharmanutra USA and the new Cetilar® Nutrition line.

OPERATING STATEMENT OF FINANCIAL POSITION (€/1000)	12/31/2024	12/31/2023	2023 Proforma
TRADE RECEIVABLES	21.598	16.340	19.508
INVENTORIES	5.779	5.815	7.234
TRADE PAYABLES	(15.105)	(12.997)	(15.694)
OPERATING WORKING CAPITAL	12.272	9.158	11.048
OTHER RECEIVABLES	6.613	5.730	5.962
OTHER PAYABLES	(6.110)	(5.732)	(6.352)
NET WORKING CAPITAL	12.775	9.156	10.658
INTANGIBLE ASSETS	5.330	2.667	7.367
TANGIBLE ASSETS	24.637	25.872	26.148
NON CURRENT ASSETS	21.421	23.978	21.987
TOTAL ASSETS	51.388	52.517	55.502
PROVISIONS AND OTHER L/T LIAB.	(8.126)	(6.255)	(6.719)
NET INVESTED CAPITAL	56.037	55.418	59.441
NET EQUITY	61.425	44.547	55.054
NON CURRENT FINANCIAL LIAB.	18.895	23.138	23.200
CURRENT FINANCIAL LIAB.	4.495	5.666	4.353
NON CURRENT FINANCIAL ASSETS	(2.500)	(465)	(505)
CURRENT FINANCIAL ASSETS	(12.528)	(5.393)	(5.393)
CASH AND CASH EQUIVALENTS	(13.750)	(12.075)	(17.268)
NET FINANCIAL POSITION	(5.388)	10.871	4.387
TOTAL FUNDS	56.037	55.418	59.441

Working capital is in line with the pro forma at 31 December 2023 with the increase attributable to the higher revenue realised at the end of the year.

The item Intangible fixed assets includes the capitalised costs relating to research projects, patents and trademarks deriving from research activities, ongoing research projects and costs for the purchase and implementation of software. The change compared to 2023 Proforma derives from the accounting of the goodwill arising from the consolidation of the incorporated companies which, following the merger, at 31 December 2024 was booked in the consolidated financial statements on the basis of the principle of continuity of values provided for by the OPI 2 document (revised).

The decrease in Tangible Fixed Assets represents the balance of increases related to the completion of the new headquarters and decreases resulting from the termination of lease contracts at the previous headquarters.

The reduction in Financial Fixed Assets resulted from the utilisation of the year's portion of tax credits acquired and Industry 4.0 credits arising from the investments made for the construction of the new headquarters.

The increase in the item Provisions and other medium/long-term liabilities derives from the allocation of the medium/long term variable remuneration for the Executive Directors and the portion of Directors' termination indemnity accrued by the same in accordance with the resolution passed at the Shareholders' Meeting of 26 April 2023.

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, and of time deposits with banks.

NET FINANCIAL POSITION (€/1000)	31/12/24	31/12/23	2023 Proforma
Cash		(31)	(39)
Bank deposits	(13.750)	(12.044)	(17.229)
Cash and cash equivalents	(13.750)	(12.075)	(17.268)
Current financial assets	(12.528)	(5.393)	(5.393)
Current financial liabilities: due to banks	400	1.973	
Current part of non current liabilities	3.868	3.386	3.386
Current fin. liabilities for rights of use	227	307	340
Current financial indebtedness net of fin. assets	(8.033)	273	(1.040)
Net Current Financial Indebtedness/(Availability)	(21.783)	(11.802)	(18.308)
Non current financial assets	(2.347)	(250)	(250)
Deposits paid	(153)	(215)	(255)
Non current bank debts	18.149	22.017	22.017
Non current fin. liabilities for rights of use	746	1.121	1.183
Non current financial indebtedness	16.395	22.673	22.695
Net Financial Position	(5.388)	10.871	4.387

The **Net Financial Position** as at 31 December 2024 was positive (available cash) in the amount of Euro 5.4 million compared to a negative balance of Euro 4.4 million as at 31 December 2023 of the proforma situation.

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

The reconciliation between shareholders' equity and the result of the Parent Company and the corresponding consolidated figures is as follows:

	Net result	Equity
Parent company equity and result of the year	17.923	61.425
<i>Effects of eliminating the book value of consolidated equity investments:</i>		
- Book value of investments	0	(18.554)
- Shareholders equity (including the results of the consolidated entities)	(851)	2.733
- Goodwill		16.593
<i>Elimination of the effects of transactions carried out between Group companies:</i>		
- Write-off of intercompany dividends	(520)	0
- Elimination of capital gains or losses from internal transactions	0	(1)
Net equity and result for the year attributable to the Group	16.552	62.196
Net equity and result for the year of minority interest	(57)	33
Consolidated Net equity and result for the year	16.609	62.163

Reference markets in which the Group operates

PharmaNutra Group, specialised in the development of nutraceutical products and medical devices, is one of the main players in the Italian market with a growing presence abroad.

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.

Nutraceutical Market¹

The nutraceutical market closed 2024 with a value of about Euro 5,160 million for a total of 339 million packs sold in the 5 distribution channels (pharmacy, parapharmacy, e-commerce, super/hyper with and without corners).

The following changes are noted compared to 2023: +5.6% in value and +2.3% in terms of units sold.

Local pharmacies remain the preferred distribution channel with about 76.4% share in value, followed by e-commerce, large-scale retail trade sector and parapharmacy with shares of 9.5%, 8.1% and 5.9%, respectively.

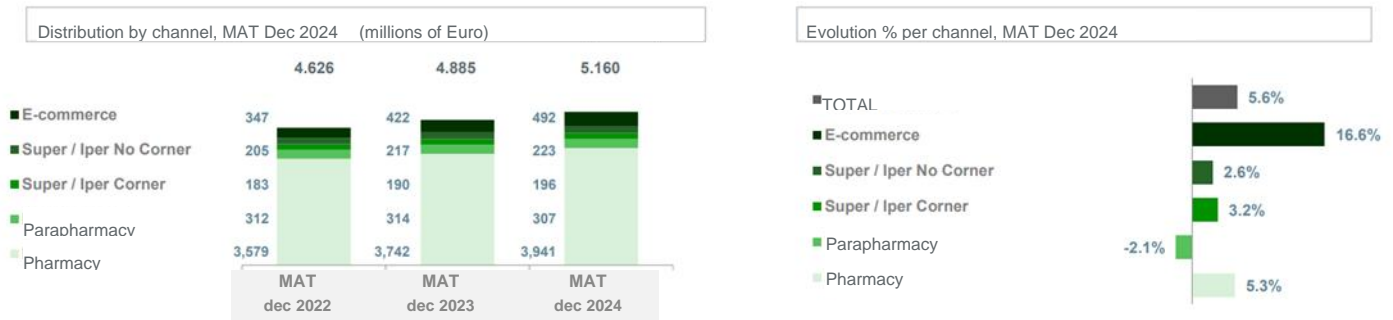
In 2024, the pharmacy channel grew by 5.3% in value and 1.8% in units sold.

The role and trend of the channels in terms of value generated and sales volumes

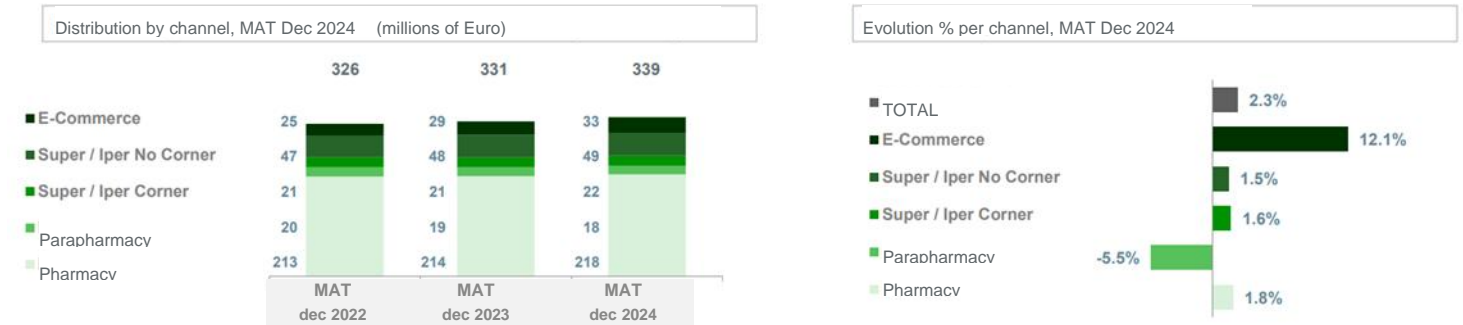
¹ Source: IQVIA Solutions Italy data processing - rolling year ending December 2024

	Values - MAT DEC 2024	Evolution [^] MAT DEC 2024 vs 2023	SHARE	Volumes * MAT DEC 2024	Evolution % MAT DEC 2024 vs 2023	SHARE
Total market	5160	5.6%	100%	339	2.3%	100%
Pharmacies	3941	5.3%	76.4%	218	1.8%	64.2%
Parapharmacies	307	-2.1%	5.9%	18	-5.5%	5.2%
E-Commerce	492	16.6%	9.5%	33	12.1%	9.7%
Super/Iper No Corner	223	2.6%	4.3%	49	1.5%	14.4%
Super/Iper Corner	196	3.2%	3.8%	22	1.6%	6.5%

Evolution by channels – Sell-Out² at retail price values in the MAT³



Evolution per channels – Sell-Out in volume in the MAT

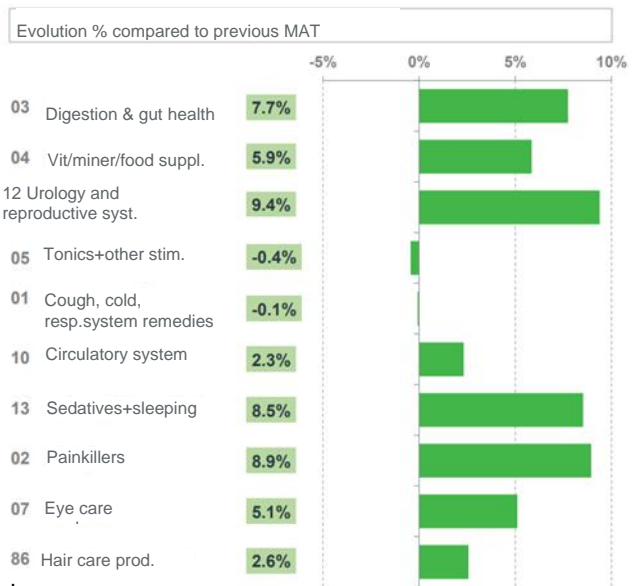
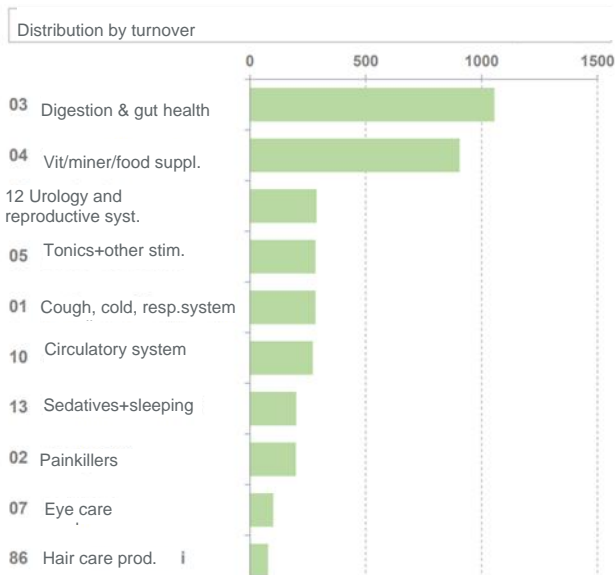


Looking at the performance of the main market classes in 2024, the results, both in value and in terms of units sold, are generally positive compared to the previous year.

² Sell-Out: sales to the public expressed in units (sell-out in volume) or valued at the retail price (sell-out in value).

³ MAT: Moving Annual Total.

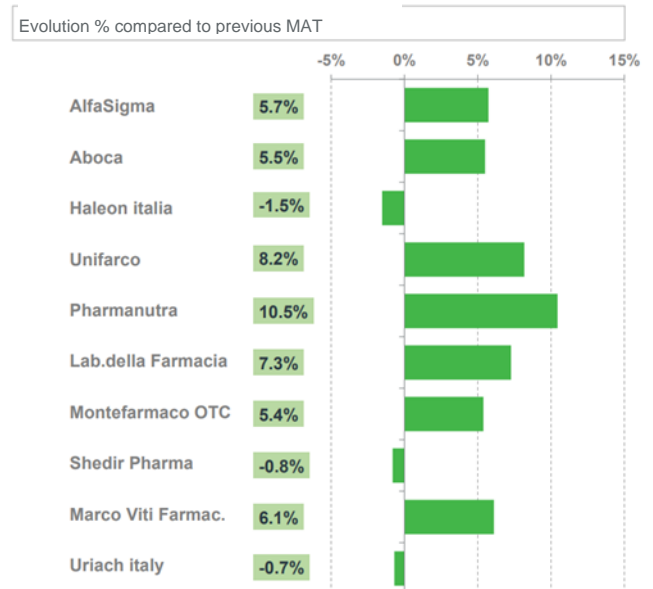
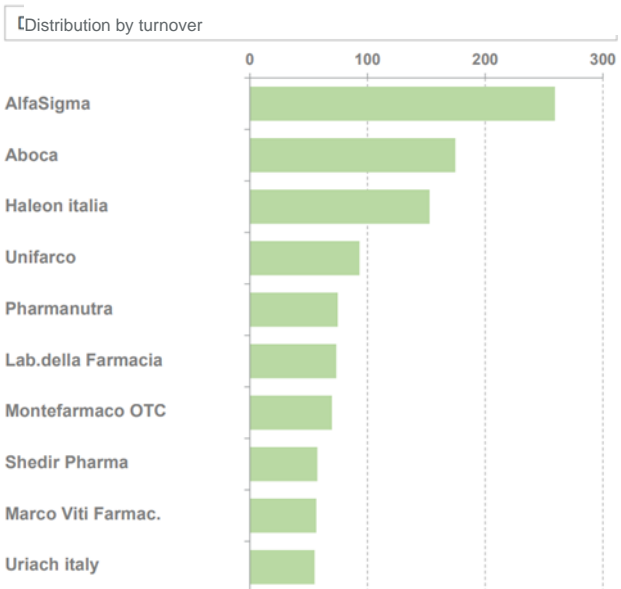
Turnover of the NECs at first pharmacy level – Moving Annual Total (MAT)



The results achieved over time steadily improved

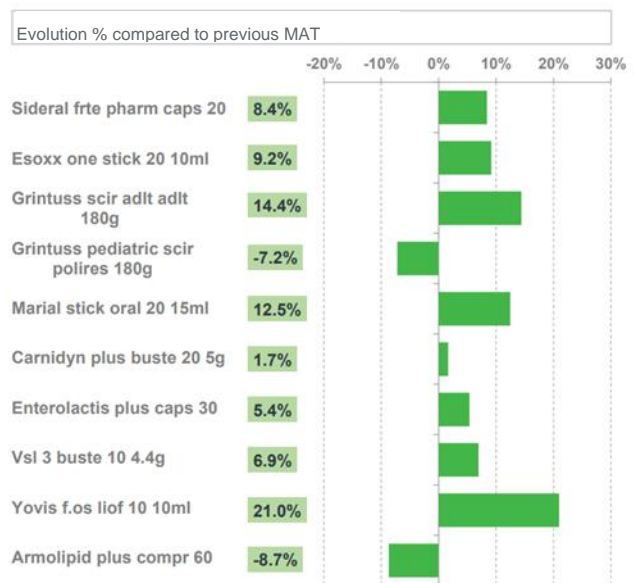
PharmaNutra's position within the market, taking it from the eighth position in 2021 to the sixth position in 2022, and to the fifth position in 2023 and 2024 within the ranking of the top 10 of the more than 700 companies that make up the Italian nutraceutical market.

Turnover of the top 10 pharmacy Companies in the MAT



Looking in detail at the individual product references, it is clear that Sideral® Forte has been in first place in the Nutraceutical Market in terms of sell-out in value for 5 years, registering a growth by 8.4% compared to 2023.

Top 10 pharmacy products – Sell-Out at retail price values in the MAT



New Line's market research in the pharmacy channel confirms the position of Sideral® Forte as the first best-selling dietary supplement in Italy in terms of value, and also reports the growth recorded during 2024 by Apportal®, which reaches 13th position, as shown in the table below.

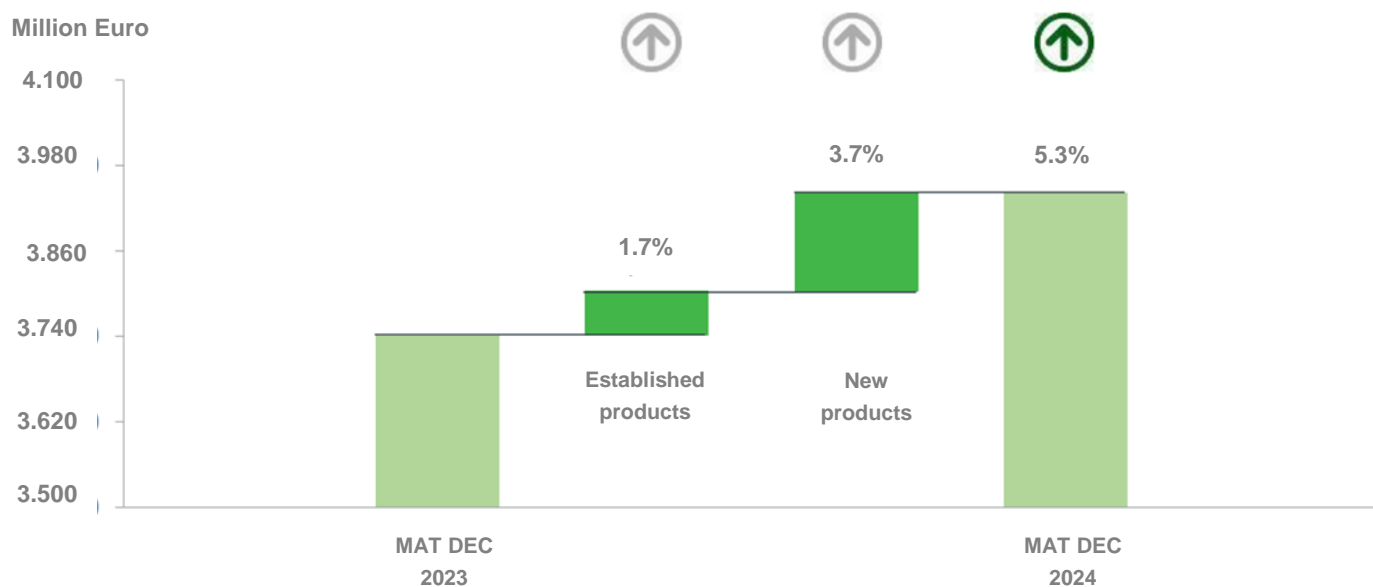
	MAT Valori (Mio€)	Trend MAT
SIDERAL FORTE 20CPS	36,4	+8,8%
ESOXX ONE 20BUST STICK 10ML	25,0	+13,0%
GRINTUSS ADULTI SCIR 180G	23,2	+15,0%
GRINTUSS PEDIATRIC SCIR 180G	22,9	-6,0%
MARIAL 20 ORAL STICK 15ML	19,5	+12,2%
CARNIDYN PLUS 20BUST	19,4	+2,7%
ENTEROLACTIS PLUS 30CPS	18,9	+7,7%
ARMOLIPID PLUS 60CPR	18,6	-6,6%
VSL3 10BUST	17,3	+6,5%
YOVIS FLACONCINI 10FL OS	16,8	+22,9%
BETOTAL ADVANCE B12 30FL	13,8	+11,2%
ENTERELLE PLUS 24CPS	12,4	+12,6%
APPORTAL 14BUST	12,3	+17,0%
VICKS ZZZQUIL NATURA 60PAST	12,1	+11,4%
REUFLOR GOCCE 5ML	11,9	-4,2%
DICOFOR GOCCE 5ML	11,8	-2,5%
NEOBIANACID 45CPR MASTICABILI	11,2	+10,1%
BETOTAL 40CPR	10,9	-8,9%
YOVIS STICK 10BUST	10,9	+12,8%
YOVIS CAPS 10CPS	10,8	+13,0%

Further relevant data concern the positioning of Cetilar® in the market segment of topical pain relievers, ranking fourth among the top 10 brands with no new launches in the moving year, with a value growth of 13% compared to last year.

MARKET	BRAND	+/-% vs DEC	€ MAT 2024	+/-% MAT
ANTACIDS AND ANTI-REFLUX MEDICATIONS	GEFFER	+14.8%	1147	+13.2%
ATOPIC DERMATITIS TREATMENTS	CERAMOL	+17.5%	984	+10.8%
VENOTONICS	HIRUDOID	+15.7%	865	+15.2%
TOPICAL PAIN RELIEVERS	CETILAR	+14.1%	736	+13.0%
ANTI-AGING PRODUCTS	NUXE	+27.2%	497	+13.6%
ANTI-AGING PRODUCTS	DEFENCE XAGE	+160.8%	229	-3.1%
URINARY TRACT PRODUCTS	CISTIFLUX	+20.2%	603	+8.7%
LAXATIVES	DULCOLAX	+21.2%	591	+20.7%
SPECIAL TREATMENTS	CICAPLAST	+55.5%	412	+36.3%
INSOMNIA-MENTAL WELLBEING	MELAMIL	+20.8%	452	+12.3%

Finally, it should be noted that an important development strategy adopted by players in the Nutraceutical Market is product innovation.

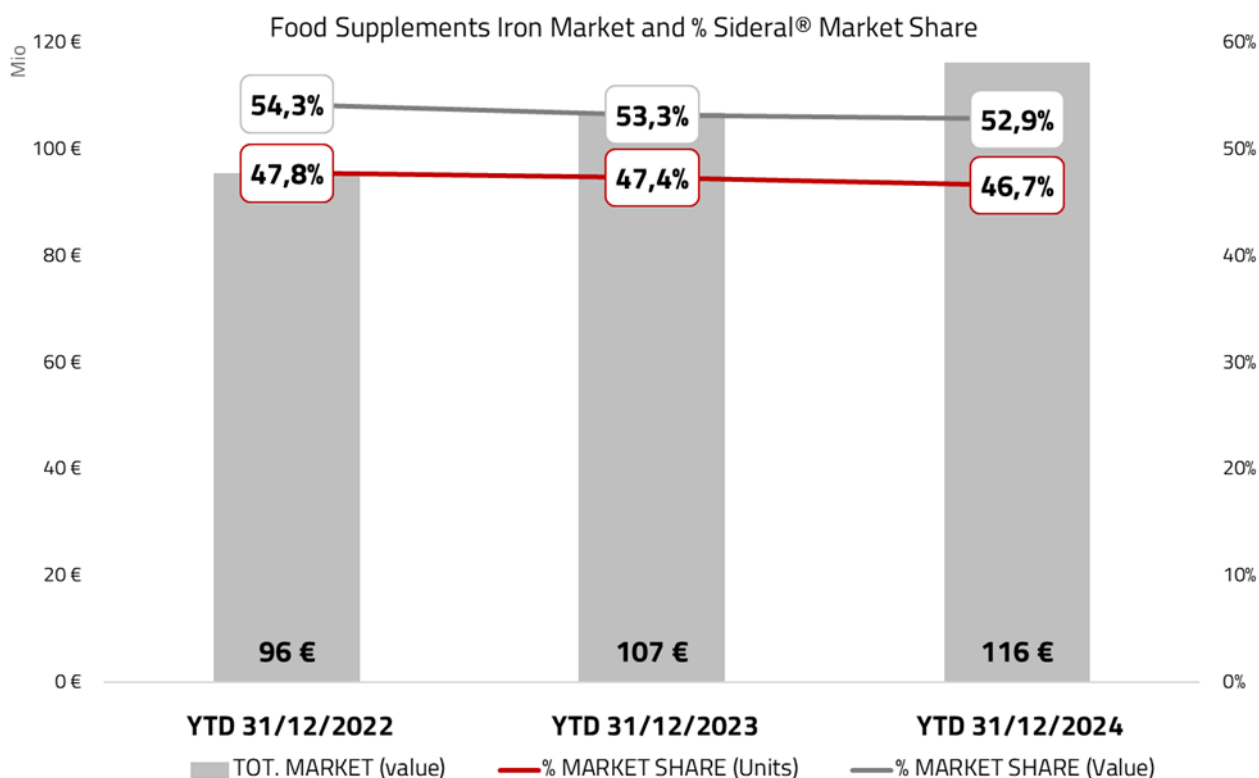
Impact of innovation: importance of launches⁴ on the pharmacy market in the MAT



⁴ "New products" are considered to be those launched in the last 12 months (Source: IQVIA data)

Iron market

PharmaNutra Group operates in the iron-based supplements market (Food Supplements and Drugs) with Sideral® product line, in which it confirmed its leadership also for 2024 with a market share in value of about 53% in the Food Supplements segment and about 41% in the overall market⁵.

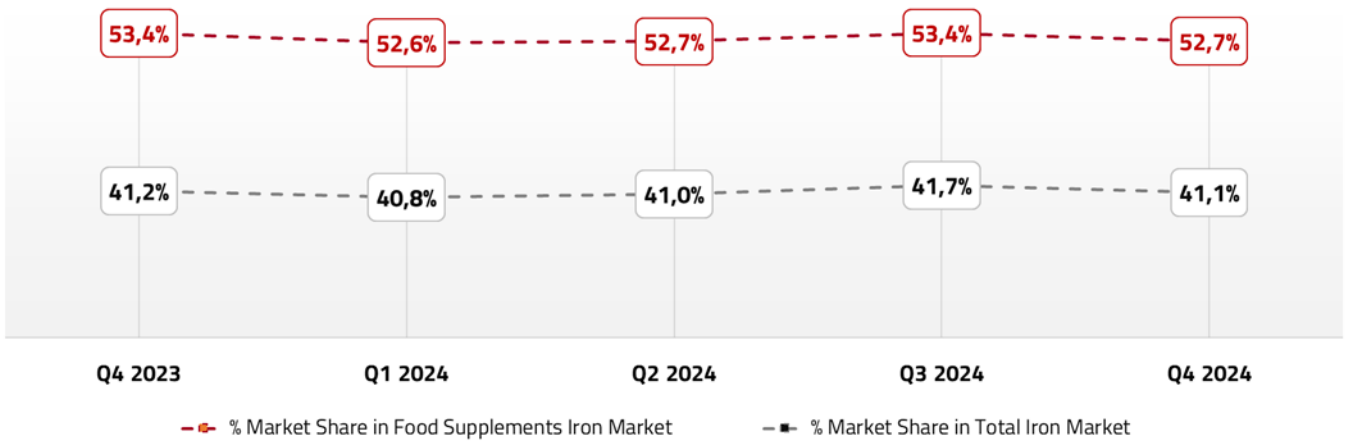


The chart below shows the quarterly trends in the market share of Sideral® (expressed in value) in relation to the market for iron-based supplements only (Food Supplements) and the overall market consisting of both Food Supplements and Drugs⁶.

⁵ Source: IQVIA - Rework Data 2024

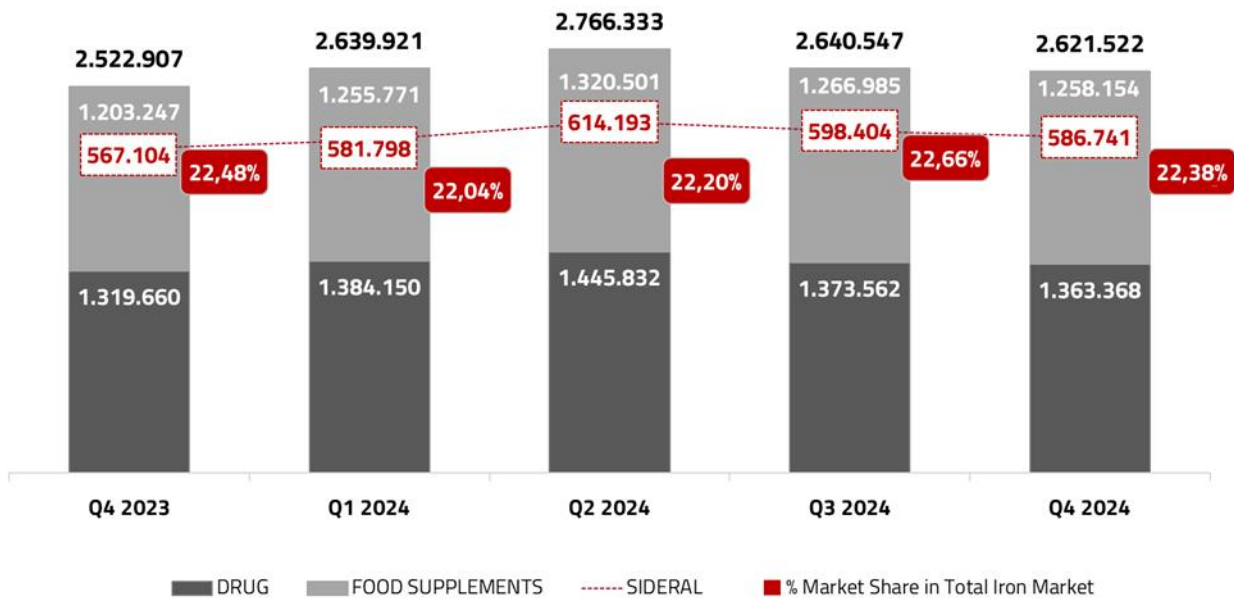
⁶ Source: IQVIA - Rework Data 2024

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

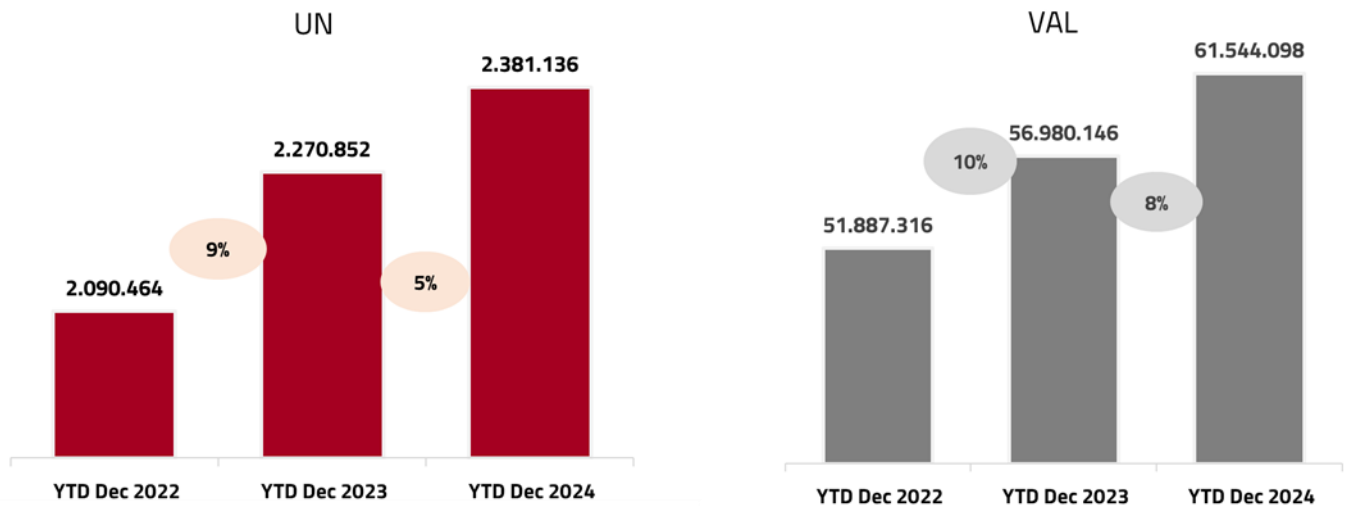


It is worth noting that the Sideral® product line also has a significant market share in the overall market.

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

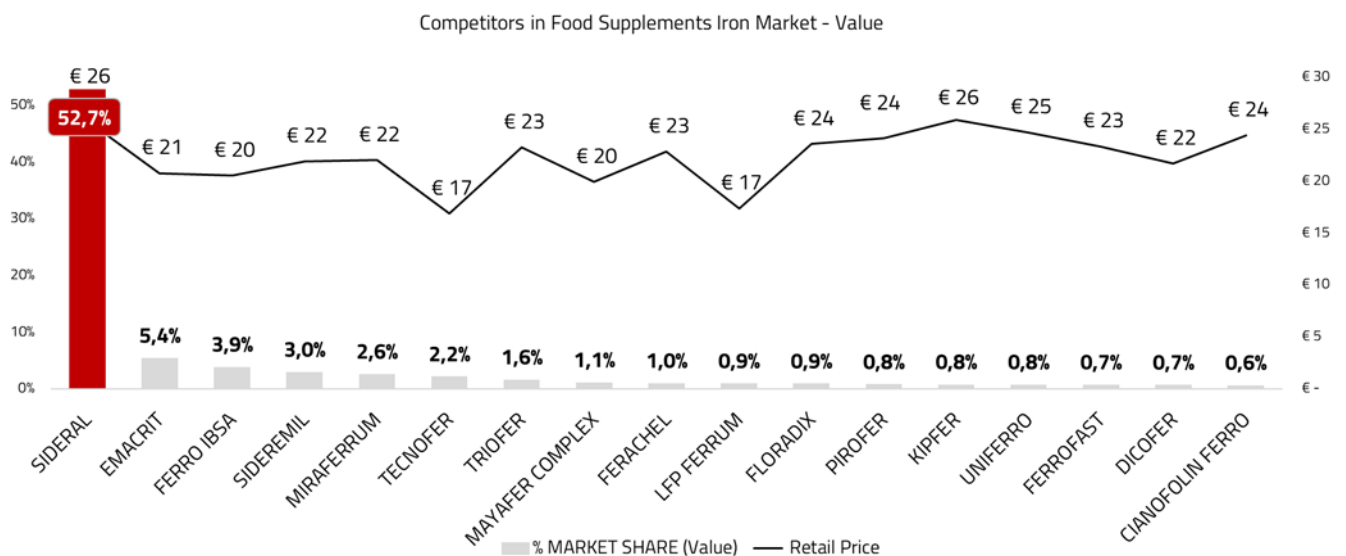


As shown in the graph below, the Sideral Line closes 2024 with 5% growth in units and 8% growth in values compared to the previous year within a very competitive market scenario.



