



## PRESS RELEASE

### PIERREL S.P.A.

- **THE BOARD APPROVES THE INTERIM FINANCIAL REPORT OF THE PIERREL GROUP AT 30 JUNE 2020**
- **THE MAIN ECONOMIC-FINANCIAL OBJECTIVES OF THE PIERREL GROUP FOR THE YEAR 2020 WERE UPDATED** due to the COVID-19 pandemic

**Consolidated results at 30 June 2020, driven by sales of the Orabloc® drug, under the Pierrel brand:**

- **Revenues of € 10.2 million** (showing an increase of some 9% compared to 30 June 2019, when they were some € 9.4 million).
  - **EBITDA positive for about € 2.2 million, showing a marked improvement** compared to 30 June 2019, when it was positive for about € 0.9 million.
  - **EBIT positive for about € 1.6 million, showing a marked improvement** compared to 30 June 2019, when it was positive for about € 0.3 million.
  - **Total consolidated net profit of approximately € 1.4 million, in contrast** to 30 June 2019, when the Pierrel Group recorded a consolidated net loss of approximately € 0.1 million.
  - **Consolidated net financial debt of about € 5.5 million** (showing an improvement of some 19% compared to 31 December 2019, when it was about € 6.8 million).
  - **Cash and cash equivalents of about € 6.6 million** (an increase of about 19% compared to 31 December 2019, when they were approximately € 5.5 million).
- **The main economic and financial objectives for 2020 have been updated:**
    - estimated **gross consolidated revenues of approximately € 19.1 million**, a decrease of about 18% compared to about € 23.3 million previously estimated and disclosed to the market;
    - estimated **positive consolidated EBITDA of about € 2.7 million**, a decrease of approximately 37% compared to the about € 4.3 million previously estimated and disclosed to the market.

Capua (CE), 16 September 2020 – The Board of Directors of Pierrel S.p.A. (“**Pierrel**” or the “**Company**”), global provider of services for the pharmaceutical industry listed on the MTA segment of Borsa Italiana (Ticker: PRL) examined and approved today the **interim financial report of the group headed by Pierrel S.p.A. (the “Pierrel Group” or the “Group”) at 30 June 2020**, which includes the **condensed consolidated interim financial statements of Pierrel at 30 June 2020**.

*"During the first half of 2020, the activities of the Company and the Pierrel Group were characterized, on the one hand, by consolidation and, on the other, by the expansion of the reference markets for the sale of their products under the authorizations already registered in many countries. The results achieved and the measures taken promptly by the management to limit the effects of the COVID-19 pandemic confirm that the Pierrel Group has achieved a more than satisfactory organizational efficiency and is now able to adapt in a timely manner to ensure the necessary flexibility to face the consequences of events that are both unmeasurable and of global impact",* stated the Chief Executive Officer and General Manager of the Pierrel Group, Mr



Fulvio Citaredo. *"In particular, we report with satisfaction that the results achieved by the Pierrel Group at 30 June 2020 are in line with the forecasts approved on 26 February 2020 by the Company's Board of Directors. Nonetheless, the effects of the ongoing pandemic obviously forced us to review the main economic-financial data (revenues and EBITDA) previously estimated, but we believe that the characteristics of the Pierrel Group, its managerial and operational structure, as well as its products allow us to forecast significant operating results, both in absolute value and as a percentage of the value of production, and this even considering that the recovery of the market has only recently begun. The foregoing confirms the validity of the strategy implemented and represents the best motivation to continue along the marked path".*

The following is a brief description of the results at 30 June 2020 of the Pierrel Group, consisting of the parent company Pierrel and the subsidiary Pierrel Pharma S.r.l. with sole shareholder ("**Pierrel Pharma**") and of the Company.

