

# PHARMANUTRA GROUP STAR CONFERENCE 2024

Milan, March 19-20th, 2024

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# GROUP PRESENTATION & HIGHLIGHTS 2023

# PHARMANUTRA GROUP

PharmaNutra holds 100% of Junia Pharma, Alesco and Akern.

Just three years after the listing on the AIM market of the Italian Stock Exchange, **in December 2020 the Group switched to trading in the EURONEXT STAR MILAN.**



# EVOLUTION from the very beginning



# HIGHLIGHTS FY 2023

- Net Revenues € 100 Million reached in the year of 20th anniversary since establishment.
- Launch of the new line of products dedicated to sports nutrition: Cetilar® Nutrition. Set-up of Pharmanutra USA and establishment of Pharmanutra España.
- Completion of the new Group's headquarter for a total area of 5.300 m<sup>2</sup>, of which 2.200 m<sup>2</sup> dedicated to production, 1.600 m<sup>2</sup> for offices and 1.500 m<sup>2</sup> dedicated to complementary services. The investment amounts to € 24 million net of a tax benefit of € 1,3 million (Industry 4.0) related to machinery and equipments installed that will be splitted over the useful life of the fixed assets to which it refers.



# HIGHLIGHTS FY 2023

- Secured long term loan amounting to € 12M obtained by BPM to finance the new headquarters construction.
- Signing of 8 new Distribution Agreements for the distribution of products from the SiderAL® and Cetilar® lines in Asia, South America, Central America and Europe.
- Definition with the Revenue Agency (AdE) for the fiscal year 2016 and for the fiscal years 2017-2021, essential requirements to join the cooperative compliance institution.
- Definition with Revenue Agency of the “old Patent Box” tax regime for Apportal® and Ultramag®. The tax asset amounts to € 0,4 million.



# THE NEW HQ: THE MAKING OF

[PLAY->](#)



# THE NEW HEADQUARTER

Manage every activities directly: from ingredient discovery to end product sale



## R&D

- INGREDIENT DISCOVERY
- PHARMACEUTICAL FORM DEVELOPMENT
- PRE-CLINICAL STUDIES
- PATENT PROTECTION

## PRODUCTION SITE

- QC LABORATORY
- PRODUCTION CYCLE
- PRODUCT BATCH RELEASE
- PRODUCT TEST & TUNING

## FUNCTIONS

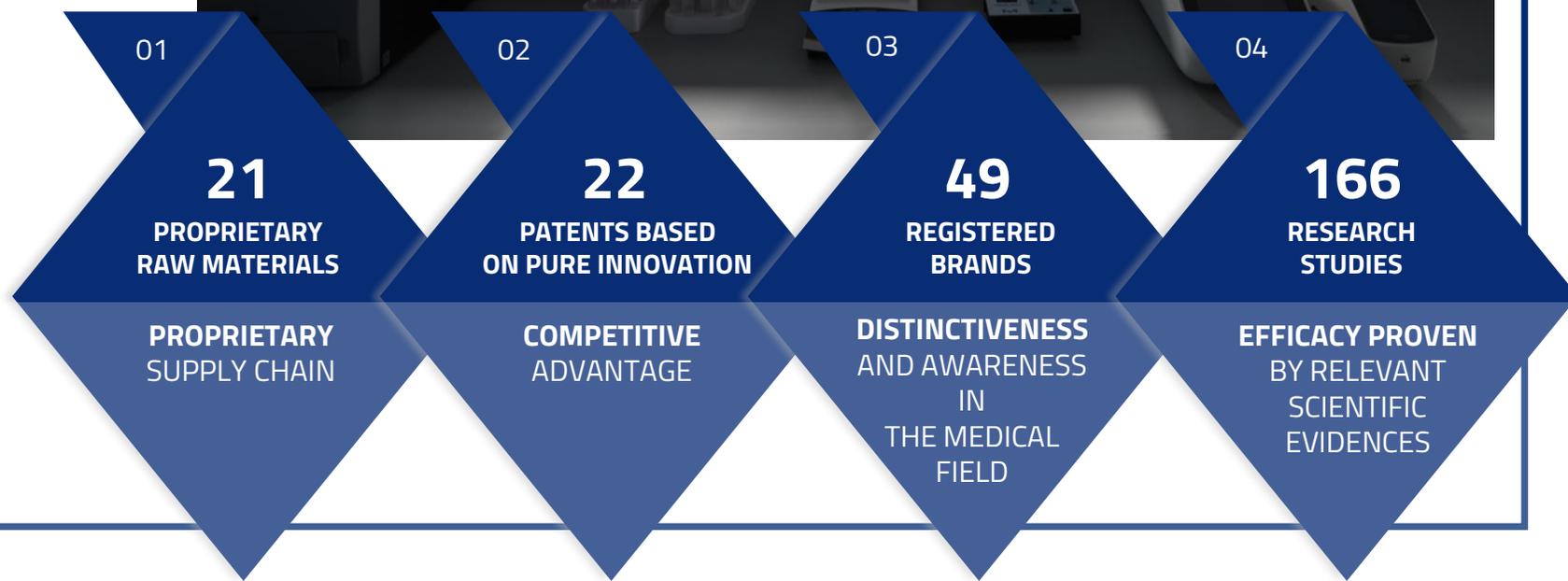
- COMMERCIAL BACK OFFICE
- PRODUCTION PLANNING
- MARKETING & COMMUNICATION
- FINANCE, ADMINISTRATION, IT AND HR

# PHARMANUTRA'S UNIQUENESS

## Intellectual property protection



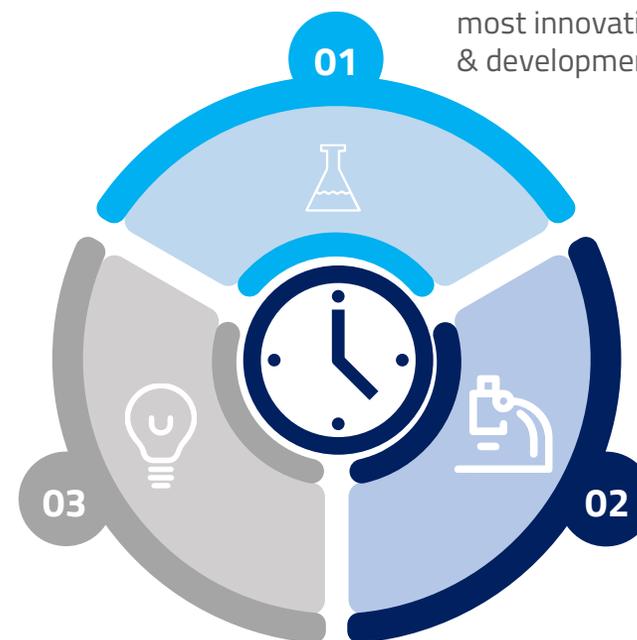
No player in the dietary supplements and medical devices industry has these **4 STRONG PILLARS IN ONE SINGLE COMPANY**



# SPEED UP R&D & INNOVATION

## NEW LABORATORY

The new HQ will hold one of the most innovative nutritional research & development laboratory in Europe



## R&D

- Exclusive lab models for the simulation of digestion and uptake of nutrients
- Increased prototypes in vitro scanning capabilities
- Higher efficacy second generation sucrosomes

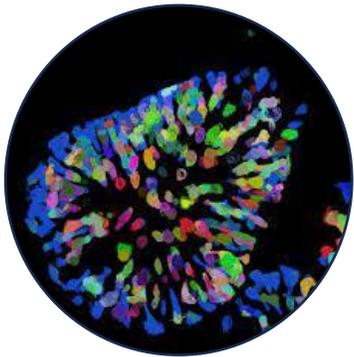
## INNOVATION

- Sucrosomial® vitamines development
- Discovery of novel bone metabolism frontiers
- Newer evidences in new applications on our sucrosomial® iron

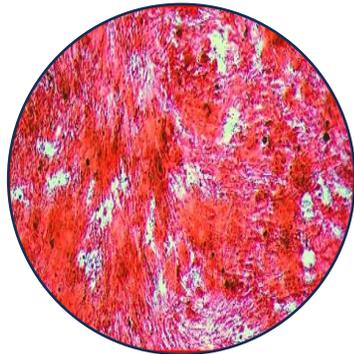


## RESEARCH MODELS

- Human cell systems
- Animal models:
  - Ex-vivo*
  - In-vivo*
- Healthy people
- Patients



Organoids



Cells culture



Sucrosomial® Prototypes

+

new formulations

## FIELDS OF RESEARCH

- **ULTRA:**
  - Minerals*
  - Vitamines*
  - Extracts and others*
- **CFA, Cetylated fatty acids**

IN-HOUSE  
R&D LAB

# R&D CLINICAL RESEARCH ACTIVITIES

**HIGH QUALITY SPONSORED CLINICAL TRIALS**  
with national and international CROs  
(Contract Research Organization)



**COLLABORATIONS WITH HOSPITALS AND RESEARCH CENTERS**



# SCIENTIFIC RESEARCH ACTIVITIES

Sucrosomial® Iron has been described as **the most innovative** oral iron in several Consensus Papers