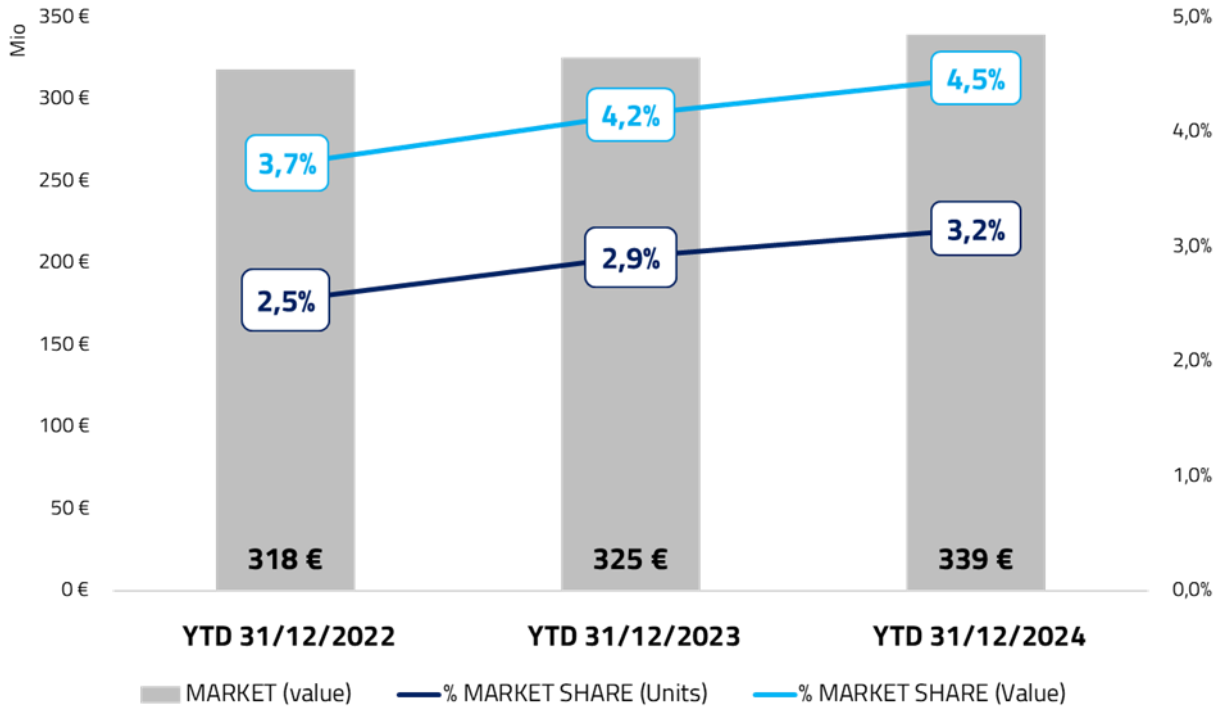
Going into detail in the iron-based supplements segment, the direct competitors of Sideral® have much smaller market shares (the second competitor has a market share almost 10 times lower than Sideral®) and, on average, lower market prices.

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 and constant investments in research and development and marketing.

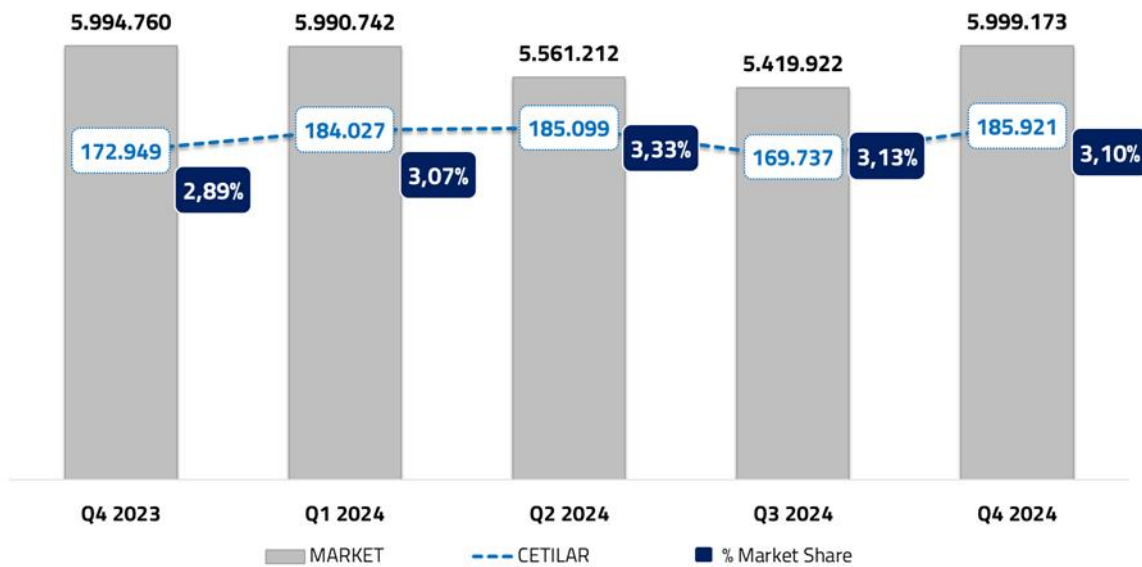


Market for topical painkillers

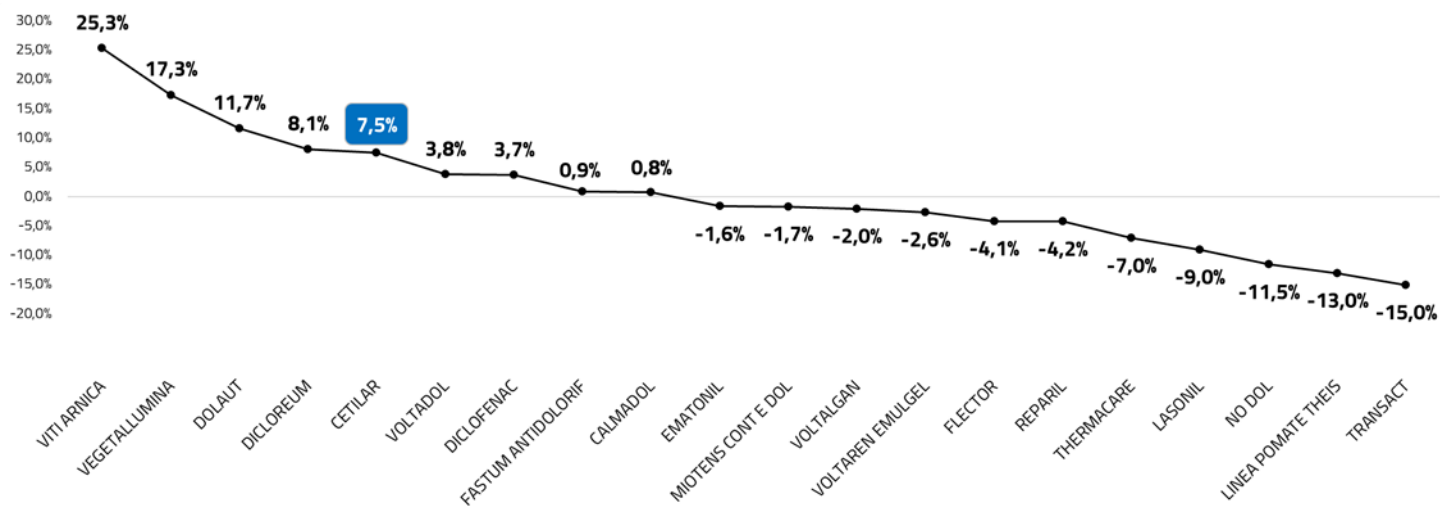
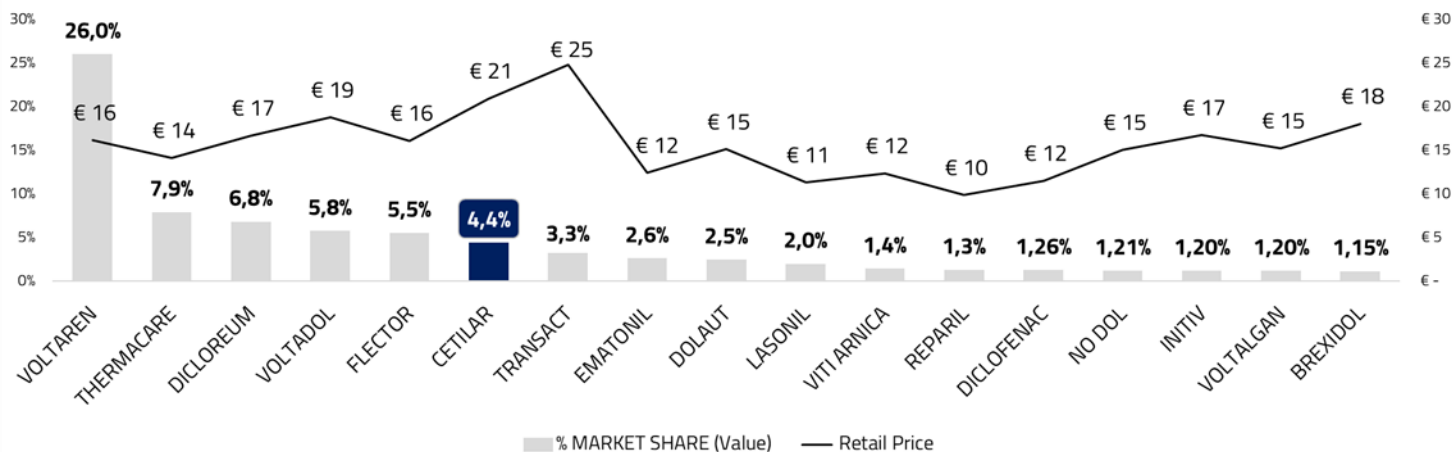
With a slightly growing market in 2024 compared to the previous year, the Cetilar® line shows an increase in market share from 4.2% to 4.5% in value, with further important development prospects for future years.



The quarterly performance of the market and the Cetilar line, in terms of units, is shown in the graph below.

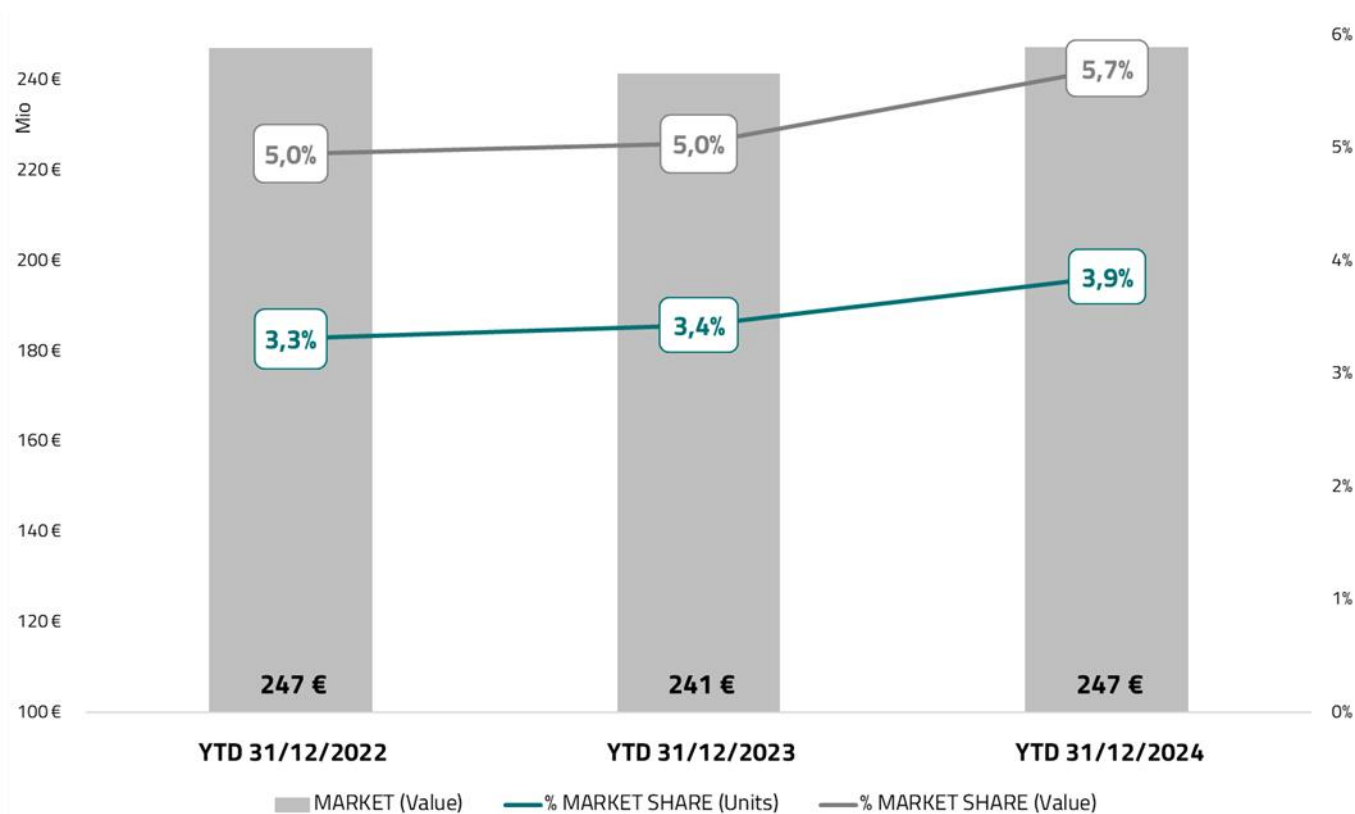


Two more charts are provided below: the first shows the market shares of the top competitors in the fourth quarter of 2024 in terms of value, while the second shows the growth in units of the best performers compared with the same period of the previous year.



Tonic products market

After a significant increase in 2022, driven by the effects of the pandemic, and a decline in 2023, in 2024 the tonic products market showed a growth of 2.5% in value. In this scenario, Apportal®, thanks to its energising tonic characteristics, increased its market share both in value, with a 16% growth over the previous year, and in quantity, with prospects for further growth in the future.



Investments

During 2024, the Group made investments in intangible fixed assets totalling Euro 2,039 thousand, broken down as follows:

Euro 191 thousand for the research costs;

Euro 325 thousand for the registration of patents;

Euro 188 thousand for the purchase and implementation of company software;

Euro 64 thousand for the registration of trademarks;

Euro 1,271 thousand relating to software and research projects in progress not yet completed and other fixed assets.

The investments in tangible fixed assets amount to Euro 2,212 thousand, broken down as follows:

Euro 162 thousand relating to the completion of the headquarters;

Euro 466 thousand relating to plants, machinery and equipment;

Euro 463 thousand for the purchase of vehicles used by the management and the sales force;

Euro 310 thousand for the purchase of electronic devices;

Euro 811 thousand for rights of use and investments in progress.

Research and Development activities

The PharmaNutra Group has always based its technical and scientific activities and business strategy on Research and Development (R&D) as a fundamental pillar for growth.

The year 2024 was characterised by intense R&D activity in the proprietary laboratories. This was made possible, among other things, thanks to the increase of the staff employed, which to date consists of 3 researchers, 1 formulation scientist and 2 laboratory technicians, who were joined during the year by several PhD students as a result of ongoing collaborations with a number of Italian universities (Pisa, Brescia, Piemonte Orientale). Another collaborator was then added to the research team in the position of Clinical Trial Assistant, thus also enhancing the whole clinical trial part. This made it possible to accelerate and at the same time increase the number of research projects.

The R&D work inevitably starts from a continuous study and a detailed knowledge of both the biology, human physiology and biochemistry aspects of nutrition, as well as medicine and pharmacology. It is fully driven by the objective to meet the needs of the Italian and foreign markets as well as the ones of consumers and key players in the health sector, in order to be able to provide them with new products with which to address unresolved issues.

The Group's R&D objectives are to find new formulations, implement or discover new applications for existing products, generate new scientific evidence, so as to constantly guarantee the effectiveness and innovation of its products.

Basic research, through pre-clinical trials (*in-vitro*, *ex-vivo* and *in-vivo*) has borne fruit, allowing the first Sucrosomial Vitamins (D3 and B12) to be developed and released on the market. This was the result of development in PharmaNutra's R&D laboratories, which continued with the publication of important clinical evidence on humans. The construction of the new laboratories makes it possible to carry out the part of experimental research in the field of cell biology, which represents a fundamental step in the activity of screening and study of the effectiveness of all the formulation prototypes developed and to be tested before moving on to industrialisation. New research models have been integrated into our operations, such as cellular models in the cardiology and osteoarticular fields, which will be important areas of activity in the coming years.

The activity of PharmaNutra Group's Research and Development 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 agreements with Contract Research Organisations (CRO) and collaborations with hospitals, Italian and foreign research centres, depending on the skills and know-how required. .

Research is mainly carried out on the group's flagship products, Sideral®, Cetilar®, Apportal and, as already mentioned, also on the new proprietary raw materials (sucrosomial vitamins). Numerous studies (both clinical and pre-clinical), conducted in Italy or abroad, plus other clinical studies followed by foreign partners on products in distribution, are underway also on the other products. Some of these studies are very innovative and are expected to allow to open new markets that will be useful to strengthen current evidence and market positioning.

The year 2024 saw the publication in international indexed journals of 5 studies on the company's products. Among these, particularly noteworthy is the publication of a study on the sucrosomial vitamin B12, which confirmed how the technology developed by PharmaNutra and proven effective in the supplementation of minerals (such as iron, magnesium, etc.), is also capable of providing added value in the supplementation of vitamins. In addition, from a clinical research perspective, a clinical trial was published on the effects of Sideral Med in subjects with post-infarction fatigue.

To date, the PharmaNutra Group boasts a total of 173 publications on all its products, including full papers and preliminary or poster data at accredited scientific congresses and conferences. At the same time, numerous papers continue to be published in which Sucrosomial® Iron is cited and identified as one of the most innovative oral iron products. Worth mentioning is the publication of new European guidelines in cardio-thoracic surgery, in which Sucrosomial® Iron has been included as the only effective oral iron-based treatment that should be recommended.

The Group is constantly disseminating its results, which it considers useful to publish and make available to the scientific community on the one hand and to the commercial network on the other. Therefore, the Group's R&D staff participates in national and international congresses as speakers, or in hospital meetings and focus groups with doctors, where they show the evidence and results obtained on their products. To this end, a new employee was hired in 2024 as a field force junior trainer, thus bringing to 3 the number of people dedicated to training within the organisation.

In addition, in 2024, together with the marketing and communications department, an international scientific disclosure campaign was continued on the benefits obtained with Apportal®, Sideral®, Ultramag® and Cetilar®. Numerous training events on all products were also held for Pharmaceutical Sales Representatives in order to transfer to them the features and competitive advantages of the products.

Pursuant to Article 2428, paragraph 2, no. 1) of the Italian Civil Code, the following information is provided:

The total costs incurred to carry out Research and Development activities amounts to Euro 2.3 million of which Euro 1.3 million charged to the income statement, to which personnel costs for Research and Development should be added .

The reasons underlying the capitalisation of development costs in 2024 equal to Euro 1 million refer to the future estimated usefulness of development activities.

As at 31/12/2024, the Group owned 24 patents, 53 trademarks, had 22 proprietary raw materials and 173 scientific publications.

The benefit represented by the specific tax credit referred to in Article 3 of Italian Decree-Law no. 145/2013 is fully enjoyable within the terms and in the manner set out in Italian Ministerial Decree 27/05/2015 and subsequent amendments, with respect to the research and development activities carried out by PharmaNutra and Akern, which qualify as eligible for the calculation of the facility in question. The tax credit relating to research and development activities for the year 2024 amounts to Euro 124 thousand.

Marketing activities

The year 2024 saw an important consolidation of the digital strategy already implemented in the previous years through synergistic and structured work in SEO and SEA with targeted actions of Brand Protection and Brand Awareness.

These activities have involved all the websites of the Group, which have been optimised to ensure a better browsing experience and a more effective customer experience.

The communication campaigns focused on the brands Sideral®, Cetilar®, Apportal® and Apportal® Vital with an omni-channel approach and coverage of both B2C and B2B targets.

For Cetilar®, a digital strategy was prepared consisting of market expansion activities and conversion campaigns dedicated to the Cetilar® Nutrition supplement line, adopting a media mix with broad coverage of the B2C target and structured on the following channels: content marketing activities, display and programmatic campaigns, and print media formats. On the occasion of the Paris 2024 Summer Olympics and during the America's Cup competition, two campaigns were carried out in the press and on major digital channels.

Furthermore, various activities aimed at medical and specialist targets have been carried out on the Apportal®, Sideral® and Cetilar® brands with a focus on medical awareness and exclusive involvement of national and international specialist publications.

Main partnerships

The existing partnerships with numerous companies and athletes in various sports are of fundamental importance for the R&D activities and the development of the Group's products due to the insights that can be gained from scientific collaboration with these entities.

In the area of strategic partnerships, 2024 saw the completion of the Human Performance project with Luna Rossa Prada Pirelli in the 37th edition of the America's Cup and with Ferrari Hypercar, which saw the team win the 24 Hours of Le Mans. Another key partnership was with Marcell Jacobs, enabling the athlete to compete in the Paris Olympics with the *#roadtoparis2024* project.

In motorsports, Fernando Alonso was confirmed for the second year in the Cetilar® team for the 2024 Formula 1 season.

Under the Cetilar® brand, the Company is present in several sports disciplines. Starting from soccer, where it has been the main sponsor of Pisa Sporting Club in Minor League for the fourth year in a row; in motorsports, with the Cetilar® Racing team; in sailing with the Vitamina Sailing team, alongside the FIV Olympic Team and in the famous regatta 151 Miglia-Trofeo Cetilar®; in running with the organisation of marathons and running events; not to forget the commitment in Paralympic disciplines with Obiettivo 3 team and in golf with the Paralympic champion Tommaso Perrino.

New in 2024 is the entry of Cetilar® Nutrition into cycling as Official Nutrition Partner of the "Gran Fondo Strade Bianche" competition.

The Group is the promoter of a project dedicated to supporting young promising sports talents in their athletic, professional and human growth - the Cetilar® Academy - a project through which PharmaNutra supports the athletic, professional and human growth of future sports talents involved in amateur clubs of excellence, including the motorsport promising talents of the Kart Republic team and the young footballers of the Parma club U.S. Arsenal. In 2024, medical partnerships were expanded, currently numbering over 30 top-level sports clubs including football, basketball, volleyball, hockey and rugby.

Corporate Governance Information

Pursuant to article 123-*bis* of the Italian Consolidated Law on Finance, the Company is required to prepare an annual report on corporate governance and ownership structure, which contains a general description of the corporate governance system adopted by PharmaNutra Group and information on the ownership structure, including the main governance practices applied and the characteristics of the risk management and internal control system in relation to the financial reporting process.

The said Report, approved by the Board of Directors on 14 March 2025, is available on the Company's website www.pharmanutra.it in the Corporate Governance section.

Remuneration Report

The Remuneration Report, prepared in accordance with article 123-*ter* of the Consolidated Finance Act, is available on the PharmaNutra website at www.Pharmanutra.com in the Corporate Governance section.

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 Euronext Star Milan of Borsa Italiana.

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 december 31,2024	54,40
Capitalization at the date of admission	96.809.770
Capitalization as at December 31,2024	526.645.149

*= 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 31 December 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.	1.017.737	10,51%
	Market	3.308.342	34,17%
	Pharmanutra S.p.A.	77.731	0,80%
	Totale	9.680.977	100,0%

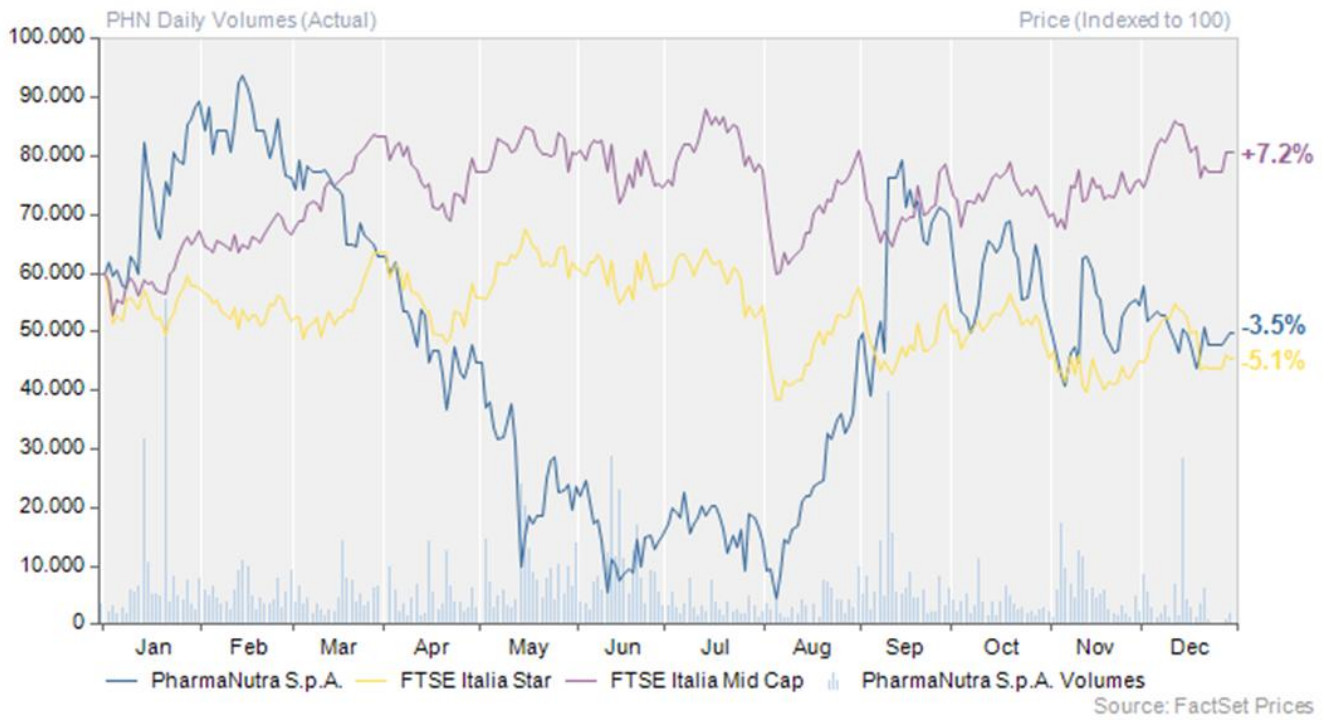
1) Including 953.334 PHN ordinary shares through the trust company COFIRCONT Compagnia Fiduciaria S.r.l. under a specific fiduciary mandate.

2) Including 953.334 PHN ordinary shares through the trust company COFIRCONT Compagnia Fiduciaria S.r.l. under a specific fiduciary mandate.

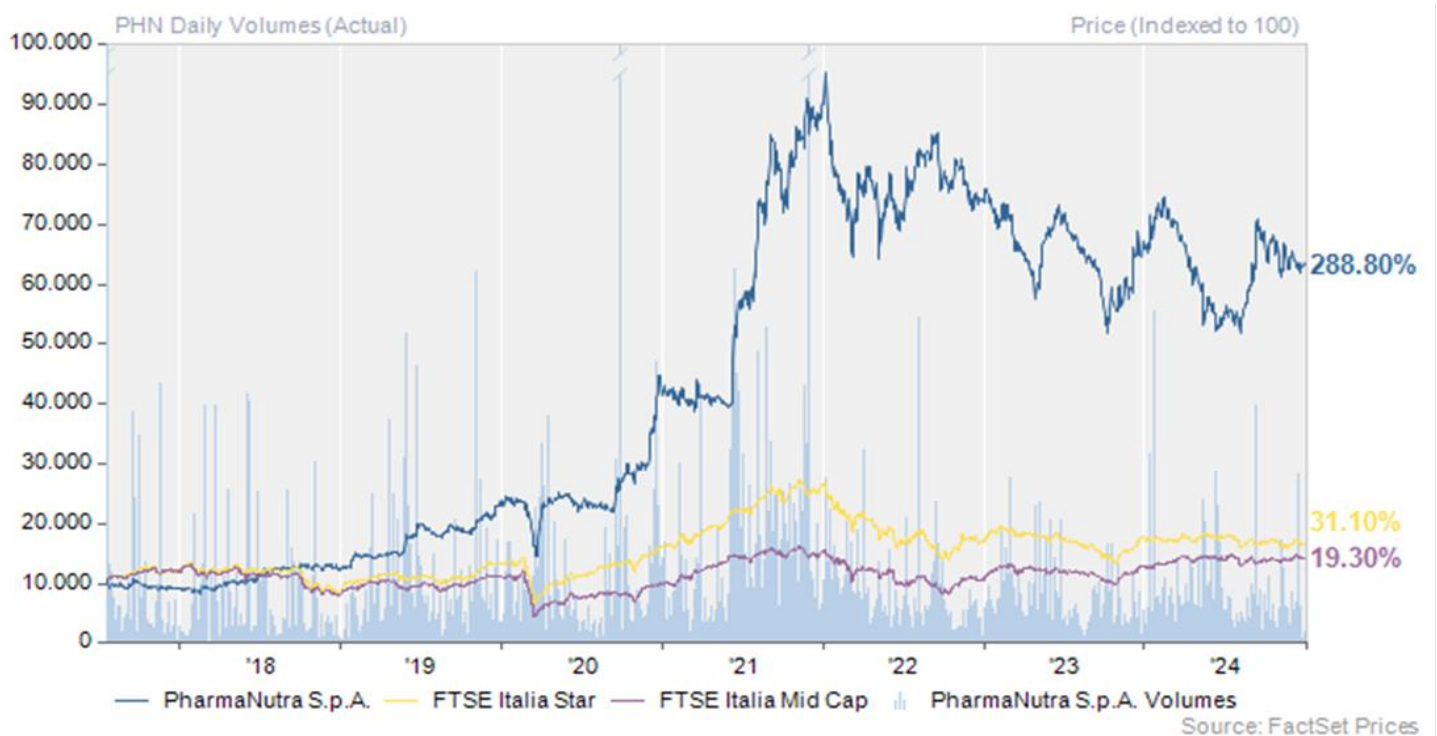
Andrea Lacorte is the sole shareholder and the sole director of ALH S.r.l., Roberto Lacorte is the sole shareholder and the sole director of RLH S.r.l. and Carlo Volpi is the sole shareholder and the sole director of Beda S.r.l.

In 2024, the Company's shares had an average price of Euro 54.13 (Euro 58.47 in 2023), a maximum price of Euro 63.10 (at 14 February 2024) and a minimum price of Euro 45.45 (at 5 August 2024). During the same period, average daily trading volumes were approximately 5,835 shares (almost in line with the daily average of 6,163 recorded in 2023).

From the beginning of the year to 31 December 2024, the market value of the Company's shares decreased by 3.5%. The security slightly outperformed the FTSE Italia STAR index, which dropped by 5.1% in the same period, and underperformed the FTSE Italia Mid Cap index, which increased by 7.2%. The graph below shows the relative performance and traded volumes of the Company's Shares compared to the FTSE Italia Mid Cap and FTSE Italia STAR indices in 2024.



On the other hand, the graph below shows the prices and traded volumes of the Company's Shares from the start of trading on the AIM Italia segment (18 July 2017) until 31 December 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 289% compared to +31% of the FTSE Italia STAR index and +19% of the FTSE Mid Cap index.



ANALYST COVERAGE	STIFEL	INTERMONTE
Starting of coverage	6/1/2021	6/3/2021
Update	11/12/2024	11/12/2024
Target price	88,0	87,0

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 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.

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. Transactions between group companies concern the sale of finished products to foreign subsidiaries by PharmaNutra and the provision of interest-bearing loans to foreign subsidiaries to support start-up.
- Transactions carried out with related parties other than Group companies, mainly consisting of commercial transactions involving the rental of property, advertising consultancy services, the provision of services for sponsored events and agency agreements.

In general, the transactions with related parties are governed by the procedure for transactions with related parties 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.

Details of the amounts relating to transactions with related parties are provided in Note 14 of the Explanatory Notes to the Consolidated Financial Statements.

Treasury shares and shares held by subsidiaries

The Ordinary Shareholders' Meeting of PharmaNutra held on 16 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 no. 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. During 2024, 11,245 treasury shares for a value of about Euro 551 thousand were purchased.

As at 31 December 2024, the Company held 77,731 of its own ordinary shares, equal to 0.8% of the capital; the subsidiaries do not hold any PharmaNutra shares.

Financial risk management objectives and policies

The treasury management policy adopted by the Group provides for the planning and 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 control over the Group's liquid funds.

As far as financial policy decisions are concerned, 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.

Cash and cash equivalents are free from constraints or restrictions on their use and can be destined to cover financial requirements linked to the dynamics of operating working capital, the distribution of dividends, as well as financing the start-up process of foreign subsidiaries.

During the financial year 2024, the average return on the Group's cash and cash equivalents was 2.1% due to the rise in market interest rates.

Cash and cash equivalents as at 31 December 2024 and 2023 are held in checking accounts and time deposits opened at various credit institutions. The credit risk associated with cash and cash equivalents is considered to be low as these are fractionated bank deposits with high standing institutions.

As indicated in the next paragraph, the Issuer granted Azimut Capital Management S.g.r. a mandate to manage a portion of the company's liquidity for a maximum amount of Euro 5 million.

Current financial assets

This item represents a temporary investment of part of the Parent Company's liquidity made by opening fixed term deposits with some banks and through an individual asset management mandate granted to Azimut Capital Management S.g.r. By virtue of this mandate, bonds and units in investment funds of adequately rated issuers have been subscribed.

As at 31/12/2024, a comparison with the market value of the bonds held shows a capital loss of Euro 152 thousand which was recorded in a shareholders' equity reserve, based on the valuation criteria adopted by the Group in accordance with IFRS9. A loss of irrelevant amount was recorded in the income statement for the year on the fund units. The time deposits were all repaid in January 2025.

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

A breakdown of "Current financial assets" is provided below:

	12/31/2024	12/31/2023	Change
Mutual funds	434	591	-157
Bonds	5.043	4.802	241
Time deposits	8.000	800	7.200
Total current financial assets	13.477	6.193	7.284

As at 31 December 2024, the Current financial assets consisted for approximately 37% of bonds and for about 3% of units of open-ended mutual funds with fast disinvestment and the remainder (about 60%) in time deposits reimbursed in January 2025.

Due to the nature of the investments made, the entire value of the investment should be considered of possible immediate disinvestment. Progressive bond maturities will result in reinvestments of the management mandate unless there are changes in the Company's needs not being foreseeable at this time.

The following table shows the breakdown of the bond portfolio between fixed-rate and variable-rate bonds:

	12/31/2024	12/31/2023	Change
Fixed rate bonds	2.053	3.597	-1.544
Variable rate bonds	2.990	1.205	1.785
Total Bonds	5.043	4.802	241

For the bond component of Financial assets, which coincide with those covered by the individual management mandate granted to Azimut Capital Management S.g.r., the Group is exposed to the risk of changes in capital in the portfolio as a result of changes in interest rates.

The simulation carried out with data from Bloomberg based on the "Option Adjusted Duration" (OAD) model, which is the most widely used on the market and also adopted by ISMA (International Securities Market Association) indicates that the sensitivity to interest rates, i.e. the percentage of change in the value of the overall portfolio for every 1.0% of change in rates, is 2.39%. This value fell during the year, having in fact discounted 12 months of maturity (at the beginning of 2024 the value stood at 3.35%). Quantitatively, the portfolio retains medium/low rate sensitivity in light of maturities in the 2-5 year range, while spread sensitivity remains low due to high issuer quality.

Financial debt - Loans and financing

The following table provides a summary of loans from banks taken out by Group's companies, broken down into current and non-current portion outstanding as at 31 December 2024 and 31 December 2023.

	Balance as at Dec. 31 2024	Due within 12 months	Due after 12 months
Pharmanutra	22.417	4.268	18.149
Akern S.r.l.	175	175	0
Athletica Cetilar	3	3	0
<i>Total financial debts</i>	<i>22.595</i>	<i>4.446</i>	<i>18.149</i>
Pharmanutra	973	227	746
Akern S.r.l.	121	30	91
Athletica Cetilar	582	61	521
<i>Total ROU fin liab.</i>	<i>1.676</i>	<i>318</i>	<i>1.358</i>
Total	24.271	4.764	19.507

	Balance as at Dec. 31 2023	Due within 12 months	Due after 12 months
Pharmanutra	26.181	4.164	22.017
Junia Pharma S.r.l.	-90	-90	0
Alesco S.r.l.	-61	-61	0
Akern S.r.l.	373	202	171
<i>Total financial debts</i>	<i>26.403</i>	<i>4.215</i>	<i>22.188</i>
Pharmanutra	1.428	307	1.121
Junia Pharma S.r.l.	20	11	9
Alesco S.r.l.	75	22	53
Akern S.r.l.	89	30	59
<i>Total ROU fin liab.</i>	<i>1.612</i>	<i>370</i>	<i>1.242</i>
Total	28.015	4.585	23.430

PharmaNutra obtained a mortgage loan in SAL to partially cover the investment for the construction of the new headquarters in the amount of Euro 12 million. The loan is secured by a first mortgage registered on the property and a financial covenant on the ratio between Net Financial Position and EBITDA that is fulfilled as at 31 December 2024 and 2023.

