

THE BOARD OF DIRECTORS OF FARMAÈ S.P.A. APPROVES THE HALF-YEAR FINANCIAL REPORT AT 30 JUNE 2021

***Further improvement in the main economic and financial indicators in
the first six months of the year:
revenues +28%, ebitda + 55%, positive NFP of Euro 4.3 million
and conversion rate at 4.1%***

- REVENUES at Euro 40.0 million, +28% compared to Euro 31.3 million in the first half of 2020 thanks to a positive performance of all commercial lines
- EBITDA up 55% to Euro 1.3 million compared to Euro 0.8 million in the first half of 2020
- Net income Euro -0.1 million against Euro -0.3 million in the first half of 2020
- Positive Net Financial Position of Euro 4.3 million, an improvement compared to Euro 3.4 million at 31 December 2020
- Conversion rate in the first half of 2021 up sharply to 4.1% compared to 3.3% in 2020
- Orders on the rise, placed by almost 396,000 active customers (+13%)

Viareggio, September 24, 2021 - The Board of Directors of **Farmaè S.p.A.** - a company listed on the AIM Italia market of Borsa Italiana, leader in Italy in the e-retailing of health and wellness products - has approved the Half-Year Report as at June 30, 2021, prepared in accordance with the AIM Italia Issuers' Regulations and in compliance with Italian accounting standards.

In the first six months of 2021, Farmaè consolidated its growth against a dwindling national average due to the post-Covid period. This increase compares to an already positive 2020, in which the business benefited from the effects of the increased use of the online channel during confinement. Significant growth in key KPIs has proven the strength of the Company, which was able to increase its conversion rate from 3.3%, in Q2 2020, to 4.3%, in Q2 2021, bringing the overall conversion rate in H1 2021 to 4.1% compared to 3.3% in 2020.

Riccardo Iacometti, Founder and CEO of Farmaè S.p.A., commented: *"We are presenting to the market constantly growing results that confirm the leadership and soundness of our company, which is increasingly far-sighted in the Health and Wellness sector in Italy. In the first six months of the year we were able to strengthen our competitive advantage over competitors, maintaining our leadership in a very challenging market, which tends to reward the most innovative and tenacious operators. The company is led by a management that has been able to outline a winning strategy even at difficult times, and whose constant focus is on both service and customers. A fundamental milestone during this financial year has been the AmicaFarmacia transaction (expected to be completed at the end of the month), through which we will create a leading group in Italy in the distribution of over-the-counter medicines and health and wellness products, with aggregate revenues in 2020 of over 93 million euro, for a pool of almost 60 million users, with a CAGR of 63% for Farmaè and 29% for AmicaFarmacia over the last three years.*

These numbers are just a starting point for the future, as we are aware of having gained the full trust of millions of customers over the years; we aim to continue on a path of growth and to face the challenges that lie ahead with professionalism and optimism."

MAIN ECONOMIC AND FINANCIAL RESULTS AS AT 30 JUNE 2021

(Figures in Euro)	30/06/2021	30/06/2020	Change %
Economic indicators			
Revenues from sales	40,007,335	31,309,826	28%
EBITDA	1,280,796	825,819	55%
EBITDA ADJUSTED	1,549,725	1,069,473	45%
EBIT	571,943	237,582	141%
EBT	(70,166)	(386,461)	(82%)
Net income	(129,898)	(293,933)	(56%)

(Figures in Euro)	30/06/2021	30/06/2020	Absolute change	Change %
Online sales	36,472,497	29,186,867	7,285,630	25%
Offline sales	1,955,587	1,076,959	878,628	82%
Co-marketing	1,579,251	1,046,000	533,251	51%
Total sales revenue	40,007,335	31,309,826	8,697,509	28%

REVENUES

In the first half of 2021, Farmaè achieved excellent growth in **sales revenues**, amounting to Euro 40.0 million, up 28% compared to Euro 31.3 million in the first half of 2020.

The online segment recorded sales of Euro 36.5 million, an increase of +25% compared to the same period of the previous year. The main drivers of this growth were (i) the increase in the number and loyalty of active customers, who, after a positive initial experience, continued to use the services offered by the platforms, (ii) the expansion of the range of products offered and (iii) the growth in the conversion rate.