## MAIN ON-GOING SCIENTIFIC WORLDWIDE COLLABORATIONS



## BASIC RESEARCH

4

full paper studies on **Sucrosomial® Iron** mechanism of action and kinetic

2

full paper study on **Ultramag®**

6

full paper studies presented at **international scientific congresses**

5

**new research projects** on new proprietary raw materials of Alesco

## SCIENTIFIC RESEARCH

8

**clinical studies** published in the current year

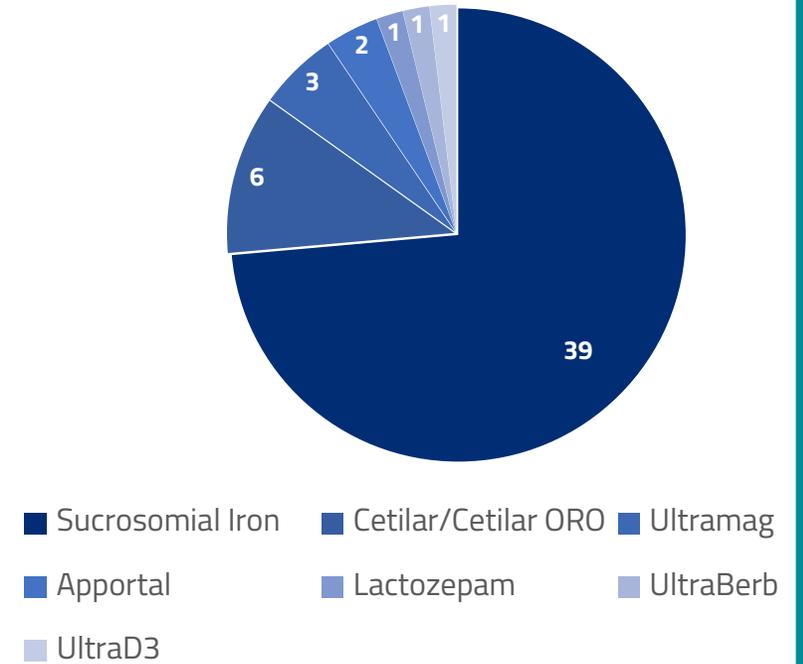
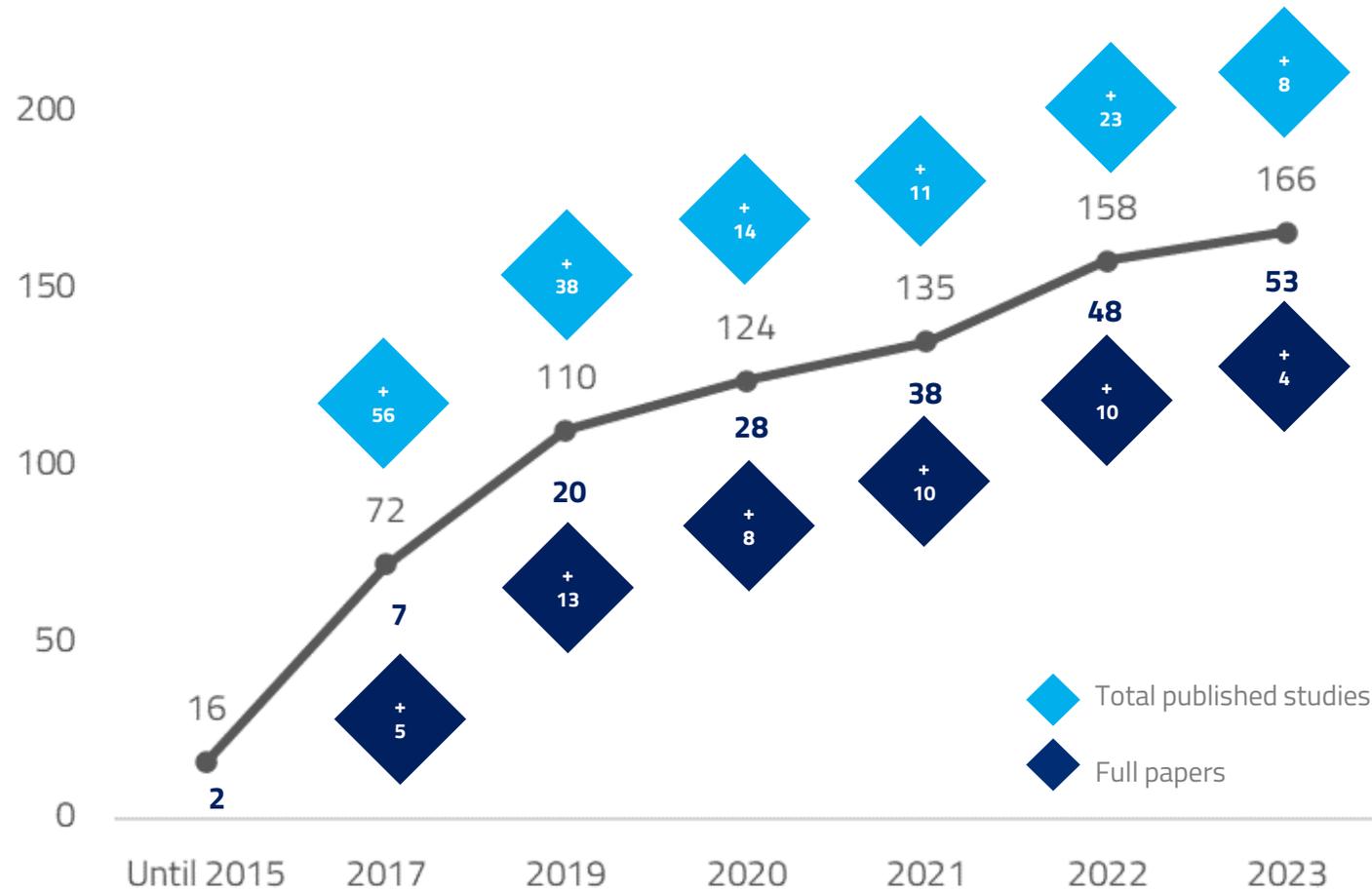
53

full paper studies published on **international peer reviewed scientific journals** (about Sideral®, Cetilar®, Ultramag®, Apportal®)

24

on-going clinical studies

# R&D CLINICAL RESEARCH FIGURES



# ECONOMIC AND FINANCIAL DATA

# HIGHLIGHTS FY 2023

- **21,1%** Increase in **Net Sales Revenues**
- **Investments related to new businesses** for **€ 4,6M** have limited the **EBITDA** increase to **8,7%**.
- **26,4% EBITDA margin** on net revenues. EBITDA margin related to the **recurring business 30,4%** (29,4% in 2022) on net revenues.
- **Net Result € 12,8 M** (€ 15,1 M in 2022). **Net Result excl. non-recurring items € 15,5 M** (+2,7% compared to 2022).
- **EPS of € 1,33** (€ 1,56 in 2022). **EPS excl. non-recurring items of € 1,60** (€ 1,56 in 2022).
- Negative **Net Financial Position** of 2,6 million Euro
- Proposed Dividend of **€ 0,85** per share (+6,3% compared to 2022).

+ 21,1%

NET REVENUES € 100 M

+ 8,7%

EBITDA € 26,5 M  
(+8,7% COMPARED TO € 24,4 IN 2022)

15,2%\*

NET RESULT\* MARGIN ON REVENUES  
\* excl. 2023 non-recurring items (definition with AdE for the FY 2017-2023)

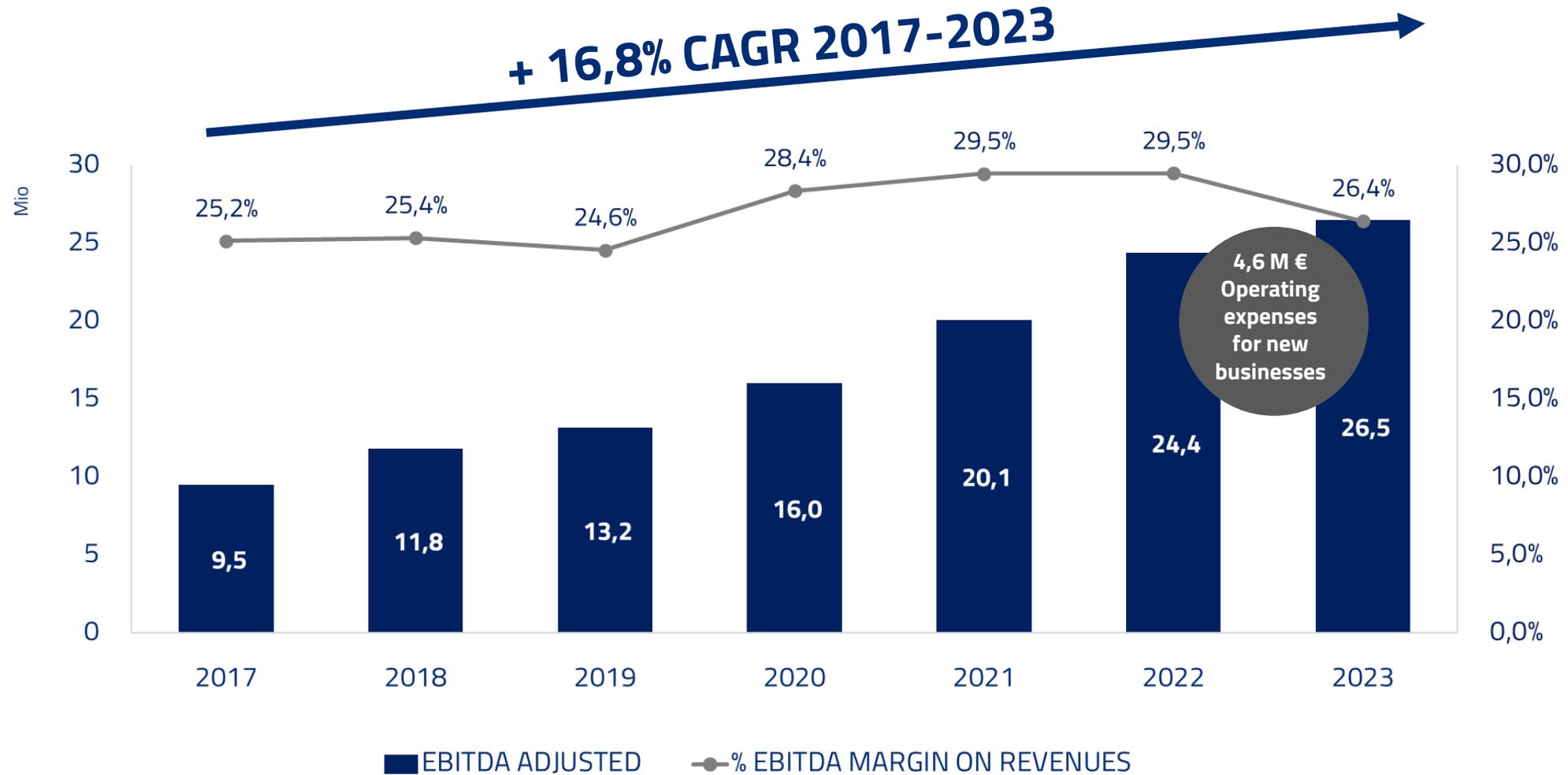
€ 0,85

PROPOSED DPS (€ 0,80 IN 2022)