With reference to the financial covenants provided in the loan agreement, it should be noted that: (i) the Group has always fulfilled its commitments and obligations; (ii) the Group has regularly paid each bank intermediary the instalments due on the basis of the relevant amortisation schedules; (iii) with reference to the conditions of compulsory early repayment or other conditions of termination, withdrawal or forfeiture of the benefit of the term, there are no circumstances that could give rise to the occurrence of such conditions; (iv) the existing bank loans have not been renegotiated.

The companies of the Group have floating-rate loan agreements in place, whose incidence on total payables to banks is approximately 85%, and are therefore exposed to the risk of changes in interest rates, which is considered to be low. Based on the simulations carried out, the Group does not adopt policies to hedge the risk of interest rate fluctuations.

Information pursuant to Article 2428, paragraph 2, point 6-bis, of the Italian Civil Code

Pursuant to Article 2428, paragraph 2, no. 6-bis) of the Italian Civil Code, information is provided on the use of financial instruments, as they are relevant for the purposes of assessing the financial position.

More specifically, the management objectives, policies and criteria used to measure, monitor and control financial risks are as follows:

Credit risk

With regard to credit risk, reference should be made to the specific paragraph in the explanatory notes to the financial statements.

Liquidity risk

With regard to liquidity risk, reference should be made to the specific paragraph in the explanatory notes to the financial statements.

Interest rate risk

With regard to interest rate risk, reference should be made to the specific paragraph in the explanatory notes to the financial statements.

Risk of changes in cash flows

With regard to the risk of changes in cash flows, reference should be made to the specific paragraph in the explanatory notes to the financial statements.

Exchange rate risk

With regard to exchange rate risk, reference should be made to the specific paragraph in the explanatory notes to the financial statements.

Risk related to litigation

With regard to the risk related to litigation, reference should be made to the specific paragraph in the explanatory notes to the financial statements.

Secondary Offices

The PharmaNutra Group does not have any secondary offices.

Other information

Relationships with the personnel

One of the Group's primary objectives, as a determining factor for the efficient and lasting development of its activities, remains the growth, in terms of training and professional enrichment of its human resources. The level of skills and knowledge acquired, the daily search for excellence in one's work are a heritage that we intend to preserve and increase.

Human interactions and the construction of the new headquarters, focused on employee well-being, are the beating heart of PharmaNutra. In this era where it has become increasingly easy to become estranged behind a screen, PharmaNutra strongly believes that the best way to continue overcoming challenges is to focus on human relationships, pursuing business objectives in an atmosphere that makes us all feel part of one big family. Preserving this culture, this identity, will be crucial to our success.

At the same time, a forward-looking group cannot ignore the changing dynamics of the labour market and the trends that describe today's society. Within this frame, individual agreements have been concluded with all employees for using smart working.

It is acknowledged that in this financial year, as in the past, there were no deaths at work of registered personnel, nor were there any serious accidents or registered charges for occupational diseases to employees or former employees.

As at 31/12/2024, the Group had 118 employees (105 in the previous year).

Environmental impact

The commitment to the issues of social responsibility and the territory has long been an integral part of the principles and conduct of the Group's companies aimed at maintaining high levels of safety, environmental protection and energy efficiency, as well as training, awareness and involvement of personnel on issues of social responsibility.

To further strengthen these principles, and with a view to further developing the aspects related to this topic, starting from 2022 the Group draws up the sustainability report on a voluntary basis. It should be noted that the Company, based on the provisions of Legislative Decree 125 of September 2024, with which the Corporate Sustainability Reporting Directive (CSRD) was implemented, will have mandatory reporting starting from the 2025 financial statements.

In relation to climate risks, particularly related to climate change, the Group conducted a preliminary internal assessment in order to identify their extent and pervasiveness at both actual and forecast level. Possible impacts on estimates, changes in the useful life of assets, and potential impairment of trade receivables and other assets were analysed.

As of March 2024, the production of semi-finished products began at the plant built as part of the construction of the new headquarters, and therefore as of today there is no adequate data base to define objectives in terms of emission reduction, which are in any case considered insignificant since the production carried out does not require significant investments in plant and machinery. In addition, no gas is used at the Pisa site and from February 2025 all energy used will come from green energy purchased from the grid coming from renewable sources (solar panels).

It is believed that, in view of the business model and analyses performed, the Group does not have material exposures to environmental risks, particularly related to climate change.

During the financial year, the Group was awarded its first Sustainability Rating by Ecovadis, referring to the Sustainability Report 2023, obtaining a score of 71/100, and a B score (company that has addressed the environmental impact of its business and ensures good environmental management) by CDP. From the evaluations obtained, suggestions for improvement have emerged, which will be implemented in the coming years with the aim of improving our environmental performance.

Commitment to social and territorial responsibility has long been an integral part of the principles and conduct of companies of the Group oriented towards maintaining high levels of safety, environmental protection and energy efficiency, as well as training, awareness and involvement of personnel on social responsibility issues.

In 2024, as in the past, there was no damage caused to the environment for which the Group's companies have been finally declared liable.

Quality Management System

The Parent Company has the following quality certifications:

- Social Accountability 8000:2014 granted by SGS Italia;
- UNI ISO 9001:2015 granted by SGS Italia;
- Certification in accordance with the Farmindustria Code of Ethics for scientific information activities carried out by Pharmaceutical Sales Representatives.

The Group also holds the following product certifications:

- "Doping Free Play Sure" awarded by "Doping Free S.A." and the "No Doping Life" Association for controls carried out by Bureau Veritas Italia S.p.A;
- CE marking awarded by the Notified Body Istituto Superiore di Sanità for medical devices class IIa.

In 2024, the PharmaNutra Group started the process to obtain "NSF Contents Certified" and "NSF Certified for Sport" certifications, which are independent programmes that certify doping substance-free products. In addition, PharmaNutra voluntarily underwent the GMP certification process for dietary supplements in the second half of 2024, adhering to the requirements of FDA guideline CFR21 Part 111 for companies that manufacture, package, label or store a dietary supplement; the certification process will be completed in the first half of 2025.

Finally, certification for vegetarian, vegan products, products free of substances of animal origin is in progress, through adherence to the specifications guaranteed by the independent certification body.

Significant events occurring after the end of the financial year

In January 2025, the subsidiary Athletica Cetilar® obtained the necessary authorisations to start operations.

Foreseeable Business Outlook

The expected growth of the recurring business in line with that of 2024 and the strong cash generation capacity will support the development of the new projects for which major investments are planned, leading to a moderate reduction in margins for the next two financial years.

The plan to develop the American market through the subsidiary PharmaNutra USA is currently being implemented. The first results are expected starting in the second half of the financial year and are expected to be progressively and significantly consolidated in the next two financial years.

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 as always to achieve ambitious targets, while maintaining a constant focus on the efficient management of its economic and financial structure, relying on a portfolio of unique products, resulting from continuous and significant investments in research, as well as clear and effective development strategies to continue a solid growth path.

We thank you for your trust.

Pisa, 14 March 2025

For the Board of Directors

The Chairman

(Andrea Lacorte)

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 December 2024

PHARMANUTRA GROUP

FINANCIAL STATEMENTS

Consolidated statement of financial position

€/1000	NOTE	31/12/2024	31/12/2023
NON CURRENT ASSETS		52.462	53.761
Buildings, plant and equipment	9.1.1	25.659	26.359
Intangible assets	9.1.2	23.319	22.535
Investments	9.1.3	4	4
Non current financial assets	9.1.4	292	293
Other non current assets	9.1.5	1.787	3.046
Deferred tax assets	9.1.6	1.401	1.524
CURRENT ASSETS		65.006	58.682
Inventories	9.2.1	6.942	8.166
Cash and cash equivalents	9.2.2	15.620	18.925
Current financial assets	9.2.3	13.477	6.193
Trade receivables	9.2.4	22.052	19.219
Other current assets	9.2.5	6.370	5.066
Tax receivables	9.2.6	545	1.113
TOTAL ASSETS		117.468	112.443
NET EQUITY	9.3.1	62.196	54.407
Share Capital		1.123	1.123
Treasury shares		(4.564)	(4.013)
Other Reserves		48.966	44.343
IAS Reserves		29	122
Result of the period		16.609	12.832
Group Equity		62.163	54.407
Third parties equity		33	
NON CURRENT LIABILITIES		27.933	30.388
Non current financial liabilities	9.4.1	19.507	23.430
Provision for non current risks and charges	9.4.2	4.363	4.458
Provision for employees and directors bene	9.4.3	4.063	2.500
CURRENT LIABILITIES		27.339	27.648
Current financial liabilities	9.5.1	4.764	4.585
Trade payables	9.5.2	15.795	16.107
Other current liabilities	9.5.3	4.220	3.844
Tax payables	9.5.4	2.560	3.112
TOTAL LIABILITIES		55.272	58.036
TOTAL LIABILITIES & EQUITY		117.468	112.443

Pursuant to CONSOB Resolution no. 15519 of 27 July 2006, the effects of transactions with related parties on the Consolidated statement of financial position are reported in the specific Consolidated statement of financial position table included in Note 14.

Consolidated income statement

€/1000	NOTE	2024	2023
TOTAL REVENUES		116.911	101.963
Net revenues	9.6.1	115.498	100.202
Other revenues	9.6.2	1.413	1.761
OPERATING EXPENSES		85.868	75.480
Purchases of raw material, cons. and supplies	9.7.1	4.965	5.148
Change in inventories	9.7.2	1.415	(2.699)
Expense for services	9.7.3	69.166	65.376
Employee expenses	9.7.5	8.036	6.807
Other operating expenses	9.7.6	2.286	848
EBITDA		31.043	26.483
Amortization, depreciation and write offs	9.8	3.669	3.123
EBIT		27.374	23.360
FINANCIAL INCOME/(EXPENSES) BALANCE		(212)	(100)
Financial income	9.9.1	1.410	905
Financial expenses	9.9.2	(1.622)	(1.005)
PRE TAX RESULT		27.162	23.260
Income taxes	9.10	(10.610)	(10.428)
NET PROFIT		16.552	12.832
Third parties result		57	
Net result of the Group		16.609	12.832
Earning per share (Euro)		1,73	1,33

Consolidated comprehensive income

€/1000	Note	2024	2023
PROFIT/(LOSS) OF THE PERIOD		16.609	12.832
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	9.3.1	(93)	(2)
Comprehensive profit/(loss) of the period		16.516	12.830
of which:			
Compr. income/(loss) attributable to minorities		(57)	-
Net Comp.Profit/(loss) of the group		16.573	12.830

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 14.

Statement of Shareholders' equity changes

€/1000	Note	S. C.	Treas. Sh.	Other res.	IAS Res.	Res. of the period	Group equity	Third Part. Cap. and Res.	Third part. res. of the period	Minority interest	TOTAL
Balance as at 1/1		1.123	(4.013)	44.343	122	12.832	54.407			-	54.407
Other changes		-	(551)	-	(92)		(643)	90		90	(553)
Merger		-		(2)	(1)		(3)			-	(3)
Dividends paid				(8.172)			(8.172)			-	(8.172)
Allocation of result				12.832		(12.832)	-			-	-
Result of the period						16.609	16.609		(57)	(57)	16.552
Exchange differences		-		(35)			(35)			-	(35)
Balance as at 31/12	8.3.1	1.123	(4.564)	48.966	29	16.609	62.163	90	(57)	33	62.196

€/1000	Note	S. C.	Treas. Sh.	Other res.	IAS res.	Res. of the per.	Group equity	Minority interest	Total
Balance as at 1/1/n-1		1.123	(2.362)	37.016	123	15.048	50.948	-	50.948
Other changes		-	(1.651)	(1)	(1)		(1.653)	-	(1.653)
Dividends paid				(7.714)			(7.714)	-	(7.714)
Allocation of the result				15.048		(15.048)	-	-	-
Result of the period						12.832	12.832	-	12.832
Exchange differences		-		(6)			(6)	-	(6)
Balance as at 31/12/n-1		1.123	(4.013)	44.343	122	12.832	54.407	-	54.407

Consolidated Cash flow

€/1000- INDIRECT METHOD	Note	2024	2023
Net result		16.552	12.832
NON MONETARY COST/REVENUES			
Depreciation and write offs	9.8	3.929	3.123
Allowance to provisions for employee and director benefits		972	912
Third parties result		57	
CHANGES IN OPERATING ASSETS AND LIABILITIES			
Change in provision for non current risk and charges	9.4.2	(368)	(1.456)
Change in provision for employee and director benefit	9.4.3	591	(2.305)
Change in inventories	9.2.1	1.224	(2.905)
Change in trade receivables	9.2.4	(2.977)	2.221
Change in other current assets	9.2.5	(1.304)	(2.185)
Change in tax receivables	9.2.6	568	964
Change in other current liabilities	9.5.3	377	80
Change in trade payables	9.5.2	1.432	(778)
Change in tax payables	9.5.4	(552)	1.588
CASH FLOW FROM OPERATIONS		20.501	12.091
Investments in intangible, property, plant and equipment	9.1.1-9.1.2	(4.251)	(13.249)
Disposal of intangibles, property, plant and equipment	9.1.1-9.1.2	655	552
Change in other assets	9.1.5	1.259	(1.787)
Change in deferred tax assets	9.1.6	123	(218)
CASH FLOW FROM INVESTMENTS		(2.214)	(14.702)
Other increase/(decrease) in equity	9.3.1	(94)	(7)
Treasury shares purchases	9.3.1	(551)	(1.651)
Dividends distribution	9.3.1	(8.172)	(7.714)
Financial assets increase	9.1.4-9.2.3	(7.387)	(1.546)
Financial assets decrease	9.1.4-9.2.3	102	112
Financial liabilities increase	9.4.1-9.5.1	8	9.779
Financial liabilities decrease	9.4.1-9.5.1	(5.562)	(351)
Financial ROU liabilities increase	9.4.1-9.5.1	613	1.208
Financial ROU liabilities decrease	9.4.1-9.5.1	(549)	(345)
CASH FLOW FROM FINANCING		(21.592)	(515)
TOTAL CHANGE IN CASH AND CASH EQUIVALENTS		(3.305)	(3.126)
Cash and cash equivalents at the beginning of the period	9.2.2	18.925	22.051
Cash and cash equivalents at the end of the period	9.2.2	15.620	18.925
CHANGE IN CASH AND CASH EQUIVALENTS		(3.305)	(3.126)

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF PHARMANUTRA GROUP

1. LAYOUT AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements as at 31 December 2024 have been prepared in accordance with the valuation and measurement criteria established by the *International Financial Reporting Standards* (IFRS) issued by the *International Accounting Standards Board* (IASB) and adopted by the European Commission.

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

The following classifications have been used:

Statement of financial position 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.

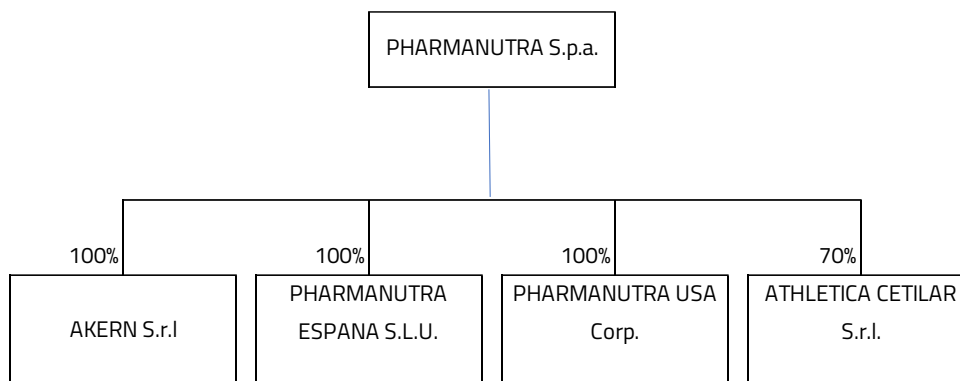
For the purposes of better understanding, a different representation of the Shareholders' equity items has been provided compared to that used previously.

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.

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

2. CONSOLIDATION AREA

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



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 companies Alesco and Junia Pharma, consolidated at 31/12/2023, were merged into the parent company in 2024.

The companies included in the consolidation area are as follows:

COMPANY	REGISTERED OFFICE	Direct equity inv.	Indirect equity inv.	TOTAL
PharmaNutra S.p.A.	Pisa, Via Campodavola 1	PARENT COMPANY		
Akern S.r.l.	Pisa, Via Campodavola 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%
Athletica cetilar S.r.l.	Pisa, Via delle Lenze 216/B	70%	0%	70%

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 statement of financial position 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

The consolidated financial statements of PharmaNutra Group as at 31 December 2024 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standard Board ("IASB") and endorsed by the European Union. IFRS also includes all revised International Accounting Standards ("IAS"), all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").

The consolidated financial statements are prepared on a going concern basis. In view of what has already been mentioned in the Management Report, to which reference should be made for more details, the Directors believe that there are no problems that could affect the Company's ability to continue as a going concern due to the Russian-Ukrainian conflict and the ongoing Middle East conflict.

The Consolidated Financial Statements of the PharmaNutra Group as at 31 December 2024 are audited by the auditing firm BDO S.p.A in accordance with the resolution of the Annual General Meeting of 13 October 2020.

The PharmaNutra Group has prepared and disclosed to the public, within the terms of the law and in the manner prescribed by Consob, the Consolidated interim report for the six months ended 30 June 2024, subject to limited audit, and the consolidated Interim Management Statements as at 31 March and 30 September 2024.

The draft consolidated financial statements for the year ended 31 December 2024 were approved by the Board of Directors on 14 March 2025, which also authorised their publication.

Directive 2004/109/EC (the "Transparency Directive") and Delegated Regulation (EU) 2019/815 introduced the requirement for issuers of securities listed on regulated markets in the European Union to prepare their annual financial report in XHTML, based on the ESMA-approved European Single Electronic Format (ESEF). For the year 2024, it is envisaged that numerical values of a monetary nature in the statements and information in the notes to the financial statements that correspond to the mandatory elements of the taxonomy must be "marked" according to the ESEF taxonomy, using an integrated computer language (iXBRL).

Registrations of the entire document at the competent offices and institutions are made in accordance with the law.

Below is a description of the most significant accounting standards adopted for the preparation of the consolidated financial statements of PharmaNutra as at 31 December 2024, which are unchanged from those used in the previous year.

Property, plant and equipment

Tangible fixed assets are recorded at purchase price or production cost, including directly attributable ancillary costs being necessary to make the assets available for use.

Grants commensurate with the cost of tangible fixed assets are recognised in the Income statement, on an accrual basis, gradually over the useful life of the assets by reducing the cost of the fixed assets to which they relate.

Property, plant and equipment are systematically depreciated on a straight-line basis over their useful life, which is an estimate of the period over which the asset will be used by the company. When the tangible fixed asset is made up of several significant components having different useful lives, depreciation is applied to each component. The value to be amortised is represented by the book value reduced by the presumed net transfer value at the end of its useful life, if significant and reasonably determinable. Land (items with an indefinite useful life), even if purchased together with a building, is not depreciated, as are tangible fixed assets held for sale, which are valued at the lower of their book value and their fair value, net of disposal charges.

Costs for improvements, modernisation and transformation that increase tangible fixed assets are charged to assets. All other repair and maintenance costs are recognised in the income statement when incurred.

The recoverability of the book value of tangible fixed assets is verified by adopting the criteria indicated under "Impairment of assets".

The depreciation reflects the asset economic and technical deterioration and begins when the asset becomes available for use and is calculated according to the linear model of the estimated useful life of the asset.

The rates applied are as follows:

Industrial buildings	5.50%
Light-weight constructions	10%
General plants	10%
Operating machinery	12%
Specific plants	12%
Miscellaneous minor equipment	40%
Water purification systems	15%
Office furniture / equipment	12%
Electronic office machines including PCs and mobile phones	20%
Cars	25%
Trucks/lift trucks	20%

The residual carrying amount, useful life and depreciation criteria are reviewed at the end of each financial year and adjusted prospectively if necessary.

An asset is derecognised at the time of sale or when there are no expected future economic benefits from its use or disposal. Any losses or gains (calculated as the difference between the net proceeds from sale and the carrying amount) are included in the income statement at the time of derecognition.

Leased assets

The assets acquired through leasing contracts, through which the risks and rewards of ownership are substantially transferred to the Group, are recognised as assets of the Group at their current value at the date of signing the contract or, if lower, at the current value of the minimum payments due for the lease, including any amount to be paid for exercising the purchase option. The corresponding liability to the lessor is shown under financial payables.

Intangible assets

Intangible fixed assets refer to assets without identifiable physical substance, controlled by the company and capable of producing future economic benefits, as well as goodwill when acquired for consideration.

Identifiability is defined by reference to the possibility of distinguishing the intangible fixed asset acquired from goodwill. This requirement is normally met when:

the intangible fixed asset is attributable to a legal or contractual right, or the asset is separable, i.e. it can be sold, transferred, rented or exchanged independently or as part of other assets. Control of the company consists of the power to enjoy the future economic benefits deriving from the asset and the possibility of limiting access to others.

Intangible fixed assets are recorded at cost determined according to the criteria indicated for tangible fixed assets.

Intangible fixed assets with a finite useful life are systematically amortised over their useful life, being understood as the estimate of the period in which the assets will be used by the company. The recoverability of their book value is verified by adopting the criteria indicated under "Impairment of assets".

Goodwill and other intangible fixed assets, where present, with an indefinite useful life are not subject to amortisation. The recoverability of their book value is verified at least annually and in any case when events occur that indicate a reduction in value. With regard to goodwill, such verification is carried out at the level of the smallest

aggregate on the basis of which management assesses, whether directly or indirectly, the return on investment that includes the goodwill itself (*cash generating unit*). Write-downs are not subject to impairment reversal.

Other intangible fixed assets have been amortised at 20%, estimating a useful life of 5 years, with the exception of patents, trademarks and licenses, which are amortised over a useful life of 18 years.

The amortisation period and criteria for intangible fixed assets with a finite useful life are reviewed at least at the end of each financial year and adjusted prospectively if necessary.

Goodwill

Business combinations are accounted for using the acquisition method (IFRS 3). The cost of an acquisition is measured as the sum of the consideration transferred measured at fair value at the acquisition date and the amount of any minority interest in the acquiree. For each business combination, any minority interest in the acquiree shall be measured either at fair value or at the minority interest's proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed and classified under administrative expenses. If the business combination is achieved in stages, the fair value of the investment previously held is recalculated at fair value at the acquisition date, by recording any resulting gain or loss in the income statement. Goodwill is initially measured at the cost that emerges as the excess of the sum of the consideration paid and the amount recognised for minority interests over the identifiable net assets acquired and liabilities assumed. If the consideration is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the income statement. After initial recognition, goodwill is measured at cost, net of accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination must, at the acquisition date, be allocated to each of the Group's cash generating units that are expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquired entity are assigned to those units. If goodwill has been allocated to a cash-generating unit and the entity disposes of part of the assets of that unit, the goodwill associated with the asset disposed of shall be included in the carrying amount of the asset when determining the gain or loss on disposal. The goodwill associated with the asset disposed of must be determined on the basis of the relative values of such asset and the portion of the cash-generating unit retained.

Investments

Investments in other companies are initially recorded at their fair value and subsequently, where it is not possible to determine a reliable fair value, they are maintained at cost, written down in the event of permanent impairment. The original value will not be restored in subsequent years, even if the reasons for the write-down no longer apply.

Impairment of assets

At least once a year, the Company reviews the recoverability of the carrying amount of tangible and intangible assets as well as investments in subsidiaries and associates to determine whether those assets may have suffered an impairment loss. If there is such evidence, the book value of the asset is reduced to the relative recoverable value, thus recording any write-down compared to the relative book value in the income statement. The recoverable amount of an asset is the higher between its fair value, net of sale costs, and its value in use. The value in use is defined on the basis of discounting expected cash flows from the use of the asset or a combination of assets (Cash Generating Unit), as well as the value expected from its disposal at the end of its useful life.

The Cash Generating Units were identified to be tested for impairment, consistently with the Company's organisational and business structure, by identifying in the subsidiaries the lowest possible level of homogeneous combinations that generate independent cash inflows from the continuous use of the assets attributable to them.

When, subsequently, the loss in value of an asset no longer exists or is reduced, the carrying amount of the asset is increased up to the new estimate of the recoverable value and may not exceed the value that would have been determined if no impairment loss had been recorded. The reversal of an impairment loss is recognised in the income statement in the financial year in which it is recorded.

Inventories

Inventories are recorded at the lower of purchase or production cost and estimated realisable value based on market trends.

The method used for the valuation of inventories is the weighted average cost.

The value determined as indicated above is adjusted to take into account the obsolescence of inventories, by writing down inventories due within 6 months of the reporting date.

Cash and cash equivalents

Cash and cash equivalents include cash, bank current accounts, deposits repayable on demand and other highly liquid short-term financial investments, which are readily convertible into cash and are subject to a non-significant risk of change in value.

Receivables and other short-term assets

Trade receivables and other short-term assets are initially recognised at their fair value and subsequently measured at amortised cost, net of any write-downs. At the time of recognition, the receivable nominal value is representative of its fair value at that date. IFRS 9 defines a new model for impairment/devaluation of these assets, with the aim of providing useful information to users of the financial statements on the related expected losses. According to this model, the Group measures receivables using an expected loss approach, replacing the IAS 39 framework, which is typically based on the measurement of incurred losses. The Group adopts a simplified approach for the measurement of trade receivables, which does not require the recognition of periodic changes in credit risk, but rather the recognition of an Expected Credit Loss ("ECL") calculated over the entire life of the receivable (so-called lifetime ECL). In particular, the policy implemented by the Group provides for the stratification of trade receivables into categories on the basis of days past due, by defining the allocation based on the historical experience of losses on receivables, adjusted to take account of specific forecast factors relating to creditors and the economic environment.

Trade receivables are fully written down if there is no reasonable expectation of recovery or in the presence of inactive trade counterparties.

The asset carrying amount is reduced through the use of an impairment provision and the amount of the loss is recognised in the income statement.

With regard to financial assets, the Group adopts the accounting standard IFRS 9 Financial Instruments, Recognition and Measurement for the classification, measurement and accounting of financial instruments.

The accounting standard provides rules for the classification of financial assets in the following categories:

Amortised Cost;

Fair Value with change in equity (Fair Value Other Comprehensive Income or FVOCI);

Fair Value with changes in the income statement.

The determination of the category is made based on 2 factors:

The Business Model, i.e. the way in which the Group manages its financial assets or intends to achieve cash flows from financial assets.

The possible Business Models envisaged by the accounting standard are:

Hold to collect (HTC): it provides for the achievement of cash flows as contractually foreseen. This Business Model is attributable to financial assets that will presumably be held until their natural maturity;

Hold to Collect and Sell (HTC&S): this Business Model provides for the achievement of cash flows as contractually foreseen or through the sale of financial assets. This Business Model is therefore attributable to financial assets that may be held to maturity or even sold;

Sell: it provides for the achievement of cash flows through the sale of the instrument. This Business Model is attributable to activities in which cash flows will be achieved through sale (the so-called trading).

Contractual cash flow characteristics of the instrument

The standard refers to the so-called SPPI (Solely Payments of Principal and Interest) test, which aims to define whether an instrument has the contractual characteristics allowing only the principal and interest to be paid.

If the SPPI test is not passed, regardless of the reference business model, the financial instrument must be classified and measured at Fair Value with changes in the income statement.

The classification of an instrument is defined at initial recognition and is no longer subject to change, except in cases that the standard expects to be rare.

With reference to the financial instruments, consisting of bonds issued by leading issuers, the management has carried out an analysis of its intentions in managing the instruments and has carried out the SPPI test for all the instruments in the portfolio, thus concluding that the most relevant business model to its management method is the HTC&S one and that the SPPI test has been passed.

The accounting rules that IFRS 9 defines for debt financial instruments classified to FVTOCI are as follows:

Interest income is recognised in the income statement using the effective interest rate method, in the same way as for instruments at amortised cost;

Impairment losses (and any write-backs) are recognised in the income statement in accordance with the rules set forth in IFRS 9;

The differences between the amortised cost and the fair value of the instrument are recognised in equity in the other items of the comprehensive income statement;

The cumulative reserve recognised in equity and relating to the debt instrument is reversed to the income statement only when the asset is derecognised.

With regard to the investments made in units of investment funds, the accounting rules provided for by IFRS 9 are as follows:

The measurement criterion is fair value at the reporting date;

Changes in fair value are recognised in the income statement.

Derecognition of financial assets

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognised from the financial statements when:

the rights to receive cash flows from the asset are extinguished;

the right to receive cash flows from the asset is retained but a contractual obligation has been taken to pay them in full and without delay to a third party;

the company of the Group has transferred the right to receive cash flows from the asset and (a) has substantially transferred all the risks and rewards of ownership of the financial asset or (b) has neither transferred nor retained substantially all the risks and benefits of the asset, but has transferred control of it.

In cases where the company of the Group has transferred the rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and benefits or has not lost control over it, the asset is recognised in the company's financial statements to the extent of its residual involvement in the asset.

Impairment of financial assets

The companies of the Group verify at each reporting date whether a financial asset or group of financial assets has suffered an impairment loss. A financial asset or group of financial assets is to be considered subject to impairment

loss if, based on historical experience and on the forecast outcome of its recoverability, after the occurrence of one or more events since its initial recognition, this loss event can be reliably expected on the estimated future cash flows of the financial asset or group of financial assets.

Evidence of impairment loss may be represented by indicators such as financial difficulties, inability to meet obligations, insolvency in interest payments or major payments, which debtors, or a group of debtors, are going through. The probability that it will fail or is subject to another form of financial reorganisation, and where observable data indicates that there is a measurable decrease in estimated future cash flows, such as changes in the context or economic conditions related to the obligations.

The management also evaluates elements such as the performance of the counterparty's sector and financial activity as well as the general economic performance and also makes forward looking considerations.

If there is objective evidence of impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the current value of estimated future cash flows (excluding expected future credit losses that have not yet occurred). The asset carrying amount is reduced through the use of an impairment provision and the amount of the loss is recognised in the income statement. If, in a subsequent period, the amount of the estimated write-down increases or decreases as a result of an event occurring after the write-down was recognised, the previously recognised write-down shall be increased or decreased by adjusting the provision to the income statement.

Impairment of non-financial assets

At each reporting date, the companies of the Group assess the possible existence of indicators of impairment loss of non-financial assets. When events occur that suggest a reduction in the value of an asset or when an annual impairment test is required, its recoverability is verified by comparing its book value with its recoverable amount, represented by the higher of fair value, net of disposal costs, and value in use.

In the absence of a binding sale agreement, fair value is estimated on the basis of values expressed by an active market, recent transactions or the best information available to reflect the amount that the company could obtain from selling the asset. The value in use is determined by discounting the expected cash flows deriving from the use of the asset and, if significant and reasonably determinable, from its disposal at the end of its useful life. Cash flows are determined on the basis of reasonable and provable assumptions that are representative of the best

estimate of future economic conditions that will occur over the remaining useful life of the asset, giving greater importance to indications from outside. Discounting is carried out at a rate that takes into account the risk inherent in the business sector.

The valuation is carried out for each individual asset or for the smallest identifiable set of assets that generates autonomous cash inflows from ongoing use (the so-called cash generating units). When the reasons for the write-downs made cease to exist, the assets, except for goodwill, are revalued and the adjustment is charged to the income statement as a revaluation (reversal of impairment). The revaluation is carried out at the lower of the recoverable value and the book value gross of the write-downs previously made and reduced by the depreciation that would have been allocated if no write-down had been made.

Financial liabilities

Financial liabilities falling within the scope of IFRS 9 are classified as financial liabilities at amortised cost or fair value recognised in the statement of financial position, as financial payables, or as derivatives designated as hedging instruments, as appropriate. The financial liabilities of the Group's companies include trade and other payables, loans and derivative financial instruments. The companies of the Group determine the classification of their financial liabilities on initial recognition.

Financial liabilities are initially measured at their fair value equal to the consideration received on the settlement date plus, in the case of financial payables, directly attributable transaction costs.

Subsequently, non-derivative financial liabilities are measured at amortised cost using the effective interest rate method.

Amortised cost is calculated by recording any discount or premium on the acquisition and fees or costs that are an integral part of the effective interest rate. Amortisation at the effective interest rate is included under financial charges in the income statement.

Gains and losses are recognised in the income statement when the liability is settled, as well as through the amortisation process.

Financial liabilities are derecognised when the obligation underlying the liability is extinguished, cancelled or fulfilled.

Employee benefits

Employee severance indemnities fall within the scope of what IAS 19 defines as benefit plans forming post-employment benefits. The accounting treatment envisaged for these forms of remuneration requires an actuarial calculation that makes it possible to project into the future the amount of the Employee Severance Indemnity already accrued and to discount it for taking into account the time that will elapse before actual payment.

The actuarial valuation of the Employee Severance Indemnity was carried out on a closed group basis, i.e. no new hires were considered during the reference time horizon (such period equals the one envisaged for all employees leaving the Company).

With reference to the aforesaid international accounting standards, actuarial simulations were carried out using the Projected Unit Credit Method and determining:

the cost of the service already provided by the worker (Past Service Liability);

the cost of the service provided by the worker during the year (Service Cost);

the cost relating to interest expense arising from the actuarial liability (Interest Cost);

the actuarial gains/losses relating to the valuation period between one valuation and the next (Actuarial (gain)/loss).

The unit credit criterion provides that the costs to be incurred in the year for establishing the Employee Severance Indemnity are determined on the basis of the portion of the benefits accrued in the same year. Under the vested benefits method, the obligation to the employee is determined on the basis of the work already performed at the valuation date and on the basis of the salary achieved at the date of employment termination (only for companies with an average number of employees being less than 50 in 2006).

In particular:

the Past Service Liability is the current value calculated in a demographic-financial sense of the benefits due to the employee (severance indemnity payments) deriving from seniority;

the Current Concern Provision is the value of the provision for employee severance indemnities in accordance with Italian statutory accounting principles at the valuation date;

the Service Cost is the current value calculated in a demographic-financial sense of the benefits accrued by the employee in the year ending;

the Interest Cost represents the cost of the liability due to the lapse of time and is proportional to the interest rate adopted in the valuations and the amount of the liability in the previous year;

the Actuarial (Gains)/Losses measure the liability change occurring in the period considered and being generated by:

- deviation between the assumptions used in the calculation models and the actual dynamics of the verified quantities;
- changes in the assumptions during the period under review.

Moreover, in view of the evolutionary nature of the fundamental economic variables, actuarial valuations have been carried out under "dynamic" economic conditions. Such an approach requires the formulation of economic-financial hypotheses capable of summing up in the medium to long term:

- the average annual changes in inflation in line with expectations regarding the general macroeconomic environment;
- the development of expected interest rates in the financial market.

Provisions for risks and charges

Provisions for risks and charges relate to costs and charges of a specific nature and whose existence is certain or probable, their amount or date of occurrence being uncertain at the end of the financial year. Allowances to provisions are recognised when:

the existence of a current, legal or implied obligation, arising from a past event is probable;

it is likely that the settlement of the obligation will be onerous;

the amount of the obligation can be reliably estimated.

Allowance to provisions are recorded at the value representing the best estimate of the amount that the company would rationally pay to settle the obligation or transfer it to third parties at the end of the period.

Trade payables

Trade payables are recorded at nominal value.

Revenue recognition

Revenues are booked on an accrual basis regardless of the date of collection, net of returns, discounts, allowances and premiums.