Offline sales amounted to approximately Euro 2 million, almost doubling (+82% compared to the first half of 2020) against a substantially flat national trend. Farmaè also showed its resilience in the retail segment, driven by the Beautyè Store in Viareggio, which, after being closed for a while due to the pandemic, resumed full operations this year. The main objective of the various shops is to increase the Company's visibility on the market.

In the first six months of 2021, co-marketing revenues reached Euro 1.6 million, a great achievement that shows to what extent Farmaè is viewed by the industry as an important media platform in the Health, Wellness and Beauty sector in which to invest in Italy.

In the first half of the year, the web portal reached over 20.1 million visitors with a conversion rate higher than the national average, mainly thanks to innovative digital strategies: 4.1 million products were sold, compared to 3.7 million in the first half of 2020 (+11%) by almost 396 thousand active customers (+13% compared to the same period in 2020). The overall conversion rate in the first half of 2021 stands at 4.1% compared to 3.3% in 2020.

OPERATING COSTS

(Figures in Euro)	30/06/2021	30/06/2020	Absolute change	Change %
Goods purchased	27,036,800	23,235,411	3,801,389	16%
Costs for services	8,432,483	8,353,136	79,347	1%
Lease and rental costs	564,279	471,473	92,806	20%
Other operating expenses	221,339	94,046	127,293	135%
Total Operating Costs	36,254,901	32,154,066	4,100,835	13%

Operating costs in the first half of 2021 amounted to Euro 36.2 million, an increase of 13% compared to the same figure of the previous year, fully ascribable to the cost of goods purchased, which is closely related to the increase in turnover.

EBITDA amounted to Euro 1.3 million, up 55% compared to Euro 0.8 million in the first half of last year. EBITDA as a percentage of net sales was 3.2%.

EBITDA Adjusted amounted to Euro 1.5 million.

As known, the Company strengthened its logistics structure with the acquisition of an instrumental building and an initial automation plant. Both investments were financed through financial leasing contracts which, in the first half of 2021, affected the income statement and the "nominal" EBITDA with the recognition of lease payments and the accrual of maxi-fees for a total of Euro 0.3 million. The other way of raising financial means, namely through the signing of a loan agreement, would have led to the recognition in the income statement of the first half of 2021 of depreciation charges for Euro 0.1 million (estimated useful life of the asset of 33 years instead of the lease term of 10 years) and interest expenses for the loan estimated at Euro 0.03 million.

EBIT for the first half of 2021 amounted to Euro 0.6 million, an increase of 141% compared to the first half of the previous year.

Pre-tax profit was a negative Euro 0.07 million. Net of the above adjustments, the pre-tax result would have been positive for Euro 0.1 million.

The **net income** was a loss of Euro 0.1 million, after current taxes of Euro 0.06 million.

FINANCIAL SITUATION

(Figures in Euro/000)	30/06/2021	31/12/2020	Change %
Balance Sheet Indicators			
Net Working Capital	(1,872,944)	(782,616)	139%
Net Invested Capital	7,354,155	8,418,570	(13%)
Net financial position	(4,289,676)	(3,355,159)	28%

The net financial position continued to improve and was positive at the end of the first half of 2021 at Euro 4.3 million, up 28% compared to Euro 3.4 million at 31 December 2020.

The Company's total cash and cash equivalents at 30 June 2021 amounted to Euro 14.1 million, a slight increase compared to the cash and cash equivalents at 31 December 2020.

The Net Working Capital went from Euro -0.8 million in the first half of 2020 to Euro -1.9 million in the same period of 2021 due to booming co-marketing revenues, which amounted to Euro 1.6 million.

The value of merchandise inventories is down compared to the figure at the end of 2020 and up slightly (5.6%) when compared to the value of inventories at the previous half-year, with sales revenue growing by +28%, a sign of warehouse efficiency that is starting to benefit from the automation that began at the end of 2019.

Significant events during the period

In **February 2021**, Farmaè launched a Corporate Training programme for first and second levels and some high potentials. The programme also includes the use of psychometric tests to help in the personal and professional growth of each person involved.