# NET REVENUES GROWTH

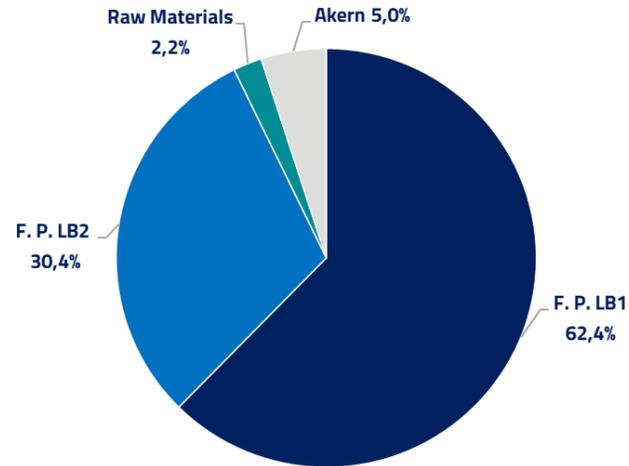


# PROFITABILITY EVOLUTION



# NET REVENUES

## Breakdown by Area of Business

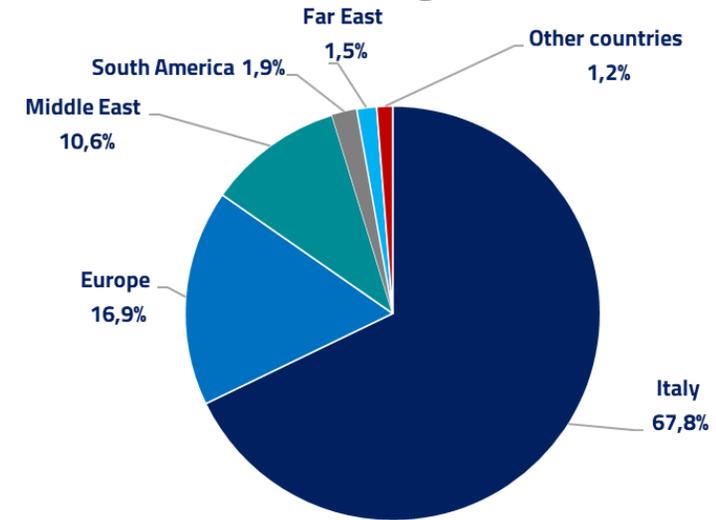


### Revenues breakdown by Area of Business

### Incidence %

€/000	2023	2022	Δ%	2023	2022
F. P. LB1	62.509	56.106	11,4%	62,4%	67,8%
F. P. LB2	30.452	22.354	36,2%	30,4%	27,0%
Raw Materials	2.213	2.303	-3,9%	2,2%	2,8%
Akern	5.030	1.961	n.s.	5,0%	2,4%
<b>Total</b>	<b>100.203</b>	<b>82.724</b>	<b>21,1%</b>	<b>100%</b>	<b>100%</b>

## Breakdown by Geographic Area



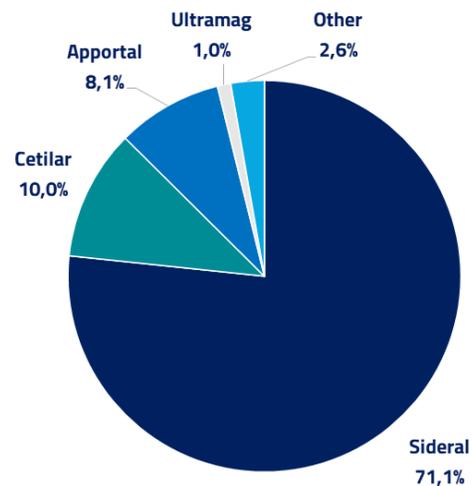
### Revenues breakdown by Geographic Area

### Incidence %

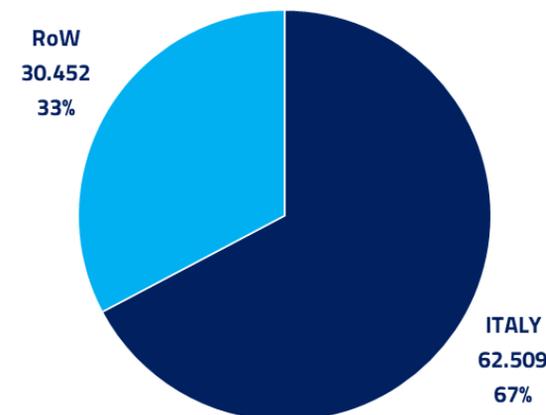
€/000	2023	2022	Δ%	2023	2022
Italy	67.975	59.233	14,8%	67,8%	72%
Europe	16.885	12.383	36,4%	16,9%	15%
Middle East	10.613	7.836	35,5%	10,6%	9%
South America	1.950	1.087	79,4%	1,9%	1%
Far East	1.550	842	84,1%	1,5%	1%
Other countries	1.230	1.343	-8,4%	1,2%	2%
<b>Total</b>	<b>100.203</b>	<b>82.724</b>	<b>21,1%</b>	<b>100%</b>	<b>100%</b>

# FINISHED PRODUCTS NET REVENUES BREAKDOWN

## Breakdown by Trademark



## Breakdown by Line of Business



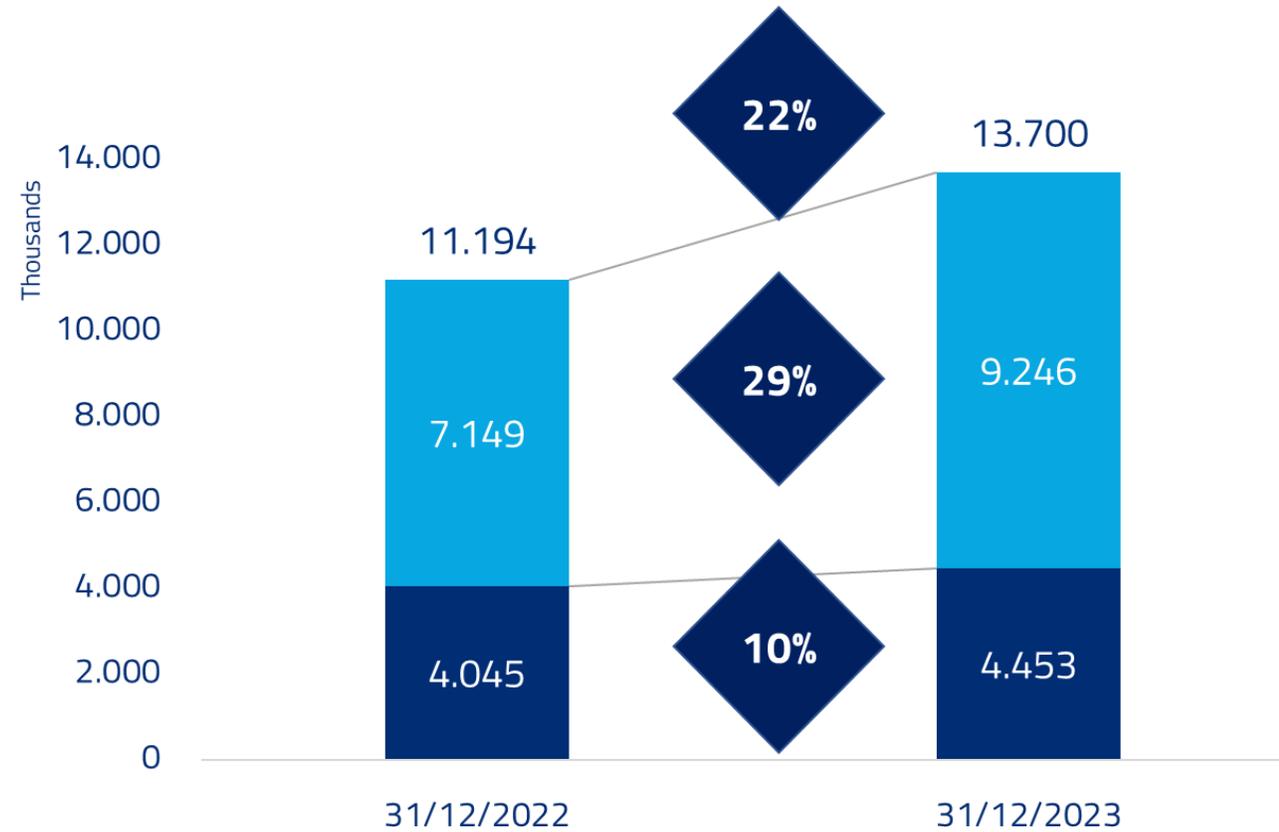
### F. P. Revenues breakdown by Trademark