Revenues for the sale of the products are recognised at the time of control transfer of the goods given to the buyer, which coincides with the shipment or delivery of the same.

Revenues from the provision of services are recorded in the financial statements when the service is actually rendered.

Revenues of a financial nature are recognised on an accrual basis. For all financial instruments measured at amortised cost, interest income is recognised using the Effective Interest Rate (EIR), which is the rate that exactly discounts future payments and receipts, estimated over the expected life of the financial instrument.

Cost recognition

Costs are recognised when they relate to goods and services purchased and/or received during the period.

Service charges are recognised on an accrual basis.

For all financial instruments measured at amortised cost, interest expense is recognised using the Effective Interest Rate (EIR), which is the rate that exactly discounts future payments and receipts, estimated over the expected life of the financial instrument.

Financial income and charges

Financial income and charges are recognised in the income statement in the year in which they are accrued.

Income taxes

Taxes for the year represent the sum of current, prepaid and deferred taxes.

Current taxes are calculated on the basis of the estimated taxable income for the financial year. Taxable income differs from the result reported in the income statement because it excludes positive and negative components that will be taxable or deductible in other financial years and also excludes items that will never be taxable or deductible.

The liability for current taxes is calculated using the rates in force or actually in force at the reporting date.

Deferred tax assets and liabilities are determined on the basis of all temporary differences arising between the carrying values of assets and liabilities in the financial statements and the corresponding values recognised for tax purposes.

Deferred tax assets on tax losses and temporary differences are recognised to the extent that it is probable that future taxable income will be available against which they can be recovered.

Deferred tax assets and liabilities are determined at the tax rates being expected to apply in the financial years in which the temporary differences will be achieved or settled.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of these assets to be recovered.

Deferred taxes are directly charged to the income statement, except for those relating to items being directly recognised in equity, in which case the related deferred taxes are also charged to equity.

Deferred tax assets and liabilities are offset when there is a legal right to offset current tax assets and liabilities, when they relate to taxes due to the same tax authority and the company intends to settle current tax assets and liabilities on a net basis.

Criteria for the translation of items in foreign currency

Foreign currency transactions are initially recognised in the functional currency, by applying the spot exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the exchange rate at the reporting date.

Exchange differences are recorded in the income statement, including those achieved upon collection of receivables and payment of payables in foreign currency.

The gain or loss arising from the translation of non-monetary items is treated in line with the recognition of gains and losses relating to the change in the fair value of these items (translation differences on items whose change in fair value is recognised in the statement of comprehensive income or the income statement are recognised in the statement of comprehensive income or the income statement, respectively).

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 year, excluding any treasury shares.

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.
- Amendments to IFRS 16, Lease Liabilities in a Sale and Leaseback (issued on 22 September 2022);
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7): the amendments require entities to disclose certain specific information (qualitative and quantitative) related to supplier finance arrangements. The Amendments also provide guidance on the characteristics of supplier finance arrangements.

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) and entered into force in January 2025.
- Amendment entitled "Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (published on 25 May 2023);

- IFRS 18, Presentation and Disclosure in Financial Statements; IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1, Presentation of Financial Statements, and is mandatorily effective for annual periods beginning on or after 1 January 2027.

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. MAIN ESTIMATES ADOPTED BY THE MANAGEMENT

The application of generally accepted accounting principles for the preparation of financial statements implies that management makes accounting estimates based on complex and/or subjective judgements, based on past experience and assumptions considered reasonable and realistic on the basis of information known at the time of the estimate.

Estimates are used to measure intangible assets subject to impairment testing (see § Impairment losses), as well as to recognise provisions for doubtful accounts, inventory obsolescence, amortisation and depreciation, asset write-downs, employee benefits, taxes, other provisions and reserves. Estimates and assumptions are reviewed periodically and the effects of any changes are immediately reflected in the income statement.

The use of these accounting estimates affects the carrying amount of assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date, as well as the amount of revenues and costs in the reporting period. Actual results may differ from estimated results due to the uncertainty that characterises the assumptions and conditions on which the estimates are based.

The following are the accounting estimates that are critical to the preparation of the financial statements because they involve a high degree of recourse to subjective judgements, assumptions and estimates relating to issues that are by their nature uncertain. Changes in the conditions underlying the judgements, assumptions and estimates adopted can have a significant impact on subsequent results.

Recoverable amount of non-current assets

Non-current assets include Property, plant and equipment, Goodwill, Other intangible assets, Equity investments and Other financial assets. The Group periodically reviews the carrying amount of non-current assets held and

used and assets to be disposed of, when facts and circumstances require such a review. For Goodwill, this analysis is carried out at least once a year and whenever facts and circumstances require it. The analysis of the recoverability of Goodwill carrying amount is generally performed using estimates of the expected cash flows from the use or sale of the asset and appropriate discount rates to calculate the present value.

When the carrying amount of a non-current asset is impaired, the Group recognises an impairment loss equal to the excess of the carrying amount of the asset over its recoverable amount through use or sale.

Recoverability of deferred tax assets

The Group has deferred tax assets on deductible temporary differences. In determining the estimate of the recoverable amount, the Group took into consideration the results of the business plan.

- Allowance for doubtful accounts

The allowance for doubtful accounts reflects the management's estimate of the expected losses associated with the portfolio of receivables. The Group applies the simplified approach envisaged by IFRS 9 and records expected losses on all trade receivables on the basis of their residual duration, by defining the provision based on historical experience of credit losses, adjusted to take account of specific forecast factors relating to creditors and the economic environment (the Expected Credit Loss - ECL concept).

Contingent liabilities

The Group recognises a liability for ongoing litigation and lawsuits when it believes it is probable that a financial outlay will be made and when the amount of resulting losses can be reasonably estimated. If a financial outlay becomes possible but the amount cannot be determined, this fact is disclosed in the notes to the financial statements.

Estimates adopted in the actuarial calculation for the purpose of determining defined benefit plans in the context of post-employment benefits (IAS 19)

The liability for employees leaving entitlement was measured by an independent actuary on the basis of the following assumptions:

Demographic assumptions

The probability of death was derived from the Italian population, broken down by age and gender, as measured by ISTAT in 2000 and reduced by 25%;

the probability of elimination due to absolute and permanent disability of the worker to become disabled and leave the company community is inferred from the disability tables currently used in reinsurance practice, broken down by gender and age;

the probability of leaving the company due to resignations and dismissals was estimated, on the basis of company data, over the observation period from 2015 to 2024 and amounts to 7.17% per year for the Parent Company. For Akern the causes of resignations and dismissals were estimated, on the basis of company data, over the observation period from 2020 to 2024 and amounts to 7.55% per year;

the probability of requesting an advance was set at 1% per year, with a 50% rate remaining for the Parent Company, while for Akern it was set at 1.20% per year, with a rate of 50.68% remaining at the company's charge;

for the period of retirement for the generic workforce, it was assumed that the earliest of the retirement requirements valid for the General Compulsory Insurance would be reached.

Economic and financial assumptions

The macroeconomic scenario used for the measurements is described in the table below:

2024 parameters	PHN	AKERN
Rate of salary increase	4.117%	3.846%
Inflation rate	*	*
Discount rate of employees leaving entitlement	2.382%	2.422%

* With regard to the inflation hypothesis, reference was made to the "Economic and Financial Document 2023 - Update Note", approved by the Italian Council of Ministers on 27 September 2023, which forecasts an annual rate

of 2% for 2025 and 2.1% for 2026. Based on said update, it was assumed that a flat rate of 2.1%, also on an annual basis, would be adopted from 2027.

With regard to the discount rate, reference was made to the structure by maturity of the interest rates calculated via a bootstrap method from the swap rate curve recorded on 03/01/2025 (Source: *Il Sole 24 ore*) and fixed with respect to payment commitments with an average residual duration of 21 years for the Parent Company and 19 years for Akern.

Estimates adopted in the actuarial calculation for the purpose of determining the provision for agents' termination indemnity (IAS 37)

The liability for agents' termination indemnity was measured by an independent actuary on the basis of the following assumptions:

Demographic assumptions

The probability of death was derived from the Italian population, broken down by age and gender, as measured by ISTAT in 2000 and reduced by 25%;

for the probabilities of leaving the company due to voluntary resignations or dismissals, the annual frequencies over the observation period from 2013 to 2024 has been estimated, based on company data, at 4.15% and 6.45% per year, respectively;

Economic and financial assumptions

With regard to the discount rate, reference was made to the structure by maturity of the interest rates calculated via a bootstrap method from the swap rate curve recorded on the measurement date (Source: *Il Sole 24 ore*) and fixed with respect to payment commitments with an average residual duration observed at the same measurement date. For the measurement as at 31/12/2024, a flat rate of 2.419% was adopted on the section of the curve corresponding to 22 years of average residual duration.

Estimates adopted in the determination of deferred taxes

A discretionary assessment is required of the Directors to determine the amount of deferred tax assets that can be recognised. They must estimate the probable occurrence in time and the amount of future taxable profits.

Amortisation/depreciation

Fixed assets cost is depreciated on a straight-line basis over their estimated useful lives, which for rights of use coincides with the assumed duration of the contract. The useful economic life of the Group's fixed assets is determined by the Directors at the time of purchase. It is based on the historical experience gained over their business years and on the knowledge of any technological innovations that could make the fixed asset obsolete or no longer economical.

The Group periodically evaluates technological and industry changes to update the remaining useful life. This periodic revision process could lead to a change in the depreciation period considered and, therefore, in the depreciation charged in future years.

7. RISK AND UNCERTAINTY MANAGEMENT

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

7.1 EXTERNAL RISKS

7.1.1 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.

7.1.2 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, the relationship with the Russian distributor continued as usual during 2024. In continuity with the previous years, part of the margin realised was donated to humanitarian organisations for the purchase of ambulances and the construction of hospital facilities in Ukraine.

It is considered that the possible adoption of even stronger penalties could not lead to a decrease in the expected revenues for the next year. Regarding Ukraine, a marginal market, there are no open positions as of today and no commercial operations.

With regard to the conflict in the Middle East, it is considered that no significant effects will result from it since the Group does not operate in the Palestinian territory.

7.1.3 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.

7.1.4 Cyber risks related to security, data management and dissemination, with particular reference to cyber attacks

The risk is related to the possibility that any attacks and breaches of the IT system may lead to the unavailability of systems and/or the destruction, loss, modification, unauthorised disclosure of or access to personal data

transmitted, stored or otherwise processed by the Group, with consequent economic and/or reputational losses, including those related to serious business interruption events. Risk factors include those related to employees' potential unawareness of Cyber Security issues that could expose the Group to vulnerabilities in the area of information management.

During 2024, the implementation of the project to strengthen the Group's cyber security (started in 2022) continued with interventions in the following areas:

- Cyber skill assessment & cyber training for information technology department personnel to highlight operational and governance roles and responsibilities with the identification of possible certification plans for personnel of this department;
- Delivery of a cyber awareness training course to all employees with a final test and organisation of two phishing campaign simulations;
- Definition of a cyber security plan with the identification of project activities in the medium to long term (3 years) with the aim of obtaining ISO 27001 certification;
- Implementation of the asset management and change management procedure with the formalisation of an asset management process that includes the process of defining the attributes to be surveyed for each asset and the disposal phase with secure deletion of personal data (asset management), and a process regarding the separation of organisational environments and tasks.
- Scouting activities aimed at identifying one or more solutions for the adoption of an enhanced authentication system (MFA - Multi Factor Authentication). The system shall be implemented from February 2025.
- Update of the Business Impact Analysis following the move to the new premises.
- Cyber security assessment of Akern with definition of the corrective action plan to be implemented.

The level of attention with which the Group handles these issues is very high and during the financial year 2025 further improvement projects will be implemented and additional training sessions and awareness campaigns will be delivered in line with the defined Cyber Security Awareness programmes.

7.1.5 Risks related to climate change

With particular reference to climate change and related risk factors, the Group analysed the main impacts on sustainability.

As part of the assessment of risks related to climate change, the PharmaNutra Group has not currently identified as relevant risks related to the inability to achieve strategic objectives due to changes in the external environment (also taking into account possible impacts on the supply chain) and possible inadequate management of emissions into the atmosphere. The process of identifying these risks, as well as the assessments of their importance, were conducted both on the basis of the internal context as well as on the basis of the dynamics of the reference market, and current regulations. In this context, it should be noted, however, that as of today the Group has not yet set specific quantitative targets in terms of reducing greenhouse gas emissions - neither direct emissions, since the production activity carried out in the new plant did not begin until 2024, nor indirect emissions, due to the difficulty in obtaining data from the supply chain. At the strategic level, the Group intends to pursue the integration of sustainable development principles into its vision and business model in an increasingly precise and consistent manner. Potential impacts related to physical hazards associated with climate change are deemed not significant. The outcome of the above assessments regarding the significance of climate change risks was also duly taken into account in the process of defining the assumptions adopted in preparing the impairment tests.

In 2024, the Group obtained its first Ecovadis rating, referring to the 2023 Sustainability Report, achieving a score of 71/100 (silver medal) and being included in the top 4% of companies assessed by EcoVadis in the production of basic pharmaceutical products and pharmaceutical preparations⁷ industry.

7.2 MARKET RISKS

7.2.1 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 31 December 2024, with an unchanged incidence compared to the previous year. A contraction in sales of these key products could have negative effects on the Group's business and prospects.

⁷ Source: Ecovadis Sustainability Performance Overview Report of 14 October 2024

7.2.2 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. The Group's iron-based products are currently all classified as food supplements. 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.

7.3 FINANCIAL RISKS

7.3.1 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.

The exposure to credit risk as at 31 December 2024 and 31 December 2023 is shown below:

€/1000	12/31/2024	12/31/2023
Non current financial assets	292	293
Other non current assets	1.787	3.046
Deferred tax assets	1.401	1.524
Current financial assets	13.477	6.193
Trade receivables	23.716	20.947
Other current assets	6.370	5.066
Total Exposure	47.043	37.069
Prov. for doubtful accounts	(1.664)	(1.728)
Total exp. net of prov. for doub. Acc. (*)	45.379	35.341

(*) = equity investments and tax receivables are not included

Below is a breakdown of receivables as at 31 December 2024 and 31 December 2023 grouped by category and due date. Please note that equity investments and tax receivables are not included:

€/1000	Book value 31/12/24	Not due	Due			
			0-90	90-180	180-360	> 360
Non current financial assets	292	292				
Other non current assets	1.787	1.787				
Deferred tax assets	1.401	1.401				
Current financial assets	13.477	13.477				
Trade receivables	23.716	20.176	1.346	379	221	1.593
Other current assets	6.370	6.370				
Total financial assets	47.043	43.503	1.346	379	221	1.593

€/1000	Book value 31/12/23	Not due	Due			
			0-90	90-180	180-360	> 360
Non current financial assets	293	293				
Other non current assets	3.046	3.046				
Deferred tax assets	1.524	1.524				
Current financial assets	6.193	6.193				
Trade receivables	20.947	17.367	1.505	142	267	1.665
Other current assets	5.066	5.066				
Total financial assets	37.069	33.489	1.505	142	267	1.665

7.3.2 Liquidity risk

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

To support the investments made for the construction of the new headquarters, a mortgage loan contract with progress draws was finalised in 2023 with Banco BPM S.p.A. for the amount of Euro 12 million. The mortgage loan provides for a variable interest rate calculated with a spread of 1.45% on the quarterly EURIBOR. The loan includes a financial covenant based on the NFP/EBITDA parameter. As at 31/12/2024, this parameter is respected.

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.

Financial liabilities as at 31 December 2024 and 31 December 2023, as reflected in the statement of financial position, broken down by contractual maturity bands are reported below:

€/1000	Balance at 31/12/24	Current portion	2 to 5 years	Over 5 years
Bank loans	22.595	4.446	10.019	8.130
ROU financial liabilities	1.676	318	1.322	36
Total financial liabilities	24.271	4.764	11.341	8.166

€/1000	Balance at 31/12/23	Current portion	2 to 5 years	Over 5 years
Bank loans	26.403	4.215	14.679	7.509
ROU financial liabilities	1.612	370	1.242	
Total financial liabilities	28.015	4.585	15.921	7.509

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

7.3.3 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 about 83% as at 31 December 2024 and 71% as at 31 December 2023.

The Group does not currently adopt policies to hedge interest rate risk. Considering the current forecasts on the expected trend of interest rates in the medium to long term, hypotheses are currently being evaluated to hedge the interest rate on the mortgage loan.

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 Statement of financial position 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 31 December 2024 and 31 December 2023, the following table shows the fair value hierarchy for the Group's assets that are measured at fair value:

€/1000	12/31/2024				12/31/2023			
	Level				Level			
	1	2	3	Total	1	2	3	Total
<i>Current fin. Assets</i>								
Bonds	4.870		173	5.043	4.416		386	4.802
Investment fund	434			434	591			591
Time deposits			8.000	8.000			800	800
Total	5.304	-	8.173	13.477	5.007	-	1.186	6.193

For bonds falling under Level 3, the nominal value valuation model was applied. The financial products included in this category are products deriving from securitisation transactions of receivables or other assets (Euro 78 thousand) and financial products with pay-offs linked to indexes that do not comply with the ESMA Guidelines of 18 December 2012 on ETFs (Euro 95 thousand).

Time deposits falling under level 3 are represented by some time deposits maturing in January 2025.

7.3.4 Risk of changes in cash flows

There is no particular need for access to bank credit, except for current commercial activities, given the willingness of banks to extend, when necessary, existing credit lines for the companies of the Group.

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.

7.3.5 Risks 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.

7.3.6 Risks related to litigation

The Parent Company is part of a series of single-brand agency and procurement agreements for the promotion of its products. The activity carried out by its agents plays an important role in providing scientific information to the medical class. Over the years, there were a number of cases in which agents and/or brokers initiated disputes aimed at ascertaining the existence of an employment relationship and claimed for compensation. Given the risks highlighted, specific provisions have been 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 and in 2024 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 plus penalties and interest.

8. 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, Abroad and Akern, which represent the Group's business model.

A) REVENUES	116.911	71.173	39.770	5.967	101.963	65.085	31.775	5.104
Net revenues	115.498	70.240	39.336	5.922	100.202	63.563	31.610	5.030
Other revenues	1.413	933	434	46	1.761	1.522	165	74
B) OPERATING COSTS	(85.868)	(54.084)	(28.005)	(3.780)	(75.479)	(48.152)	(24.015)	(3.312)
Cost for services, goods and other operating costs	(68.355)	(43.504)	(22.764)	(2.087)	(61.367)	(39.892)	(19.677)	(1.798)
Cost for personnel and corporate bodies	(17.512)	(10.579)	(5.240)	(1.693)	(14.112)	(8.259)	(4.338)	(1.515)
(A-B) EBITDA	31.043	17.089	11.766	2.188	26.484	16.933	7.760	1.791
Ebitda margin (on net revenues)	26,9%	24,3%	29,9%	36,9%	26,4%	26,6%	24,5%	35,6%
C) Amortization, depreciation and write off	(3.669)				(3.124)			
(A-B-C) EBIT	27.374				23.360			
D) FINANCIAL INCOME (EXPENSES)	(212)				(100)			
Financial income	1.410				905			
Financial expenses	(1.622)				(1.005)			
PROFIT/(LOSS) BEFORE TAXES	27.162				23.260			
Taxes	(10.610)				(10.427)			
NET PROFIT/(LOSS) OF THE PERIOD	16.552				12.832			
Third parties result of the period	57							
GROUP'S NET PROFIT/(LOSS) OF THE PERIOD	16.609				12.832			

The performance of the two PharmaNutra business lines compared to the previous year reflects what has already been reported above in relation to the Group's performance. Sales on the Italian market rose by 10.5% and those abroad by 25.2%.

Costs for services attributable to Italy line, amounting to Euro 43,504 thousand, rose by around 9.1% compared with the previous year due to higher revenues for the year and the increase in marketing costs and the investments incurred for the launch of the Cetilar® Nutrition line. Costs for services attributable to foreign markets, which amounted to Euro 22,764 thousand in 2024, compared to Euro 19,677 thousand in 2023, show an increase of 15.7% as a result of costs incurred for the start-up of PHN USA and PHN España.

As a result of the above, the EBITDA of Italy segment in 2024 amounted to Euro 17,089 thousand (Euro 16,933 thousand in 2023), a decrease of 0.9%, while the EBITDA of foreign market segment increased by about 51.6% from Euro 11,766 thousand in 2024 to Euro 7,760 thousand in 2023.

The Akern segment's revenue and EBITDA increased by 16.9% and 22.1%, respectively, compared to the previous year.

9. COMMENTS ON THE MAIN ITEMS

9.1 Non-current assets

9.1.1. Property, plant and equipment

Net book value	Opening balance	Increases	Decreases	Depreciation	Other movements	Closing balance
Land and buildings	19.180	162		-1.042	68	18.368
Plant and machinery	2.147	262	6	-302	1	2.114
Equipments	13	204	0	-26	5	196
Furnitures and office machines	1.158	310	0	-283	4	1.189
Vehicles	873	463	-108	-386	-56	786
Other tangible assets	2				-2	0
Rights of use	2.852	714	-263	-457	-3	2.843
Assets under construction	134	97			-68	163
TOTAL	26.359	2.212	-365	-2.496	-51	25.659

Historical Cost	Opening balance	Increases	Decreases	Other movements	Closing balance
Land and buildings	20.421	162		68	20.651
Plant and machinery	2.583	262		1	2.846
Equipment	126	204	-21	5	314
Furnitures and office machines	2.294	310	-8	4	2.600
Vehicles	1.857	463	-414	-58	1.848
Other tangible assets	9			0	9
Rights of use	4.239	714	-1.399	0	3.554
Assets under construction	134	97		-68	163
TOTAL	31.663	2.212	-1.842	-48	31.985

Accumulated depreciation	Opening balance	Depreciation	Decreases	Other movements	Closing balance
Land and buildings	1.241	1.042		0	2.283
Plant and machinery	436	302	-6	0	732
Equipments	113	26	-21	0	118
Furnitures and office machines	1.136	283	-8	0	1.411
Vehicles	984	386	-306	-2	1.062
Other tangible assets	7			2	9
Rights of use	1.387	457	-1.136	3	711
TOTAL	5.304	2.496	-1.477	3	6.326

The amount of the year's increases relates to about Euro 628 thousand for the investments for completion of the new headquarters, Euro 463 thousand for the purchase of cars for use by management and the sales force, and Euro 310 thousand for the purchase of electronic equipment.

It should be noted that, against the investments in capital goods made as part of the construction of the new headquarters, in 2023 the Parent Company accrued a tax credit pursuant to Italian Act 178/2020 as later amended and supplemented (Industria 4.0) for a total amount of Euro 1.3 million, which was recognised as a reduction in the cost of the assets to which it refers.

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

9.1.2 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	191		-173	574	673
Patents	2.107	513		-381	-94	2.145
Trademarks, concessions and licenses	1.521	64	-1	-141	-10	1.433
Goodwill	17.561			0	60	17.621
Other intangible assets	106	14		-41	55	134
Intangibles in progress and advances	1.159	1.257	-289		-814	1.313
TOTAL	22.535	2.039	-290	-736	-229	23.319

The increases in intangible fixed assets refer to patent and trademark management activities, and software development activities for approximately Euro 704 thousand. The increase in fixed assets under construction refers to costs capitalised on research contracts in progress and software being implemented.

Testing for impairment of goodwill and intangible fixed assets with indefinite useful life (Impairment Test)

As indicated in the section on valuation criteria, intangible fixed assets with an indefinite useful life are not amortised but are tested for impairment annually, or more frequently if specific events or changes in the circumstances indicate that they may have suffered an impairment loss, in accordance with IAS 36 Impairment of

Assets (impairment test). The recoverability of the values recorded is verified by comparing the net carrying amount of the individual cash generating unit with the recoverable value (value in use). Such recoverable value is represented by the current value of future cash flows that are estimated to derive from the continuous use of the assets related to Cash Generating Unit (CGU).

The cash flows used to determine the value in use derive from the most recent estimates made by the management, and in particular the 2025 budget approved on 13 January 2025. Two CGUs have been identified: PharmaNutra - for the goodwill arising from the merger of Junia Pharma and Alesco, on a going concern basis of consolidated financial statements values - and Akern.

The recoverable value of the two CGUs identified every goodwill refers to and amounting to a total of Euro 17,621 thousand (of which Euro 2,750 thousand refer to merger-related goodwill and Euro 14,811 thousand refer to Akern) was verified through the value in use, determined by applying the discounted cash flow method. If the recoverable amount is higher than the net carrying amount of the CGU, no impairment loss is recognised; otherwise, the difference between the net carrying amount and the recoverable amount, as a result of the impairment test, determines the amount of the adjustment to be recognised.

The main assumptions used for the calculation of value in use concern the discount rate (WACC post-tax) of cash flows and the growth rate "g" used for the calculation of the perpetual annuity. With particular reference to the valuations relating to 31 December 2024, the Group used a discount rate of 10.71%, with a growth rate "g" of 1% for both CGUs.

The results of the impairment test showed that the recoverable amount of goodwill from the merger exceeded the book value by 86 times; for Akern, the recoverable amount is higher for the 27% of the book value.

Sensitivity

The sensitivity analysis carried out considering a change of +/- 0.50% in the g-rate and +/- 1% in the WAAC used to perform the test did not show any impairment of goodwill.

9.1.3 Investments

	12/31/2024	12/31/2023	Change
Investments in other companies	4	4	0
Investments	4	4	0

9.1.4 Non-current financial assets

	31/12/24	31/12/23	Change
Deposits and advances	292	293	-1
Non current financial assets	292	293	-1

The item includes security deposits, amounting to Euro 100 thousand, which refer to the amount paid upon execution of the rent agreement entered into by Athletica Cetilar and the related company Solida S.r.l.; the item also includes advance payments made by PharmaNutra to Solida S.r.l. amounting to Euro 85 thousand.

9.1.5 Other non-current assets

	12/31/2024	12/31/2023	Change
Insurance for Directors severance	437		437
Tax receivables purchased	1.126	2.091	-965
L/T tax assets from Industry 4.0	224	955	-731
Other non current assets	1.787	3.046	-1.259

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 Executive Directors.

The item Purchased tax credits represents the non-current portion of tax credits from the so-called "superbonus", "ecobonus" and other building tax relief measures - in the various forms of tax relief obtained in connection with the interventions referred to in articles 119-121 of Italian Decree-Law No. 34/2020, converted by Act No. 77/2020, as later amended and supplemented ("Relaunch Decree"), Italian Decree-Law No. 63/2013, converted by Act No. 90/2013, articles 14, 16, 16-*bis* and 16-*ter*, and Italian Act No. 160/2019 article 1, paragraph 219, as later amended and supplemented - for a nominal value of Euro 5 million purchased in 2023 to invest part of the Group's liquidity. These credits can be used over four years for a maximum annual amount of Euro 1,250 thousand. As at 31 December, the Group had fully used the amount allowed for the year 2024.

The item Industria 4.0 Tax Credits includes the long-term part of the Industria 4.0 tax credit described above.

9.1.6 Deferred tax assets

	Opening Balance		Increase	Decrease	Ending balance
Prov. for legal disputes risks	146		72	-146	72
Provision for inv. write off	104		226	-48	282
Prov. for doubtful accounts	374		34	-13	395
Directors' compensation	654		594	-456	792
Accrual to prov. for leaving indem.	51	4	3	-2	56
Prov. for termination of agency cont.	-126	-1		-24	-151
Consolidation entries	321	0		-367	-46
TOTAL	1.524	3	929	-1.056	1.401

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.

Deferred tax assets relating to the remuneration of corporate bodies concern the non-deductibility of the variable remuneration.

Deferred tax assets relating to the application to the Employee Severance Indemnity Provision and the Indemnity for termination of agency contracts of the IAS/IFRS valuation of these items are the result of all adjustments made from the FTA until the closing of the financial statements in question.

9.2 Current assets

9.2.1 Inventories

	12/31/2024	12/31/2023	Change
Raw mat., aux. and cons.	3.065	816	2.249
Works in progress and semi fin. prod.	420	238	182
Finished prod.and goods	4.455	7.481	-3.026
Provision for inventories w/o	-998	-369	-629
Inventories	6.942	8.166	-1.224

The increase in inventories of raw, ancillary and consumable materials is attributable to production planning, while the decrease in inventories of finished products and goods for resale is determined by the higher volumes of revenues realised and the release, following the merger, of the intercompany margin generated by Alesco; the value of finished product inventories is net of Euro 998 thousand (Euro 369 thousand as at 31/12/2023) set aside as an impairment loss on raw materials and finished products inventories.

9.2.2 Cash and cash equivalents

	12/31/2024	12/31/2023	Change
Bank and postal accounts	15.620	18.885	-3.265
Cash and cheques		40	-40
Total cash and cash equivalents	15.620	18.925	-3.305

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.

9.2.3 Current financial assets

	12/31/2024	12/31/2023	Change
Mutual funds	434	591	-157
Bonds	5.043	4.802	241
Partite attive varie da liqu.	8.000	800	7.200
Total current financial assets	13.477	6.193	7.284

This item represents a temporary investment of part of the Parent Company's liquidity made by opening fixed term deposits with some banks, maturing in January 2025, and through an individual asset management mandate granted to Azimut Capital Management S.g.r. By virtue of this mandate, bonds and units in investment funds of adequately rated issuers have been subscribed.

As at 31/12/2024, a comparison with the market value of the bonds held shows a capital loss of Euro 152 thousand which was recorded in a shareholders' equity reserve, based on the valuation criteria adopted by the

Group in accordance with IFRS9. A loss of irrelevant amount was recorded in the income statement for the year on the fund units.

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

9.2.4 Trade receivables

	12/31/2024	12/31/2023	Change
Trade receivables- domestic market	16.071	9.778	6.293
Trade receivables RoW	4.667	5.299	-632
Other trade receivables	3.581	5.886	-2.305
Invoices/(Credit Notes) to be issued	-603	-16	-587
Bad debts provision	-1.664	-1.728	64
Total trade receivables	22.052	19.219	2.833

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 13.

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

€/1000	12/31/24	12/31/23	Variation
Italy	17.424	12.866	4.558
Asia	3.407	2.599	809
Europe	1.173	2.451	(1.278)
Africa	0	0	0
America	49	1.304	(1.255)
Total trade receivables	22.052	19.219	2.833

Changes in the Provision for doubtful accounts during 2024 were as follows:

	BAD DEBTS PROVISION
Opening Balance	(1.728)
Accruals	(144)
Disposals	208
Ending Balance	(1.664)

9.2.5 Other current assets

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

	12/31/2024	12/31/2023	Change
Rec. from shareholders for indemnification	125	793	-668
Receivables from employees	51	63	-12
Advances to suppliers	4.010	1.630	2.380
S/T Tax receivables purchased	1.504	1.523	-19
Prepayments and accr. income	680	1.057	-377
Total other current assets	6.370	5.066	1.304

The item "Receivables from shareholders for indemnification" refers to the reimbursement due to the 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.

The item "Advances" includes receivables from agents for advances of Euro 294 thousand (Euro 307 thousand in the previous year), relating to sums advanced by Group companies when signing agency contracts, and advances to suppliers of Euro 3,716 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 item Tax Credits represents the amount of tax credits acquired that are expected to be used within 12 months and the current portion of the Industria 4.0 tax credit, amounting to Euro 343 thousand, referring to the benefit recognised for investments in capital goods.

9.2.6 Tax receivables

“Tax receivables” can be broken down as follows:

	12/31/2024	12/31/2023	Change
VAt receivables	127	381	-254
R&D tax receivables	370	526	-156
Patent box tax receivables		167	-167
Other tax receivables	48	39	9
Tax receivables	545	1.113	-568

The item R&D tax receivables represents the tax credit under Art. 3 of Italian Decree-Law no. 145/2013 within the terms and in the manner set out in Italian Ministerial Decree no. 27/05/2015 as amended. The portion accrued in 2024 amounts to Euro 124 thousand.

9.3 Shareholders' Equity

9.3.1 Shareholders' equity

The changes in the items of shareholders' equity of the Group and of minority interests are shown below:

€/1000	S. C.	Treas. Sh.	Other res.	IAS Res.	Res. of the period	Group equity	Third Part. Cap. and Res.	Third part. res. of the period	Minority interest	TOTAL
Balance as at 1/1	1.123	(4.013)	44.343	122	12.832	54.407			-	54.407
Other changes	-	(551)	-	(92)		(643)	90		90	(553)
Merger	-		(2)	(1)		(3)			-	(3)
Dividends paid			(8.172)			(8.172)			-	(8.172)
Allocation of result			12.832		(12.832)	-			-	-
Result of the period					16.609	16.609		(57)	(57)	16.552
Exchange differences	-		(35)			(35)			-	(35)
Balance as at 31/12	1.123	(4.564)	48.966	29	16.609	62.163	90	(57)	33	62.196

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.

11,746 treasury shares were purchased during the year in accordance with the resolutions of the Ordinary Shareholders' Meeting on 16 April 2024. As at 31 December 2024, PharmaNutra holds 77,731 treasury shares equal to 0.80% of the share capital, for a value of Euro 4,564 thousand.

Changes in treasury shares during 2024 were as follows:

N°	Treasury Shares
Balance as at dec. 31,2023	65.985
Purchases	11.746
Disposal	-
Balance as at dec. 31,2023	77.731

In the following table it is show the detail of Other reserves and IAS Reserves

€/1000	Balance as at 31/12 n-1	Balance as at 31/12
Legal reserve	225	225
Share premium account	7.205	7.205
Extraordinary reserve	27.489	32.730
Merger surplus reserve	-	8.144
Retained earnings	9.431	649
Currency conversion Reserve	(7)	13
Total Other Reserves	44.343	48.966
Reserve FTA	12	12
Reserve Fair Value OCI	(89)	(175)
Reserve IAS 19	199	192
Total IAS reserves	122	29

The merger surplus reserve represents the surplus of Alesco's and Junia Pharma's shareholders' equity arising from their merger into the Parent Company, which was completed in 2024.

On 16 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 8,172 thousand.

9.4 Non-current liabilities

9.4.1 Non-current financial liabilities

	12/31/2024	12/31/2023	Change
BPER Loan	2.257	3.256	-999
Intesa loan	0	171	-171
Credem loan	1.921	3.137	-1.216
BPM loan	2.924	3.919	-995
BPM guaranteed loan	11.047	11.705	-658
Non current fin. liab. for rights of use	1.358	1.242	116
Non current financial liabilities	19.507	23.430	-3.923

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

Non-current financial liabilities for rights of use represent the discounted amount due beyond one year of the lease contracts in force as at 31/12/2024 in accordance with IFRS16.

The following table shows the breakdown of bank indebtedness by company and due date as at 31/12/2024. It is important to stress that payables due within one year are classified as "Current financial liabilities" (see paragraph 9.5.1).

	Balance as at Dec. 31 2024	Due within 12 months	Due after 12 months
Pharmanutra	22.417	4.268	18.149
Akern S.r.l.	175	175	0
Athletica Cetilar	3	3	0
<i>Total financial debts</i>	<i>22.595</i>	<i>4.446</i>	<i>18.149</i>
Pharmanutra	973	227	746
Akern S.r.l.	121	30	91
Athletica Cetilar	582	61	521
<i>Total fin. Debts for ROU</i>	<i>1.676</i>	<i>318</i>	<i>1.358</i>
Total	24.271	4.764	19.507

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 31 December 2024 is as follows:

	31/12/24	31/12/23
A Cash	(15.620)	(18.925)
B Cash equivalents		
C Other current financial assets	(13.477)	(6.193)
D Cash and cash equivalents (A+B+C)	(29.097)	(25.118)
1) E Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	726	997
F Current portion of non current financial debt	4.038	3.588
G Current financial debt (E+F)	4.764	4.585
of which secured	620	295
of which unsecured	4.144	4.290
H Net current financial debt (G-D)	(24.333)	(20.533)
2) I Non-current financial debt (excluding the current portion and debt instruments)	19.507	23.430
J Debt instruments		
K Trade and other non current debts		
L Non current financial debt (I+J+K)	19.507	23.430
of which secured	11.233	11.705
of which unsecured	8.274	11.725
M Net financial debt (H+L) com. CONSOB (4/3/21 ESMA32-382-1138)	(4.826)	2.897
3) N Other current and non current financial assets	(729)	(293)
O Net financial debt (M-N)	(5.555)	2.604

- 1) It includes the following items of the financial statements: Current financial liabilities (Financial payables for rights of use Euro 318 thousand, suspense accounts with debit balances Euro 408 thousand);
- 2) It includes the following items of the financial statements: Non-current financial liabilities (M/L-term loans Euro 18,149 thousand, Financial payables for non-current rights of use Euro 1,358 thousand);
- 3) It includes the following items of the financial statements: Non-current financial assets (Deposits paid Euro 292 thousand, Insurance for Directors' termination indemnity Euro 437 thousand).