In **February 2021**, the Company decided to develop a Corporate Welfare insurance programme for its employees that includes several areas such as: Medical Expense and Accident Reimbursement and Long-Term Care. Specifically, the Company has subscribed to a Gold health plan for employees at all company levels and a Platinum plan for Top Managers only.

On **16 February 2021**, the Company signed a lease agreement for a building intended for office use - the main and executive offices of the Company - located in the municipality of Viareggio (LU).

On **28 February 2021**, the Company signed a lease agreement for non-housing use for a building located in the municipality of Vecchiano Frazione Migliarino Pisano. The property is used to store goods.

On **30 April 2021**, the Shareholders' Meeting appointed - applying the list voting mechanism - the Board of Statutory Auditors for the financial years 2021-2023 as follows:

Standing auditors

1. Sergio Marchese (Chairman of the Board of Statutory Auditors)
2. Alberto Colella
3. Monica Barbara Baldini

Alternate auditors

1. Fabio Panicucci
2. Gian Luca Succi

On **6 May 2021**, the Board of Directors of Farmaè and the Board of Directors of Sanort approved the project for the merger by incorporation of Sanort into Farmaè in order to reorganise the structure of the shareholding chain, allowing greater flexibility of internal processes and consequently optimising the management of resources and intercompany economic and financial flows.

On **17 May 2021**, Farmaè signed an agreement with Vedrai S.p.A., a company specialising in the design and implementation of solutions based on Artificial Intelligence, for the use of their platform to support Farmaè's e-commerce solutions.

On **28 June 2021**, Farmaè signed a binding framework agreement concerning (i) the acquisition of AmicaFarmacia S.r.l. subject to the partial demerger of the latter's assets through the assignment of the business unit dedicated to the online marketing of cosmetics, over-the-counter drugs, supplements, children's products and other products currently sold through the website www.amicafarmacia.com, including a parapharmacy (the "**OnLine Company**") to MDF Holding S.r.l. and (ii) MDF Holding S.r.l.'s transfer of the OnLine Company to Farmaè. The transaction, to be finalised on 29 September 2021, will create a leading group in Italy in the omnichannel distribution of over-

the-counter pharmaceuticals and health and wellness products, with aggregate revenues in 2020 exceeding Euro 93 million.

Significant events after the end of the half-year

On **July 21, 2021**, Farmaè and Sanort S.r.l., in execution of their respective board resolutions adopted on May 6, 2021, and, no opposition having been filed pursuant to Article 2503 of the Italian Civil Code, signed the notarial deed of merger by incorporation of Sanort S.r.l. into Farmaè. The merger by incorporation resulted in the termination of Sanort S.r.l. and therefore the cancellation of its shareholdings and share capital. This transaction did not result in any changes to Farmaè's share capital, nor to the shareholdings held by the shareholders in its share capital. The accounting and tax effects of the Merger take effect from 1 January 2021.

On **September 8, 2021**, Farmaè announced that, for the sole purposes of corporate restructuring, the shareholder Riccardo Iacometti transferred 3,813,945 ordinary shares in Farmaè held by him to a newly incorporated company, RIAC Holding S.r.l., of which Mr. Iacometti holds the entire share capital and is also the Sole Director. As a result, Farmaè has been notified, pursuant to and for the purposes of Article 17 of the AIM Issuers' Regulation, that the shareholder Riccardo Iacometti directly holds 200,000 ordinary shares in Farmaè, equal to 3.49% of its share capital, with voting rights, and indirectly, through RIAC Holding S.r.l., 3,813,945 ordinary shares in Farmaè, equal to 66.51% of its share capital, with voting rights.

Foreseeable evolution of operations

The second half of 2021 will feature the completion of the acquisition of AmicaFarmacia S.r.l. and the OnLine Company. The Shareholders' Meeting of Farmaè called to approve the capital increase from Euro 2,867,000 to Euro 3,423,135, which will be paid up through the contribution of the OnLine Company, has been convened for 29 September 2021. On the same date, payment in cash will be made for the purchase and sale of 100% of the share capital of AmicaFarmacia which, following the demerger, will manage the "Madonna della Neve" pharmacy in Bagnolo Piemonte. This transaction will, of course, have effects on the corporate and management organisation.

Therefore, in the second half of 2021, it will be the Company's priority to start the process of integrating the "Amicafarmacia corporate reality" in all administrative, commercial, logistical and communication functions.