€/000	F. P. Revenues breakdown by Trademark			Incidence %	
	2023	2022	Δ%	2023	2022
Sideral	71.272	58.790	21,2%	71,1%	71%
Cetilar	10.034	8.144	23,2%	10,0%	10%
Apportal	8.074	8.238	-2,0%	8,1%	10%
Ultramag	1.022	874	16,9%	1,0%	1%
Other	2.559	2.415	6,0%	2,6%	3%
<b>Total</b>	<b>92.961</b>	<b>78.461</b>	<b>18,5%</b>	<b>93%</b>	<b>95%</b>

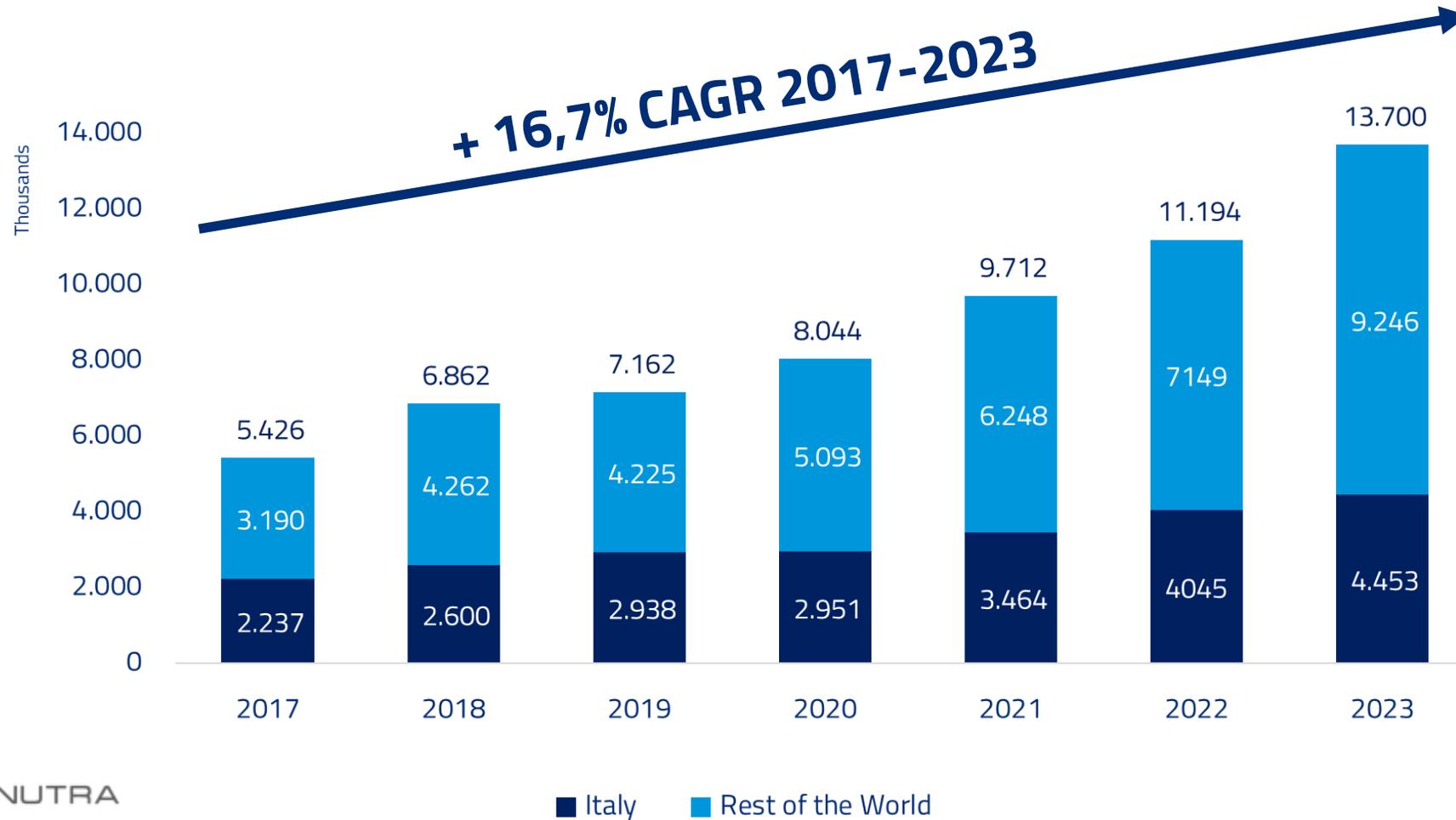
### 2023 F. P. Revenues breakdown by TD and LB

€/000	2023 F. P. Revenues breakdown by TD and LB			Incidence %		
	ITALY	RoW	TOTAL	%ITALY	%RoW	%TOTAL
Sideral	42.355	28.917	71.272	59%	41%	77%
Cetilar	8.816	1.218	10.034	88%	12%	11%
Apportal	8.068	209	8.277	97%	3%	9%
Ultramag	813	5	818	99%	1%	1%
Other	2.457	102	2.559	96%	4%	3%
<b>Total</b>	<b>62.509</b>	<b>30.452</b>	<b>92.961</b>	<b>67%</b>	<b>33%</b>	<b>100%</b>

# UNITS SOLD

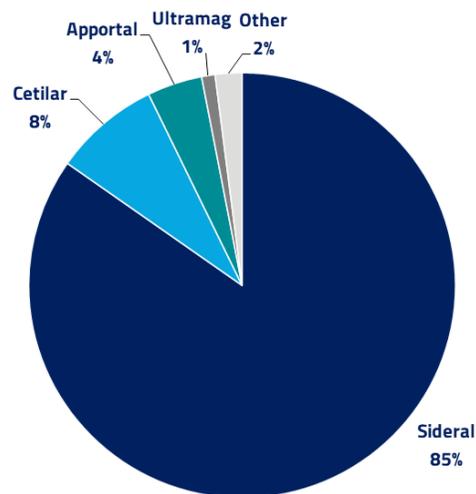


# UNITS SOLD

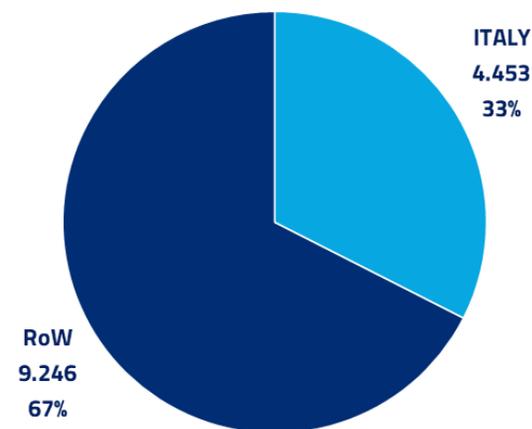


# FINISHED PRODUCTS UNITS SOLD BY TRADEMARK

## Breakdown by Trademark



## Breakdown by Line of Business



### F. P. Units Sold breakdown by Trademark

Units/000	F. P. Units Sold			Incidence %	
	2023	2022	Δ%	2023	2022
Sideral	11.607	9.369	23,9%	85%	84%
Cetilar	1.104	851	29,8%	8%	8%
Apportal	571	573	-0,4%	4%	5%
Ultramag	139	116	20,2%	1%	1%
Other	278	286	-2,6%	2%	3%
<b>Total</b>	<b>13.700</b>	<b>11.194</b>	<b>22,4%</b>	<b>100%</b>	<b>100%</b>

### 2023 F. P. Units Sold breakdown by TD and LB

Units/000	2023 F. P. Units Sold			Incidence %		
	ITALY	RoW	TOTAL	%ITALY	%RoW	%TOTAL
Sideral	2.728	8.879	11.607	24%	76%	85%
Cetilar	793	310	1.104	72%	28%	8%
Apportal	571	0	571	100%	0%	4%
Ultramag	102	37	139	73%	27%	1%
Other	259	19	278	93%	7%	2%
<b>Total</b>	<b>4.453</b>	<b>9.246</b>	<b>13.700</b>	<b>33%</b>	<b>67%</b>	<b>100%</b>

# PROFIT AND LOSS

PHN GROUP PROFIT AND LOSS (€/000)	31/12/2023	31/12/2022
<b>A) REVENUES</b>	<b>101.963</b>	<b>83.394</b>
Net Revenues	100.202	82.724
Other revenues	1.761	670
<b>B) OPERATING EXPENSES</b>	<b>75.479</b>	<b>59.035</b>
Cost of goods sold and logistics	19.803	15.146
SG&A expenses	48.022	38.081
Personnel expenses	6.807	5.101
Other operating expenses	847	707
<b>(A-B) EBITDA</b>	<b>26.484</b>	<b>24.359</b>
<i>EBITDA Margin on Revenues</i>	<b>26,0%</b>	<b>29,2%</b>
C) Amort., depr. and write offs	3.124	1.319
<b>(A-B-C) EBIT</b>	<b>23.360</b>	<b>23.040</b>
<b>D) NET FINANCIAL INCOME/(EXPENSES)</b>	<b>(100)</b>	<b>378</b>
Financial income	905	528
Financial expenses	(1.005)	(150)
<b>(A-B-C+D) EBT</b>	<b>23.260</b>	<b>23.418</b>
Current taxes	(7.806)	(8.370)
Previous years taxes	(2.622)	-
<b>NET RESULT</b>	<b>12.832</b>	<b>15.048</b>

## REVENUES

Consolidated revenues accounted for € 100 million with an increase of 21% compared to the previous year. The increase is the result of higher sales volume (+€ 12,5 million). The remaining part of the increase is due to the consolidation of Akern which was consolidated from July 1<sup>st</sup> in 2022.

## OPERATING EXPENSES

Increase in operating expenses is due to the higher sales volume, to the investments to set-up of the new businesses (USA, China, España, Cetilar® Nutrition) represented by personnel, commercial and administrative consultancies and marketing expenses, and to the marketing investments realized to sustain the Group's trademarks.