### **Consolidated results at 30 June 2020**

The Pierrel Group closed the first half of 2020 with **consolidated revenues** of about €10.2 million, in line with the plan's forecasts and up by about 9% compared to the about € 9.4 million recorded in the corresponding period of 2019, and a positive **consolidated EBITDA (gross operating result)** of about € 2.2 million, in line with the plan's forecasts and significantly improved compared to the corresponding period of the previous year, when it was positive for about € 0.9 million. **The increase in consolidated revenues recorded in the first half of 2020 compared to the corresponding period of 2019 is attributable to the increase in the amount of products produced and invoiced, in particular for Pierrel dental anesthetic, Orabloc® (Pierrel Group's flagship product).** Also a further reduction in the incidence of production costs due to the important efficiency activities initiated by Pierrel management cumulated to the previously mentioned increase, with a consequent positive effect on the gross operating result.

Below is an analysis of the business and operating results in the first half of 2020 of the three divisions of the Pierrel Group: the CMO operating Divisions, headed by the parent company Pierrel, and Pharma, headed by the subsidiary Pierrel Pharma, as well as the Holding Division, also headed by the parent company Pierrel.

The **CMO Division** posted total sales, before intercompany eliminations, of € 8.4 million for the first half of 2020, in line with the forecasts and slightly down (about 4%) on the figure for the same period of 2019, when it was around € 8.8 million.

The EBITDA of the CMO Division in the first half of 2020, also before intercompany eliminations, was positive for about € 1.5 million, in line with the forecasts and down of some 14% on the figure for the same period of 2019, when it was about € 1.7 million.

The reduction in the total sales and EBITDA of the CMO Division at 30 June 2020 compared to the corresponding period of 2019, already foreseen in the drafting of the 2020-2022 industrial plan approved by the Board of Directors at the meeting of 26 February 2020, is a direct consequence of the reduction in the total sales recorded by the Division towards third party customers, the effects of which are however mitigated by the increase in sales during the half year to the subsidiary Pierrel Pharma.

The **Pharma Division** posted total sales, before intercompany eliminations, of € 7.1 million for the first half of 2020, in line with the forecasts and an improvement of around 11% with respect to the figure recorded on 30 June 2019, when it was around € 6.4 million.



The EBITDA of the Pharma Division in the first half of 2020, also before intercompany eliminations, was positive for about € 1.6 million, in line with the forecasts and up of some 53% on the figure for the same period of 2019, when it was positive for about € 1 million.

The increase in revenues and, consequently, in the profitability of the Pharma Division in the first half of 2020 compared to the corresponding period of 2019 is attributable to the increase in sales, in particular of the Orabloc® articaine-based dental anesthetic, recorded in the reference period in the Eurasian market and, more significantly, in the United States.

The **Holding Division**, which operates exclusively in the provision of administrative services and in the management of the holding owned by the Company in Pierrel Pharma, as well as in the management of the activities and services to Pierrel as a listed company, recorded a negative EBITDA in the first half of 2020 of about € 0.8 million, in line with the plan forecasts and the corresponding period of the previous year.

The Pierrel Group recorded a positive **EBIT (operating result)** at 30 June 2020 of about € 1.6 million, after amortisation of around € 0.6 million, a more than significant improvement on the figure of 30 June 2019, when it was positive for about € 0.9 million, after amortisation of around € 0.5 million.

In addition, it should be noted that the Pierrel Group at 30 June 2020 recorded **net financial expenses** of about **€ 0.2 million** (a decrease compared to the value of net financial expenses at 30 June 2019, when they were equal to about € 0.4 million). This item also includes **net notional financial income** from discounting and from currency adjustment, totaling around **€ 0.1 million**, linked to the payable (stated in US dollars) still due from Pierrel to the American customer Dentsply International Inc. of around € 6.0 million at 30 June 2020, by way of interest and capital stock.

In light of all the above, at 30 June 2020 the Pierrel Group recorded a **consolidated net profit of about € 1.4 million**, in contrast to the consolidated net loss recorded at 30 June 2019 for an amount of about € 0.1 million.

The **net financial debt** of the Group at 30 June 2020, which includes a current financial debt of about € 2.4 million (about € 1.8 million at 31 December 2019), amounted to some € 5.5 million, improving by about 19% compared to 31 December 2019, when it was about € 6.8 million. This improvement is mainly attributable to the increase in cash and cash equivalents due to the greater collections from customers recorded in the period.