The above is evidence of the Company's desire to pursue its growth and development strategy through well-defined strategic lines:

1. Consolidate its presence in the online channel;
2. Expand the range of products, particularly in the "pet" categories, professional lines for hairdressers and wellness, and leading products in the Health and Wellness sector;
3. Strengthen relationships with strategic partners;
4. Further enhance the "Farmaè" brand;
5. Grow through M&As;
6. Pursue social sustainability objectives;
7. Consolidate its presence in Italy and Europe.

Filing of documentation

The documentation relating to the Half-Yearly Report as at 30 June 2021, as required by current legislation, will be made available to the public at the Company's registered office (Via Aurelia Nord no. 190, Viareggio) as well as through publication on the website www.farmaegroup.it, in the "Investor Relations/Annual and Interim Reports" section, within the terms of applicable laws and regulations.

This press release is available on the website www.farmaegroup.it, "Investor Relations" section.

Established in Viareggio in 2014, Farmaè is the first Health and Well-being Onlife eRetailer in Italy. Onlife retail is a new economic paradigm characterised by the integration of online, offline, logistics and data in a single chain of value. The company today operates primarily in eCommerce with more than 45,000 items marketed in 14 different product categories sold, but it is also present throughout the country with 9 Farmaè stores and 1 Beautyè Store.

By sharing the new "OnLife" philosophy, Farmaè intends to put Customers at the centre of its business by responding immediately, rapidly and pragmatically to all their needs and ensuring a unique customer experience regardless of which sales channel is used.

For further information:

Nomad

Alantra Capital Markets
+39 02 63 67 16 01
Stefano Bellavita
stefano.bellavita@alantra.com

Specialist

Banca Profilo S.p.A.
+39 02 584081
Alessio Muretti
alessio.muretti@bancaprofilo.it

Investor Relation

Farmaè
Investor Relations Officer
Alberto Maglione
+39 0584 1660552
ir@farmaegroup.it

Media Relation

SEC Newgate – 02.624.999.1 – farmae@segrp.com
Laura Arghittu – arghittu@segrp.com
Federico Ferrari – 347 6456873 - ferrari@segrp.com
Daniele Pinosa – 335 7233872 – pinosa@segrp.com
Fabio Santilio – 339 8446521 santilio@segrp.com

CDR Communication srl
IR Advisor
Vincenza Colucci
Tel. +39 335 6909547
vincenza.colucci@cdr-communication.it

Attached are the Income Statement, Balance Sheet and Cash Flow Statement as at 30 June 2021.

INCOME STATEMENT

INCOME STATEMENT (figures in Euro)	30/06/2021	30/06/2020	Change	Change %
Net sales revenue	40,007,335	31,309,826	8,697,509	28%
Change in inventories	(647,637)	2,564,326	(3,211,963)	-125%
Other revenues and income	67,453	348,692	(281,239)	-81%
VALUE OF PRODUCTION	39,427,151	34,222,844	5,204,307	15%
Purchases of goods	27,036,800	23,235,411	3,801,389	16%
Expenses for services	8,432,483	8,353,136	79,347	1%
Lease and rental costs	564,279	471,473	92,807	20%
Other operating expenses	221,339	94,046	127,293	135%
TOTAL OPERATING COSTS EXT.	36,254,901	32,154,066	4,100,835	13%
V.A. VALUE ADDED	3,172,250	2,068,778	1,103,472	53%
Personnel costs	1,891,454	1,242,959	648,495	52%
GROSS OPERATING MARGIN (EBITDA) (2)	1,280,796	825,819	454,977	55%
Depreciation and amortisation	708,853	588,237	120,616	21%
INCOME OP. MANAGEMENT CHARACT. (EBIT) (3)	571,943	237,582	334,361	141%
Financial income	16,314	3,647	12,667	347%
Financial charges	658,424	627,690	30,734	5%
PRE-TAX RESULT (EBT) (4)	(70,166)	(386,461)	316,294	-82%
Income taxes	(59,732)	92,528	(152,260)	-165%
RESULT FOR THE YEAR	(129,898)	(293,933)	164,035	-56%