## TAXES

2023 Taxes include the definition with AdE for the fiscal years 2017-2021 and taxes referred to 2022 for a total amount of € 2,6 million.

Net Result excl. non recurring items (€/000)	31/12/2023	31/12/2022
<b>Net Result</b>	<b>12.832</b>	<b>15.048</b>
Definition of the fiscal years from 2017 to 2022	2.622	-
<b>Net Result excl. non recurring items</b>	<b>15.454</b>	<b>15.048</b>

# RECLASSIFIED CONSOLIDATED BALANCE SHEET

Amounts in €/000	31/12/2023	31/12/2022	Δ 2023 vs 2022
Trade receivables	19.219	21.647	-2.428
Inventories	8.166	5.261	2.905
Trade Payables	(16.097)	(16.882)	785
<b>Operating Working Capital</b>	<b>11.288</b>	<b>10.026</b>	<b>1.262</b>
Other receivables	6.194	4.967	1.227
Other Payables	(6.966)	(5.292)	(1.674)
<b>Net Working Capital</b>	<b>10.516</b>	<b>9.701</b>	<b>815</b>
Intangible assets	22.542	21.560	982
Tangible assets	26.352	17.055	9.297
Financial assets	4.574	1.310	3.264
<b>Total Fixed Assets</b>	<b>53.468</b>	<b>39.925</b>	<b>13.543</b>
Provisions and other L/T liabilities	(6.958)	(9.307)	2.349
<b>NET INVESTED CAPITAL</b>	<b>57.026</b>	<b>40.319</b>	<b>16.707</b>
<b>Net Equity</b>	<b>54.407</b>	<b>50.948</b>	<b>3.459</b>
Non current financial liabilities	23.430	14.110	9.320
Current financial liabilities	4.585	3.616	969
Non current financial assets	(293)	(1.503)	1.210
Current financial assets	(6.178)	(4.801)	(1.377)
Cash and cash equivalents	(18.925)	(22.051)	3.126
<b>Net Financial Position</b>	<b>2.619</b>	<b>(10.629)</b>	<b>13.248</b>
<b>TOTAL SOURCES</b>	<b>57.026</b>	<b>40.319</b>	<b>16.707</b>

## Operating Working Capital

The increase in inventories refers to the implementation of purchasing strategies.

## Other Receivables/Other Payables

The increase in other receivables is due to the purchase of tax receivables (current portion).

The increase in other payables refers to the accounting of the current taxes related to the period.

## Tangible Assets

The increase in Tangible assets is due to the completion of construction works for the new headquarter

## Financial Assets

The increase is due to the purchase of tax receivables (long term portion) and to the accounting of the «*Industria 4.0*» tax credit.

## Provisions and other L/T liabilities

The decrease refers to the payment of the provisions for Directors' severance indemnity and variable compensation and the utilization the Tax provision accrued in 2022.

## Non current financial liabilities

The increase is due to the secured loan obtained from BPM to finance the investment related to the construction of the new headquarter.

# CONSOLIDATED CASH FLOW

## CASH FROM OPERATING ACTIVITIES

### Change in operating working capital

Increase in inventories for the implementation of purchasing strategies.  
Decrease in account payables due to the different dynamics of the trade working capital

### Change in other assets/liabilities

The decrease refers to the use of the provisions for Directors' severance indemnity and variable compensation and the use of the tax provision.

## CASH FROM INVESTING ACTIVITIES

### Capex

The Capex of the years 2022 and 2023 refer mainly to the costs for the construction of the new headquarter and to other operating capex during the periods.

### Other non current assets

The increase is due to the purchase of tax receivables and the collection of the TFM insurance policy

## CASH FROM FINANCING ACTIVITIES

The changes in financing activities are mainly due to the distribution of dividends, purchases of treasury shares and new bank loan.

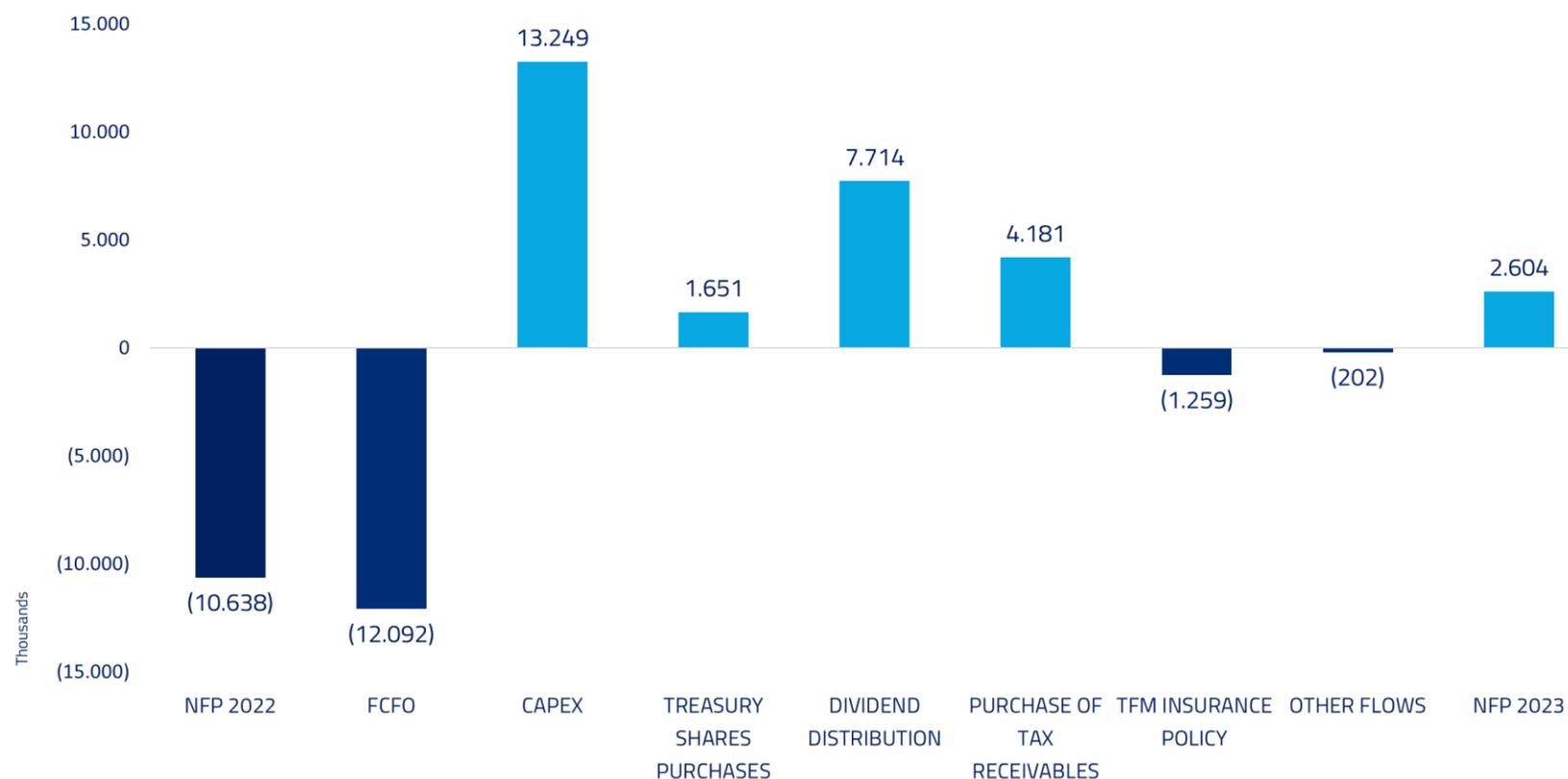
Cash Flow (€/000)	31/12/2023	31/12/2022
<b>Net Result</b>	<b>12.832</b>	<b>15.048</b>
<b>NON MONETARY EXPENSES</b>		
Amortization, depreciation and w.o.	3.124	1.319
Accrual for employees benefits	912	807
<b>CHANGES IN OPERATING ASSETS AND LIABILITIES</b>		
Changes in operating working capital	(1.462)	(410)
Changes in other assets/liabilities	(3.314)	702
<b>CASH FROM OPERATING ACTIVITIES</b>	<b>12.092</b>	<b>17.466</b>
Capex	(12.697)	(25.890)
Net Financial Investments	0	250
Changes in other non current assets	(2.005)	(1.075)
<b>CASH FROM INVESTING ACTIVITIES</b>	<b>(14.702)</b>	<b>(26.715)</b>
Dividend paid	(7.714)	(6.852)
Treasury shares purchases	(1.651)	(2.362)
Changes in financial liabilities	10.291	11.375
Changes in financial assets	(1.434)	(301)
Other changes	(8)	31
<b>CASH FROM FINANCING ACTIVITIES</b>	<b>(516)</b>	<b>1.891</b>
<b>CHANGES IN LIQUIDITY</b>	<b>(3.126)</b>	<b>(7.358)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>22.051</b>	<b>29.409</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>18.925</b>	<b>22.051</b>