The **consolidated cash resources** of the Pierrel Group at 30 June 2020 was about € 6.6 million, up by some 19% compared to 31 December 2019, when it was about € 5.5 million, as a result of the higher collections recorded in the reference half-year, net of the financial resources allocated by the Pierrel Group to carry out planned investments.

At 30 June 2020, the companies of the Pierrel Group had not issued any bonds.

At 30 June 2020 the Group's **overdue debts** to suppliers amounted to around € 0.9 million (around € 0.8 million at 31 December 2019) and those to social security institutions amounted to around € 0.1 million (around € 0.2 million at 31 December 2019).

During the first quarter of 2020, the consolidation scope of the Pierrel Group did not change significantly compared to the closing date of the previous year.

It is noted that the Group's operations are not influenced by a significant level of seasonality.

The consolidated balance sheet, the consolidated income statement and the consolidated cash flow statement of the Pierrel Group at 30 June 2020 are shown at the end of this press release. Pursuant to the CONSOB Communication DME/9081707 of 16 September 2009 these statements are



included in the Half-Year Financial Report of the Pierrel Group at 30 June 2020 and have been subject to limited-scope audit by Pierrel independent auditors.

Finally, it should be noted that, attached to this press release and in a specific section of the half-year financial report of the Pierrel Group at 30 June 2020, also the information at 30 June 2020 relating to the following are reported: (a) the financial position of the Company and the Pierrel Group; (b) overdue debt positions of the Company and the Pierrel Group; (c) the main changes in relations with related parties of the Company and the Pierrel Group; and (d) the state of implementation of the business plan. Please note that the inclusion of this information in the Company's annual and interim financial reports was requested by CONSOB as part of the provision of 23 May 2019 by which the Commission ordered the cancellation of the Company from the so-called "black list", thus eliminating the monthly disclosure obligations relating to the economic, equity and financial situation of the Pierrel Group pursuant to art. 114, paragraph 5, of Legislative Decree 24 February 1998, n. 58, as subsequently amended and supplemented (the "TUF"). For more information, see press release of 23 May 2019 published on the Company's website and available at [www.pierrelgroup.com](http://www.pierrelgroup.com), Investor Relations/Press/Press Releases section.

### Results of Pierrel at 30 June 2020

At 30 June 2020, **Pierrel** recorded revenues of some € 8.4 million, a worsening of about 5% on the € 8.8 million achieved by the Company for the same period of 2019, and a positive **EBITDA** of € 0.7 million, a worsening of about 27% on the € 0.9 million at 30 June 2019. The reasons for these decreases are the same as illustrated previously in this press release in the section on the results achieved by the CMO Division at 30 June 2020.

At 30 June 2020, after having recognised amortisation of € 0.5 million and net financial expenses of € 0.2 million, the Company posted a **net profit** of € 0.2 million, an improvement with respect to the net profit recorded by the Company of € 0.1 million at 30 June 2019, after recognition of amortisation of € 0.5 million and net financial expenses of € 0.3 million.

The **net financial position** of the Company at 30 June 2020 was negative for about € 0.2 million, in line with the figure recorded at 31 December 2019.

\* \* \*

For a description of the main events occurred in the first half of 2020, please refer to the section "Significant events in the first half of 2020" of the Management Report included in the half-year consolidated condensed financial statements at 30 June 2020 of the Pierrel Group which will be made available to the public in the manner and terms provided for by law.

\* \* \*

The results recorded by the Pierrel Group at the end of the first half of 2020 are in line with the forecasts approved on 26 February 2020 by the Company's Board of Directors. Nevertheless, in consideration of the orders already received from customers and whose delivery is expected by 31 December 2020, as well as the forecasts on the Pierrel Group's operating performance for the second half of the current year, inevitably negatively influenced by the effects deriving from the COVID-19 pandemic, Pierrel's Board of Directors had to update the main economic-financial objectives for 2020, lowering them with respect to those approved on 26 February 2020 and communicated to the market on the same date.