9.4.2 Provisions for non-current risks and charges

	12/31/2024	12/31/2023	Change
Provision for indem. for term. of agency contracts	1.088	950	138
Provision for sundry risks and legal disputes	275	508	-233
Provision for contractual obligations	3.000	3.000	0
Provision for risks and charges	4.363	4.458	-95

Provisions for risks and charges include:

Provision for termination indemnity of agency contracts, set up under article 1751 of the Italian Civil Code and the current collective economic agreement of 20 March 2002, 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). During the year, the fund was utilised because of the termination of contracts.

Provision to cover the risk of legal disputes: the provision accrued as at 31/12/2023 was fully utilised following some settlement agreements relating to the termination of agency contracts. The amount set aside as at 31/12/2024 represents the estimated liability in the event of losing a dispute with a supplier.

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.

9.4.3 Provisions for employee and director benefits

	12/31/2024	12/31/2023	Change
Leaving indemnity provision	1.333	1.205	128
Directors' severance indemnity prov.	1.170	515	655
L/T directors compensation prov.	1.560	780	780
Employee and directors benefit prov.	4.063	2.500	1.563

Provisions for benefits refer to:

- Directors' termination indemnity provision.

The balance as at 31/12/2024 in the amount of Euro 1,170 thousand corresponds to the company's actual commitment to the directors at the reporting date, based on the resolutions of the Ordinary Shareholders' Meeting.

Provision for medium/long-term variable compensation

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 during the year amounted to Euro 780 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).

Changes during the year are set forth below:

€/1000	Leav. Ind. Prov
Balance as at dec. 31,2023	1.205
Service cost	186
Interest	24
Utilization	(88)
Actuarial (gais)/losses	6
Balance as at dec. 31,2023	1.333

9.5 Current liabilities

9.5.1 Current financial liabilities

	12/31/2024	12/31/2023	Change
S/T part of long term loans	4.038	3.588	450
S/T bank liabilities	408	627	-219
Current fin. liab. for rights of use	318	370	-52
S/T Financial liabilities	4.764	4.585	179

The item "Short-term portion of loans" represents the portion of debt relating to loans and instalments of loans to be repaid within the next financial year (see the table in paragraph 9.4.1 for details).

9.5.2 Trade payables

Trade payables are broken down in the table below:

	12/31/2024	12/31/2023	Variation
Trade payables domestic suppliers	13.323	13.145	178
Trade payables RoW suppliers	174	512	-338
Advances	2.298	2.450	-152
Total trade payables	15.795	16.107	-312

The reduction in trade payables is linked to payment dynamics. The item Trade payables Italy includes all invoices to be received.

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

€/1000	31/12/24	31/12/23	Variazione
Italy	12.498	12.543	(45)
Asia	1.330	629	701
Europe	688	590	98
America	303	864	(561)
Others	976	1.481	(505)
Total trade payables	15.795	16.107	(312)

9.5.3 Other current liabilities

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

	12/31/2024	12/31/2023	Change
Payables for wages and salaries	1.196	887	309
Payables to social security institutions	546	356	190
Payables to directors and statutory auditors	1.828	1.776	52
Other payables	130	338	-208
Provision for agents indemnity	223	160	63
Guarantee withholdings	190	220	-30
Security deposits from customers	107	107	0
Total other current liabilities	4.220	3.844	376

The item Payables to directors and statutory auditors includes the amount of short-term variable remuneration accrued by executive directors on the results for 2024 equal to Euro 1,586 thousand.

9.5.4 Tax payables

	12/31/2024	12/31/2023	Change
Income taxes	1.957	2.178	-221
Payables for withholdings	589	884	-295
VAT payables	14	50	-36
Total tax payables	2.560	3.112	-552

9.6 Revenues

9.6.1 Net revenues

	2024	2023	Variation
Domestic sales revenues	70.393	63.563	6.830
Foreign markets sales sales	39.184	31.610	7.574
Medical instruments revenues	5.921	5.029	892
Total Net Revenues	115.498	100.202	15.296

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

€/1000	2024	2023	Variation	Δ%	Incidence 2024	Incidence 2023
Italy	69.337	62.508	6.829			
Total F.P. Italy	69.337	62.508	6.829	10,9%	60,0%	62,4%
Europe	20.129	16.161	3.968	24,6%		
Middle East	9.114	10.123	(1.009)	-10,0%		
South America	2.552	1.950	602	30,9%		
Far East	2.847	1.529	1.318	86,2%		
Other	2.738	688	2.050	298,0%		
Total F.P. Rest of World	37.381	30.451	6.930	22,8%	32,4%	30,4%
Raw materials Italy	1.055	1.054	2	0,2%	0,9%	1,1%
Raw materials Rest of World	1.803	1.159	644	55,6%	1,6%	1,2%
Total Raw Materials	2.859	2.213	646	29,2%	2,5%	2,2%
Medical instrumets Italy	5.201	4.413	788	17,9%	4,5%	4,4%
Medical instrumets Rest of World	721	617	104	16,9%	0,6%	0,6%
Total Medical instruments	5.922	5.030	892	17,7%	5,1%	5,0%
Total Net revenues	115.498	100.202	15.296	15,3%	100%	100%

As described above, the Group's activities are divided into three business lines, sale of finished products (PharmaNutra, PHN USA and PHN ESP), sale of raw materials (PharmaNutra), and sale of machinery and instruments for measuring body bioimpedance (Akern) through direct and indirect distribution channels.

Italy business line: it is characterised by PharmaNutra's direct control of the distribution channels in the reference markets and the relevant marketing activities.

In 2024, it accounted for 60.0% (about 62.4% in 2023) of net revenues.

The distribution channels can be broken down into:

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

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.

Foreign business line: the business model is mainly used in foreign markets. It is characterised by the marketing of finished products and raw materials through local partners who, under long-term distribution contracts, distribute and sell the products in their own markets.

In 2024, the business line accounted for 33.9% of the turnover (about 31.6% 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.

9.6.2 Other revenues and income

	2024	2023	Variation
Tax receivables	124	340	-216
Contractual Indemnities	123	535	-412
Reimbursement and expenses recover	80	54	26
Contingent assets	436	329	107
Other revenues	650	503	147
Total other revenues	1.413	1.761	-348

The item "Tax receivables" includes the amount of the Research and Development tax receivable benefit calculated on the basis of Italian Decree-Law no. 145/2013 and subsequent amendments for research and development expenses incurred by the Group.

The item "Contractual indemnities" of 2023 refers to the settlement of a legal dispute with a customer.

The item "Other revenues and income" mainly includes re-invoicing for services rendered to third parties and the proceeds from the utilisation of the provision for inventory write-downs for finished products that were disposed of during the period.

9.7 Operating costs

9.7.1 Purchases of raw materials, consumables and supplies

Purchases are broken down in the following table:

	2024	2023	Variation
Raw and semifinished materials	2.968	2.867	101
Consumables	675	612	63
Finished products	1.322	1.669	-347
Total raw materials, semif., consumables and finished prod.	4.965	5.148	-183

9.7.2 Change in inventories

	2024	2023	Variation
Change in raw mat. inventories	-2.248	398	-2.646
Change in semifin. prod. inventories	-182	-20	-162
Change in F.P. inventories	3.048	-3.262	6.310
Inventories write off accrual	797	185	612
Change in inventories	1.415	-2.699	4.114

The change in inventories as at 31/12/2024 is the result of production planning with a view to streamlining costs.

9.7.3 Costs for services

	2024	2023	Variation
Marketing	18.491	15.670	2.821
Production and logistic	19.588	20.081	-493
Other general expenses	8.033	7.203	830
R&D	1.290	1.171	119
Information technology	703	467	236
Commercial and sales network	11.313	11.359	-46
Corporate bodies	9.347	9.100	247
Rent and leases	147	69	78
Financial services	254	256	-2
Total services expenses	69.166	65.376	3.790

The increase in the item Cost for Services, as far as Marketing is concerned, is related to the costs incurred for the start-up of the subsidiaries PHN España and PHN USA, the launch of the Cetilar® Nutrition line and the development of sales in the Chinese market through cross-border ecommerce. The increase in the item Other general expenses compared to the previous year is due to the fact that in 2023 the company moved to the new headquarters in October. The increase in IT Services occurs as a result of cybersecurity plans being implemented and company software developments.

9.7.4 Personnel costs

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

	2024	2023	Variation
Wages and salaries	5.929	5.015	914
Social contributions	1.743	1.491	252
Leaving Indemnity accrual	317	270	47
Other personnel expenses	47	31	16
Total Personnel cost	8.036	6.807	1.229

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 undertaken to progressively adapt the structure to the increased business volumes.

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

Units	2024	2023	Change
Managers	3	3	0
White collars	100	97	3
Blue collars	13	12	1
Total	115	112	3

9.7.5 Other operating costs

	2024	2023	Variation
Capital losses	272	28	244
Sundry tax charges	166	138	28
Losses on receivables	6	2	4
Membership fees	62	56	6
Charitable donations	319	250	69
Other expenses	1.461	374	1.087
Total other operating expenses	2.286	848	1.438

The increase in the item Other costs is mainly due to the reversal following the conclusion of the audit of the Pisa Provincial Directorate of the Inland Revenue Agency on the Research and Development Tax Credit accrued in the 2015-2019 period. At the end of the discussion established with the auditors, the Directors deemed it appropriate to avail themselves of the spontaneous repayment procedure provided for in article 5, paragraphs 7 to 12, of Italian Decree-Law 146/2021 for the amount of Euro 600,000 without the application of interest and penalties. The audit carried out confirmed that the activities carried out by the Group meet the eligibility requirements for the tax credit; the decision to proceed with the repayment - in the conviction of the correctness of its actions and compliance with the relevant legal provisions - is determined by the sole purpose of preventing litigation, also with a view to accessing the cooperative compliance program. This amount resulted mainly from the restatement by the auditors of part of the hours spent on research activities eligible for subsidies.

Costs capitalised in previous years relating to certain patents for which the future usefulness has ceased to exist were written off from the item Capital losses.

The item "Charitable donations and social security charges" includes the amount of Euro 200 thousand referring to the liberal disbursement made of part of the margin realised from sales to the Russian distributor in favour of the Rosa Pristina Foundation.

9.8 AMORTISATION, DEPRECIATION ANDWRITE-OFF

	2024	2023	Variation
Amortization of intangible assets	736	500	236
Tangible assets depreciation	2.516	1.916	600
Accrual to prov. for risks on legal disputes	273	500	-227
Accrual to doubtful accounts prov.	1	84	-83
Non ded. accrual for doubtful acc.	143	123	20
Total amort., depr. and write-off	3.669	3.123	546

The increase in depreciation of tangible assets resulted from a longer depreciation period (compared to the previous financial year) of the investments made for the construction of the new headquarters, and of the leasing contracts entered into for the machinery, equipment and furniture of the new headquarters.

For details on the allowances to Provisions for risks and charges, see paragraph 9.4.3.

9.9 FINANCIAL MANAGEMENT

9.9.1 Financial income

	2024	2023	Variation
Interest income	669	317	352
Interest income on late payments	7	3	4
Dividends	8	0	8
Exchange gains	118	144	-26
Other financial income	608	441	167
Total financial income	1.410	905	505

The increase in financial income is due to the recognition of interest accrued on tax credits acquired during 2023, returns obtained on the portfolio under the management of Azimut, and for interest rates obtained on cash in hand during the year.

9.9.2 Financial charges

	2024	2023	Variation
Other financial expenses	-401	-135	-266
Interest expenses	-1.062	-802	-260
Exchange losses	-159	-68	-91
Total financial expenses	-1.622	-1.005	-617

9.10 INCOME TAXES

	2024	2023	Variation
Current taxes	10.229	7.976	2.253
Deferred taxes	126	-170	296
Other taxes	-74		-74
Previous years taxes	329	2.622	-2.293
Total income taxes	10.610	10.428	182

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

The item "Taxes previous years" for 2023 refers to the settlement, through recourse to the special redemption procedure pursuant to Italian Act 197/2022, of the cross-examination invitations notified by the Pisa Provincial Directorate of the Inland Revenue Agency for the tax periods from 2017 to 2021, and increased taxes for 2022 determined based on the criteria used for the definition of previous financial years.

The reconciliation between the theoretical tax burden and the actual tax burden is shown below:

€/1000	31/12/24	31/12/23
Income before taxes	27.162	23.260
Theoretical tax rate	-24,0%	-24,0%
Theoretical income taxes	(7.195)	(6.446)
IRAP	(1.881)	(1.599)
(Non deductible exp. net of non taxable income	(1.104)	(279)
Previous years income taxes	(269)	(2.622)
Other effects	(160)	518
Differences total	(3.414)	(3.982)
Total income taxes	(10.610)	(10.428)
Effective tax rate	39,1%	44,8%

The increase in the balance of non-deductible costs net of non-taxable income compared to the previous year, and the consequent reduction in the effective tax rate, derives from the elimination of dividends (non-taxable income) paid by the absorbed companies.

9.11 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 year.

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

EURO	2024	2023
Groups's Net result	16.609.890	12.833.916
Number of outstanding shares	9.609.107	9.667.650
Earning per share	1,73	1,33

10. 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 8,694 thousand

Board of Statutory Auditors: Euro 80 thousand

Independent auditors: Euro 76 thousand

Information pursuant to Article 149-*duodecies* of the CONSOB Issuers' Regulation

The following table, prepared pursuant to Article 149-*duodecies* of the CONSOB Issuers' Regulations, shows fees for the year 2024 for audit services. No non-audit services were provided by the Audit Firm itself and by entities belonging and not belonging to its network.

Values expressed in thousands of Euro

Service provider	Notes	Recipient	Fees accrued in the FY
Auditing and certification services			
BDO ITALIA S.p.A.	[1]	Parent Company - PharmaNutra S.p.A.	64
BDO ITALIA S.p.A.	[1]	Subsidiaries	12
Total			76

[1] This includes the signing of income, IRAP, 770 and tax receivables certification forms

11. EVENTS SUBSEQUENT TO THE CLOSING DATE OF 31 December 2024

As for the events after the closing date of 31 December 2024, reference should be made to the Directors' Report on Operations.

12. COMMITMENTS

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 owned by the Parent Company 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.

13. 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.

Concerning the pending litigation referred to an indemnity contractually due to the subsidiary Junia Pharma following contract termination by the supplier an officially appointed Technical Consultant (CTU) was appointed on 7 March 2024.

Having requested an officially appointed Technical Consultant's (CTU) report, we believe that the judge future ruling will be based on the values given in the report, net of the assessment of the preliminary issues below, which must be decided as a matter of priority.

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., now PharmaNutra S.p.A., lost the case is to be considered possible in consideration of the hypothetical situation of financial difficulty of the counterparty.

The judge set a hearing on 16.04.2025 to be attended in person for the evaluation of a conciliatory solution.

14. 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 impacts for 2024 are shown in the tables below:

Related party Balance sheet (€/1000)	Buildings, plant and machinery	Non current financial asseets	Other current assets	Other current liabilities	Directors and empl. Benefit prov.	Trade payables	Non current ROU fin. liab.	Current ROU fin. liab.
Pharmanutra Board of Directors				1.765	2.730			
Members of subsidiaries BoD								
Statutory auditors				25		21		
Supervisory Board compensation						32		
Senior management compensation				16	198			
Solida S.r.l.	580	185					521	61
Calabughi S.r.l.						154		
LCRT S.r.l.			520					
Studio Bucarelli, Lacorte, Cognetti						16		
TOTAL	580	185	520	1.806	2.928	223	521	61

Related party Income Statement (€/1000)	Services expenses	Personnel expenses	ROU depreciation
Pharmanutra Board of Directors	8,478		
Members of subsidiaries BoD	197		
Statutory auditors	80		
Supervisory Board compensation	65		
Senior management compensation		589	
Solida S.r.l.			334
Calabughi S.r.l.	1.190		
LCRT S.r.l.	770		
Studio Bucarelli, Lacorte, Cognetti	93		
TOTAL	10.873	589	334

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, due to its smaller size, 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 members of the Board of Directors of the subsidiaries receive a compensation consisting of a fixed part and, only for the Managing Director, a variable part.

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.

Athletica Cetilar has a lease agreement in place for properties owned by Solida S.r.l., which is owned by some of the shareholders of the Parent Company. Under this agreement, it pays an annual rent and has paid amounts to Solida S.r.l. as a security deposit.

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, with the same firm, Calabughi, the Parent Company entered into (i) a contract for the sponsorship as "Title Sponsor" of the 151 Miglia regatta, and (ii) 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 international motorsports competitions.

In 2024, the Parent Company entered into a one-year sponsorship contract with LCRT S.r.l., a newly-formed company that carries out promotional activities in the field of motorsports; Vice President Dr. Roberto Lacorte is the spouse of Luisa Cognetti, who holds 100% of LCRT Srl and serves as Sole Director in the company, and father of professional driver Nicola Lacorte. Similarly, Chairman Andrea Lacorte acknowledges that he too is a stakeholder pursuant to Article 2391 of the Italian Civil Code with respect to the Contract as he is the uncle of professional driver Nicola Lacorte.

The advertising package covered by the contract concerns the participation of a single-seater racing car homologated for participation in the FIA Formula 3 Championship, and envisages the concession of the spaces specifically indicated, on the driver's car and clothing, the right to associate the company's image with that of the driver in the production of advertising material, the right to carry out advertising activities under the contract also through the use of the main social media.

The Group's companies 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 statement of financial position and the consolidated income statement, showing transactions with related parties separately, are provided below.

	12/31/2024	of which with related parties	12/31/2023	of which with related parties
NON CURRENT ASSETS	52.462	765	53.761	512
Buildings, plant and machinery	25.659	580	26.359	294
Intangible assets	23.319		22.535	
Investments	4	0	4	0
Non current financial assets	292	185	293	218
other non current assets	1.787		3.046	
Deferred taxes	1.401		1.524	
CURRENT ASSETS	65.006	520	58.682	0
Inventories	6.942		8.166	
Trade receivables	22.052	0	19.219	0
Other current assets	6.370	520	5.066	
Tax receivables	545		1.113	
Current financial assets	13.477	0	6.193	
Cash and cash equivalents	15.620		18.925	
TOTAL ASSETS	117.468	1.285	112.443	512
NET EQUITY	62.196		54.407	
Share capital	1.123		1.123	
Treasury shares	(4.564)		(4.013)	
Riserva legale	225		225	
Other reserves	40.584		44.125	
Reserve IAS 19	192		199	
Reserve Fair Value OCI	(175)		(89)	
Reserve FTA	12		12	
Net result	16.609		12.832	
GROUP SHAREHOLDERS EQUITY	62.163		54.407	
Third parties equity	33			
NON CURRENT LIABILITIES	27.933	3.449	30.388	1.672
Non current financial liabilities	19.507	521	23.430	193
Provisions for risks and non current expenses	4.363		4.458	
Provision for employee and directors benefit	4.063	2.928	2.500	1.479
CURRENT LIABILITIES	27.339	2.090	27.648	2.133
Current financial liabilities	4.764	61	6.329	104
Trade payables	15.795	223	14.363	267
Other current liabilities	4.220	1.806	3.844	1.762
Tax payables	2.560		3.112	
TOTAL LIABILITIES & EQUITY	117.468	5.539	112.443	3.805

	12/31/2024	of which with related parties	12/31/2023	of which with related parties
TOTAL REVENUES	116.911	0	101.963	0
Net Revenues	115.498	0	100.202	0
Other revenues	1.413	0	1.761	0
OPERATING EXPENSES	85.868	11.462	75.480	10.523
Purchases of raw, aux. materials and cons.	4.965		5.148	0
Change in Inventories	1.415		(2.699)	
Services expenses	69.166	10.873	65.376	10.017
Employee expenses	8.036	589	6.807	506
Other operating expenses	2.286		848	
EBITDA	31.043	(11.462)	26.483	(10.523)
Amortization, Depreciation and Write off	3.669	334	3.123	225
EBIT	27.374	(11.796)	23.360	(10.748)
NET FINANCIAL INCOME/(EXPENSES)	(212)	0	(100)	0
Financial income	1.410	0	905	0
Financial expenses	(1.622)		(1.005)	
PRE TAX RESULT	27.162	(11.796)	23.260	(10.748)
Income Taxes	(10.610)		(10.428)	
Net result of third parties	57			
Group's result	16.609	(11.796)	12.832	(10.748)

Pisa, 14 March 2025

For the Board of Directors

The Chairman

(Andrea Lacorte)

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

PURSUANT TO ARTICLE 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 year 2024.

2. It is also certified that:

the consolidated financial statements for the year ended 31 December 2024:

- have been prepared in accordance with the applicable international accounting standards recognised by the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- 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 Management Report includes a reliable analysis of the progress and results of operations, as well as the issuer's situation and the one of the undertakings included in the consolidation taken as a whole, together with a description of the main risks and uncertainties to which they are exposed.

Pisa, 14 March 2025

PharmaNutra S.p.A.

Managing Director

PharmaNutra S.p.A.

Manager in charge

INDEPENDENT AUDITOR'S REPORT

Pharmanutra S.p.A.

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010, and article 10 of EU Regulation n. 537/2014

Consolidated Financial statements at December 31, 2024

As disclosed by the Directors on page 3, the accompanying financial statements of Pharmanutra S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Independent auditor's Report

pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010, and article 10 of EU Regulation n. 537/2014

To the Shareholders of
Pharmanutra S.p.A.

Report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Pharmanutra Group (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders' equity, the consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as adopted by the European Union, as well as the regulation issued to implement article 9 of Legislative Decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated financial statements* section of our report. We are independent of the company Pharmanutra S.p.A. (the "Company") in accordance with the ethical and independence requirements applicable in Italy to the audit of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter**Audit response**

ASSESSMENT OF THE RECOVERABILITY OF THE GOODWILL**NOTE 9.1.2. "INTANGIBLE ASSETS" AND NOTE 4 "ACCOUNTING STANDARDS AND VALUATION CRITERIA"**

Intangible assets, accounted for in the consolidated financial statements for a total amount of euro 23.319 thousand, include goodwill for an amount of euro 17.621 thousand, mainly referring to the two cash generating unit ("CGU") identified in Pharmanutra S.p.A. for euro 2.750 thousand referred to the goodwill arising from the merger of Junia Pharma and Alesco, carried out on the basis of the continuity of values of the consolidated financial statements, and Akern S.r.l. for euro 14.811 thousand.

The recoverability of the amounts accounted for by is verified by comparing the net carrying amount of the individual cash generating unit with the recoverable value (value in use). the value in use has been determined applying the Discounted Cash Flow ("DCF") method to future cash flows.

The cash flows used to determine the value in use derive from the most recent estimates made by the management, and in particular the 2025 budget.

The impairment process performed by the Directors is complex and involves the use of estimates and assumptions to determine the amount of the future cash flows as well as the corresponding discount rates.

In view of the significance of goodwill carried out in financial statements and the the subjectivity of the estimates relevant to the determination of future cash flows and the variables of greatest importance used, we considered the assessment of the recoverability of goodwill a key aspect in the audit of consolidated financial statements.

Our main audit procedures performed are the following, also being supported by BDO experts

- - we verified the adequacy of the impairment model prepared by the Group and its compliance to the accounting standards
 - we assessed the key underlying assumptions for the impairment model, in particular those related to cash flow projections, future growth rates and discount rates and determination of "terminal value";
 - we verified the clerical accuracy of the impairment model;
- we verified the disclosures provided in the accompanying notes.

Responsibilities of the Directors and Those charged with governance for the consolidated financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as adopted by the European Union, as well as the regulation issued to implement article 9 of Legislative Decree no. 38/05 and, within the terms prescribed by the law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Parent Company Pharmanutra S.p.A. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercised professional judgment and maintain professional skepticism throughout the audit. We also have:

- identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;
- concluded on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We have communicated with Those charged with governance, as properly identified in accordance with ISA Italia, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have also provided Those charged with governance with a statement that we have complied with relevant ethical and independence requirements applicable in Italy, and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate relevant risks or the safeguards measures applied.

From the matters communicated with Those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described those matters in our auditor's report.

Other information communicated pursuant to article 10 of Regulation (EU) 537/2014

We were initially engaged by the Shareholders meeting of Pharmanutra S.p.A. on October 13, 2020 to perform the audits of the Company's and the consolidated financial statements of each fiscal year starting from December 31, 2020 to December 31, 2027.

We declare that we did not provide prohibited non-audit services, referred to article 5, paragraph 1, of Regulation (EU) 537/2014, and that we remained independent of the Company in conducting the audit.

We confirm that the opinion on the consolidated financial statements of Pharmanutra S.p.A. included in this audit report is consistent with the content of the additional report prepared in accordance with article 11 of the EU Regulation n.537/2014, submitted to Those charged with governance.

Report on other legal and regulatory requirements

Opinion on the compliance to the requirements of Delegated Regulation (EU) 2019/815

The Directors of Pharmanutra S.p.A. are responsible for the application of the requirements of Delegated Regulation (EU) 2019/815 of European Commission regarding the regulatory technical standards pertaining the electronic reporting format specifications (ESEF - European Single Electronic Format) (hereinafter the "Delegated Regulation") to the financial statements, to be included in the Annual financial report.

We have performed the procedures required under Auditing Standard (SA Italia) no. 700B in order to express an opinion on the compliance of the consolidated financial statements at December 31, 2024 to the requirements of the Delegated Regulation.

In our opinion, the consolidated financial statements at December 31, 2024 have been prepared in XHTML format and have been marked-up, in all material respects, in compliance to the requirements of Delegated Regulation.

Opinion and statement pursuant to article 14, paragraph 2, (e), e-bis) and e-ter) of Legislative Decree no. 39/10 and of article 123-bis paragraph 4 of Legislative Decree no. 58/98

The Directors of Pharmanutra S.p.A. are responsible for the preparation of the report on operations and of the corporate governance report of Pharmanutra S.p.A. as at December 31, 2024, including their consistency with the consolidated financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and of specific information of the corporate governance report as provided by article 123-bis, paragraph. 4, of Legislative Decree n. 58/98, with the consolidated financial statements;
- express an opinion on the compliance of the report on operations and of the specific information of the corporate governance report as provided by article 123-bis, paragraph 4, of Legislative Decree no. 58/98, with the applicable laws and regulations;
- issue a statement on whether the report on operations and of specific information of the corporate governance report as provided by article 123-bis, paragraph 4, of Legislative Decree no. 58/98 contain material misstatements.



In our opinion, the report on operations and the above mentioned specific information of the corporate governance report are consistent with the consolidated financial statements of Pharmanutra Group as at December 31, 2024.

Furthermore, in our opinion the report on operations and of the specific information of the corporate governance re

port as provided by article 123-bis, paragraph 4, of Legislative Decree no. 58/98, are compliant with applicable laws and regulations.

With reference to the assessment pursuant to article 14, paragraph. 2, e-ter),), of Legislative Decree n. 39/10 based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milan, March 25, 2025

BDO Italia S.p.A.
Signed by Vincenzo Capaccio
Partner

**PHARMANUTRA S.p.A. FINANCIAL STATEMENTS AS AT
31 December 2024**

FINANCIAL STATEMENTS

PharmaNutra S.p.A. statement of financial position

	Note	31/12/2024	31/12/2023
NON CURRENT ASSETS		51.976.746	52.730.737
Buildings, plant and machinery	6.1.1	24.637.121	25.869.301
Intangible assets	6.1.2	5.329.504	2.667.610
Investments	6.1.3	18.558.154	20.085.499
Non current financial assets	6.1.4	153.098	215.035
other non current assets	6.1.5	1.786.535	3.046.324
Deferred taxes	6.1.6	1.512.334	846.968
CURRENT ASSETS		62.178.888	45.603.868
Inventories	6.2.1	5.779.469	5.815.455
Cash and cash equivalents	6.2.2	13.750.947	12.075.353
Current financial assets	6.2.3	14.436.232	5.642.325
Trade receivables	6.2.4	21.599.774	16.341.123
Other current assets	6.2.5	6.254.253	4.867.266
Tax receivables	6.2.6	358.213	862.346
TOTAL ASSETS		114.155.634	98.334.605
NET EQUITY	6.3.1	61.424.600	44.544.757
Share Capital		1.123.098	1.123.098
Treasury shares		(4.563.697)	(4.012.997)
Other Reserves		46.998.158	35.421.170
IAS Reserve		(55.443)	2.659
Result of the period		17.922.484	12.010.827
NON CURRENT LIABILITIES		27.020.620	29.395.255
Non current financial liabilities	6.4.1	18.894.125	23.139.480
Provisions for risks and non current expen	6.4.2	4.339.859	4.313.252
Provision for employee and directors bene	6.4.3	3.786.636	1.942.523
CURRENT LIABILITIES		25.710.414	24.394.593
Current financial liabilities	6.5.1	4.495.740	4.471.879
Trade payables	6.5.2	15.105.415	14.190.980
Other current liabilities	6.5.3	3.839.167	3.082.283
Tax payables	6.5.4	2.270.092	2.649.451
TOTAL LIABILITIES		52.731.034	53.789.848
TOTAL LIABILITIES & EQUITY		114.155.634	98.334.605

Pursuant to CONSOB Resolution no. 15519 of 27 July 2006, the effects of transactions with related parties on the Statement of financial position are reported in the specific Statement of financial position table included in Note 11.

PharmaNutra S.p.A. Income Statement

	Note	2024	2023
TOTAL REVENUES		110.889.248	85.775.165
Net Revenues	6.6.1	109.515.401	83.641.365
Other revenues	6.6.2	1.373.847	2.133.800
OPERATING EXPENSES		79.926.027	64.549.901
Purchases of Raw, auxiliary materials and consumables	6.7.1	3.626.725	3.575.304
Change in Inventories	6.7.2	1.624.842	(2.041.321)
Services expenses	6.7.3	66.664.756	58.790.183
Employee expenses	6.7.4	5.815.362	3.556.769
Other operating expenses	6.7.5	2.194.342	668.966
EBITDA		30.963.221	21.225.264
Amortization, Depreciation and Write off	6.8.1	3.369.916	2.669.287
EBIT		27.593.305	18.555.977
NET FINANCIAL INCOME/(EXPENSES)		364.885	1.938.884
Financial income	6.9.1	1.950.760	2.900.235
Financial expenses	6.9.2	(1.585.875)	(961.351)
PRE TAX RESULT		27.958.190	20.494.861
Income Taxes	6.10	(10.035.706)	(8.484.034)
Net result of the period		17.922.484	12.010.827

PharmaNutra S.p.A. Comprehensive Income Statement

€/1000	2024	2023
Result for the period	17.922.484	12.010.827
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	(58.102)	10.018
Comprehensive result of the period	17.864.382	12.020.845

Pursuant to CONSOB Resolution no. 15519 of 27 July 2006, the effects of transactions with related parties on the Income Statement are shown in the specific Income Statement table included in Note 11.

PharmaNutra S.p.A. Statement of changes in shareholders' equity

€/1000	Note	S. C.	Treas. Sh.	Other res.	IAS Res.	Res. of the period	Equity
Balance as at 1/1		1.123.098	(4.012.997)	35.421.170	2.659	12.010.827	44.544.757
Other changes	6.3.1		(550.700)		(75.847)		(626.547)
Merger		-		7.738.299	17.745		7.756.044
Dividends paid	6.3.1			(8.172.139)			(8.172.139)
Allocation of result				12.010.828		(12.010.827)	1
Result of the period	6.3.1					17.922.484	17.922.484
Balance as at 31/12		1.123.098	(4.563.697)	46.998.158	(55.443)	17.922.484	61.424.600

€/1000	S. C.	Treas. Sh.	Other res.	IAS res.	Res. of the per.	Equity
Balance as at 1/1/n-1	1.123.098	(2.362.258)	30.089.651	(7.359)	13.045.901	41.889.033
Other changes		(1.650.739)		10.018		(1.640.721)
Dividends paid			(7.714.382)			(7.714.382)
Allocation of the result			13.045.901		(13.045.901)	-
Result of the period					12.010.827	12.010.827
Balance as at 31/12/n-1	1.123.098	(4.012.997)	35.421.170	2.659	12.010.827	44.544.757

PharmaNutra S.p.A. Statement Of Cash Flows- indirect Method

€/1000 – INDIRECT METHOD	Note	2024	2023
Profit of the period		17.922.484	12.010.827
NON MONETARY COST/REVENUES			
Depreciation and write offs	6.8.1	3.629.829	2.669.287
Allowance to provisions for employee and director benefits		913.556	801.953
CHANGES IN OPERATING ASSETS AND LIABILITIES			
Change in provision for non current risk and charges	6.4.2	(363.042)	(1.457.840)
Change in provision for employee and director benefit	6.4.3	608.464	(2.260.662)
Change in inventories	6.2.1	1.456.647	(2.043.660)
Change in trade receivables	6.2.4	(2.233.222)	2.199.913
Change in other current assets	6.2.5	(1.285.868)	(2.087.691)
Change in tax receivables	6.2.6	634.794	532.479
Change in other current liabilities	6.5.3	359.334	36.792
Change in trade payables	6.5.2	1.154.504	(2.011.913)
Change in tax payables	6.5.4	(604.322)	1.570.233
CASH FLOW FROM OPERATIONS		22.193.159	9.959.718
Investments in intangible, property, plant and equipment	6.1.1-6.1.2	(3.100.093)	(12.387.564)
Disposal of intangibles, property, plant and equipment	6.1.1-6.1.2	660.209	317.577
Net investments in financial assets	6.1.3	1.270.000	(2.268.075)
Change in other assets	6.1.5	1.259.789	(1.787.771)
Change in deferred tax assets	6.1.6	141.692	(164.564)
CASH FLOW FROM INVESTMENTS		(2.308.403)	(16.290.397)
Other increase/(decrease) in equity	6.3.1	(77.805)	10.018
Treasury shares purchases	6.3.1	(550.700)	(1.650.739)
Dividends distribution	6.3.1	(8.172.139)	(7.714.382)
Financial assets increase	6.1.4-6.2.3	(8.793.908)	(975.465)
Financial assets decrease	6.1.4-6.2.3	101.730	
Financial liabilities increase	6.4.1-6.5.1		9.778.912
Financial liabilities decrease	6.4.1-6.5.1	(5.454.052)	
Financial ROU liabilities increase	6.4.1-6.5.1	94.185	1.208.361
Financial ROU liabilities decrease	6.4.1-6.5.1	(548.481)	(141.296)
CASH FLOW FROM FINANCING		(23.401.170)	515.409
TOTAL CHANGE IN CASH AND CASH EQUIVALENTS		(3.516.414)	(5.815.270)
Cash and cash equivalents at the beginning of the period	6.2.2	17.267.361	17.890.520
Cash and cash equivalents at the end of the period	6.2.2	13.750.947	12.075.353
CHANGE IN CASH AND CASH EQUIVALENTS		(3.516.414)	(5.815.167)

Cash Flow Statement Reconciliation of PharmaNutra S.p.A. - Merger by incorporation of Alesco and Junia Pharma

	2024	MERGER EFFECTS	2024 DEF
Net result before minority interests	17.922.484		17.922.484
NON MONETARY COST/REVENUES			
Depreciation and write offs	3.629.829		3.629.829
Allowance to provisions for employee and director benefits	913.556		913.556
CHANGES IN OPERATING ASSETS AND LIABILITIES			
Change in provision for non current risk and charges	(223.393)	(139.649)	(363.042)
Change in provision for employee and director benefit	930.557	(322.093)	608.464
Change in inventories	35.986	1.420.661	1.456.647
Change in trade receivables	(5.401.558)	3.168.336	(2.233.222)
Change in other current assets	(1.386.987)	101.119	(1.285.868)
Change in tax receivables	504.133	130.661	634.794
Change in other current liabilities	756.884	(397.550)	359.334
Change in trade payables	2.108.965	(954.461)	1.154.504
Change in tax payables	(379.359)	(224.963)	(604.322)
CASH FLOW FROM OPERATIONS	19.411.097	2.782.062	22.193.159
Investments in intangible, property, plant and equipment	(3.157.730)	57.637	(3.100.093)
Disposal of intangibles, property, plant and equipment	660.209		660.209
Net investments in financial assets	1.527.345	(2.797.345)	(1.270.000)
Change in other assets	1.259.789		1.259.789
Change in deferred tax assets	(665.366)	807.058	141.692
CASH FLOW FROM INVESTMENTS	(375.753)	(1.932.650)	(2.308.403)
Other increase/(decrease) in equity	(75.847)	(1.958)	(77.805)
Treasury shares purchases	(550.700)		(550.700)
Dividends distribution	(8.172.139)		(8.172.139)
Financial assets increase	(8.746.582)	(47.326)	(8.793.908)
Financial assets decrease	101.730		101.730
Financial liabilities increase	0		0
Financial liabilities decrease	(5.363.946)	(90.106)	(5.454.052)
Financial ROU liabilities increase	94.185		94.185
Financial ROU liabilities decrease	(548.481)		(548.481)
CASH FLOW FROM FINANCING	(23.261.780)	(139.390)	(23.401.170)
TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	(4.226.436)	710.022	(3.516.414)
Cash and cash equivalents at the beginning of the period	12.075.353	5.192.008	17.267.361
Cash and cash equivalents at the end of the period	13.750.947		13.750.947
CHANGE IN CASH AND CASH EQUIVALENTS	1.675.594	(5.192.008)	(3.516.414)

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS OF PHARMANUTRA S.p.A.