# NET FINANCIAL POSITION

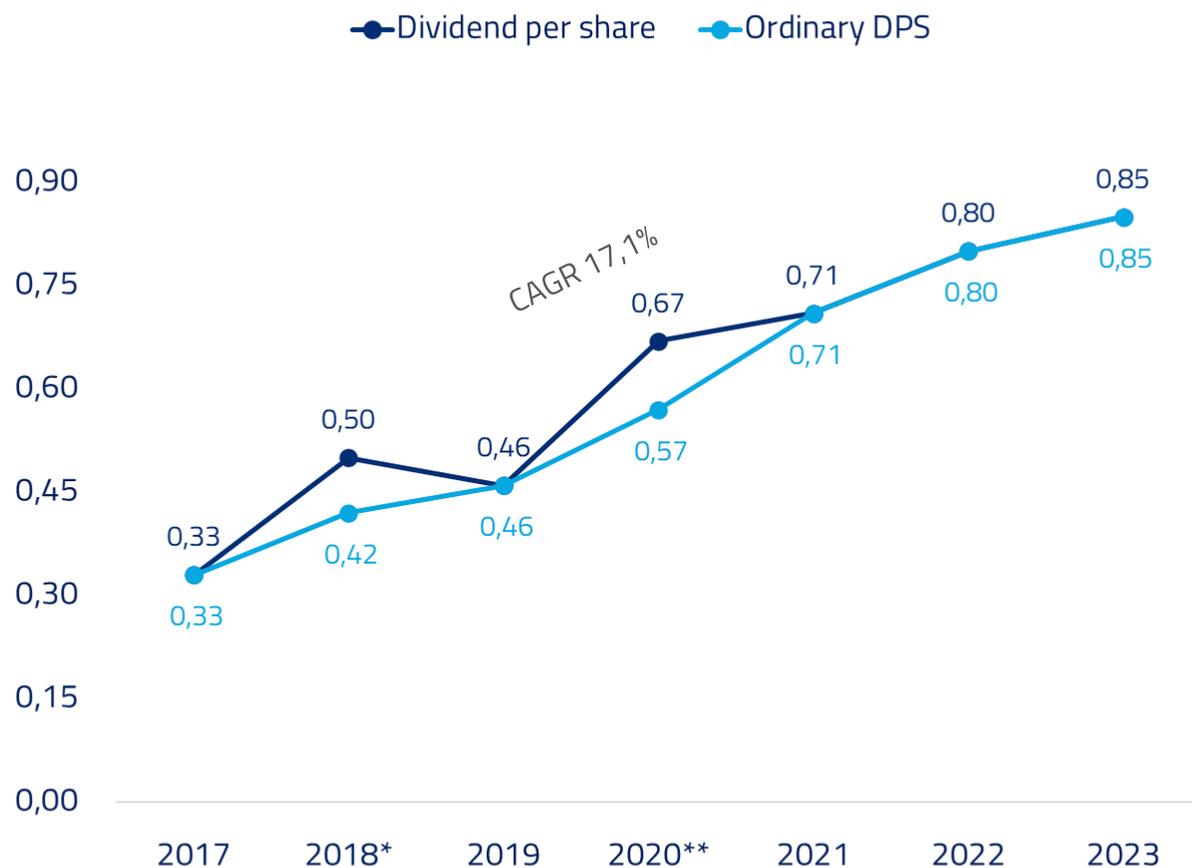
## NFP

The decrease in NFP compared to 31.12.2022 is mainly due to capital expenditures related to the construction of the new Headquarter and other operating capex (€ 13,3 million), to the purchases of treasury shares (€ 1,7 million), to the dividend distribution (€ 7,7 million) and to the purchase of tax receivables (€ 4,2 million).

The cash flow from operations is affected by the payment of the provisions for Directors' severance indemnity and variable compensation and the previous years taxes. It is also affected by the implementation of purchasing strategies on inventories.



# DIVIDEND PER SHARE



## Dividend Distribution

In line with the consolidated dividends distribution policy, the proposed dividend represents 52% of the consolidated Net result excluding non-recurring items.

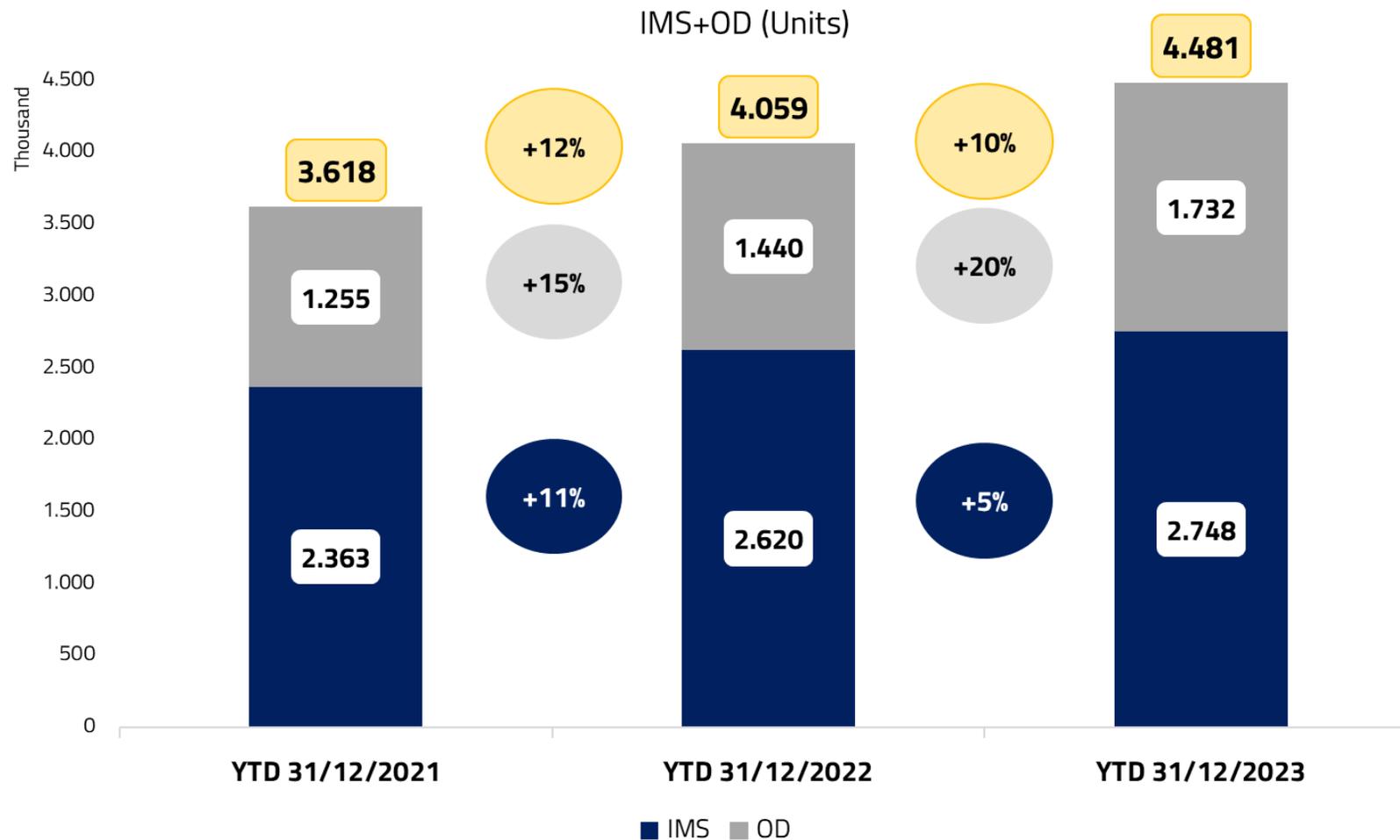
## Notes

\*DPS 2018 includes 0,42 from Pay-out and 0,08 from the benefit related to the 2015-2017 R&D tax credit

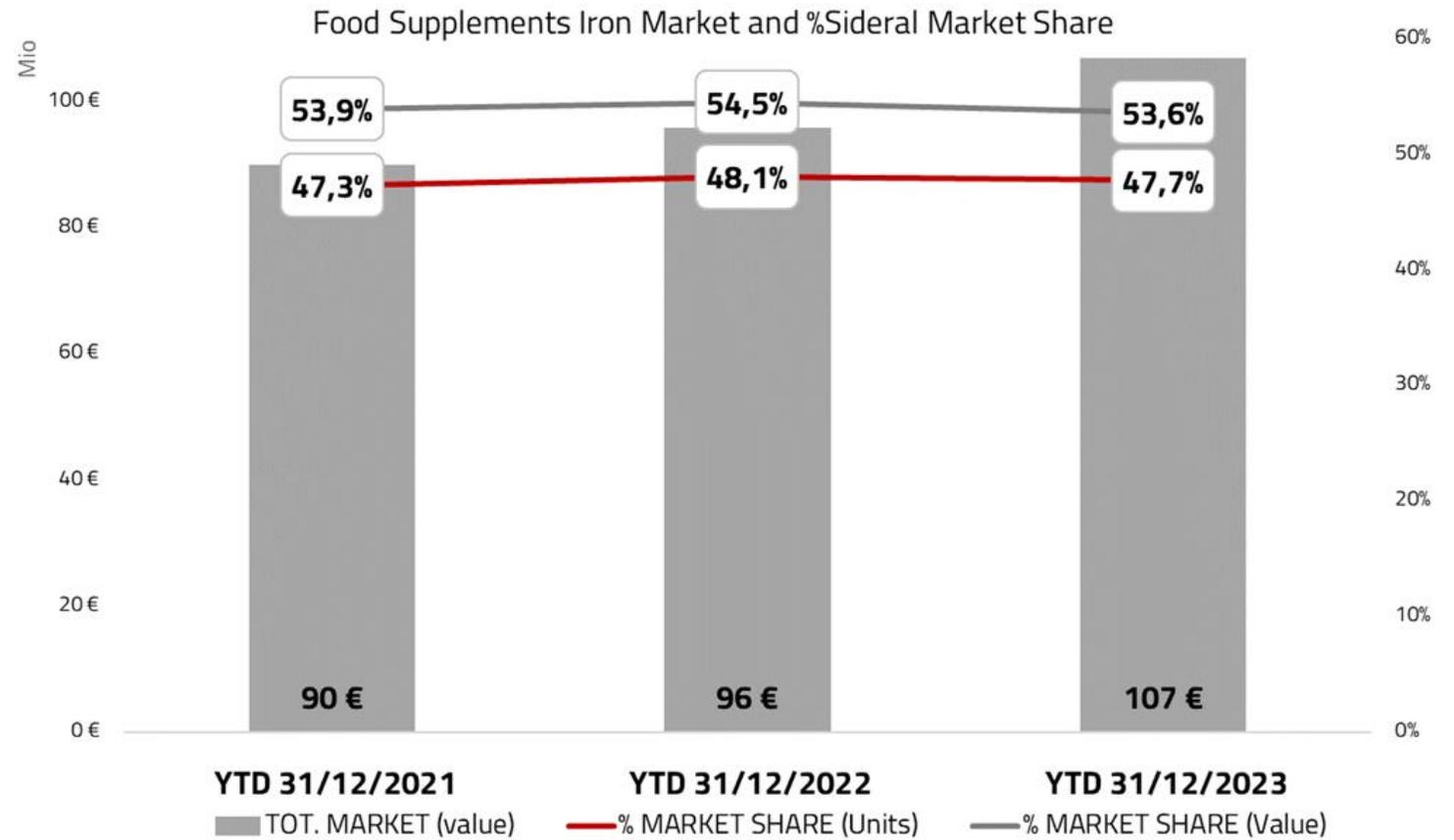
\*\*DPS 2020 includes 0,57 from Pay-out and 0,10 from the benefit related to the patent box

