



PRESS RELEASE

THE BOARD OF DIRECTORS APPROVED THE INTERIM MANAGEMENT REPORT FOR THE PIERREL GROUP AND THE PARENT COMPANY PIERREL S.P.A. AT 30 SEPTEMBER 2015

Consolidated results at 30 September 2015:

- **Revenue: € 23.6 million** (an increase of 7.7% compared to € 21.9 million at 30 September 2014);
- **EBITDA: negative € 3.4 million** (a net improvement of some 46.7% compared to 30 September 2014, when it was a loss of € 6.4 million and included non-recurring item of € 0.7 million);
- **EBIT: negative € 6.8 million, of which € 1.1 million for non-recurring provision of € 2.3 million for amortisation** (a significant improvement of some 53.4% compared to 30 September 2014, when it was a negative € 14.5 million, of which € 3.1 million for amortisation and € 5.0 million for non-recurring write down);
- **Consolidated net loss: € 8.6 million** (a net improvement of some 48.2% compared to 30 September 2014, when it was € 16.6 million);
- **Net financial debt: € 27.5 million** (an increase of 2.1% compared to 30 June 2015, when it was € 26.9 million, and substantially in line with 31 December 2014, when it was € 27.4 million);
- **Net bank financial debt € 16.3 million** (an increase of some 3% compared to 30 June 2015, when it was € 15.8 million, and a reduction of some 1.1% compared to 31 December 2014, when it was € 16.5 million);
- **Cash and cash equivalents: € 1.8 million** (a reduction of some 59% compared to 31 December 2014, when it was € 4.5 million).

Capua, 13 November 2015 – The Board of Directors of **Pierrel S.p.A.** (“**Pierrel**” or the “**Company**”) meeting today considered and approved the **Interim management report at 30 September 2015**, prepared pursuant to the international accounting standards IAS/IFRS.

The Pierrel Group closed the first nine months of 2015 with **consolidated revenue** of € 23.6 million, an increase of 7.7% compared to the € 21.9 million achieved for the same period of 2014 and a **consolidated EBITDA (gross operating loss)** a negative € 3.4 million (including a non-recurring item of some € 40 thousand), an improvement of some € 3.0 million (-46.7%) compared to 30 September 2014, when it was a negative € 6.4 million, and included a non-recurring item of some € 0.7 million.

Here follows the analysis of the business and the management performance of the Tech-driven Contract Research & Development Organization Division (“**TCRDO**”), acting as parent company for the subsidiary THERAMetrics holding AG (“**THERAMetrics**”) – a Swiss company active in pharmaceutical research, specialising in new applications for existing drugs for the treatment of rare diseases and whose shares are listed on the SIX Swiss Exchange, of the Holding e Contract Manufacturing Division (“**CMO**”), acting as parent company of the Company, and the Pharma Division, referable to the subsidiary Pierrel Pharma S.r.l.

The **TCRDO** Division recorded total sales at 30 September 2015, gross of intercompany eliminations and net of pass through costs of some € 6.8 million (€ 11.8 million gross of pass through costs), a reduction of some 18.2% compared to the sales achieved for the same period of 2014, when it was € 8.3 million (€ 11.7 million gross of pass through costs), and a gross operating loss (EBITDA) of € 3.0 million (25.0% of gross



revenue), with no non-recurring items, an improvement of 46.3% compared to the same period at 30 September 2014, when it was a negative € 5.5 million and included a non-recurring item of € 0.2 million.

The sales of the TCRDO Division at 30 September 2015, as well as the negative EBITDA for the first nine months of 2015 for the TCRDO Division, were substantially in line with the forecasts in the business plan of the subsidiary THERAMetrics, previously approved by the corporate bodies on 26 August 2015 and subsequently reflected in the 2015-2017 business plan of the Pierrel Group approved on 28 August 2015. However, on 7 October 2015 the Board of Directors of THERAMetrics approved, in consideration of the continuing financial difficulties, a new restructuring plan that, in order to reduce costs further and find financial resources, provides in brief (a) a major reduction in its workforce, (b) the consolidation of decentralised functions, and (c) the sale of certain assets.