The new forecasts for 2020 approved by the Company's Board of Directors now include:



- **gross consolidated revenues** of about € 19.1 million, a decrease of about 18% compared to about € 23.3 million estimated on the 26 February 2020; and
- **positive consolidated EBITDA** of about € 2.7 million, a decrease of about 37% compared to the about € 4.3 million estimated on the 26 February 2020. The most significant reduction in the estimate of the consolidated EBITDA of the Pierrel Group at 31 December 2020 compared to the estimate, for the same period, of the consolidated gross revenues derives from the fact that, once fixed costs are covered, the profitability of the Pierrel Group grows in a more than proportional way with respect to the increase in total sales.

\* \* \*

The half-year financial report of the Pierrel Group at 30 June 2020 approved by the Board of Directors of Pierrel today and which includes the condensed consolidated half-year financial statements of Pierrel at 30 June 2020, the certification referred to in article 154-bis, paragraph 5 of the TUF, together with the report of the auditing company on the half-yearly financial report of the Pierrel Group at 30 June 2020, will be made available to the public at the Company's registered office in Capua (CE), Strada Statale Appia 7-bis, n. 46/48 and at the headquarters of Borsa Italiana S.p.A., as well as on the Company's website at [www.pierrelgroup.com](http://www.pierrelgroup.com), Investor Relations / Financial Documents section, and at the authorized storage mechanism Nis-Storage ([www.emarketstorage.com](http://www.emarketstorage.com)) in the terms and manner of law.

\* \* \*

The executive responsible for the preparation of corporate accounting documents of Pierrel, Mr Francesco Pepe, declares— pursuant to Article 154-bis, paragraph 2 of the TUF – that the accounting information contained in the present press release related to Pierrel condensed consolidated interim financial statements at 30 June 2020 corresponds to the documented results, accounting records and accounting entries of the Company.

\* \* \*

In addition to the conventional financial indicators required by the IFRS, in order to allow a better assessment of the economic management and financial position of the Pierrel Group, this document contains some alternative performance indicators relating to data at 30 June 2020. These indicators are presented in the other annual financial reports and interim reports of the Company and the Pierrel Group, but should not be considered as replacements for the conventional indicators recommended by the IFRS.

According to CESR/05-178b of 3 November 2005, below is a brief description of the alternative performance indicators, as well as their composition, mentioned in this press release:

- **“EBITDA”** or **“gross operating result”** indicates the difference between sales revenues and costs related to the consumption of materials, cost of services, labor costs and the net balance of operating income and write-downs and represents the operating result before amortization, depreciation and provisions , financial management and taxation;
- **“EBIT”** or **“operating result”** indicates the difference between the gross operating result and the value of amortization, write-downs and provisions and represents the operating result prior to financial management and taxation;
- **“Net financial debt”** is an indicator of the financial structure of the Pierrel Group. It is calculated as the result of short and long-term financial payables and related derivative instruments, net of cash and cash equivalents and financial assets.

\* \* \*



Below are the consolidated financial position, the separate consolidated income statement and the consolidated cash flow statement of the Pierrel Group at 30 June 2020, also containing the information required by CONSOB, with the provision of 23 May 2019, pursuant to art. 114 of the TUF.

<b>Assets</b>		
(€ thousands)	30 June 2020	31 December 2019
	<i>related parties</i>	<i>related parties</i>
Intangible assets	2.656	2.332
Tangible assets	13.289	12.334
Tangible assets leased assets	330	358
Financial fixed assets	10	10
Receivables and other non-current assets	3	3
Active deferred taxes	5.275	5.275
<b>Non-current assets</b>	<b>21.563</b>	<b>20.312</b>
Inventories	4.364	3.345
Trade receivables	1.953	2.391
Tax receivables	49	468
Other current assets and sundry receivables	479	620
Cash and cash equivalents	6.554	5.488
<b>Current assets</b>	<b>13.399</b>	<b>12.312</b>
<b>TOTAL ASSETS</b>	<b>34.962</b>	<b>32.624</b>