# MARKET

# Trend IMS & OD



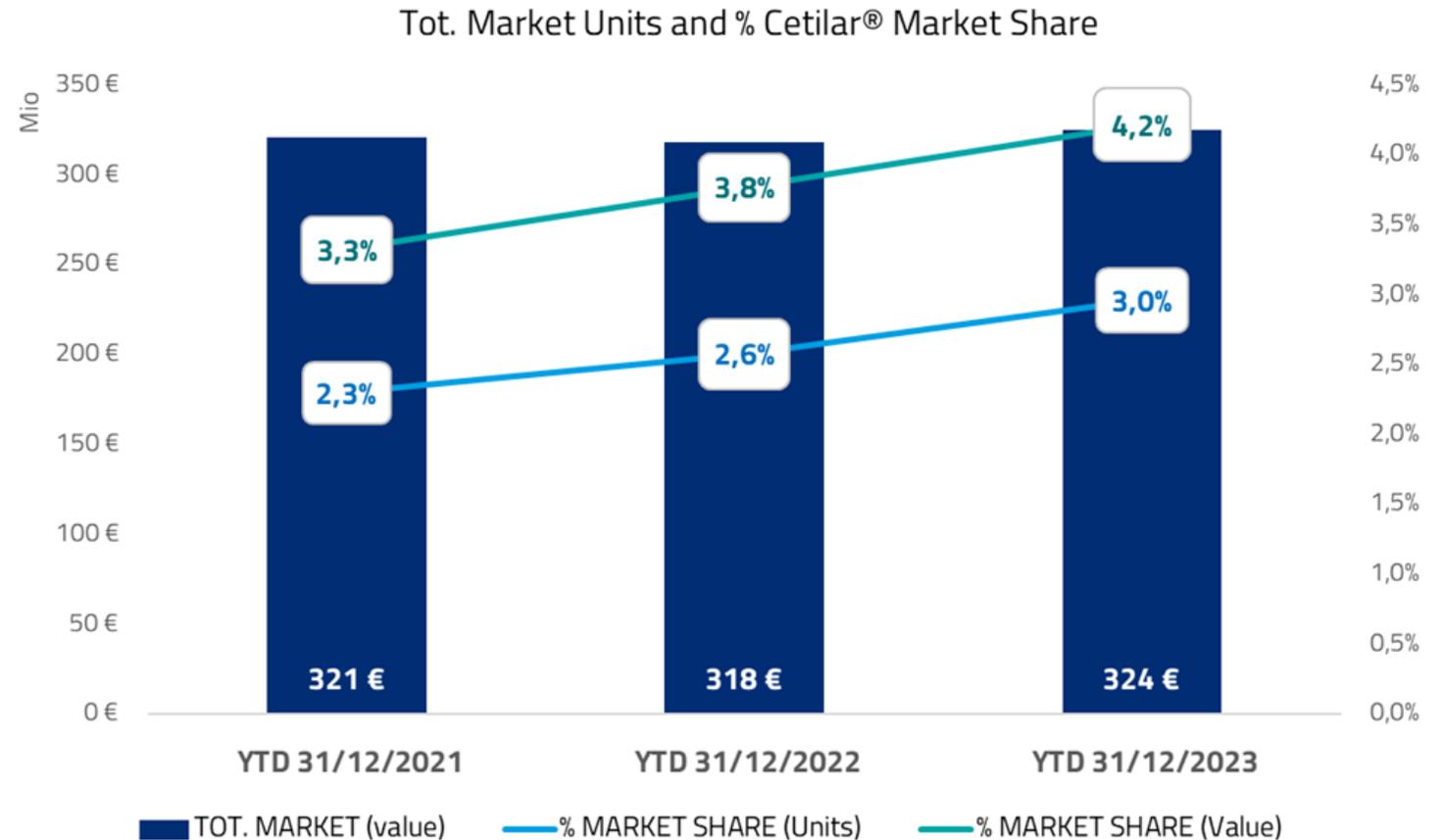
# IRON SUPPLEMENTS SIDERAL® MARKET SHARE IN ITALY



*Excluding products that contain only lactoferrin*

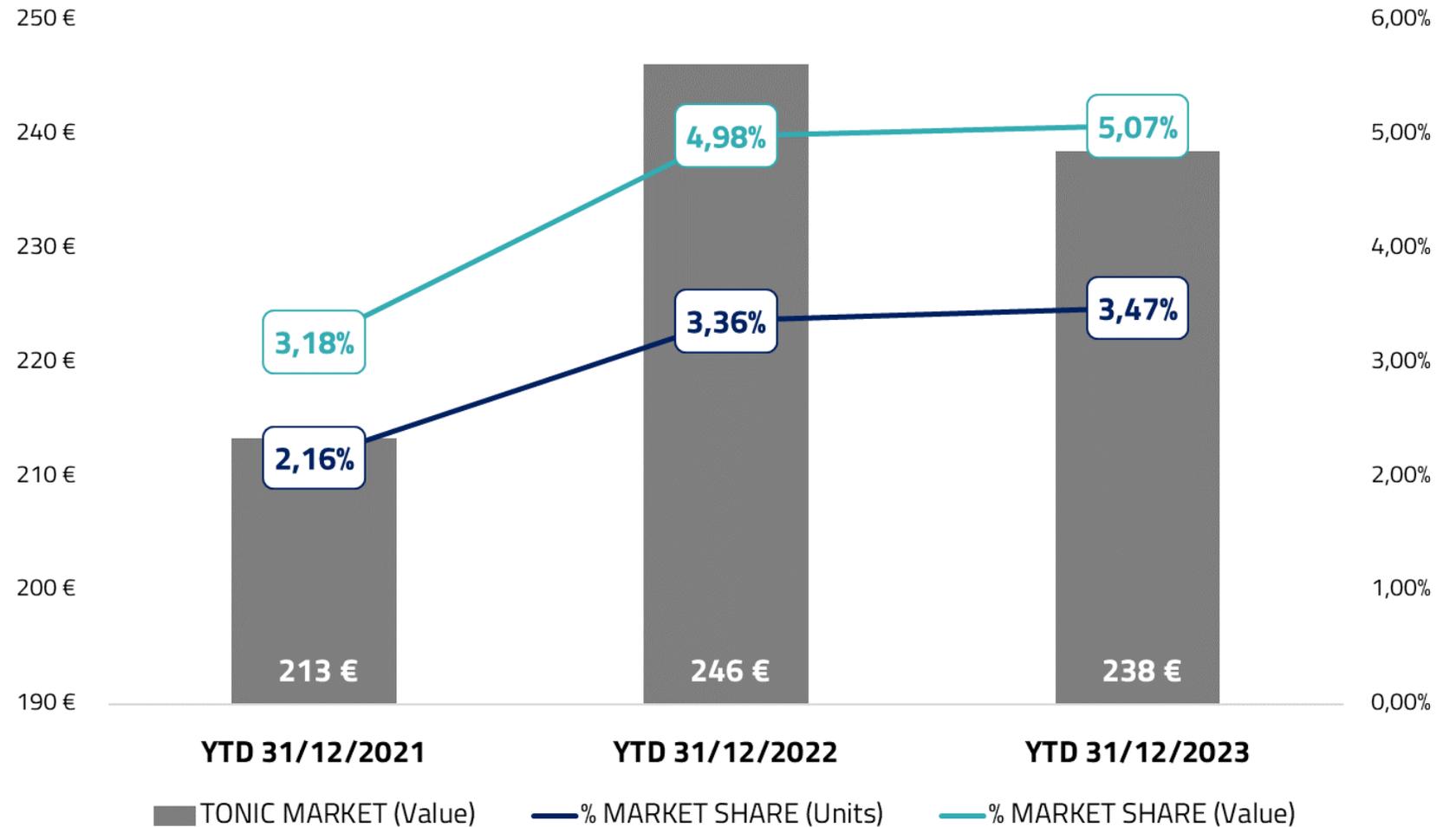
Source IQVIA

# ANTI-INFLAMMATORY TOPICAL CREAM CETILAR® MARKET SHARE IN ITALY



# APPORTAL® COMPARED TO THE REFERENCE MARKETS

Tonic Market and % Apportal Market Share

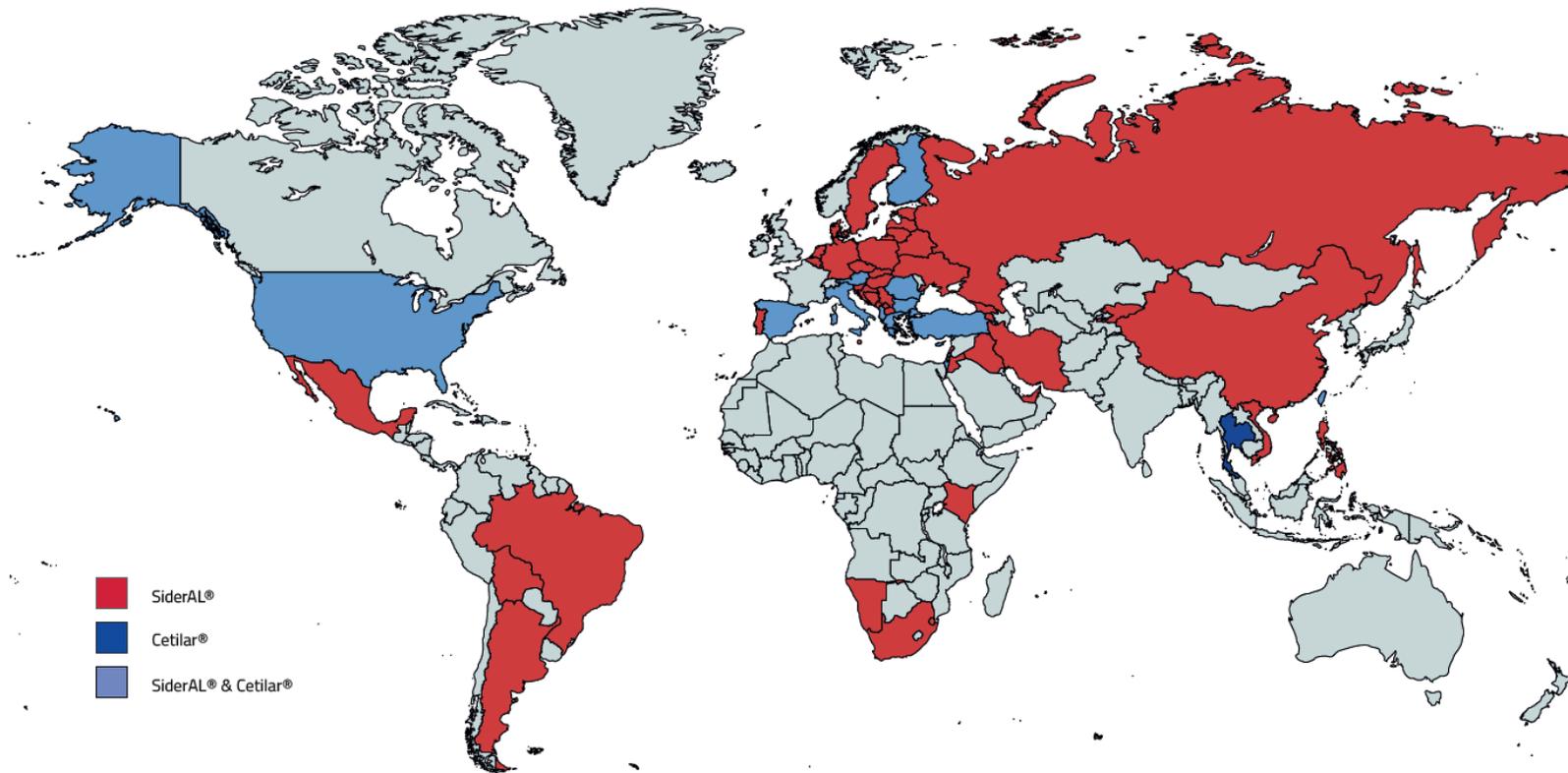


Source: Newline ricerche di mercato

# WORLDWIDE MARKET

## UNITS SOLD 2023

Europe:	3.999 K (+35%)
Middle East:	4.317 K (+23%)
South America:	455 K (+69%)
Others:	476 K (+11%)
Italy:	4.453 K (+10%)
<b>TOTAL:</b>	<b>13.700 K (+22,4%)</b>

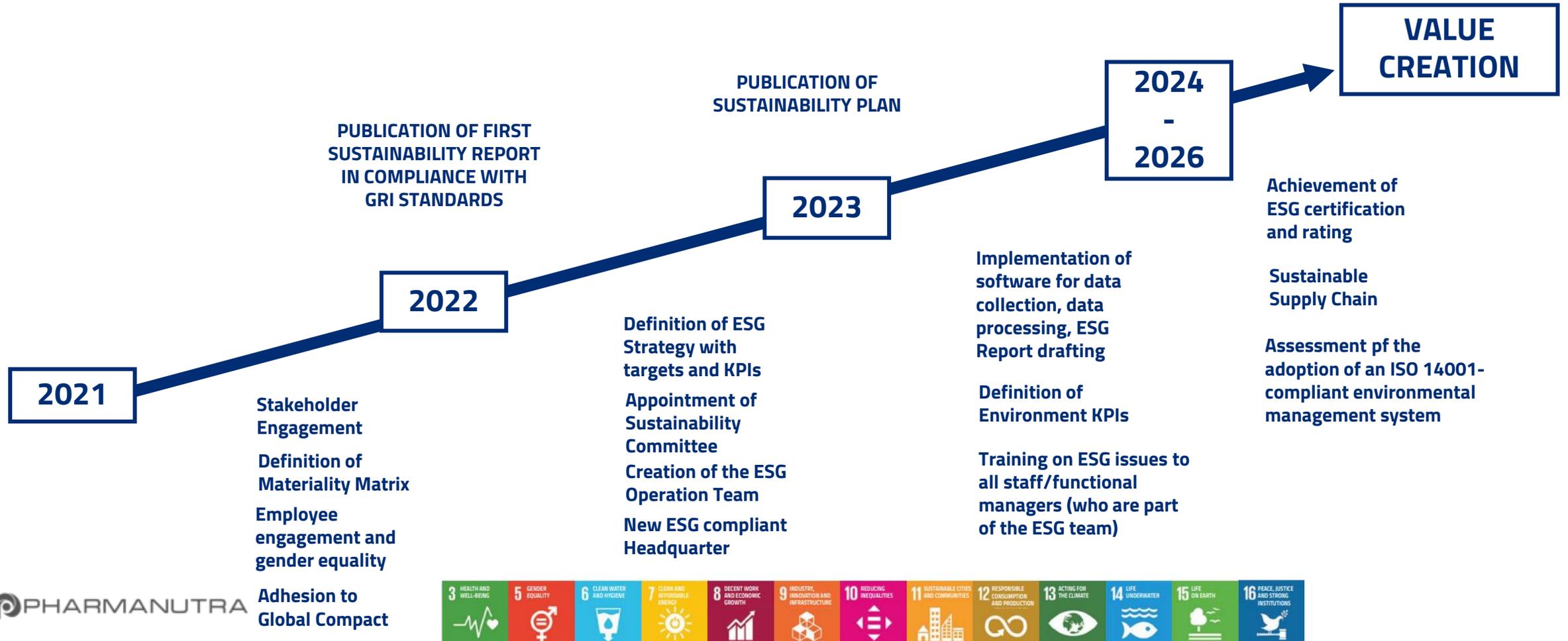


Helping to improve **the life's quality** of billions of people in the world is **our main challenge.**

# SUSTAINABILITY

# ESG ROADMAP

Pharmanutra Group has defined a clear roadmap to drive Sustainability with objectives of creating long term value for its stakeholders



# ESG STATE OF THE ART

- The **ESG** score attributed to the Group from Synesgy, based on 2022 Sustainability report, is **C** (satisfactory).  
The evaluation is affected by the business model adopted by the Group (production completely outsourced to external suppliers) that makes very difficult obtaining information related to the impacts on environment.  
Furthermore the Group has moved into the new headquarters in October 2023 and therefore there were not significant data related to consumption to be provided.
- In 2023 all the targets included in the ESG roadmap has been accomplished and the activities related to 2024 are in progress.
- We actively working in order to improve our ESG rating and we are confident that once the internal production will be fully operating and data related to consumptions are available the rating will further improve.