In addition, in order to obtain in a short timeframe the necessary financial resources to meet the requirement of current expenditure and to ensure the continuity of the business of the Division, on 15 October last THERAMetrics signed with Fin Posillipo S.p.A. and Bootes S.r.l. – shareholders in the same THERAMetrics and related parties to the Company given their shareholding in Pierrel of some 36.4% and 5.6% respectively in the related share capital – an agreement for the subscription of convertible bonds for a maximum of CHF 3.3 million (being some € 3 million), to be issued and subscribed in 4 tranches in the period from the month of October 2015 and the following month of February 2016, whose terms and conditions are more fully described in the section of the present press release dedicated to events subsequent to 30 September 2015.

The **Holding Division** recorded a negative EBITDA for the first nine months of 2015 of some € 1.5 million, an improvement of some 9.8% compared to the same period at 30 September 2014, when it was a negative € 1.6 million. The data were substantially influenced by the recognition of non-recurring expenses of some € 0.1 million (€ 0.2 million at 30 September 2014), arising mainly from consultancy work for exceptional events (such as, by way of example, exceptional legal work, undertaken as part of the signing of rescheduling agreements with the financing banks of the Pierrel Group - Banca Nazionale del Lavoro S.p.A., UniCredit Banca S.p.A. and Banca Popolare di Milano S.c.a.r.l. -, also the costs arising from the acceptance by Equitalia Sud S.p.A., the Agent for tax collection of a series of instalments related to the notice of charge for the non payment by the Parent company, of contributions of a corporate nature from January 2014 to April 2015.

For this Division the data at 30 September 2015 are substantially in line with the forecasts and disclose the positive effects arising from the steps taken in previous years targeting a significant reduction in operating costs.

The **CMO Division** recorded total sales for the first nine months of 2015, gross of intercompany eliminations, of € 11.4 million, an increase of some 19% compared to the € 9.6 million achieved for the same period of 2014. The CMO Division at 30 September 2015 achieved, gross of intercompany eliminations, a positive EBITDA of 1.0 million, a net improvement compared to the same period of 2014 when it was a positive € 0.7 million. The results of the CMO Division were affected, however, by items of a non-recurring nature, of which € 54 thousand refers to a capital gain arising from the disposal of sources of income where the realisation value was higher than the book value of the same item, and € 55 thousand related to the revaluation of non-current assets no longer in use, as well as the write down of goods in stock of € 392 thousand. The increase in sales and consequently of the EBITDA of the Division in the period under review is due principally to greater volumes produced and sold to third party customers of the Pharma Division.



The revenue and volumes, and thus the EBITDA, achieved in the first nine months of 2015 by the CMO Division were however lower than the budget forecasts principally due to the postponement of reception of orders from third party customers, as well as from the subsidiary Pierrel Pharma S.r.l..

The **Pharma Division** recorded in the first nine months of 2015 sales, gross of intercompany eliminations, of € 4.5 million, a net improvement of some 15% compared to the € 3.9 million recorded in the same period of 2014, mainly due to the effect of a greater volume of sales of the dental anaesthetic Orabloc® achieved in the North American market, and a positive EBITDA of € 0.5 million, a significant improvement compared to the same data at 30 September 2014 when it was a negative of some € 29 thousand, after recording a non-recurring write down of € 270 thousand.

The EBITDA of the Pharma Division was an improvement compared to the forecasts contained in the 2015-2017 Business Plan with reference to the same period, despite lower revenue from the delay in receiving some orders, as disclosed above.

At the date of preparation of the present document there are objective factors to recognise the uncertainty of meeting the financial targets assumed in 2015-2017 Plan, as previously amended during the meeting of 28 August past and communicated to the market on the same day.

The **EBIT** (operating result) of Pierrel Group to 30 September 2015 was a loss of € 6.8 million, after recording non-recurring charges of some € 1.1 million and amortisation/depreciation of some € 3.1 million, and is a sharp improvement compared to the corresponding figure at 30 September 2014, when it was a negative € 14.5 million, after amortisation/depreciation charge of € 3.1 million and a non-recurring write-down of some € 5.0 million recorded as a result of the execution of specific impairment tests conducted on the value of goodwill arising from the transaction of business combination with THERAMetrics.

In this regard, it is noted that an update of the evaluation conducted on the value of the TCRDO Division, including goodwill, was also performed at 30 September 2015 and did not identify the need to recognize impairment.