## Equity and liabilities

<i>(€ thousands)</i>	30 June 2020		31 December 2019	
		<i>of which vs. related parties</i>		<i>of which vs. related parties</i>
Share capital	3.716		3.716	
Reserves and retained earnings/(losses)	9.773		7.515	
Loss for the year	1.403		2.250	
<b>Consolidated equity</b>	<b>14.893</b>		<b>13.481</b>	
Employee benefits	336		330	
Non-current financial liabilities	9.641	4.692	10.471	4.692
Non-current tax payables	17		34	
Other current liabilities and sundry payables	861		588	
<b>Non-current liabilities</b>	<b>10.855</b>		<b>11.423</b>	
Trade payables	3.552	34	2.985	45
Current financial liabilities	2.412	688	1.819	671
Current tax payables	55		78	
Other current liabilities and sundry payables	3.195	15	2.838	15
<b>Current liabilities</b>	<b>9.215</b>		<b>7.720</b>	
<b>TOTAL LIABILITIES</b>	<b>20.069</b>		<b>19.143</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>34.962</b>		<b>32.624</b>	

## Interim consolidated income statement

<i>(€ thousands)</i>	First half of 2020		First half of 2019	
		<i>of which vs. related parties</i>		<i>of which vs. related parties</i>
Revenue	10.231		9.429	
<i>of which non-recurring</i>	123		68	
Raw materials and consumables used	(2.798)	(58)	(3.149)	(16)
Sundry services	(1.499)		(1.556)	
<i>of which non-recurring</i>	(39)		(24)	
Third-party goods	(76)		(93)	
Personnel costs	(3.047)	(30)	(3.283)	(30)
<i>of which non-recurring</i>			(107)	
Other provisions and costs	(658)	(20)	(462)	
<i>of which non-recurring</i>	(109)		(8)	
<b>Earnings Before Interest, Tax, Depreciation and Amortisation</b>	<b>2.152</b>		<b>886</b>	
Amortisation, depreciation and write-downs	(561)		(563)	
<b>Operating profit/(loss)</b>	<b>1.591</b>		<b>323</b>	
Financial expenses	(245)	(107)	(383)	(108)
<i>of which non-recurring</i>			(13)	
Financial income	-		8	
<i>of which non-recurring</i>			7	
<b>Profit/(loss) before tax</b>	<b>1.346</b>		<b>(52)</b>	
Income tax	57		(59)	
<i>of which non-recurring</i>	170			
<b>NET PROFIT/(LOSS) FOR THE PERIOD</b>	<b>1.403</b>		<b>(111)</b>	
<i>of which Net Profit/(Loss) attributable to Pierrel shareholders</i>	1.403		(111)	

(\* of which € 107 thousand for net notional expenses (net notional expenses of € 207 thousand at 30 June 2019)



### Interim consolidated cash flow statement

<i>(€ thousands)</i>	First half of 2020	First half of 2019
<b>Net profit/(Loss) for the financial year</b>	<b>1.403</b>	<b>(111)</b>
Amortisation and depreciation	534	562
Amortisation of leased assets	28	
Provisions and write-downs	84	(9)
Other (gain)/Loss on assets	2	8
(Gain)/Loss from sale of RELIEF shares		5
Movement in taxes	(57)	-
Net financial expenses*	266	355
Movement in inventories	(1.023)	236
Movement in trade receivables	438	1.805
Movement in trade payables	567	(1.104)
Net movement in other current assets and liabilities	614	(481)
Net movement in other non-current assets and liabilities	470	-
Movement in employee benefits	6	28
<b>Cash flow used in operating activities</b>	<b>3.332</b>	<b>1.294</b>
Outflow for the acquisition of tangible assets	(1.402)	(1.916)
Outflow for the acquisition of intangible assets	(411)	(198)
Cash proceeds from sale of Relief shares		89
<b>Net cash flow used in investment activities</b>	<b>(1.813)</b>	<b>(2.025)</b>
Increase medium/long-term loans	-	81
Increase short-term loans	421	817
Repayment of short-term loans	(765)	(1.937)
Paid net financial expenses	(126)	(134)
<b>Cash flow from financing activities</b>	<b>(470)</b>	<b>(1.173)</b>
<b>TOTAL CASH FLOW FOR THE YEAR</b>	<b>1.049</b>	<b>(1.904)</b>
Net cash and cash equivalents at the start of the year	5.488	9.828
Total cash flow for the year	1.049	(1.904)
Exchange effect	17	(9)
<b>Net cash and cash equivalents at the end of the year</b>	<b>6.554</b>	<b>7.915</b>