# OUTLOOK 2024

# OUTLOOK 2024

- 2024 will be a challenging year both for maintaining the organic growth of the recurring business and for the development of the new projects launched in 2023 (**Cetilar® Nutrition, Pharmanutra Usa and Pharmanutra España**). The first quarter 2024 is expected to be in line with that of the previous year due to the dynamics linked to the changed inventory management policies of the Italian distribution channel and the dynamics of acquiring orders from abroad.
- It is expected that the investments planned to support the projects above will lead to a limited reduction in margins for the next two years.
- The BoD of 26<sup>th</sup> February 2024 approved the **merger by incorporation** of the subsidiaries Junia Pharma and Alesco into Pharmanutra. The merger is part of an organizational project of the Group and responds to the need to pursue greater management efficiency, **allowing the development of significant synergies** to optimize company processes and allow for efficiencies on the overall costs of the company structure. The reorganization will allow us to unify and integrate operational processes and obtain greater flexibility and efficiency in the use of our resources.



# OUTLOOK 2024

- As part of the process of joining the **cooperative compliance institution**, the project aimed to providing the Company with the **Tax Control Framework** was started. It will be an internal control system dedicated to the identification and management of tax risk, which is part of the corporate governance system, integrating and completing the internal control systems with which Pharmanutra is already equipped.
- In 2024 Pharmanutra will set up a joint venture together with professionals with over twenty years of experience in the field of treatment of sports/orthopedic pathologies and in sport-specific athletic training. The project is based on the creation of a center oriented towards optimizing the performance of professional and non-professional athletes, the treatment and resolution of medical and physical problems, and will represent a reference for observational and clinical studies over the products developed by the Group's R&D.





PHARMANUTRA