In particular, as of September 30, 2015, this item included the amount of € 1.1 million as an adjustment to the carrying amount of the property owned by the German subsidiary THERAMetrics GmbH in Essen (Germany) as a result of the preliminary purchase agreement signed during the month of October 2015. More specifically, as a result of the above, as of 30 September 2015 the management, in accordance with the provisions of IFRS 5, has taken steps to (i) terminate the depreciation of the property, (ii) reclassify the net book value of the building in "Non-current assets held for sale", as well as the residual value of the loan with the Sparkasse Witten bank of € 355 thousand at 30 September 2015, directly associated with the property, was reclassified under "Liabilities directly attributable to non-current assets held for sale" and, soon after, (iii) to adjust the net book value of the building to reflect the property on the balance sheet at its fair value, recognizing a value adjustment under "Depreciation and amortisation" of some € 1.1 million. For completeness, it should be noted that funding from the Sparkasse Witten, whose repayment is due entirely to the bank at the time of disposal of the property, is secured by a mortgage on the property itself.

Therefore, in light of what has been shown, at 30 September 2015, Pierrel Group registered a **consolidated net loss** of € 8.6 million, a significant improvement compared to 30 September 2014 when the consolidated net loss was € 16.6 million. This result was also affected by non-cash costs of discounting and exchange losses from valuation, amounting to € 0.9 million (€ 1.1 million at 30 September 2014), of the debt to Dentsply originally of USD 16.5 million, assumed by Pierrel S.p.A. on 31 August 2006 to finance the purchase of the production site in Elk Grove, later disposed in 2009. In accordance with the contract, the repayment of this debt is carried out through the supply of pharmaceuticals by Pierrel S.p.A. in favour of Dentsply and the residual maturity of the same it is estimated at 30 September 2015 in about six years.



The **net debt** of the Group amounted to € 27.5 million at 30 September 2015 in line with the corresponding figure at 31 December 2014, when it amounted to € 27.4 million, and included a current financial debt of about € 7 million (€ 22.7 million at 31 December 2014). It is noted, in particular, that the consolidated balance sheet at 30 September 2015 shows, among other things, with respect to the previous year, a significant reduction in current financial debt, with a simultaneous increase in financial non-current debt, and a consequent progressive decrease in the excess of current liabilities over current assets. These results are derived from the achievement in the first half of 2015, and before that during 2014, of some of the objectives that the Group had publicly committed to achieving, expected in the business plan from 2015 to 2017, approved on 11 March 2015, as amended on 28 August, such as (i) the successful conclusion in April 2015 of the capital increase resolved on 18 March 2015 by the Board of Directors of the parent company, pursuant to the powers granted by the Extraordinary General Meeting of 12 November 2011, pursuant to Article 2443 of the Civil Code and (ii) the final positive acceptance by Banca Popolare di Milano S.c.a.r.l., UniCredit S.p.A. and Banca Nazionale del Lavoro S.p.A. (the "Financing Banks"), which jointly had claims against the companies of Pierrel Group for a total of € 17.5 million, of the proposed restructuring of the debt made by the Company in April 2014, formalised with the signing of the modifying agreements on 25 June 2015.

The **consolidated liquidity** of the Pierrel Group at 30 September 2015 amounted to € 1.8 million, a decrease of some € 2.6 million (-59 %) compared to 31 December 2014 and of some € 2.6 million (-58 %) compared with 30 June 2015. This decrease is mainly due to the use of cash proceeds from the capital increase transactions carried out in 2014 by THERAMetrics, which concluded on 12 September 2014, and in 2015 by Pierrel, the latter concluded on 17 April.

At 30 September 2015, except as mentioned above with reference to the Swiss sub-holding at the head of the TCRDO Division, the other companies of the Pierrel Group have not issued bonds.