*(\*) of which € 107 thousand for net notional expenses (net notional expenses of € 207 thousand at 30 June 2019)*

### Information at 30 June 2020 required by CONSOB pursuant to art. 114 of TUF

In compliance with the provisions of CONSOB with communication of 23 May 2019 with which the monthly communication obligations to which the Company had been subject since July 2012 have been revoked, the following information relate to: (a) the net financial position of the Company and the Pierrel Group, with evidence of the short-term components separately from the medium-term ones; (b) the overdue debt positions of the Company and the Pierrel Group, broken down by nature and with an indication of any creditors' reaction initiatives; (c) the main changes in relations with related parties of the Company and the Pierrel Group; (d) any failure to comply with covenants, negative pledges and any other indebtedness clause of the Pierrel Group involving limits on the use of financial resources; and (e) the state of implementation of the business plan, highlighting the discrepancies of the final data compared to the expected ones.

#### **a) Net financial position of the Company and of the Group, highlighting the short-term components separately from the medium-long term ones:**

The following table summarizes the net financial position of the Company and the Pierrel Group at 30 June 2020 compared with the same figures at 31 December 2019:



## Net financial position

	Pierrel Group		Pierrel S.p.A.	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
<i>(€ thousands)</i>				
A. Cash	3	2	3	2
B. Other cash resources	6.551	5.486	5.116	5.379
C. Securities held for trading	-	-	-	-
<b>D. Cash Resources (A)+(B)+(C)</b>	<b>6.554</b>	<b>5.488</b>	<b>5.119</b>	<b>5.381</b>
<b>E. Current financial receivables</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>
F. Current bank debt	(397)	(362)	(397)	(362)
G. Current portion of non-current debt	-	-	-	-
H. Other current financial liabilities	(2.015)	(1.457)	(1.546)	(1.457)
<b>I. Current financial debt (F)+(G)+(H)</b>	<b>(2.412)</b>	<b>(1.819)</b>	<b>(1.943)</b>	<b>(1.819)</b>
<b>J. Net current financial debt (I)+(E)+(D)</b>	<b>4.142</b>	<b>3.669</b>	<b>3.176</b>	<b>3.562</b>
K. Non-current bank debt	-	-	-	-
L. Bonds issued	-	-	-	-
M. Other non-current liabilities	(9.641)	(10.471)	(5.418)	(5.778)
<b>N. Non-current financial debt (K)+(L)+(M)</b>	<b>(9.641)</b>	<b>(10.471)</b>	<b>(5.418)</b>	<b>(5.778)</b>
<b>O. Net financial debt (N) + (J)</b>	<b>(5.499)</b>	<b>(6.802)</b>	<b>(2.242)</b>	<b>(2.216)</b>

**b) overdue debit positions of the Company and the Group, divided by nature (financial, commercial, tax, social security and to employees) and the related eventual reaction of creditors (reminders, injunctions, suspensions in the supply, etc.):**

The following table summarizes the overdue debt positions of the Company and the Group at 30 June 2020 compared with the same data at 31 December 2019:

NATURE OF EXPIRED DEBT	Pierrel Group		Pierrel S.p.A.	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
<i>(€ thousands)</i>				
Financial liabilities	-	-	-	-
Trade payables	872	674	838	658
Revenue office payables	-	-	-	-
Social security payables	119	169	119	169
Payables to employees	-	-	-	-
<b>TOTAL EXPIRED DEBT POSITIONS</b>	<b>991</b>	<b>843</b>	<b>957</b>	<b>827</b>

At 30 June 2020, the Group's overdue trade payables amounted to about € 872 thousand, also in consideration of the payments duly made in relation to the repayment plans agreed with suppliers, and are almost entirely attributable to the Parent Company (about € 838 thousand).