1. EXPLANATORY NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The financial statements as at 31 December 2024 have been prepared in accordance with the valuation and measurement criteria established by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission.

It should be noted that as a result of the merger by incorporation of the subsidiaries Alesco S.r.l. and Junia Pharma S.r.l. finalised in July 2024, with accounting and tax effects backdated to 1 January 2024, the comparison of the 2024 income statement and statement of financial position balances as at 31 December 2024 with those of the previous year is not relevant.

The following classifications have been used:

Statement of financial position by current/non-current items;

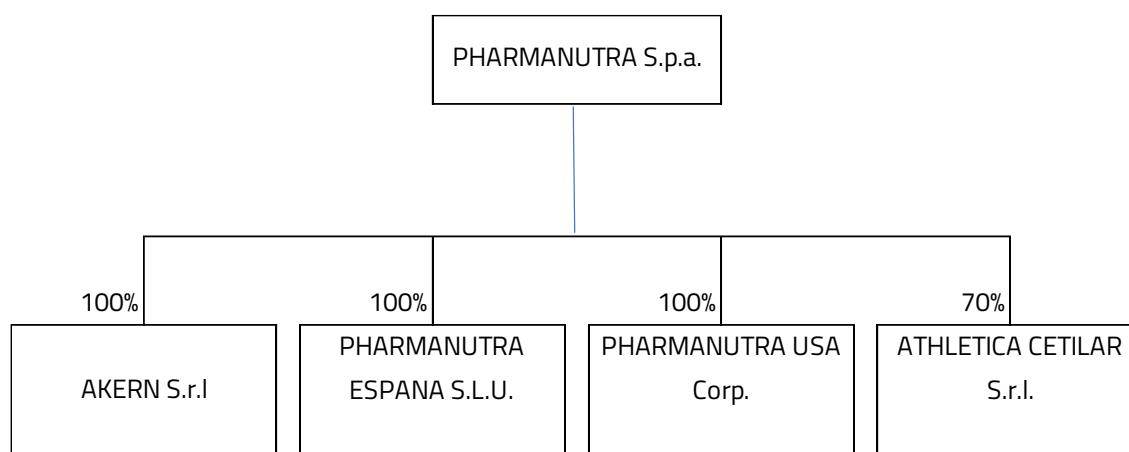
Income statement by nature;

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 Company and the presentation currency of the financial statements is the Euro (EUR). The schedules and tables contained in these explanatory notes are in thousands of Euro.

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



2. ACCOUNTING STANDARDS AND VALUATION CRITERIA

The statutory financial statements (or “separate” as defined by the reference accounting standards) of PharmaNutra Group as at 31 December 2024 have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standard Board (“IASB”) and endorsed by the European Union. The IFRS also include all revised International Accounting Standards (“IAS”), all interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), previously known as the Standing Interpretations Committee (“SIC”).

The financial statements are prepared on a going concern basis. In view of what has already been mentioned in the Management Report, to which reference should be made for more details, the Directors believe that there are no problems that could affect the Company’s ability to continue as a going concern due to the Russian-Ukrainian conflict and the ongoing Middle East conflict.

The Financial Statements of PharmaNutra S.p.A. as at 31 December 2024 are audited by the auditing firm BDO S.p.A in accordance with the resolution of the General Annual Meeting of 13 October 2020.

PharmaNutra S.p.A., in its capacity as Parent Company, has prepared the consolidated financial statements of PharmaNutra Group as at 31 December 2024. PharmaNutra’s draft financial statements for the year ended 31 December 2024, were approved by the Board of Directors on 14 March 2025, which also authorised their publication.

Below is a description of the most significant accounting standards adopted for the preparation of the financial statements of PharmaNutra as at 31 December 2024, which are unchanged from those used in the previous year.

Tangible fixed assets

Tangible fixed assets are recorded at purchase price or production cost, including directly attributable ancillary costs being necessary to make the assets available for use.

Grants commensurate with the cost of tangible fixed assets are gradually recognised in the Income statement, on an accrual basis, over the useful life of the assets by reducing the cost of the fixed assets to which they relate.

Tangible fixed assets are systematically depreciated on a straight-line basis over their useful life, which is an estimate of the period over which the asset will be used by the company. When the tangible fixed asset is made up of several significant components having different useful lives, depreciation is applied to each component. The value to be amortised is represented by the book value reduced by the presumed net transfer value at the end of its useful life, if significant and reasonably determinable. Land (items with an indefinite useful life), even if purchased together with a building, is not depreciated, as are tangible fixed assets held for sale, which are valued at the lower of their book value and their fair value, net of disposal charges.

Costs for improvements, modernisation and transformation that increase tangible fixed assets are charged to assets. All other repair and maintenance costs are recognised in the income statement when incurred.

The recoverability of the book value of tangible fixed assets is verified by adopting the criteria indicated under "Impairment of assets".

The depreciation reflects the asset economic and technical deterioration and begins when the asset becomes available for use and is calculated according to the linear model of the estimated useful life of the asset.

The rates applied are as follows:

Industrial buildings	5.50%
Light-weight constructions	10%
General plants	10%
Operating machinery	12%
Specific plants	12%
Miscellaneous minor equipment	40%
Water purification systems	15%
Office furniture / equipment	12%
Electronic office machines including PCs and mobile phones	20%
Cars	25%
Trucks/lift trucks	20%

The residual carrying amount, useful life and depreciation criteria are reviewed at the end of each financial year and adjusted prospectively if necessary.

An asset is derecognised at the time of sale or when there are no expected future economic benefits from its use or disposal. Any losses or gains (calculated as the difference between the net proceeds from sale and the carrying amount) are included in the income statement at the time of derecognition.

Leased assets

The assets acquired through leasing contracts, through which the risks and rewards of ownership are substantially transferred to the Company, are recognised as assets of the Company at their current value at the date of signing the contract or, if lower, at the present value of the minimum payments due for the lease, including any amount to be paid for exercising the purchase option. The corresponding liability to the lessor is shown under financial payables.

Intangible fixed assets

Intangible fixed assets refer to assets without identifiable physical substance, controlled by the company and capable of producing future economic benefits, as well as goodwill when acquired for consideration.

Identifiability is defined by reference to the possibility of distinguishing the intangible fixed asset acquired from goodwill. This requirement is normally met when:

the intangible fixed asset is attributable to a legal or contractual right, or

the asset is separable, i.e. it can be sold, transferred, rented or exchanged independently or as part of other assets. Control of the company consists of the power to enjoy the future economic benefits deriving from the asset and the possibility of limiting access to others.

Intangible fixed assets are recorded at cost determined according to the criteria indicated for tangible fixed assets.

Intangible fixed assets with a finite useful life are systematically amortised over their useful life, being understood as the estimate of the period in which the assets will be used by the company. The recoverability of their book value is verified by adopting the criteria indicated under "Impairment of assets".

Goodwill and other intangible fixed assets, where present, with an indefinite useful life are not subject to amortisation. The recoverability of their book value is verified at least annually and in any case when events occur that indicate a reduction in value. With regard to goodwill, such verification is carried out at the level of the smallest aggregate on the basis of which management assesses, whether directly or indirectly, the return on investment that includes the goodwill itself (*cash generating unit*). Write-downs are not subject to impairment reversal.

Other intangible fixed assets have been amortised at 20%, estimating a useful life of 5 years, with the exception of patents, trademarks and licenses, which are amortised over a useful life of 18 years.

The amortisation period and criteria for intangible fixed assets with a finite useful life are reviewed at least at the end of each financial year and adjusted prospectively if necessary.

Merger

When the merger is similar to a sale and purchase activity involving the acquisition of a business, the identification of a buyer and the acquisition of control by the buyer, the transaction falls within the scope of IFRS 3 "*Business Combinations*".

For the accounting treatment of parent-subsidary mergers, reference is made to OPI 2 (Revised) issued by Assirevi in October 2016. As they do not involve any exchange with third-party economies, nor an acquisition in the economic sense, these transactions do not fall within the scope of IFRS 3 and are accounted for on a going concern basis, giving relevance to the pre-existence of the control relationship between the companies involved in the merger transaction as well as to the cost incurred by the merging company for the original acquisition of the merged company. This cost, as well as the allocation of the same to the current values of the assets and liabilities of the merged company and to goodwill, can be found in the consolidated financial statements of the group

consisting of the merging company and the merged company. The accounting and tax effects of the merger are backdated to the beginning of the financial year in which the merger takes place.

Investments

The investments in subsidiaries and associated companies are carried at cost, adjusted for impairment losses in accordance with IAS 36. The positive difference, arising at the time of purchase, between the acquisition cost and the Company's share of the investee company's shareholders' equity at current values, is included in the book value of the investment. The investments in subsidiaries are tested for impairment annually, or more frequently, if necessary. If there is evidence that these investments have suffered an impairment loss, this is recognised in the income statement as a write-down. If any Company's share of the subsidiary's losses exceeds the book value of the investment, the investment amount is written off and the share of further losses is recognised as a provision among liabilities, to the extent that the investor is committed to fulfilling legal or constructive obligations towards the investee company, or in any case to covering its losses. If the impairment loss subsequently ceases to exist or is reduced, a reversal of the impairment loss is recognised in the Income Statement within the limits of its original cost.

Investments in other companies are initially recorded at their fair value and subsequently, where it is not possible to determine a reliable fair value, they are maintained at cost, written down in the event of permanent impairment. The original value will not be restored in subsequent years, even if the reasons for the write-down no longer apply.

Impairment of assets

At least once a year, the Company reviews the recoverability of the carrying amount of tangible and intangible assets as well as investments in subsidiaries and associates to determine whether those assets may have suffered an impairment loss. If there is such evidence, the book value of the asset is reduced to the relative recoverable value, thus recording any write-down compared to the relative book value in the income statement. The recoverable amount of an asset is the higher between its fair value, net of sale costs, and its value in use. The value in use is defined on the basis of discounting expected cash flows from the use of the asset or a combination of assets (Cash Generating Unit), as well as the value expected from its disposal at the end of its useful life.

The Cash Generating Units were identified to be tested for impairment, consistently with the Company's organisational and business structure, by identifying in the subsidiaries the lowest possible level of homogeneous combinations that generate independent cash inflows from the continuous use of the assets attributable to them.

When, subsequently, the loss in value of an asset no longer exists or is reduced, the carrying amount of the asset is increased up to the new estimate of the recoverable value and may not exceed the value that would have been determined if no impairment loss had been recorded. The reversal of an impairment loss is recognised in the income statement in the financial year in which it is recorded.

Inventories

Inventories are recorded at the lower of purchase or production cost and estimated realisable value based on market trends.

The method used for the valuation of inventories is the weighted average cost.

The value determined as indicated above is adjusted to take into account the obsolescence of inventories, by writing down inventories due within 6 months of the reporting date.

Cash and cash equivalents

Cash and cash equivalents include cash, bank current accounts, deposits repayable on demand and other highly liquid short-term financial investments, which are readily convertible into cash and are subject to a non-significant risk of change in value.

Receivables and other short-term assets

Trade receivables and other short-term assets are initially recognised at their fair value and subsequently measured at amortised cost, net of any write-downs. At the time of recognition, the receivable nominal value is representative of its fair value at that date.

IFRS 9 defines a new model for impairment/devaluation of these assets, with the aim of providing useful information to users of the financial statements on the related expected losses. According to this model, the Company measures receivables using an expected loss approach, replacing the IAS 39 framework, which is typically based on the measurement of incurred losses. The Company adopts a simplified approach for the measurement of trade receivables, which does not require the recognition of periodic changes in credit risk, but

rather the recognition of an Expected Credit Loss ("ECL") calculated over the entire life of the receivable (so-called lifetime ECL). In particular, the policy implemented by the Company provides for the stratification of trade receivables into categories on the basis of days past due, by defining the allocation based on the historical experience of losses on receivables, adjusted to take account of specific forecast factors relating to creditors and the economic environment.

Trade receivables are fully written down if there is no reasonable expectation of recovery or in the presence of inactive trade counterparties.

The asset carrying amount is reduced through the use of an impairment provision and the amount of the loss is recognised in the income statement.

With regard to financial assets, the Company adopts the accounting standard IFRS 9 Financial Instruments, Recognition and Measurement with regard to the classification, measurement and accounting of financial instruments.

The accounting standard provides rules for the classification of financial assets in the following categories:

Amortised Cost;

Fair Value with change in equity (Fair Value Other Comprehensive Income or FVOCI);

Fair Value with changes in the income statement.

The determination of the category is made based on 2 factors:

The Business Model, i.e. the way in which the Company manages its financial assets or intends to achieve cash flows from financial assets.

The possible Business Models envisaged by the accounting standard are:

Hold to collect (HTC): it provides for the achievement of cash flows as contractually foreseen. This Business Model is attributable to financial assets that will presumably be held until their natural maturity;

Hold to Collect and Sell (HTC&S): this Business Model provides for the achievement of cash flows as contractually foreseen or through the sale of financial assets. This Business Model is therefore attributable to financial assets that may be held to maturity or even sold;

Sell: it provides for the achievement of cash flows through the sale of the instrument. This Business Model is attributable to activities in which cash flows will be achieved through sale (the so-called trading).

Contractual cash flow characteristics of the instrument

The standard refers to the so-called SPPI (Solely Payments of Principal and Interest) test, which aims to define whether an instrument has the contractual characteristics allowing only the principal and interest to be paid.

If the SPPI test is not passed, regardless of the reference business model, the financial instrument must be classified and measured at Fair Value with changes in the income statement.

The classification of an instrument is defined at initial recognition and is no longer subject to change, except in cases that the standard expects to be rare.

With reference to the financial instruments, consisting of bonds issued by leading issuers and investment fund units, the management has carried out an analysis of its intentions in managing the instruments and has carried out the SPPI test for all the instruments in the portfolio, thus concluding that the most relevant business model to its management method is the HTC&S one and that the SPPI test has been passed.

The accounting rules that IFRS 9 defines for debt financial instruments classified to FVTOCI are as follows:

Interest income is recognised in the income statement using the effective interest rate method, in the same way as for instruments at amortised cost;

Impairment losses (and any write-backs) are recognised in the income statement in accordance with the rules set forth in IFRS 9;

The differences between the amortised cost and the fair value of the instrument are recognised in equity;

The cumulative reserve recognised in equity and relating to the debt instrument is reversed to the income statement only when the asset is derecognised.

With regard to the investments made in units of investment funds, the accounting rules provided for by IFRS 9 are as follows:

The measurement criterion is fair value at the reporting date;

Changes in fair value are recognised in the income statement.

Derecognition of financial assets

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognised from the financial statements when:

the rights to receive cash flows from the asset are extinguished;

the right to receive cash flows from the asset is retained but a contractual obligation has been taken to pay them in full and without delay to a third party;

the Company has transferred the right to receive cash flows from the asset and (a) has substantially transferred all the risks and rewards of ownership of the financial asset or (b) has neither transferred nor retained substantially all the risks and benefits of the asset, but has transferred control of it.

In cases where the Company has transferred the rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and benefits or has not lost control over it, the asset is recognised in the Company's financial statements to the extent of its residual involvement in the asset.

Impairment of financial assets

The Company verifies at each reporting date whether a financial asset or group of financial assets has suffered an impairment loss. A financial asset or group of financial assets is to be considered subject to impairment loss if, based on historical experience and on the forecast outcome of its recoverability, after the occurrence of one or more events since its initial recognition, this loss event can be reliably expected on the estimated future cash flows of the financial asset or group of financial assets.

Evidence of impairment loss may be represented by indicators such as financial difficulties, inability to meet obligations, insolvency in interest payments or major payments, which debtors, or a group of debtors, are going through. The probability that it will fail or is subject to another form of financial reorganisation, and where observable data indicates that there is a measurable decrease in estimated future cash flows, such as changes in the context or economic conditions related to the obligations.

The management also evaluates elements such as the performance of the counterparty's sector and financial activity as well as the general economic performance and also makes forward looking considerations.

If there is objective evidence of impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the current value of estimated future cash flows (excluding expected future credit losses that have not yet occurred). The asset carrying amount is reduced through the use of an impairment provision and the amount of the loss is recognised in the income statement. If, in a subsequent period, the amount of the estimated write-down increases or decreases as a result of an event occurring after the write-down was recognised, the previously recognised write-down shall be increased or decreased by adjusting the provision to the income statement.

Impairment of non-financial assets

At each reporting date, the Company assesses the possible existence of indicators of impairment loss of non-financial assets. When events occur that suggest a reduction in the value of an asset or when an annual impairment test is required, its recoverability is verified by comparing its book value with its recoverable amount, represented by the higher of fair value, net of disposal costs, and value in use.

In the absence of a binding sale agreement, fair value is estimated on the basis of values expressed by an active market, recent transactions or the best information available to reflect the amount that the company could obtain from selling the asset. The value in use is determined by discounting the expected cash flows deriving from the use of the asset and, if significant and reasonably determinable, from its disposal at the end of its useful life. Cash flows are determined on the basis of reasonable and provable assumptions that are representative of the best estimate of future economic conditions that will occur over the remaining useful life of the asset, giving greater importance to indications from outside. Discounting is carried out at a rate that takes into account the risk inherent in the business sector.

The valuation is carried out for each individual asset or for the smallest identifiable set of assets that generates autonomous cash inflows from ongoing use (the so-called cash generating units). When the reasons for the write-downs made cease to exist, the assets, except for goodwill, if any, are revalued and the adjustment is charged to the income statement as a revaluation (reversal of impairment). The revaluation is carried out at the lower of the recoverable value and the book value gross of the write-downs previously made and reduced by the depreciation that would have been allocated if no write-down had been made.

Financial liabilities

Financial liabilities falling within the scope of IFRS 9 are classified as financial liabilities at amortised cost or fair value recognised in the statement of financial position, as financial payables, or as derivatives designated as hedging instruments, as appropriate. The financial liabilities of the Company include trade and other payables, loans and derivative financial instruments. The Company determines the classification of its financial liabilities on initial recognition.

Financial liabilities are initially measured at their fair value equal to the consideration received on the settlement date plus, in the case of financial payables, directly attributable transaction costs.

Subsequently, non-derivative financial liabilities are measured at amortised cost using the effective interest rate method.

Amortised cost is calculated by recording any discount or premium on the acquisition and fees or costs that are an integral part of the effective interest rate. Amortisation at the effective interest rate is included under financial charges in the income statement.

Gains and losses are recognised in the income statement when the liability is settled, as well as through the amortisation process.

Financial liabilities are derecognised when the obligation underlying the liability is extinguished, cancelled or fulfilled.

Employee benefits

Employee severance indemnities fall within the scope of what IAS 19 defines as benefit plans forming post-employment benefits. The accounting treatment envisaged for these forms of remuneration requires an actuarial calculation that makes it possible to project into the future the amount of the Employee Severance Indemnity already accrued and to discount it for taking into account the time that will elapse before actual payment.

The actuarial valuation of the Employee Severance Indemnity was carried out on a closed group basis, i.e. no new hires were considered during the reference time horizon (such period equals the one envisaged for all employees leaving the Company).

With reference to the aforesaid international accounting standards, actuarial simulations were carried out using the Projected Unit Credit Method and determining:

- the cost of the service already provided by the worker (Past Service Liability);
- the cost of the service provided by the worker during the year (Service Cost);
- the cost relating to interest expense arising from the actuarial liability (Interest Cost);
- the actuarial gains/losses relating to the valuation period between one valuation and the next (Actuarial (gain)/loss).

The unit credit criterion provides that the costs to be incurred in the year for establishing the Employee Severance Indemnity are determined on the basis of the portion of the benefits accrued in the same year. Under the vested benefits method, the obligation to the employee is determined on the basis of the work already performed at the valuation date and on the basis of the salary achieved at the date of employment termination (only for companies with an average number of employees being less than 50 in 2006).

In particular:

- the Past Service Liability is the current value calculated in a demographic-financial sense of the benefits due to the employee (severance indemnity payments) deriving from seniority;
- the Current Concern Provision is the value of the provision for employee severance indemnities in accordance with Italian statutory accounting principles at the valuation date;
- the Service Cost is the current value calculated in a demographic-financial sense of the benefits accrued by the employee in the year ending;
- the Interest Cost represents the cost of the liability due to the lapse of time and is proportional to the interest rate adopted in the valuations and the amount of the liability in the previous year;
- the Actuarial (Gains)/Losses measure the liability change occurring in the period considered and being generated by:
 - o deviation between the assumptions used in the calculation models and the actual dynamics of the verified quantities;
 - o changes in the assumptions during the period under review.

Moreover, in view of the evolutionary nature of the fundamental economic variables, actuarial valuations have been carried out under "dynamic" economic conditions. Such an approach requires the formulation of economic-financial hypotheses capable of summing up in the medium to long term:

the average annual changes in inflation in line with expectations regarding the general macroeconomic environment;

the development of expected interest rates in the financial market.

Provisions for risks and charges

Provisions for risks and charges relate to costs and charges of a specific nature and whose existence is certain or probable, their amount or date of occurrence being uncertain at the end of the financial year. Allowances to provisions are recognised when:

the existence of a current, legal or implied obligation, arising from a past event is probable;

it is likely that the settlement of the obligation will be onerous;

the amount of the obligation can be reliably estimated.

Allowance to provisions are recorded at the value representing the best estimate of the amount that the company would rationally pay to settle the obligation or transfer it to third parties at the end of the period.

Trade payables

Trade payables are recorded at nominal value.

Revenue recognition

Revenues are booked on an accrual basis regardless of the date of collection, net of returns, discounts, allowances and premiums.

Revenues for the sale of the products are recognised at the time of control transfer of the goods given to the buyer, which coincides with the shipment or delivery of the same.

Revenues from the provision of services are recorded in the financial statements when the service is actually rendered.

Revenues of a financial nature are recognised on an accrual basis. For all financial instruments measured at amortised cost, interest income is recognised using the Effective Interest Rate (EIR), which is the rate that exactly discounts future payments and receipts, estimated over the expected life of the financial instrument.

Cost recognition

Costs are recognised when they relate to goods and services purchased and/or received during the period.

Service charges are recognised on an accrual basis.

For all financial instruments measured at amortised cost, interest expense is recognised using the Effective Interest Rate (EIR), which is the rate that exactly discounts future payments and receipts, estimated over the expected life of the financial instrument.

Financial income and charges

Financial income and charges are recognised in the income statement in the year in which they are accrued.

Dividends received

Dividends received from subsidiaries are recognised in the income statement when the right to receive such payment is established.

Income taxes

Taxes for the year represent the sum of current, prepaid and deferred taxes.

Current taxes are calculated on the basis of the estimated taxable income for the financial year. Taxable income differs from the result reported in the income statement because it excludes positive and negative components that will be taxable or deductible in other financial years and also excludes items that will never be taxable or deductible.

The liability for current taxes is calculated using the rates in force or actually in force at the reporting date.

Deferred tax assets and liabilities are determined on the basis of all temporary differences arising between the carrying values of assets and liabilities in the financial statements and the corresponding values recognised for tax purposes.

Deferred tax assets on tax losses and temporary differences are recognised to the extent that it is probable that future taxable income will be available against which they can be recovered.

Deferred tax assets and liabilities are determined at the tax rates being expected to apply in the financial years in which the temporary differences will be achieved or settled.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of these assets to be recovered.

Deferred taxes are directly charged to the income statement, except for those relating to items being directly recognised in equity, in which case the related deferred taxes are also charged to equity.

Deferred tax assets and liabilities are offset when there is a legal right to offset current tax assets and liabilities, when they relate to taxes due to the same tax authority and the company intends to settle current tax assets and liabilities on a net basis.

Criteria for the translation of items in foreign currency

Foreign currency transactions are initially recognised in the functional currency, by applying the spot exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the exchange rate at the reporting date. Exchange differences are recorded in the income statement, including those achieved upon collection of receivables and payment of payables in foreign currency. The gain or loss arising from the translation of non-monetary items is treated in line with the recognition of gains and losses relating to the change in the fair value of these items (translation differences on items whose change in fair value is recognised in the statement of comprehensive income or the income statement are recognised in the statement of comprehensive income or the income statement, respectively).

Earnings per share

Basic earnings per share are calculated by dividing the Company's results of operations by the weighted average number of shares outstanding during the year, excluding any treasury shares held in portfolio.

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

3.1.1 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.

- Amendments to IFRS 16, Lease Liabilities in a Sale and Leaseback (issued on 22 September 2022);
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7): the amendments require entities to disclose certain specific information (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on the characteristics of supplier finance arrangements.

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

3.1.2 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) and entered into force in January 2025.
- Amendment entitled "Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (published on 25 May 2023);
- IFRS 18, Presentation and Disclosure in Financial Statements; IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1, Presentation of Financial Statements, and is mandatorily effective for annual periods beginning on or after 1 January 2027.

None of these Standards and Interpretations have been early adopted by the Company. The Company 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.

4. MAIN ESTIMATES ADOPTED BY THE MANAGEMENT

The application of generally accepted accounting principles for the preparation of financial statements implies that management makes accounting estimates based on complex and/or subjective judgements, based on past experience and assumptions considered reasonable and realistic on the basis of information known at the time of the estimate.

Estimates are used to measure intangible assets subject to impairment testing (see § Impairment losses), as well as to recognise provisions for doubtful accounts, inventory obsolescence, amortisation and depreciation, asset write-downs, employee benefits, taxes, other provisions and reserves. Estimates and assumptions are reviewed periodically and the effects of any changes are immediately reflected in the income statement.

The use of these accounting estimates affects the carrying amount of assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date, as well as the amount of revenues and costs in the reporting period. Actual results may differ from estimated results due to the uncertainty that characterises the assumptions and conditions on which the estimates are based.

The following are the accounting estimates that are critical to the preparation of the financial statements because they involve a high degree of recourse to subjective judgements, assumptions and estimates relating to issues that are by their nature uncertain. Changes in the conditions underlying the judgements, assumptions and estimates adopted can have a significant impact on subsequent results.

Recoverable amount of non-current assets

Non-current assets include Property, plant and equipment, Other intangible assets, Equity investments and Other financial assets. The Company periodically reviews the carrying amount of non-current assets held and used and assets to be disposed of, when facts and circumstances require such a review. When the carrying amount of a non-current asset is impaired, the Company recognises an impairment loss equal to the excess of the carrying amount of the asset over its recoverable amount through use or sale.

Recoverability of deferred tax assets

The Company has deferred tax assets on deductible temporary differences. The results of the business plan were taken into account in determining the estimated recoverable amount.

Provision for doubtful accounts

The allowance for doubtful accounts reflects the management's estimate of the expected losses associated with the portfolio of receivables. The Company applies the simplified approach envisaged by IFRS 9 and records expected losses on all trade receivables on the basis of their residual duration, by defining the provision based on

historical experience of credit losses, adjusted to take account of specific forecast factors relating to creditors and the economic environment (the Expected Credit Loss - ECL concept).

Contingent liabilities

The Company recognises a liability for ongoing litigation and lawsuits when it believes it is probable that a financial outlay will be made and when the amount of resulting losses can be reasonably estimated. If a financial outlay becomes possible but the amount cannot be determined, this fact is disclosed in the notes to the financial statements.

Estimates adopted in the actuarial calculation for the purpose of determining defined benefit plans in the context of post-employment benefits

The liability for employees leaving entitlement was measured by an independent actuary on the basis of the following assumptions:

Demographic assumptions

The probability of death was derived from the Italian population, broken down by age and gender, as measured by ISTAT in 2000 and reduced by 25%;

the probability of elimination due to absolute and permanent disability of the worker to become disabled and leave the company community is inferred from the disability tables currently used in reinsurance practice, broken down by gender and age;

the probability of leaving the company due to resignations and dismissals was estimated, on the basis of company data, over the observation period from 2015 to 2024 and amounts to 7.17% per year;

the probability of requesting an advance was set at 1% per year, with a 50% rate remaining;

- for the period of retirement for the generic workforce, it was assumed that the earliest of the retirement requirements valid for the General Compulsory Insurance would be reached.

Economic and financial assumptions

The macroeconomic scenario used for the measurements is described in the table below:

Parameters	Assumptions for 2023
Rate of salary increase	4.117%
Inflation rate	*
Discount rate of employees leaving entitlement	2.382%

* With regard to the inflation hypothesis, reference was made to the "Economic and Financial Document 2023 - Update Note", approved by the Italian Council of Ministers on 27 September 2023, which forecasts an annual rate of 2% for 2025 and 2.1% for 2026. Based on said update, it was assumed that a flat rate of 2.1%, also on an annual basis, would be adopted from 2027.

With regard to the discount rate, reference was made to the structure by maturity of the interest rates calculated via a bootstrap method from the swap rate curve recorded on 03/01/2025 (Source: *Il Sole 24 ore*) and fixed with respect to payment commitments with an average residual duration of 21 years.

Estimates adopted in the actuarial calculation for the purpose of determining the provision for agents' termination indemnity (IAS 37)

The liability for agents' termination indemnity was measured by an independent actuary on the basis of the following assumptions:

Demographic assumptions

The probability of death was derived from the Italian population, broken down by age and gender, as measured by ISTAT in 2000 and reduced by 25%;

for the probabilities of leaving the company due to voluntary resignations or dismissals, the annual frequencies over the observation period from 2013 to 2023 has been estimated, based on company data, at 4.15% per year;

Economic and financial assumptions

With regard to the discount rate, reference was made to the structure by maturity of the interest rates calculated via a bootstrap method from the swap rate curve recorded on the assessment date (Source: *Il Sole 24 ore*). For the measurement as at 31/12/2024, a flat rate of 2.419% was adopted on the section of the curve corresponding to 22 years of average residual duration.

Estimates adopted in the determination of deferred taxes

A discretionary assessment is required of the Directors to determine the amount of deferred tax assets that can be recognised. They must estimate the probable occurrence in time and the amount of future taxable profits.

Amortisation/depreciation

Fixed assets cost is depreciated on a straight-line basis over their estimated useful lives, which for rights of use coincides with the assumed duration of the contract. The useful economic life of the Company's fixed assets is determined by the Directors at the time of purchase. It is based on the historical experience gained over their business years and on the knowledge of any technological innovations that could make the fixed asset obsolete or no longer economical.

The Company periodically evaluates technological and industry changes to update the remaining useful life. This periodic revision process could lead to a change in the depreciation period considered and, therefore, in the depreciation charged in future years.

5. RISK AND UNCERTAINTY MANAGEMENT

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

5.1 EXTERNAL RISKS

5.1.1 Risks associated with production entrusted to third party suppliers

The Company 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 Company itself, 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 Company's business.

5.1.2 Risks associated with the regulatory framework and the situation in the countries in which the Company operates

As a result of its international presence, PharmaNutra 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 Company to change its business practices, increase costs or expose it to unforeseen civil and criminal liability.

Moreover, the Company 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, the relationship with the Russian distributor continued as usual during 2024. In continuity with the previous years, part of the margin realised from sales to the Russian distributor was donated to humanitarian organisations for the purchase of ambulances and the construction of hospital facilities in Ukraine.

It is considered that the possible adoption of even stronger penalties could not lead to a decrease in the expected revenues for the next year. Regarding Ukraine, a marginal market, there are no open positions as of today and no commercial operations.

With regard to the conflict in the Middle East, it is considered that no significant effects will result from it since the Company does not operate in the Palestinian territory.

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

In view of the fact that the market segments in which PharmaNutra 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 Company in facing competition could have a negative impact on its market position, with consequent negative effects on its business.

The production activities of the Company 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.

5.1.4 Cyber risks related to security, data management and dissemination, with particular reference to cyber attacks

The risk is related to the possibility that any attacks and breaches of the IT system may lead to the unavailability of systems and/or the destruction, loss, modification, unauthorised disclosure of or access to personal data transmitted, stored or otherwise processed by the Company, with consequent economic and/or reputational losses, including those related to serious business interruption events. Risk factors include those related to employees' potential unawareness of Cyber Security issues that could expose the Company to vulnerabilities in the area of information management.

During 2024, the implementation of the project to strengthen the cyber security (started in 2022) continued with interventions in the following areas:

- Cyber skill assessment & cyber training for information technology department personnel to highlight operational and governance roles and responsibilities with the identification of possible certification plans for personnel of this department;
- Delivery of a cyber awareness training course to all employees with a final test and organisation of two phishing campaign simulations;
- Definition of a cyber security plan with the identification of project activities in the medium to long term (3 years) with the aim of obtaining ISO 27001 certification;
- Implementation of the asset management and change management procedure with the formalisation of an asset management process that includes the process of defining the attributes to be surveyed for each asset and the disposal phase with secure deletion of personal data (asset management), and a process regarding the separation of organisational environments and tasks.
- Scouting activities aimed at identifying one or more solutions for the adoption of an enhanced authentication system (MFA - Multi Factor Authentication). The system shall be implemented from February 2025.
- Update of the Business Impact Analysis following the move to the new premises.

- Cyber security assessment of Akern with definition of the corrective action plan to be implemented.

The level of attention with which the Company handles these issues is very high and during the financial year 2025 further improvement projects will be implemented and additional training sessions and awareness campaigns will be delivered in line with the defined Cyber Security Awareness programmes.

5.1.5 Risks related to climate change

With particular reference to climate change and related risk factors, the Company analysed the main impacts on sustainability.