At 30 September 2015 the Group's **overdue debts** to suppliers amounted to some € 5.8 million (some € 6.5 million at 31 December 2014), those to social security institutions amounted to some €1.1 million (some € 2 million at 31 December 2014), and those to the tax authorities amounted to some € 0.9 million (some € 1.1 million at 31 December 2014)

During the first nine months of 2015, the consolidation scope of the Group did not change significantly compared to the closing date of the previous year. In particular, it is noted that (i) during the month of January 2015 the liquidation procedure of the company www.mondoBIOTECH.com Inc, 100% owned by THERAMetrics Holding AG and headquartered in Palo Alto (USA), was completed; (ii) in April 2015, the process of liquidation of Pierrel Research Baltic States UAB in dissolution, companies under Lithuanian law directly 90% owned by THERAMetrics GmbH, with removal from the Register of Companies of Lithuania on 2 June 2015; and (iii) on 10 July 2015, the process of liquidation of O.O.O. IFE Russia Institute for Research and Development in liquidation, a company based in St. Petersburg (Russia), 99% owned by THERAMetrics GmbH; and (iv) on 3 August 2015 Pierrel and the shareholder Fin Posillipo S.p.A. completed the transfer of respectively 29,348,550 and 9,151,450 THERAMetrics shares to THERAMetrics Holding AG, in execution of the agreements signed as part of the business combination between the former and Pierrel Research Division of the same THERAMetrics, with simultaneous adjustment of the interest held by the Company to some 27% of the share capital of THERAMetrics, as more fully described in the section "Significant events of the third quarter of 2015".

For the sake of completeness, it should be noted also that (a) in the month of March 2015 the process of liquidation was started of THERAMetrics Laboratories AG, a company based in Vaduz (Liechtenstein) 100% owned by THERAMetrics Holding AG, which markets patents, licenses, trademarks, whose finalisation is expected during the month of December 2015; and (b) during the month of June 2015 the



liquidation proceedings were initiated for Pierrel Research Balkan D.o.o., 100% owned by the Romanian THERAMetrics SRL, based in Lokve (Serbia).

At 30 September 2015, the **parent company Pierrel S.p.A.** recorded revenue of € 11.5 million, an increase of 20.1% compared to the € 9.6 million achieved in the same period of 2014 and an **EBITDA (gross operating profit)** loss of € 0.5 million, of which € 0.1 million of non-recurring costs, an improvement of 46.9% compared to 30 September 2014, when it was a negative € 0.9 million.

The **net financial position** of the parent company at 30 September 2015 was a negative € 20.3 million, an improvement of some € 2.1 million (-9.4%) compared to 31 December 2014 and of some € 2.2 million compared to the corresponding figure at 30 June 2015. This change is due mainly to (i) the net cash proceeds resulting from the positive conclusion in April 2015 of the capital increase resolved on 18 March 2015 by the Board of Directors of the Company, pursuant to the powers granted by the Extraordinary General Meeting of 12 November 2011, pursuant to Article 2443 of the Civil Code, and (ii) the proper execution of the amending agreement signed on 25 June 2015 with the lending banks of the Group and covering the definitive remodelling of the bank debt of Pierrel Group for a total of € 17.5 million.

It is of note, among other things, that the other non-current liabilities, of € 8.4 million at 30 September 2015, are entirely attributable to the discounting of the portion of the medium to long-term financial debt of Dentsply, originally USD 16.5 million, assumed by Pierrel in 2006 to finance the acquisition of the production site in Elk Grove, later disposed in 2009. In accordance with the provisions in the contract, the repayment of this debt is carried out by supplies of pharmaceutical products by Pierrel in favour of Dentsply and the residual life is estimated to be about 6 years and at 30 September 2015 the short-term portion, calculated on the basis of production orders expected, is estimated at some € 1.2 million and is included among other current financial liabilities.

At 30 September 2015 the Company recorded a non-recurring capital loss of € 2.2 million, due to the transfer on 3 August 2015 of 29,348,550 THERAMetrics shares held in THERAMetrics Holding AG, and notional financial charges of some € 0.9 million in relation to the aforementioned debt to Dentsply, essentially due to the appreciation of the US dollar against the Euro and expenses from discounting reported on the date.

It should be noted, however, that an update of the evaluation conducted on the value of the stake held by the parent company in THERAMetrics Holding AG was made with reference to 30 September 2015 with no need to change the value.

In light of the foregoing, in consideration of the negative impact resulting primarily from non-recurring capital loss on investment held in THERAMetrics and the notional financial charges totalling € 0.9 million at 30 September 2015, Pierrel has reported a net loss of € 5.6 million (compared with a net loss at 30 September 2014 of € 4.7 million, including notional financial charges of € 1.1 million).