Furthermore, at 30 June 2020 the Group had overdue social security payables of approximately € 119 thousand (referring exclusively to the Parent Company) accrued to Fonchim (supplementary pension fund for workers in the chemical and pharmaceutical industry and related sectors) due to the missing payment of the contributions due by the Company for the months from July to December 2013. As communicated several times to the market, this debt is repaid by the Company to Fonchim on the basis of a repayment plan currently in regular payment.

The following table summarizes the types of reaction initiatives initiated by the creditors of the Pierrel Group at 30 June 2020, all referring exclusively to the Parent Company:



## Type of creditors' reaction initiatives

<i>(€ thousands)</i>	30 June 2020	31 December 2019	Variation
Reminders with notice of default	5	19	(14)
<b>TOTAL AMOUNT</b>	<b>5</b>	<b>19</b>	<b>(14)</b>

At 30 June 2020, the Company and the Group were not served injunctions and, on the same date, the Company and the Group had no overdue debts of a financial, tax or employee nature.

### c) the main changes in relations with related parties of this Company and of the Group with respect to the last annual or semi-annual financial report approved pursuant to art. 154-ter of the TUF:

The following table shows the details of the relationships between the Company and the Group with their related parties as at 30 June 2020. These relations do not show substantial changes compared to those held by the Company and the Pierrel Group at 31 December 2019 and reported in the annual financial report of the Company and the Group.

#### Relations with related parties

<i>(€ thousands)</i>				
30 June 2020				
Pierrel Group				
RELATED PARTY	Receivables	Liabilities	Costs	Revenue
Bootes S.r.l.		2.367	73	
Fin Posillipo S.p.A.		3.034	64	
Grafiche Pizzi S.p.a.		27	58	
Farmacie Internazionali S.a.s.		1	11	
Farmacie Petrone S.r.l.		-	9	
<b>TOTAL</b>	-	<b>5.429</b>	<b>215</b>	-

<i>(€ thousands)</i>				
30 June 2020				
Pierrel S.p.A.				
RELATED PARTY	Receivables	Liabilities	Costs	Revenue
Bootes S.r.l.		21	30	
Citaredo Fulvio		-	-	
Fin Posillipo S.p.A.		688	21	
Grafiche Pizzi S.p.a.		27	58	
Farmacie Internazionali S.a.s.		1	11	
Farmacie Petrone S.r.l.			9	
Pierrel Pharma S.r.l.	607			4.879
<b>TOTAL</b>	<b>607</b>	<b>737</b>	<b>129</b>	<b>4.879</b>



**d) any failure to comply with the covenants, negative pledges and any other clause of the Group's debt involving limits on the use of financial resources, with the updated date of the degree of compliance with said clauses:**

The Company and the Group at 30 June 2020 did not have any financial and/or commercial contract in place that provides for compliance with any covenant, negative pledge, nor is there any clause of the Group's debt on the same date that limits the use of the financial resources of the Company and/or the Pierrel Group.

**(e) the implementation status of the industrial and financial plans, highlighting the deviations of the final data with respect to those expected:**

At 30 June 2020, the Group recorded economic results which, except for what has already been highlighted in this press release with reference to the updating of the main economic-financial objectives envisaged for the current year, are substantially in line with the forecasts contained in the Business Plan 2020 - 2022 approved on 26 February 2020.

\* \* \*

**Pierrel S.p.A.** specialises in the pharmaceutical production (Contract Manufacturing Division) and the development, registration and licensing of new drugs and medical devices (Pharma Division).

Pierrel Group is listed on the MTA exchange which is organised and managed by Borsa Italiana and boasts over 60 years' experience in the pharmaceutical sector, being one of Europe's leading producers of local and dental anaesthetics.

Pierrel also has a production unit in Capua, close to Naples, Italy, authorised by the European Medicines Agency (EMA) and the Food and Drug Administration (FDA) for the aseptic production of injectable medicines.

The subsidiary Pierrel Pharma S.r.l. with sole shareholder has registered and distributes the Orabloc® dental anaesthetic in Canada, US, Russia and Europe. The registered office of Pierrel S.p.A. is in Capua (CE), Italy.

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