As part of the assessment of risks related to climate change, PharmaNutra has not currently identified as relevant risks related to the inability to achieve strategic objectives due to changes in the external environment (also taking into account possible impacts on the supply chain) and possible inadequate management of emissions into the atmosphere. The process of identifying these risks, as well as the assessments of their importance, were conducted both on the basis of the internal context as well as on the basis of the dynamics of the reference market, and current regulations. However, in this context it should be noted that as of today the Company has not yet set specific quantitative targets in terms of reducing greenhouse gas emissions, both direct and indirect. At the strategic level, the Company intends to pursue the integration of sustainable development principles into its vision and business model in an increasingly precise and consistent manner. Potential impacts related to physical hazards associated with climate change are deemed not significant. The outcome of the above assessments regarding the significance of climate change risks was also duly taken into account in the process of defining the assumptions adopted in preparing the impairment tests.

5.2 MARKET RISKS

5.2.1 Risks associated with dependence on certain key products

The Company'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 Company's revenues as at 31 December 2024 (compared to 71% in 2023).

A contraction in sales of these key products could have negative effects on the Company's business and prospects.

5.2.2 Risks associated with the iron-related therapy market in which the Company operates

The risks to which PharmaNutra 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 Company is unable to predict the timing and methods) and/or to the need to reduce the selling prices of products. The Company's iron-based products are currently all classified as food supplements. 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.

5.3 FINANCIAL RISKS

5.3.1 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.

Credit risk is essentially attributable to the amount of trade receivables for the sale of finished products.

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

The exposure to credit risk as at 31 December 2024 and 31 December 2023 is shown below:

€/1000	12/31/2024	12/31/2023
Non current financial assets	153	215
Other non current assets	1.787	3.046
Deferred tax assets	1.513	847
Current financial assets	14.438	5.643
Trade receivables	23.253	16.904
Other current assets	6.255	4.869
Totale Exposure	47.399	31.524
Bad debts provision	(1.655)	(564)
Total exposure net of bad debt prov. (*)	45.744	30.960

(*) = investments and tax receivables are not included

Below is a breakdown of receivables as at 31 December 2024 and 31 December 2023 grouped by category and due date. Please note that equity investments and tax receivables are not included:

€/1000	Book value 31/12/24	Not due	Due			
			0-90	90-180	180-360	> 360
Non current financial assets	153	153				
Other non current assets	1.787	1.787				
Deferred tax assets	1.513	1.513				
Current financial assets	14.438	14.438				
Trade receivables	23.253	19.354	1.193	379	736	1.591
Other current assets	6.255	6.255				
Total financial assets	47.399	43.500	1.193	379	736	1.591

€/1000	Book value 31/12/23	Not due	Due			
			0-90	90-180	180-360	> 360
Non current financial assets	215	215				
Other non current assets	3.046	3.046				
Deferred tax assets	847	847				
Current financial assets	5.643	5.643				
Trade receivables	16.904	14.693	1.374	129	198	510
Other current assets	4.869	4.869				
Total financial assets	31.524	29.313	1.374	129	198	510

5.3.2 Liquidity risk

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

To support the investments made for the construction of the new headquarters in 2023, a mortgage loan contract with progress draws was finalised with Banco BPM S.p.A. for the amount of Euro 12 million. The mortgage loan

provides for a variable interest rate calculated with a spread of 1.45% on the quarterly EURIBOR. The loan includes a covenant based on the NFP/EBITDA parameter. As at 31/12/2024, this parameter is respected.

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.

Financial liabilities as at 31 December 2024 and 2023, as reflected in the statement of financial position, broken down by contractual maturity bands are reported below:

€/1000	Balance as at 31/12/24	Current portion	from 2 to 5 years	Over 5 years
Bank loans	22.417	4.268	10.019	8.130
ROU financial liabilities	973	227	746	
Total financial liabilities	23.390	4.495	10.765	8.130

€/1000	Balance as at 31/12/23	Current portion	from 2 to 5 years	Over 5 years
Bank loans	26.181	4.164	14.508	7.509
ROU financial liabilities	1.428	307	1.121	
Total financial liabilities	27.609	4.471	15.629	7.509

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

5.3.3 Interest rate risk

The Company has variable-rate loan agreements in place and is 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 about 83% as at 31 December 2024 and 71% as at 31 December 2023.

PharmaNutra does not currently adopt policies to hedge interest rate risk. Considering the current forecasts on the expected trend of interest rates in the medium to long term, hypotheses are currently being evaluated to hedge the interest rate on the mortgage loan.

The Company is also exposed to the risk of changes in interest rates on financial assets held in portfolio. This risk is considered to be low considering 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 Statement of financial position 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 31 December 2024 and 31 December 2023, the following table shows the fair value hierarchy for the Company's assets that are measured at fair value:

€/1000	12/31/2024				12/31/2023			
	Level				Level			
Current financial assets	1	2	3	Total	1	2	3	Total
Bonds	4.921		173	5.094	4.416		386	4.802
Investment funds	434			434	591			591
Time deposits			7.000	7.000				
Intercompany loans			1.910	1.910			250	250
Total	5.355	-	9.083	14.438	5.007	-	636	5.643

For bonds falling under Level 3, the nominal value valuation model was applied. The financial products included in this category are products deriving from securitisation transactions of receivables or other assets (Euro 78 thousand) and financial products with pay-offs linked to indexes that do not comply with the ESMA Guidelines of 18 December 2012 on ETFs (Euro 95 thousand).

Time deposits falling under level 3 are represented by some time deposits maturing in 2025.

The item Loans includes loans disbursed to the subsidiaries PharmaNutra España, PharmaNutra USA and Athletica Cetilar to support the financial needs generated by the start-up phase. The loans bear interest calculated based on the three-month Euribor plus a spread for the European subsidiaries, and on the AFR (Applicable Federal Rate) plus a spread for the US subsidiary. This financial asset was valued at nominal value.

As at 31/12/2024, the Company held a forward contract for sale for USD 1,900,000 expiring on 28/03/25, to cover approximately USD 600k of trade invoices and 1,300k of loans to PharmaNutra USA. The exchange rate conversion as at 31/12/24 shows a loss of about Euro 29 thousand.

5.3.4 Risk of changes in cash flows

There is no particular need for access to bank credit, except for current commercial activities, given the willingness of banks to extend, when necessary, the existing credit lines.

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

5.3.5 Risks 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.

5.3.6 Risks related to litigation

PharmaNutra is part of a series of single-brand agency and procurement agreements for the promotion of its products. The activity carried out by agents for the Company also plays an important role in providing scientific information to the medical class. Over the years, there were a number of cases in which agents and/or brokers initiated disputes aimed at ascertaining the existence of an employment relationship and claimed for compensation. Given the risks highlighted, specific provisions have been 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 and in 2024 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 plus penalties and interest.

6. COMMENTS ON THE MAIN ITEMS OF THE FINANCIAL STATEMENTS

6.1 Non-current assets

6.1.1. Property, plant and equipment

Net value	Opening balance	Increases	Decreases	Depreciation	Other movements	Closing balance
Land and buildings	19.123	162		-1.039	68	18.314
Plant and machinery	2.044	220		-293	102	2.073
Equipments	2	41		-10	5	38
Furnitures and office machines	1.072	270		-264	36	1.114
Vehicles	827	463	-108	-386	-10	786
Rights of use	2.670		-263	-351	93	2.149
Assets under construction	134	97			-68	163
TOTAL	25.872	1.253	-371	-2.343	226	24.637

Historical Cost	Opening balance	Increases	Decreases	Other movements	Closing balance
Land and buildings	20.318	162		71	20.551
Plant and machinery	2.317	220		190	2.727
Equipment	20	41		5	66
Furnitures and office machines	1.980	270		139	2.389
Vehicles	1.723	463	-414	76	1.848
Rights of use	3.717		-1.399	354	2.672
Assets under construction	134	97		-68	163
TOTAL	30.209	1.253	-1.813	767	30.416

Accumulated depreciation	Opening balance	Depreciation	Decreases	Other movements	Closing balance
Land and buildings	1.195	1.039		3	2.237
Plant and machinery	273	293		88	654
Equipments	18	10		0	28
Furnitures and office machines	908	264		103	1.275
Vehicles	896	386	-306	86	1.062
Rights of use	1.047	351	-1.136	261	523
TOTAL	4.337	2.343	-1.442	541	5.779

The amount of the year's increases relates to investments in the building, plant and equipment for the completion of the new headquarters for Euro 423 thousand, to the purchase of cars for use by management and the sales force for Euro 463 thousand, and to the purchase of electronic equipment and office furniture for Euro 270 thousand.

Other changes include the effects of the merger by incorporation of Alesco and Junia Pharma.

It should be noted that, against the investments in capital goods made as part of the construction of the new headquarters, the Company accrued a tax credit pursuant to Italian Law 178/2020 as later amended and supplemented (Industria 4.0) for a total amount of Euro 1.3 million, which was recognised as a reduction in the cost of the assets to which it refers.

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

6.1.2 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	48	191		-173	607	673
Patents	1.195	395		-290	611	1.911
Trademarks, concessions and licenses	774	62		-140	721	1.417
Other intangible assets	-1			-8	33	24
Intangibles in progress and advances	651	1.254	-289		-311	1.305
TOTAL	2.667	1.902	-289	-611	1.661	5.330

The increases in intangible fixed assets refer to patents, implemented software, and trademark management activities for approximately Euro 475 thousand. During the year, research orders in the amount of Euro 191 thousand were capitalised. The increase in fixed assets under construction refers to costs capitalised on research contracts in progress and software being implemented.

Other changes include the effects of the merger by incorporation of Alesco and Junia Pharma.

6.1.3 Investments

	12/31/2024	12/31/2023	Change
Investments in subsidiaries	18.554	20.085	-1.531
Investments in other companies	4		4
Investments	18.558	20.085	-1.527

The changes for the year represent the balance between the increases resulting from the contributions made during the year to the capital of PHN ESP in the amount of Euro 1 million and the subscription of shares in Athletica Cetilar in the amount of Euro 270 thousand, and the decreases of Euro 2.8 million due to the merger of Alesco and Junia into PharmaNutra.

Testing for impairment of investments in subsidiaries (Impairment test)

As indicated in the section on valuation criteria, the investments in subsidiaries are tested for impairment annually, or more frequently if specific events or changes in the circumstances indicate that they may have suffered an

impairment loss, in accordance with IAS 36 Impairment of Assets (impairment test). The recoverability of the values recorded is verified by comparing the net carrying amount of the individual cash generating unit with the recoverable value (value in use). Such recoverable value is represented by the current value of future cash flows that are estimated to derive from the continuous use of the assets related to Cash Generating Unit (CGU).

The cash flows used to determine the value in use derive from the most recent estimates made by the management, and in particular the 2025 Budget approved on 13 January 2025. The following CGUs have been identified: Akern, PHN USA, PHN ESP.

The net carrying value of the CGUs identified amounts to Euro 18.6 million - of which Euro 1.6 million refers to PHN ESP, Euro 1.7 thousand to PHN USA, and Euro 15 million to Akern - and was verified through the value in use, determined by applying the discounted cash flow method.

If the recoverable amount is higher than the net carrying amount of the CGU, no impairment loss is recognised; otherwise, the difference between the net carrying amount and the recoverable amount, as a result of the impairment test, determines the amount of the adjustment to be recognised.

The main assumptions used for the calculation of value in use concern the discount rate (WACC post-tax) of cash flows and the growth rate "g" used for the calculation of the perpetual annuity. With particular reference to the valuations relating to 31 December 2024, the Company used a discount rate of 10.71%, with a growth rate "g" of 1%.

From the results of the impairment test, it emerged for each CGU that the recoverable value exceeds the carrying value and therefore no write-down was made.

With regard to the subsidiaries incorporated during the financial year, there is no indication that the recoverability of costs is not fulfilled in whole or in part.

Sensitivity

The sensitivity analysis carried out considering a change of +/- 1% in the WACC and +/- 0.50% in the g-rate used to perform the test did not show any impairment.

6.1.4 Non-current financial assets

	31/12/24	31/12/23	Change
Deposits and advances	153	215	-62
Non current financial assets	153	215	-62

This item includes advances paid by Pharmanutra to Solida S.r.l. for the amount of Euro 85 thousand.

6.1.5 Other non-current assets

	12/31/2024	12/31/2023	Change
Insurance for Directors severance	437		437
Tax receivables purchased	1.126	2.091	-965
L/T tax assets from Industry 4.0	224	955	-731
Other non current assets	1.787	3.046	-1.259

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

The item Purchased tax credits represents the non-current portion of tax credits from the so-called "superbonus", "ecobonus" and other building tax relief measures - in the various forms of tax relief obtained in connection with the interventions referred to in articles 119-121 of Italian Decree-Law No. 34/2020, converted by Act No. 77/2020, as later amended and supplemented ("Relaunch Decree"), Italian Decree-Law No. 63/2013, converted by Act No. 90/2013, articles 14, 16, 16-*bis* and 16-*ter*, and Italian Act No. 160/2019 article 1, paragraph 219, as later amended and supplemented - purchased in 2023 in order to invest a part of the Group's liquidity. These credits can be used over four years for a maximum annual amount of Euro 1,250 thousand. As at 31 December 2024, the Company had fully used the amount allowed for the financial year 2024.

The item "Industria 4.0 Tax Credits" includes the long-term portion of the benefit recognised for the development of the new plant, which was built using state-of-the-art automated technology.

6.1.6 Deferred tax assets

	Opening Balance	Merger	Increase	Decrease	Ending balance
Prov. for legal disputes risks	146		72	-146	72
Provision for inv. write off	28	67	208	-48	255
Prov. for doubtful accounts	92	282	34	-13	395
Directors' compensation	654		594	-456	792
Accrual to prov. for leaving indem.	42	21	3		66
Prov. for termination of agency cont.	-117	-10		-24	-151
Pre-consolidation entries	2	448		-367	83
TOTAL	847	808	911	-1.054	1.512

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.

Deferred tax assets relating to the application to the Employee Severance Indemnity Provision and the Indemnity for termination of agency contracts of the IAS/IFRS valuation of these items are the result of all adjustments made from the FTA until the closing of the financial statements in question.

Deferred tax assets relating to the remuneration of corporate bodies concern the non-deductibility of the variable remuneration.

6.2 Current assets

6.2.1 Inventories

	31/12/2024	31/12/2023	Change
Raw mat., aux. and cons.	2.894	940	1.954
Finished prod.and goods	3.773	4.968	-1.195
Provision for inventories w/o	-888	-93	-795
Inventories	5.779	5.815	-36

Change in inventories is attributable to production planning; the value of inventories is net of the sum of Euro 888 thousand (Euro 93 thousand as at 31/12/2023) set aside as a write-down of finished product inventory. The increase in the provision for inventory write-downs has been affected by the merger.

6.2.2 Cash and cash equivalents

	12/31/2024	12/31/2023	Change
Bank and postal accounts	13.750	12.044	1.706
Cash and cheques		31	-31
Total cash and cash equivalents	13.750	12.075	1.675

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.

6.2.3 Current financial assets

	12/31/2024	12/31/2023	Change
Mutual funds	434	591	-157
Bonds	5.094	4.802	292
Fin. Loans to group comp.	1.910	250	1.660
Time deposits.	7.000		7.000
Total current financial assets	14.438	5.643	8.795

This item represents a temporary investment of part of the Company's liquidity made by opening fixed term deposits with some banks, all maturing in January 2025, and through an individual asset management mandate granted to Azimut Capital Management S.g.r. By virtue of this mandate, bonds and units in investment funds of adequately rated issuers have been subscribed.

As at 31/12/2024, a comparison with the market value of the bonds held shows a capital loss of Euro 152 thousand which was recorded in a shareholders' equity reserve, based on the valuation criteria adopted by the Company in accordance with IFRS9. A loss of irrelevant amount was recorded in the income statement for the year on the fund units.

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

The increase in the item Loans to subsidiaries refers to interest-bearing loans due within one year, granted to PHN USA for Euro 1.2 million, to PHN ESP for Euro 300 thousand and to Athletica Cetilar for Euro 150 thousand. The interest rate applied to loans granted to PHN ESP and Athletica is the 3-month EURIBOR rate plus one spread, the interest rate applied to PHN USA is based on the AFR (Applicable US Federal Rate) plus one spread.

6.2.4 Trade receivables

	12/31/2024	12/31/2023	Change
Trade receivables- domestic market	15.610	8.500	7.110
Trade receivables RoW	4.622	3.674	948
Other trade receivables	3.581	4.659	-1.078
Invoices/(Credit Notes) to be issued	-560	71	-631
Provision for doubtful accounts	-1.655	-564	-1.091
Total trade receivables	21.598	16.340	5.258

The amounts shown in the financial statements are net of the provisions made in the allowance for doubtful accounts, estimated by the management on the basis of the seniority of the receivables, the assessment of their collectability and also taking into account the historical experience and forecasts of future bad debts also for the part of receivables that is collectable at the reporting date.

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

€/1000	12/31/2024	12/31/2023	Variation
Italy	16.472	11.502	4.970
Asia	3.407	1.366	2.041
Europe	1.117	2.250	(1.133)
Africa	-	-	-
America	602	1.222	(620)
Total trade receivables	21.598	16.340	5.258

Changes in the Provision for doubtful accounts during 2024 were as follows:

	PROVISION FOR DOUB. ACC.
Opening Balance	(564)
Merger	(1.156)
Accruals	(143)
Disposals	208
Ending Balance	(1.655)

6.2.5 Other current assets

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

	12/31/2024	12/31/2023	Change
Rec. from shareholders for indemnification	102	793	-691
Receivables from employees	49	47	2
Advances to suppliers	3.987	1.544	2.443
S/T Tax receivables purchased	1.504	1.523	-19
Prepayments and accr. income	613	962	-349
Total other current assets	6.255	4.869	1.386

The item "Receivables from shareholders for indemnification" refers to the reimbursement due to the 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.

The item "Advances" includes receivables from agents for advances of Euro 292 thousand (Euro 236 thousand in the previous year), relating to sums advanced by the Companies when signing agency contracts, and advances to suppliers of Euro 3,695 thousand (Euro 1,308 thousand as at 31/12/2023). The advances paid to agents shall be returned on termination of the relationship with each agent.

The item Tax Credits represents the amount of tax credits acquired that are expected to be used within 12 months and the current portion of the Industria 4.0 tax credit, amounting to Euro 343 thousand, referring to the benefit recognised for investments in capital goods.

6.2.6 Tax receivables

"Tax receivables" can be broken down as follows:

	12/31/2024	12/31/2023	Change
VAt receivables	5	342	-337
R&D tax receivables	305	321	-16
Patent box receivables		167	-167
Other tax receivables	48	31	17
Tax receivables	358	861	-503

The reduction in VAT credits occurs as a result of the merger.

6.3 Shareholders' Equity

6.3.1 Shareholders' equity

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

€/1000	S. C.	Treas. Sh.	Other res.	IAS Res.	Res. of the period	Group equity	Minority interest	TOTAL
Balance as at 1/1	1.123	(4.013)	35.422	4	12.011	44.547	-	44.547
Other changes		(551)		(76)		(627)	-	(627)
Merger	-		7.738	17		7.755	-	7.755
Dividends paid			(8.172)			(8.172)	-	(8.172)
Allocation of result			12.010		(12.011)	(1)	-	(1)
Result of the period					17.923	17.923	-	17.923
Balance as at 31/12	1.123	(4.564)	46.998	(55)	17.923	61.425	-	61.425

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.

11,746 treasury shares were purchased during the year in accordance with the resolutions of the Ordinary Shareholders' Meeting on 16 April 2024. As at 31 December 2024, PharmaNutra holds 77,731 treasury shares equal to 0.80% of the share capital, for a value of Euro 4,564 thousand.

Changes in treasury shares during 2024 were as follows:

N°	Treasury Shares
Balance as at dec. 31,2023	65.985
Purchases	11.746
Disposal	-
Balance as at dec. 31,2023	77.731

In the following table it is show the detail of Other reserves and IAS Reserves

€/1000	Balance as at 31/12 n-1	Balance as at 31/12
Legal Reserve	225	225
Share premium account	7.205	7.205
Extraordinary Reserve	27.489	32.730
Merger surplus Reserve		5.394
Retained Earnings	503	1.444
Total Other Reserves	35.422	46.998
Reserve FTA	(39)	(70)
Reserve Fair Value OCI	(89)	(175)
Reserve IAS 19	132	190
Total IAS reserves	4	(55)

The Merger surplus reserve represents the surplus of Alesco's and Junia Pharma's shareholders' equity arising from their merger into the Parent Company, which was completed in 2024.

On 16 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 8,172 thousand.

The table below shows the classification of reserves according to their availability:

€/1000	Amount	Possible uses	Available portion	Summary of uses in the the three previous year	
				to cover losses	for other reasons
Capital reserves:					
Share capital	1.123				
Share premium account	7.205	A,B,C	7.205		
Earnings reserves:					
Legal reserve	225	B	225		
Extraordinary reserve	32.730	A,B,C	32.730		
Merger surplus	5.394	A,B	5.394		
Other reserves:					
Treasury shares	-4.564				
Retained earnings	1.444				
Fair Value OCI reserve	-175				
FTA reserve	-70				
IAS 19 reserve	190				
Total	43.502		45.554	0	0
Non distributable portion			4.789		
Distributable portion			40.765		

A: for capital increase, B:to cover losses, C: for distribution to shareholders

6.4 Non-current liabilities

6.4.1 Non-current financial liabilities

	12/31/2024	12/31/2023	Change
BPER Loan	2.257	3.256	-999
Credem loan	1.921	3.137	-1.216
BPM loan	2.924	3.919	-995
BPM guaranteed loan	11.047	11.705	-658
Non current fin. liab. for rights of use	746	1.121	-375
Non current financial liabilities	18.895	23.138	-4.243

Bank loans and borrowings consist of the portion of outstanding loans due beyond 12 months.

Non-current financial liabilities for rights of use represent the discounted amount due beyond one year of the lease contracts in force as at 31/12/2024 in accordance with IFRS16. The reduction compared to the previous year stems from the termination of the rental contracts for the Company's old headquarters.

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 Company's Net Financial Position as at 31 December 2024 is as follows:

	31/12/24	31/12/23
A Cash	(13.750)	(12.075)
B Cash equivalents		
C Other current financial assets	(14.438)	(5.643)
D Cash and cash equivalents (A+B+C)	(28.188)	(17.718)
1) E Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	627	1.085
F Current portion of non current financial debt	3.868	3.386
G Current financial debt (E+F)	4.495	4.471
of which secured	620	295
of which unsecured	3.875	4.176
H Net current financial debt (G-D)	(23.693)	(13.247)
2) I Non-current financial debt (excluding the current portion and debt instruments)	18.895	23.138
J Debt instruments		
K Trade and other non current debts		
L Non current financial debt (I+J+K)	18.895	23.138
of which secured	11.233	11.705
of which unsecured	7.662	11.433
M Net financial debt (H+L) com. CONSOB (4/3/21 ESMA32-382-1138)	(4.798)	9.891
3) N Other current and non current financial assets	(590)	(215)
O Net financial debt (M-N)	(5.388)	9.676

- 1) It includes the following items of the financial statements: Current financial liabilities (Financial payables for rights of use Euro 227 thousand, accounts with debit balances Euro 400 thousand);

- 2) It includes the following items of the financial statements: Non-current financial liabilities (M/L-term loans Euro 18,149 thousand, Financial payables for non-current rights of use Euro 746 thousand):
- 3) it includes the following items of the financial statements: Non-current financial assets (Deposits paid Euro 153 thousand, Insurance policy for Directors' termination indemnity Euro 437 thousand).

6.4.2 Provisions for risks and charges

	12/31/2024	12/31/2023	Change
Provision for indem. for term. of agency contracts	1.087	804	283
Provision for sundry risks and legal disputes	252	508	-256
Provision for contractual obligations	3.000	3.000	0
Provision for risks and charges	4.339	4.312	27

Provisions for risks and charges include:

Provision for termination indemnity of agency contracts, set up under article 1751 of the Italian Civil Code and the current collective economic agreement of 20 March 2002, 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 to cover the risk of legal disputes: the provision accrued as at 31/12/2023 was fully utilised following some settlement agreements relating to the termination of agency contracts. The amount set aside as at 31/12/2024 represents the estimated liability in the event of losing a dispute with a supplier.

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.

6.4.3 Provisions for employee and director benefits

	12/31/2024	12/31/2023	Change
Provision for leaving indemnity	1.057	648	409
Provision for Directors' severance indemnity	1.170	515	655
Provision for L/T directors compensation	1.560	780	780
Provision for employee and directors benefit	3.787	1.943	1.844

Provisions for benefits refer to:

- Directors' termination indemnity provision.

The amount set aside of Euro 655 thousand was calculated on the basis of the provisions of the Ordinary Shareholders' Meeting. The balance as at 31/12/2024 of Euro 1,170 thousand corresponds to the Company's actual commitment to the Directors at the reporting date.

- Provision for medium/long-term variable compensation

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 during the year amounted to Euro 780 thousand.

- Employee severance indemnity.

The liability 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 Company 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).

Changes during the year are set forth below:

€/1000	Leav. Ind. Prov
Balance as at dec. 31,2023	648
Merger	306
Service cost	151
Interest	24
Utilization	(62)
Actuarial (gais)/losses	(10)
Balance as at dec. 31,2023	1.057

6.5 Current liabilities

6.5.1 Current financial liabilities

	12/31/2024	12/31/2023	Change
S/T part of long term loans	3.868	3.386	482
S/T bank loans	400	778	-378
Current fin. liab. for rights of use	227	307	-80
S/T Financial liabilities	4.495	4.471	24

The item "Short-term portion of loans" represents the portion of debt relating to loans and instalments of loans to be repaid within the next financial year.

6.5.2 Trade payables

Trade payables are broken down in the table below:

	12/31/2024	12/31/2023	Variation
Trade payables domestic suppliers	12.797	11.578	1.219
Trade payables RoW suppliers	68	350	-282
Advances	2.240	2.264	-24
Total trade payables	15.105	14.192	913

The reduction in trade payables compared to the previous period is mainly attributable to the change in the method of re-invoicing and payment for Intercompany services.

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

€/1000	12/31/2024	12/31/2023	Variation
Italy	12.221	11.710	511
Asia	1.323	504	819
Europe	600	403	197
America	110	158	(48)
Others	851	1.416	(565)
Total trade payables	15.105	14.192	913

6.5.3 Other current liabilities

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

	12/31/2024	12/31/2023	Change
Payables for wages and salaries	956	572	384
Payables to social security institutions	484	218	266
Payables to directors and statutory auditors	1.790	1.741	49
Other payables	91	88	3
Provision for agents indemnity	222	137	85
Guarantee withholdings	190	220	-30
Security deposits from customers	107	107	0
Total other current liabilities	3.840	3.083	757

The item Payables to directors and statutory auditors includes the amount of Euro 1,790 thousand for the short-term variable remuneration accrued by executive directors on the results for 2024 on the basis of the resolution of the Ordinary Shareholders' Meeting.

6.5.4 Current tax payables

	12/31/2024	12/31/2023	Change
Income taxes	1.825	1.934	-109
Payables for withholdings	540	714	-174
VAT payables	-95	1	-96
Total tax payables	2.270	2.649	-379

6.6 Revenues

6.6.1 Net revenues

	2024	2023	Variation
Domestic sales revenues	70.393	57.338	13.055
Foreign markets sales sales	38.921	25.806	13.115
Intercompany Revenues	201	498	-297
Total Net Revenues	109.515	83.642	25.873

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

€/1000	2024	2023	Variation	Δ%	Incidence 2024	Incidence 2023
Italy	69.340	57.338	12.002			
Total F.P. Italy	69.340	57.338	12.002	20,9%	63,3%	68,6%
Europe	20.238	15.050	5.188	34,5%		
Middle East	9.114	6.969	2.145	30,8%		
South America	2.552	1.759	793	45,1%		
Far East	2.847	1.529	1.318	86,2%		
Other	2.565	997	1.568	157,3%		
Total F.P. Rest of World	37.317	26.304	11.013	41,9%	34,1%	31,4%
Raw materials Italy	1.055	-				
Raw materials Rest of World	1.803	-				
Total Raw Materials	2.859	-			2,6%	0,0%
Total Net revenues	109.515	83.642	23.015	30,9%	100%	100%

The increase in revenue compared to the previous year is attributable for about Euro 9 million to the effect of the merger.

Revenues from sales of finished products in Italy represent 63.3% of the total turnover and amount to Euro 69.3 million (Euro 57.3 million as at 31/12/2023).

Revenues earned on foreign markets show an increase of 41.9% from Euro 26.3 million in 2023 to Euro 37.3 million in 2024, thanks to the progressive increase in the operations of distribution contracts concluded in previous years.

The Company's activity is divided into the following business lines:

Italy business line: it is characterised by PharmaNutra's direct control of the distribution channels in the reference markets and the relevant marketing activities.

The distribution channels for the Company can be broken down into:

The distribution channels can be broken down into:

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

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.

Foreign business line: the business model is mainly used in foreign markets. It is characterised by the marketing of finished products and raw materials through local partners who, under long-term distribution contracts, distribute and sell the products in their own markets.

6.6.2 Other revenues and income

	2024	2023	Variation
Tax receivables	97	261	-164
Contractual Indemnities	123	535	-412
Reimbursement and expenses recover	67	40	27
Contingent assets	429	276	153
Other revenues	657	1.021	-364
Total other revenues	1.373	2.133	-760

The item "Tax Credit" includes the amount of the Research and Development tax credit benefit calculated on the basis of Italian Decree-Law no. 145/2013 and subsequent amendments for research and development expenses incurred by the Company.

The item "Contractual indemnities" of 2023 refers to the settlement of a legal dispute with a customer.

The item Other revenues and income mainly includes re-invoicing for services rendered to third parties and accounting adjustments linked to the merger.

6.7 OPERATING COSTS

6.7.1 Purchases of raw materials, consumables and supplies

Purchases are broken down in the following table:

	2024	2023	Variation
Raw and semifinished materials	2.079	2.727	-648
Consumables	624	514	110
Finished products	925	334	591
Total raw materials, semif., consumables and finished prod.	3.628	3.575	53

6.7.2 Change in inventories

	2024	2023	Variation
Change in raw mat. inventories	-2.300	667	-2.967
Change in semifin. prod. inventories			0
Change in F.P. inventories	3.202	-2.742	5.944
Inventories write off accrual	723	34	689
Change in inventories	1.625	-2.041	3.666

The change in inventories is the result of purchase and production planning with a view to streamlining costs.

6.7.3 Costs for services

	2024	2023	Variation
Marketing	18.015	15.205	2.810
Production and logistic	19.333	17.006	2.327
Other general expenses	7.038	8.107	-1.069
R&D	1.265	604	661
Information technology	604	398	206
Commercial and sales network	11.010	9.488	1.522
Corporate bodies	9.129	7.768	1.361
Rent and leases	46	21	25
Financial services	225	197	28
Total services expenses	66.665	58.794	7.871

In general, the increase in the item Cost for services is attributable to the effects of the merger for the net amount of about Euro 5 million and mainly concerns the items Production and logistic (about Euro 3 million), Costs for Commercial and sales network (about Euro 1.5 million), R&D (about Euro 0.6 million) and Information technology (about Euro 0.4 million). The increase in the item Corporate bodies occurred as a result of the higher remuneration approved by the Shareholders' Meeting on 17 April 2024 after the merger. The increase in marketing costs is to be correlated with the costs incurred in the development of the Cetilar® Nutrition line and sales in the Chinese market. The reduction in General expenses resulted from the elimination, following the merger, of the royalties that the Company paid to the merged Alesco.

6.7.4 Personnel costs

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

	2024	2023	Variation
Wages and salaries	4.181	2.559	1.622
Social contributions	1.345	824	521
Leaving Indemnity accrual	258	161	97
Other personnel expenses	32	14	18
Total Personnel cost	5.816	3.558	2.258

The increase over the previous year is due for about Euro 1.5 million to the merger and for the remainder to newly hired persons during the year.

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

Unit	2023	2022	Change
Managers	3	2	1
White collars	61	40	21
Blue collars	7	2	5
Total	71	44	27

As a result of the merger, 21 employees were transferred from the merged companies to the merging company.

As at 31/12/2024, the number of employees of the Company is 90.

6.7.5 Other operating costs

	2024	2023	Variation
Capital losses	271	13	258
Sundry tax charges	145	112	33
Losses on receivables	6		6
Membership fees	62	49	13
Charitable donations	309	213	96
Other expenses	1.402	282	1.120
Total other operating expenses	2.195	669	1.526

The increase in the item Other costs is mainly due to the reversal following the conclusion of the audit of the Pisa Provincial Directorate of the Inland Revenue Agency on the Research and Development Tax Credit accrued in the 2015-2019 period. At the end of the discussion established with the auditors, the Directors deemed it appropriate to avail themselves of the spontaneous repayment procedure provided for in article 5, paragraphs 7 to 12, of Italian Decree-Law 146/2021 for the amount of Euro 600,000 without the application of interest and penalties. The audit carried out confirmed that the activities carried out by the Company meet the eligibility requirements for the tax credit; the decision to proceed with the repayment - in the conviction of the correctness of its actions and compliance with the relevant legal provisions - is determined by the sole purpose of preventing litigation, also with a view to accessing the cooperative compliance program. This amount resulted mainly from the restatement by the auditors of part of the hours spent on research activities eligible for subsidies.

Costs capitalised in previous years relating to certain patents for which the future usefulness has ceased to exist were written off from the item Capital losses.

The item "Charitable donations and social security charges" includes the amount of Euro 200 thousand referring to the liberal disbursement made of part of the margin realised from sales to the Russian distributor in favour of the Rosa Pristina Foundation.

6.8 AMORTISATION, DEPRECIATION AND WRITE-OFF

6.8.1 Amortisation, depreciation and write-off

	2024	2023	Variation
Amortization of intangible assets	610	271	339
Tangible assets depreciation	2.364	1.697	667
Accrual to prov. for risks on legal disputes	250	500	-250
Accrual to doubtful accounts prov.		84	-84
Non ded. accrual for doubtful acc.	143	115	28
Total amort., depr. and write-off	3.367	2.667	700

The increase in depreciation of tangible assets resulted from a longer depreciation period (compared to the previous financial year) of the investments made for the construction of the new headquarters, and of the leasing contracts entered into for the machinery, equipment and furniture of the new headquarters.

For details on the allowances to Provisions for risks and charges, see paragraph 6.4.2.

6.9 FINANCIAL MANAGEMENT

6.9.1 Financial revenues

	2024	2023	Variation
Interest income	647	298	349
Interessi attivi da clienti	52	5	47
Dividends	528	2.034	-1.506
Exchange gains	117	129	-12
Other financial income	608	436	172
Total financial income	1.952	2.902	-950

The increase in Interest income is due to the recognition of interest accrued on tax credits acquired during the previous year, returns obtained on the portfolio under the management of Azimut, and for interest rates obtained on cash in hand.

The reduction in the item Dividends occurred as a result of the merger of Junia Pharma and Alesco.

6.9.2 Financial expenses

	2024	2023	Variation
Other financial expenses	-385	-120	-265
Interest expenses	-1.047	-778	-269
Exchange losses	-153	-63	-90
Total financial expenses	-1.585	-961	-624

The increase in the item "Other financial expenses" resulted from the higher incidence of interest expenses due to interest rate increase on outstanding loans.

Other financial expenses include interest paid on the reversal of the tax credit mentioned above.

6.10 Income taxes

	2024	2023	Variation
Current taxes	9.633	5.977	3.656
Deferred taxes	142	-116	258
Other taxes	-66		-66
Previous years taxes	327	2.622	-2.295
Total income taxes	10.036	8.483	1.553

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

The item "Taxes previous years" for 2023 refers to the settlement, through recourse to the special redemption procedure pursuant to Italian Act 197/2022, of the cross-examination invitations notified by the Pisa Provincial Directorate of the Inland Revenue Agency for the tax periods from 2017 to 2021, and increased taxes for 2022 determined based on the criteria used for the definition of previous financial years. The amount for 2024 refers to the payment of non-deductible VAT referred to 2022.