BALANCE SHEET

BALANCE SHEET	30/06/2021	31/12/2020	Change	Change %
Liquid assets	8,696,836	8,983,967	(287,131)	(3%)
Deferred assets	11,655,331	9,555,360	2,099,971	22%
Inventories	14,001,432	14,649,069	(647,637)	(4%)
CURRENT ASSETS (C)	34,353,599	33,188,396	1,165,203	4%
Tangible fixed assets	1,999,013	1,981,459	17,554	1%
Intangible fixed assets	6,677,150	6,595,521	81,629	1%
Financial fixed assets	1,316,962	1,304,993	11,969	1%
NON-CURRENT ASSETS	9,993,125	9,881,973	111,152	1%
TOTAL ASSETS - LOANS (K)	44,346,724	43,070,369	1,276,355	3%
CURRENT LIABILITIES (P)	25,150,002	22,710,968	2,439,034	11%
NON-CURRENT LIABILITIES	7,552,891	8,585,672	(1,032,781)	(12%)
SHAREHOLDERS' EQUITY (N)	11,643,831	11,773,729	(129,898)	(1%)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY - SOURCES	44,346,724	43,070,369	1,276,355	3%

CASH FLOW STATEMENT

Cash flow statement, indirect method	30/06/2021	30/06/2020
A) Cash flows from operating activities (indirect method)		
Profit (loss) for the year	(129,898)	(293,933)
Income taxes	59,732	(92,528)
Interest expense/(income)	647,711	624,043
(Gains)/Losses on disposal of assets		2,984
1) Profit (loss) for the year before income taxes, interest, dividends and capital gains/losses on disposal	577,545	240,566
Adjustments for non-monetary items not reflected in net working capital		
Provisions to the staff severance fund	93,408	59,404
Depreciation of fixed assets	708,853	588,237
Other adjustments up/(down) for non-monetary items	(4,501)	(65,143)
Total adjustments for non-monetary items not recorded as part of net working capital	797,760	582,498
2) Cash flow before changes in net working capital	1,375,305	823,064
Changes in net working capital		
Decrease/(Increase) in inventories	647,637	(2,564,326)
Decrease/(Increase) in receivables from customers	(2,231,279)	41,779
Increase/(Decrease) in payables to suppliers and subsidiaries	1,683,979	4,602,837
Decrease/(Increase) in accrued income and prepaid expenses	(150,624)	(731,628)
Increase/(Decrease) in accrued expenses and deferred income	33,800	55,848
Other decreases/(Other increases) in net working capital	1,047,083	3,824
Total changes in net working capital	1,030,596	1,408,334
3) Cash flow after changes in net working capital	2,405,901	2,231,418
Other adjustments		
Interest received/(paid)	(647,711)	(624,043)
(Income taxes paid)		92,528
(Use of funds)	(3,669)	
Other receipts/(payments)		(9,438)
Total other adjustments	(651,380)	(633,481)
Cash flow from operating activities (A)	1,754,524	1,597,937
B) Cash flow from investing activities		
Tangible fixed assets		
(Investments)	(196,362)	(200,013)
Divestments		15,810
Intangible assets	(611,678)	
Divestments (Investments)		(518,875)
Financial assets		
(Investments)	(11,969)	(1,200,000)
Divestments		740,846
Non-current financial assets		
(Investments)	(512,453)	(913,468)
Cash flow from investing activities (B)	(1,332,462)	(2,075,700)
C) Cash flow from financing activities		
Third party funds		
Increase/(Decrease) in short-term bank debt	(15,806)	(276,691)
Opening of loans	1,000,000	2,200,000
(Repayment of loans)	(1,693,389)	(1,851,966)
Equity		-
Cash flow from financing activities (C)	(709,195)	71,343

Increase (decrease) in cash and cash equivalents (A ± B ± C)	(287,132)	(406,420)
Cash and cash equivalents at the beginning of the period		
Bank and post office deposits	8,964,798	3,463,694
Cash and valuables on hand	19,169	39,991
Total cash and cash equivalents at beginning of period	8,983,968	3,503,685
Cash and cash equivalents at the end of the period		
Bank and post office deposits	8,646,591	3,075,245
Cash and cash equivalents	50,245	22,020
Total cash and cash equivalents at the end of the period	8,696,836	3,097,265