The reconciliation between the theoretical tax burden and the actual tax burden is shown below:

€/1000	31/12/24	31/12/23
Income before taxes	27.606	20.051
Theoretical tax rate	-24,0%	-24,0%
Theoretical income taxes	(6.625)	(4.812)
IRAP	(1.791)	(1.225)
(Non deductible exp.) net of non taxable income	(1.216)	(287)
Previous years income taxes	(261)	(2.622)
Other effects	(142)	464
Differences total	(3.410)	(3.670)
Total income taxes	(10.036)	(8.483)
Effective tax rate	36,4%	42,3%

7. 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: 8,315 thousand

Board of Statutory Auditors: Euro 80 thousand

Independent auditors: Euro 65 thousand

Information pursuant to Article 149-*duodecies* of the CONSOB Issuers' Regulation

The following table, prepared in accordance with Article 149-*duodecies* of the CONSOB Issuers' Regulations, shows the fees accrued in the year 2024 for audit and non-audit services rendered by the Independent auditors and by entities belonging and not belonging to its network.

Values expressed in thousands of Euro

Service provider	Note	Recipient	2024 fees
Auditing and certification services			
BDO ITALIA S.p.A.	[1]	Pharmanutra S.p.A.	65
Total			65

[1] Includes signing of income, IRAP, 770 models e certification of tax receivables

8. EVENTS SUBSEQUENT TO THE CLOSING DATE OF 31 DECEMBER 2024

As for the events after the closing date of 31 December 2024, reference should be made to the Directors' Report on Operations.

9. COMMITMENTS

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.

10. CONTINGENT LIABILITIES AND MAIN OUTSTANDING DISPUTES

The Company 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.

Concerning the pending litigation referred to an indemnity contractually due to the merged Junia Pharma following contract termination by the supplier, an officially appointed Technical Consultant (CTU) was appointed on 7 March 2024.

Having requested an officially appointed Technical Consultant's (CTU) report, we believe that the judge future ruling will be based on the values given in the report, net of the assessment of the preliminary issues below, which must be decided as a matter of priority.

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 the Company lost the case is to be considered possible in consideration of the hypothetical situation of financial difficulty of the counterparty.

The judge set a hearing on 16.04.2025 to be attended in person for the evaluation of a conciliatory solution.

11. 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 managers with strategic responsibilities and transactions with subsidiaries.

The tables below show the amounts of commercial and financial transactions entered into in 2024 between the Parent Company and its subsidiaries and other related parties.

Transactions with Related Parties

The financial and economic impacts for 2024 are shown in the tables below:

Related party Balance sheet (€/1000)	Investment	Non current financial assets	Current financial assets	Other current assets	Trade receivables	Othe current liabilities	Prov. for directors and empl. Benefits	Trade payables
Akern S.r.L.	15.016							
Pharmanutra Espana	1.600		550		3			
Pharmanutra USA	1.668		1.210		513			
Athletica Cetilar	270		150		0			
Total intercompany	18.554	0	1.910		516	0	0	0
Other related parties:								
Members of Pharmanutra BoD						1.765	2.730	
Board of Statutory Auditors						25		22
Supervisory Board compensation								32
Senior management compensation						16	198	
LCRT S.r.l.				520				
Calabughi S.r.l.								154
Solida S.r.l.		85						
Studio Bucarelli, Lacorte, Cognetti								16
Total other related parties	0	85	0	520	0	1.806	2.928	224
TOTAL	18.554	85	1.910	520	516	1.806	2.928	224

Related party Income statement (€/1000)	Net revenues	Other revenues	Service expenses	Personnel expenses	ROU depreciation	Financial income
Akern S.r.L.						520
Pharmanutra Espana	201	13				33
Pharmanutra USA						12
Total intercompany	201	13	0	0	0	565
Other related parties:						
Members of Pharmanutra BoD			8.478			
Board of Statutory Auditors			80			
Supervisory Board compensation			65			
Senior management compensation				589		
LCRT S.r.l.			770			
Calabughi S.r.l.			1.190			
Solida S.r.l.					271	
Studio Bucarelli, Lacorte, Cognetti			93			
Total other related parties	0	0	10.676	589	271	0
TOTAL	201	13	10.676	589	271	565

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.

As far as transactions with related parties are concerned, the following should be noted.

The members of the Board of Directors of the 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.

PharmaNutra 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 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 2024, the Company entered into a one-year sponsorship contract with LCRT S.r.l., a newly-formed company that carries out promotional activities in the field of motorsports; Vice President Dr. Roberto Lacorte is the spouse of Luisa Cognetti, who holds 100% of LCRT Srl and serves as Sole Director in the company, and father of professional driver Nicola Lacorte. Similarly, Chairman Andrea Lacorte acknowledges that he too is a stakeholder pursuant to Article 2391 of the Italian Civil Code with respect to the Contract as he is the uncle of professional driver Nicola Lacorte.

The advertising package covered by the contract concerns the participation of a single-seater racing car homologated for participation in the FIA Formula 3 Championship, and envisages the concession of the spaces specifically indicated, on the driver's car and clothing, the right to associate the company's image with that of the driver in the production of advertising material, the right to carry out advertising activities under the contract also through the use of the main social media.

PharmaNutra has entered into a consulting agreement with Studio Bucarelli, Lacorte, Cognetti. The contract, which is valid for one year and renewable from year to year by tacit consent, covers 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 statement of financial position and the consolidated income statement, showing transactions with related parties separately, are provided below.

	12/31/2024	of which with related parties	12/31/2023	of which with related parties
NON CURRENT ASSETS	51.978	18.639	52.732	20.480
Buildings, plant and machinery	24.637		25.872	217
Intangible assets	5.330		2.667	
Investments	18.558	18.554	20.085	20.085
Non current financial assets	153	85	215	178
Other non current assets	1.787		3.046	
Deferred taxes	1.513		847	
CURRENT ASSETS	62.178	2.946	45.603	841
Inventories	5.779		5.815	
Trade receivables	21.598	516	16.340	841
Other current assets	6.255	520	4.869	
Tax receivables	358		861	
Current financial assets	14.438	1.910	5.643	
Cash and cash equivalents	13.750		12.075	
TOTAL ASSETS	114.156	21.585	98.335	21.321
NET EQUITY	61.425		44.547	
Share capital	1.123		1.123	
Treasury shares	(4.564)		(4.013)	
Legal reserve	225		225	
Other reserves	41.379		35.197	
Reserve IAS 19	190		132	
Reserve Fair Value OCI	(175)		(89)	
Reserve FTA	(70)		(39)	
Net result	17.923		12.011	
GROUP SHAREHOLDERS EQUITY	61.425		44.547	
NON CURRENT LIABILITIES	27.021	2.928	29.393	1.626
Non current financial liabilities	18.895		23.138	147
Provisions for risks and non current expenses	4.339		4.312	
Provision for employee and directors benefit	3.787	2.928	1.943	1.479
CURRENT LIABILITIES	25.710	2.030	24.395	3.170
Current financial liabilities	4.495		5.666	72
Trade payables	15.105	224	12.997	1.371
Other current liabilities	3.840	1.806	3.083	1.727
Tax payables	2.270		2.649	
TOTAL LIABILITIES & EQUITY	114.156	4.958	98.335	4.796

	12/31/2024	of which with related parties	12/31/2023	of which with related parties
TOTAL REVENUES	110.888	214	85.775	1.248
Net Revenues	109.515	201	83.642	498
Other revenues	1.373	13	2.133	750
OPERATING EXPENSES	79.929	11.265	64.555	14.170
Purchases of raw, aux. materials and cons.	3.628		3.575	2.554
Change in Inventories	1.625		(2.041)	
Services expenses	66.665	10.676	58.794	10.718
Employee expenses	5.816	589	3.558	898
Other operating expenses	2.195		669	
EBITDA	30.959	(11.051)	21.220	(12.922)
Amortization, Depreciation and Write off	3.367	271	2.667	155
EBIT	27.592	(11.322)	18.553	(13.077)
NET FINANCIAL INCOME/(EXPENSES)	367	520	1.941	2.034
Financial income	1.952	520	2.902	2.034
Financial expenses	(1.585)	45	(961)	
PRE TAX RESULT	27.959	(10.757)	20.494	(11.043)
Income Taxes	(10.036)		(8.483)	
Net result of third parties				
Group's result	17.923	(10.757)	12.011	(11.043)

12. ALLOCATION OF THE RESULT FOR THE YEAR

It is proposed to the Shareholders' Meeting that the result for the year, equal to Euro 17,922,484, be allocated as follows:

EURO	12/31/2024
Net result of the year	17,922,484
- 5% to the legal reserve (pursuant to art. 2430 of the Italian Civ. Code)	0
- to the Extraordinary Reserve	8.319.238
- to Dividend (Euro 1.00 per share)	9.603.246

Pisa, 14 March 2025

For the Board of Directors

The Chairman

(Andrea Lacorte)

**CERTIFICATION OF THE ANNUAL FINANCIAL STATEMENTS PURSUANT TO
ARTICLE 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 financial statements during the year 2024.

2. It is also certified that:

the financial statements for the year ended 31 December 2024:

- have been prepared in accordance with the applicable international accounting standards recognised by the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- correspond to the results of the accounting books and records;
- are capable of providing a true and fair view of the issuer's equity, economic and financial position;
- the Management Report includes a reliable analysis of the progress and results of operations, as well as the issuer's situation, together with a description of the main risks and uncertainties to which it is exposed.

Pisa, 14 March 2025

PharmaNutra S.p.A.

Managing Director

PharmaNutra S.p.A.

Manager in charge

INDIPENDENT AUDITORS' REPORT

Pharmanutra S.p.A.

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010, and article 10 of EU Regulation n. 537/2014

Financial statements at December 31, 2024

As disclosed by the Directors on page 3, the accompanying financial statements of Pharmanutra S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Independent auditor's Report

pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010 and article 10 of EU Regulation n. 537/2014

To the shareholders of
Pharmanutra S.p.A.

Report on the financial statements

Opinion

We have audited the financial statements of Pharmanutra S.p.A. (the Company), which comprise the statement of financial position as at December 31, 2024, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion the financial statements give a true and fair view of the financial position of the Company as at December 31, 2024 and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as adopted by the European Union, as well as the regulation issued to implement article 9 of Legislative Decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical and independence requirements applicable in Italy to the audit of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter**Audit response**

ASSESSMENT OF THE RECOVERABILITY OF INVESTMENTS IN SUBSIDIARIES**NOTE 6.1.3. “INVESTMENTS” and NOTE 2 “ACCOUNTING STANDARDS AND VALUTATION CRITERIA”**

Investments in subsidiaries are accounted for in the financial statements for a total amount of euro 18.558 thousand and are referred to the wholly controlled companies Akern S.r.l. Pharmanutra Espana S.L.U., Pharmanutra USA Corp. and the new company Athletica Cetilar S.r.l..

The recoverability of the amounts accounted for investments in subsidiaries is verified by comparing the carrying amount to the recoverable amount (value in use) estimated applying the Discounted Cash Flow (“DCF”) method.

The Directors valuation process is complex and involves the use of estimates and assumptions to determine both the amount of future cash flows and the corresponding discount rates. In view of the significance of the investments recorded in the financial statements and the subjectivity of the estimates relevant to the determination of future cash flows and the variables of greatest importance used, We considered the assessment of the recoverability of investments a key aspect in the audit of separate financial statements.

Our main audit procedures performed are the following:

- we compared the value of investment in subsidiaries to the equity portion attributable to the parent company;
- we verified with reference to the new company established during the financial year 2024 of the costs incurred in setting it up;
- with reference to the impairment test, performed on Akern S.r.l, Pharmanutra Espana S.L.U. and Pharmanutra USA Corp also being supported by BDO experts:
 - we verified the adequacy of the impairment model prepared by the Group and its compliance to the accounting standards;
 - we assessed the key underlying assumptions for the impairment model, in particular the ones related to cash flow projections, future growth rates and discount rates and determination of “terminal value”;
 - we verified the clerical accuracy of the impairment model;
- we verified the disclosures provided in the accompanying notes.

Responsibilities of the Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as adopted by the European Union, as well as the regulation issued to implement article 9 of Legislative Decree no. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also have:

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with those charged with governance, as properly identified in accordance with ISA Italia, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have also provided those charged with governance with a statement that we have complied with relevant ethical and independence requirements applicable in Italy and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate relevant risks or the safeguards measures applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described those matters in the auditor's report.

Other information communicated pursuant to article 10 of Regulation (EU) 537/2014

We were initially engaged by the shareholders meeting of Pharmanutra S.p.A. on October 13, 2020 to perform the audits of the Company's and the consolidated financial statements of each fiscal year starting from December 31, 2020 to December 31, 2027.

We declare that we did not provide prohibited non audit services, referred to article 5, paragraph 1, of Regulation (EU) 537/2014, and that we remained independent of the company in conducting the audit.

We confirm that the opinion on the financial statements included in this audit report is consistent with the content of the additional report prepared in accordance with article 11 of the EU Regulation n.537/2014, submitted to those charged with governance.

Report on other legal and regulatory requirements

Opinion on the compliance to the requirements of Delegated Regulation (EU) 2019/815

The Directors of Pharmanutra S.p.A. are responsible for the application of the requirements of Delegated Regulation (EU) 2019/815 of European Commission regarding the regulatory technical standards pertaining the electronic reporting format specifications (ESEF - European Single Electronic Format) (hereinafter the "Delegated Regulation") to the financial statements, to be included in the Annual financial report.

We have performed the procedures required under Auditing Standard (SA Italia) no. 700B in order to express an opinion on the compliance of the financial statements at December 31, 2024 to the requirements of the Delegated Regulation.

In our opinion, the financial statements at December 31, 2024 have been prepared in XHTML format in compliance to the requirements of Delegated Regulation.

Opinion and statement pursuant to article 14, paragraph 2, letter e), of Legislative Decree n. 39/10 and of article 123-bis of Legislative Decree n. 58/98.

The Directors of Pharmanutra S.p.A. are responsible for the preparation of the report on operations and of the corporate governance report of Pharmanutra S.p.A. at December 31, 2024, including their consistency with the financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and of specific information of the corporate governance report as provided by article 123-bis, paragraph. 4, of Legislative Decree n. 58/98, with the financial statements
- express an opinion on the compliance of the report on operations and of the specific information of the corporate governance report as provided by article 123-bis, paragraph 4, of Legislative Decree no. 58/98, with the applicable laws and regulations
- issue a statement on whether the report on operations and of specific information of the corporate governance report as provided by article 123-bis, paragraph 4, of Legislative Decree no. 58/98 contain material misstatements.

In our opinion, the report on operations and the specific information of the corporate governance report as provided by article 123-bis, paragraph 4, of Legislative Decree no. 58/98, are consistent with the financial statements of Pharmanutra S.p.A. at December 31, 2024.

Furthermore, in our opinion the report on operations and of the specific information of the corporate governance report as provided by article 123-bis, paragraph 4, of Legislative Decree no. 58/98, are compliant with applicable laws and regulations.



With reference to the assessment pursuant to article 14, paragraph. 2, e-ter), of Legislative Decree n. 39/10 based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milan, March 25, 2025

BDO Italia S.p.A.
Signed by Vincenzo Capaccio
Partner

STATUTORY AUDITOR'S REPORT

Report of the Board of Statutory Auditors to the Shareholders' Meeting of the company "PHARMANUTRA S.P.A." pursuant to Article 153 of Legislative Decree 58/1998 and Article 2429, second paragraph, Civil Code

Shareholders,

The Board of Statutory Auditors of Pharmanutra S.p.A. (hereinafter also referred to as "the Company"), pursuant to Article 153 of Legislative Decree 58/1998 and Article 2429, paragraph 2, Civil Code, is required to report to the Shareholders' Meeting convened for the approval of the financial statements, on the supervisory activities carried out during the financial year in the performance of its duties, on any omissions and censurable facts detected, and on the results of the financial year, as well as to make proposals regarding the financial statements, their approval, and matters within its competence.

During the financial year ended December 31, 2024, and up to the present date, the Board of Statutory Auditors has carried out its supervisory activities in accordance with the provisions of the law, taking into account the principles of conduct recommended by the National Council of Chartered Accountants and Accounting Experts, the CONSOB regulations on corporate controls, as well as the provisions contained in Article 19 of Legislative Decree 39/2010.

The Company's financial statements and consolidated financial statements have been prepared based on the international accounting standards IAS/IFRS issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, as well as in accordance with the measures issued by CONSOB pursuant to Article 9, paragraph 3, of Legislative Decree 38/2005.

The explanatory notes to the financial statements detail the general principles adopted in the preparation of the financial statements.

The Company is not required to submit the declarations referred to in Articles 3 and 4 of Legislative Decree No. 254/2016 (individual declaration and consolidated non-financial declaration) as it has not exceeded the size limits referred to in Article 2 of the same decree. Nevertheless, Pharmanutra has published, in continuity with the previous two year period, the Group's sustainability report in accordance with the Global Reporting Initiative (see below "events and significant facts of particular relevance").

The Board of Statutory Auditors has obtained the information necessary to perform its supervisory and control tasks through participation in the meetings of the Board of Directors, the Committees established within the Board of Directors, hearings with the Company's management, acquired information from the relevant corporate structures and from control bodies and meetings with the auditing firm.

Appointment and Independence of the Board of Statutory Auditors

The Board of Statutory Auditors in office at the date of this report was appointed by the Shareholders' Meeting on April 27, 2022: it is composed of Giuseppe Rotunno (Chairman), Debora Mazzaccherini, and Michele Giordano (Statutory Auditors), as well as Elena Pro and Alessandro Lini (Alternate Auditors). The control body will expire on the date of the Shareholders' Meeting that will approve the Company's financial statements for the financial year 2024.

During the meetings held, the Board of Statutory Auditors carried out self-assessment activities of the same control body; the results were recorded and communicated to the Board of Directors.

The composition of the Board of Statutory Auditors complies with the gender distribution criterion referred to in Article 148 of Legislative Decree 58/98 (T.U.F.).

The Board of Statutory Auditors, at the time of appointment and during its office, verified the existence of the independence requirement.

Supervisory and Control Activities of the Board of Statutory Auditors

The Board of Statutory Auditors carried out its supervisory activities in compliance with the rules expressed by Article 149 of Legislative Decree 58/1998, as well as Article 19 of Legislative Decree 39/2010, as illustrated below.

Monitoring Activities on Compliance with the Law, the Articles of Association and the Corporate Governance Code.

In carrying out its duties, the Board of Statutory Auditors has performed the supervisory activities prescribed by Article 149 of Legislative Decree 58/1998, following the recommendations of CONSOB regarding corporate controls and the activities of the Board of Statutory Auditors, adhering to the guidelines contained in the Corporate Governance Code and the Rules of Conduct for the Board of Statutory Auditors of listed companies issued by the National Council of Chartered Accountants and Accounting Experts. In drafting this Report, the communications from CONSOB No. 1025564 of April 6, 2001, No. 3021582 of April 4, 2003, and No. 6031329 of April 7, 2006, concerning the content of the report of the Board of Statutory Auditors of companies with shares listed on the stock exchange to the Shareholders' Meeting, have been taken into account.

In the performance of its functions, the Board of Statutory Auditors:

- met 8 times during the financial year;
- participated in the meetings 2 of the intra-board Committees;
- attended the meetings of the Board of Directors (10) and the Shareholders' Meeting (1), monitoring compliance with statutory, legislative, and regulatory rules governing the functioning of the Company's bodies, as well as adherence to principles of proper administration;
- monitored, within its competence, the adequacy of the Company's organizational structure and internal control system, and compliance with principles of proper administration, through direct observations, information gathered from responsible corporate functions, and meetings with the Company's Management, Internal Audit, Supervisory Body pursuant to Legislative Decree No. 231/2001, Data Protection Officer, IT Systems Administrator, Employer and Safety Manager, Officer in charge pursuant to Law No. 262/2005, and the auditing firm BDO Italia S.p.A. (hereinafter "BDO" or "Auditing Firm") within the framework of a mutual exchange of relevant data and information;
- evaluated and monitored the adequacy of the administrative and accounting system, as well as its reliability in correctly representing management facts, through information gathered from the heads of the respective functions and the finance and control area, examination of corporate documents, and analysis of the results of the work and controls carried out by the Officer in charge of preparing accounting documents and the Auditing Firm;
- monitored the adequacy of the reciprocal flow of information between the Company and its subsidiaries pursuant to Article 114, paragraph 2, of Legislative Decree 58/1998, ensured by the instructions issued by the Company's management to the Group.

Furthermore, the Board of Statutory Auditors:

- obtained adequate information from the Directors on the activities carried out and the most significant economic, financial, and asset transactions carried out by the Company and its subsidiaries pursuant to Article 150, paragraph 1, of Legislative Decree 58/1998. In this regard, both collectively and individually, the Board paid particular attention to ensuring that the transactions resolved and implemented were in compliance with the law, the corporate bylaws, and were not imprudent or risky, in contrast with the resolutions adopted by the Shareholders' Meeting, in potential conflict of interest, or such as to compromise the integrity of the corporate assets;
- held meetings with representatives of the Auditing Firm pursuant to Article 150, paragraph 3, of Legislative Decree 58/1998, and no relevant data and/or information emerged that need to be highlighted in this Report;
- monitored the actual implementation of corporate governance rules provided by the Corporate Governance Code to which the Company adheres, as adequately represented in the Corporate Governance and Ownership Structure Report, in compliance with Article 124-ter of Legislative Decree 58/1998 and Article 89-bis of the Issuers' Regulation.

Monitoring Activities on the Adequacy of the Administrative Accounting System and on the Legal Auditing Activity

Pursuant to Article 19 of Legislative Decree 39/2010 (Unified Text on Statutory Audit), the Board of Statutory Auditors, as the committee for internal control and statutory audit, is required to monitor:

- the financial reporting process;
- the effectiveness of internal control systems and risk management;
- the statutory audit of the annual and consolidated financial statements;
- the independence of the Auditing Firm, particularly concerning the adequacy of the provision of non-audit services to the Company.

Supervisory Activities on the Financial Reporting Process

The Board of Statutory Auditors monitored the existence of rules and procedures related to the formation and dissemination of financial information.

In this regard, it is noted that the Corporate Governance and Ownership Structure Report illustrates how the Group has defined its Internal Control and Risk Management System concerning the financial reporting process at the Consolidated level.

The Officer in charge of preparing the Company's accounting documents is Dr. Francesco Sarti, who also holds the position of Chief Financial Officer, to whom the Board of Directors has assigned the responsibility to:

- prepare adequate administrative-accounting procedures for the formation of financial reporting documents and for identifying the main legal risks related to financial reporting to be submitted for approval by the Board of Directors;
- monitor the application of procedures;

- issue to the market the certification regarding the adequacy and actual application of administrative and accounting procedures for the Group's financial reporting.

The Board of Statutory Auditors acknowledges having received adequate information on the monitoring activities of corporate processes impacting administrative-accounting aspects within the Internal Control System, carried out both during the year concerning periodic management reports and at the closing of accounts for the preparation of the annual and consolidated financial statements.

The adequacy of the administrative-accounting system was also evaluated through the acquisition of information from the heads of the respective functions and the analysis of the results of the work carried out by the Auditing Firm.

No particular critical issues or obstacles emerged to the issuance of the certification by the Officer in charge of preparing the Company's accounting documents and the Chief Executive Officer regarding the adequacy of administrative and accounting procedures for the formation of the Company's annual and consolidated financial statements for the financial year 2024.

The Board of Statutory Auditors monitored compliance with the regulations concerning the formation and publication of the Half-Year Financial Report, as well as the settings given to them and the correct application of accounting principles, also using the information obtained from the Auditing Firm.

Effectiveness of Internal Control and Risk Management Systems

The Board of Statutory Auditors has evaluated and monitored the adequacy of internal control and the effectiveness of internal control and risk management systems. The Board of Statutory Auditors acknowledges having verified the most relevant activities carried out by the overall internal control and risk management system through appropriate information exchange with all relevant functions.

In the course of its control activities, the Board of Statutory Auditors acknowledges having received and examined:

- periodic reports on the activities carried out by the Control and Risk Committee and the Head of Internal Audit;
- periodic updates on the evolution of the risk management process, risk mitigation, the outcome of monitoring and assessment activities carried out by Internal Audit, as well as the objectives achieved.

The Board of Statutory Auditors has periodically met with the Supervisory Body and examined the periodic reports on the activities carried out by the same, verifying its activity plan and budget. Similarly, the Board has acknowledged the Compliance activities pursuant to Legislative Decree 231/01 and the planned activity plan, also noting the update of the Organizational and Management Model pursuant to Legislative Decree 231/01.

The main risks identified, monitored, and managed are listed in the Explanatory Notes to the financial statements.

Following the activities carried out during the period, as detailed above, the Board of Statutory Auditors has shared the positive assessment expressed by the Control and Risk Committee in the report of March 14, 2024, regarding the adequacy of the internal control and risk management system.

Statutory Audit of the Annual and Consolidated Financial Statements and Independence of the Auditing Firm

The Board of Statutory Auditors acknowledges that:

- the Auditing Firm, appointed for the statutory audit of accounts for the period 2020-2027, has carried out the controls required by applicable regulations and, in periodic meetings with the Board of Statutory Auditors, has not highlighted any facts and/or findings that need to be reported in this Report;
- the Board of Statutory Auditors has monitored the audit of the annual and consolidated accounts, obtaining information and discussing with the Auditing Firm, also in light of the new developments introduced regarding the Auditing Firm's report.

In particular, all the main phases of the audit activity were illustrated to the Board, including the identification of risk areas with a description of the related procedures adopted.

The Board of Statutory Auditors has monitored the independence of BDO Italia S.p.A., verifying the nature and extent of services rendered other than accounting control, with reference to the Company and its subsidiaries. In this regard, the Board of Statutory Auditors reports that during the financial year, no additional assignments were given to the Auditing Firm other than those related to the statutory audit of accounts.

In light of the above, the Board of Statutory Auditors believes that the independence requirement of the Auditing Firm is met.

Finally, it is noted that the Auditing Firm today:

- issued the reports pursuant to Article 14 of Legislative Decree 39/2010 and Article 10 of European Regulation 537/2014, from which it appears that the Company's annual financial statements and the Group's consolidated financial statements as of December 31, 2024, comply with the International Financial Reporting Standards (IFRS) adopted by the European Union, as well as the measures issued pursuant to Article 9 of Legislative Decree 38/2005, and are clearly drafted and accurately represent the financial position, economic result, and cash flows for the financial year ended on that date;
- expressed its opinion on the consistency of the management report and certain specific information contained in the Corporate Governance and Ownership Structure Report with the Company's annual financial statements and the Group's consolidated financial statements, confirming that the aforementioned reports are drafted in accordance with legal regulations;
- delivered to the Board of Statutory Auditors the additional report pursuant to Article 11 of European Regulation 537/2014, in relation to which this control body has no observations to be reported in this Report;
- provided annual confirmation of its independence pursuant to Article 6, paragraph 2, letter a), of European Regulation 537/2014.

Significant Operations, Events, and Facts

The information acquired on the most significant economic, financial, and asset transactions carried out by the Company during the 2024 financial year has allowed the Board of Statutory Auditors to ascertain their compliance with the law and the bylaws and their alignment with the company's interest.

Among the significant operations of 2024, the following are noteworthy:

- **Purchase of Treasury Shares:** As part of the treasury share purchase program approved by the Ordinary Shareholders' Meeting on April 16 2024, 11,245 treasury shares were repurchased during the year. As of December 31, 2024, Pharmanutra holds 77,731 treasury shares, equal to 0.80% of the share capital.
- **Athletica Cetilar Constitution:** On March 2024, the Board of Directors of the Company resolved to establish a new company, named Athletica Cetilar S.r.l. (Performance Centre). The company has a capital of Euro 100,000 and 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.
- **Merger of Alesco and Junia Pharma:** 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 Company approved the plan to merge by incorporation the subsidiaries Junia Pharma and Alesco into PharmaNutra. On 4 July, with the signing of the merger deed, the merger by incorporation of the subsidiaries Junia Pharma and Alesco into PharmaNutra was completed. The accounting and tax effects of the merger have been backdated to 1 January 2024.
- **Sustainability Report:** In June, the Company published the Group's third sustainability report, which was prepared on a voluntary basis (as Pharmanutra S.p.A. is exempt from the mandatory reporting of the Non-Financial Declaration pursuant to Legislative Decree 254/2016) in accordance with the Global Reporting Initiative (GRI), which currently represents the most widely recognized international standard for non-financial reporting.
- **Launch of New Products:** At the beginning of November, products from the new Sidevit® line (Sidevit® D3 and Sievit® B12), SiderAL® Mamma and Lactopam® were launched on the market. Sidevit® is the first line of Sucrosomial® Vitamins derived from the significant investments made in recent years in R&D. The latter have enabled PharmaNutra to apply the Sucrosomial® Technology patent - which has so far been successfully used for minerals (iron, magnesium, zinc, etc.) - also to certain vitamins.
- **Development of Foreign Markets:** In June 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; In October, an agreement was entered into with a leading international strategic consulting firm to define the development plan of the subsidiary PharmaNutra USA. After a preliminary analysis of the market, which confirmed the lines of development identified by PharmaNutra and the significant potential expressed by the American market, an activity plan and related monitoring of the progress status has been developed. At the end of November, an

agreement for the Canadian distribution of SiderAL® Forte, SiderAL® Folic, SiderAL® Drops and Ultramag® was signed with the Canadian pharmaceutical company Sigma Lifesciences.

- **Relations with the Tax Authorities:** In October, the Pisa Provincial Directorate of the Inland Revenue Agency concluded its audit on the Research and Development Tax Credit accrued in the 2015-2019 period. At the end of the discussion established with the Tax Agency, the Directors deemed it appropriate to avail themselves of the spontaneous repayment procedure provided for in article 5, paragraphs 7 to 12, of Italian Decree-Law 146/2021 for the amount of Euro 600,000 without the application of interest and penalties.

Regarding significant events occurring after the close of the 2024 in January 2025, the subsidiary Athletica Cetilar® obtained the necessary authorisations to start operations.

Finally, it is noted that the Shareholders' Meeting held on April 16, 2024, approved the financial statements and the distribution of an ordinary dividend of 0.85 euros for each ordinary share in circulation on the ex-dividend date (No. 7) (which occurred on May 6, 2023, record date May 7, and payment on May 8).

Irregularities, Censurable Facts, Complaints under Article 2408 of the Civil Code, Atypical and/or Unusual Transactions

Following the supervisory and control activities carried out during the financial year, the Board of Statutory Auditors can certify that:

- during the activities performed, no omissions, irregularities, or censurable or otherwise significant facts emerged that would require reporting to the control bodies or mention in this Report;
- no complaints under Article 2408 of the Civil Code or reports from third parties were received by the Board of Statutory Auditors;
- no transactions with third parties, intra-group, and/or related parties were identified that would highlight atypical or unusual profiles in terms of content, nature, size, and timing.

Intra-group or Related Party Transactions

Regarding transactions carried out within the Group and with related parties, the Directors have provided specific and detailed information in the management report and the notes to the annual and consolidated financial statements, particularly noting that the Company has maintained relationships with other Group companies, third-party companies, and top management under normal market conditions.

The "Procedure for Related Party Transactions" is updated in accordance with the law.

Regarding intra-group and related party transactions, the Directors have indicated the characteristics of the commercial and financial relationships maintained with such parties in the management report and the notes to the annual and consolidated financial statements.

The Board of Auditors, in the course of its activities and verifications, having acquired OPC Committee assessments, believes that the amounts can be considered appropriate—having obtained detailed benchmark analyses in this regard—and that the transactions carried out are in the actual interest of the Company.

Impairment Test Procedure

On February 17, 2025, the Company's Board of Directors approved the impairment procedure in accordance with the requirements of the international accounting standard IAS 36 and the impairment tests conducted to verify the adequacy of the values of the investments recorded in Pharmanutra's separate financial statements and the goodwill recognized in the Group's consolidated financial statements. The results of the impairment tests are adequately illustrated in the notes to the financial statements.

Additional Supervisory Activities Related to the Annual and Consolidated Financial Statements

Regarding the annual financial statements closed on December 31, 2024, the consolidated financial statements, and the management report, the following is noted:

- The Board of Statutory Auditors has verified, through direct checks and information obtained from the auditing firm, compliance with the rules relating to the structure of the separate and consolidated financial statements and the management reports accompanying them;
- The effects of related party transactions are expressly indicated in the financial statement formats;
- The annual and consolidated financial statements reflect the facts and information that the Board of Statutory Auditors has become aware of in the exercise of its supervisory duties and its control and inspection powers;
- The Board of Statutory Auditors has also verified, through information obtained from the Officer in charge and the Auditing Firm, that the data and information in the annual and consolidated financial statements have been coded in accordance with EU Delegated Regulation 2019/815 in the European Single Electronic Format (ESEF) and that the directors have made the declarations required by the regulations;
- As far as the Board of Statutory Auditors is aware, the Directors, in preparing the annual and consolidated financial statements, have not deviated from the legal provisions pursuant to Article 2423, paragraph 5, of the Civil Code;
- Regarding corporate governance and the actual implementation of corporate governance rules, the Company has prepared a specific report pursuant to Article 123-bis of Legislative Decree No. 58/1998, which the Board of Statutory Auditors shares in its contents. It is noted that the Company and the Group adhere to the Corporate Governance Code of Italian listed companies;
- The supervisory and control activities carried out by the Board of Statutory Auditors, as described above, did not reveal any significant facts to be mentioned in this report or to be reported to the supervisory and control bodies;
- Pursuant to Article 123-ter of Legislative Decree 58/1998 (T.U.F.), the Remuneration Report is presented to the Shareholders' Meeting, which the Board of Statutory Auditors has examined and agreed with the approach followed in its preparation;
- The net result determined by the Directors for the financial year ended December 31, 2024, as is also evident from the reading of the financial statements, shows a net profit of 17,922 thousand euros.

Proposal to the Shareholders' Meeting

Based on the above summary of the supervisory activities carried out during the financial year, and taking into account the findings of the Auditing Firm's report, the Board of Statutory Auditors has no observations to make regarding its competence on the Company's annual financial statements and the

Group's consolidated financial statements, the related explanatory notes, and the management report, nor on the proposal of the Board of Directors to the Shareholders' Meeting concerning the distribution of a gross (ordinary) dividend of 1.00 euros per (ordinary) share in circulation and the "carry forward" of the remaining net profit.

Pursuant to Article 144-quinquiesdecies of the Issuers' Regulation, approved by Consob with resolution 11971/99 and subsequent amendments and integrations, the list of positions held by the Board of Statutory Auditors in companies referred to in Book V, Title V, Chapters V, VI, and VII of the Civil Code is published by Consob on its website (www.consob.it).

It is noted that Article 144-quaterdecies (disclosure obligations to Consob) provides that those who hold the position of a member of the control body of only one issuer are not subject to the disclosure obligations provided for in the aforementioned article and, therefore, are not included in the lists published by Consob.

The Company reports in the Corporate Governance and Ownership Structure Report the information relating to the positions held by the members of the Board of Statutory Auditors.

The Board of Statutory Auditors hereby acknowledges that all its members comply with the aforementioned Consob regulatory provisions regarding the "limit on the accumulation of positions."

Pisa, March 25, 2025

THE BOARD OF STATUTORY AUDITORS



Giuseppe Rotunno (Chairman)



Debora Mazzaccherini (Statutory Auditor)



Michele Giordano (Statutory Auditor)

PharmaNutra SpA

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Registered office: Via Campodavola 1 – 56122 Pisa (PI), Italy

VAT Group | REA No. (Economic Administrative Index) 146259

Share Capital € 1,123,097.70 fully paid-up