It is noted that, as already repeatedly communicated to the market (press releases of 17 April 2015, 15 May 2015 and 28 August 2015) during the year 2014 and the first nine months of 2015, the Company recorded losses that, added to the accumulated losses not covered by the Company, and also considering the available reserves of the Company, have determined the occurrence of the conditions set out in Article 2446 of the Civil Code. Although the shareholders' meeting on 5 June last decided to postpone the Meeting to approve the financial statements at 31 December 2015 the possible adoption, where necessary, of the measures provided for in Article 2446, paragraph 2, of the Civil Code, in view of the further loss of € 5.6 million recorded by the Company as of 30 September 2015, the Board of Directors will propose in the coming months, but not later than the date of approval of the financial statements for the year ending on 31 December 2015, an increase of its share capital in order, among other things, to bring the losses back within the legal limit, as well as to find the necessary resources to support its industrial development.



Significant events during the third quarter 2015

All events and substantial transactions occurred during the third quarter of 2015, as well as the significant events that took place subsequently, were the subject of an analytical report made available on the company website. In this regard, in particular, the following is highlighted:

- (i) during the month of July 2015, the subsidiary THERAMetrics Holding AG obtained a patent for the treatment of idiopathic pulmonary fibrosis. In particular, the European Patent Office upheld the patent for a pharmaceutical kit for a specific treatment of the disease through the Gamma interferon. This project originates from the system of "Drug Repositioning and Repurposing" (DRR2.0) owned by THERAMetrics;
- (ii) on 10 July 2015, the process of liquidation of O.O.O. IFE Russia Institute for Research and Development, a company based in St. Petersburg (Russia), 99% owned by THERAMetrics GmbH;
- (iii) on 15 July 2015 the Board of Directors of the Company, noted the expiry of the mandate given to Renato Esposito as Internal Auditor in co-sourcing, appointed Vittorio Gennaro, CEO of Operari S.r.l., as head of the outsourced internal audit function of Pierrel. During the same meeting, the Board took note of the resignation by the Supervisory Board previously in office, and also agreed to establish and appoint a Supervisory Board pursuant to Legislative Decree no. 231/2001 single judge, with a single member, appointing Camilla Calzone, associate lawyer of the legal firm Operari Lex. Gennaro and Calzone will remain in their positions until the date of approval of the financial statements of the Company as at 31 December 2018;
- (iv) during the month of July 2015 THERAMetrics SpA, direct subsidiary of THERAMetrics Holding AG, signed a partnership agreement with the afriQuest Research Centre LTD aiming to expand the business in sub-Saharan Africa and, potentially, across the African continent. afriQuest Research Centre is a great opportunity for the Group because, in addition to having a dense network of offices in many regions, also has the experience and the ability to coordinate and manage research projects throughout sub-Saharan Africa;
- (v) on 3 August 2015 Pierrel and its shareholder Fin Posillipo S.p.A. completed the transfer of respectively 29,348,550 and 9,151,450 THERAMetrics shares to THERAMetrics Holding AG, in execution of the agreements signed as part of the business combination between the previous Pierrel Research Division and the said THERAMetrics. More specifically, in relation to the negotiations between Pierrel and Fin Posillipo SpA, on the one hand [which owned respectively about 74% and about 26% of the share capital of Pierrel Research International AG ("PRINT")] and THERAMetrics on the other, the parties have agreed that the transfer of the share capital of PRINT in the capital of THERAMetrics had to happen on the basis of an exchange ratio of 2.75 THERAMetrics shares for each PRINT share tendered by the Company and by Fin Posillipo SpA. This exchange ratio was determined by the parties on a fully diluted basis, assuming also the full exercise of 14 million warrants issued by THERAMetrics, which gave its holder the right, exercisable by 17 July 2015, to subscribe for 1 THERAMetrics share for each warrant and, therefore, up to a maximum of 14 million THERAMetrics shares, at a determined strike price. As part of the agreements a mechanism was provided for the adjustment of the THERAMetrics shares assigned by the operation according to which, in case these warrants were not exercised at maturity, in whole or in part, THERAMetrics would have had the right to require Pierrel and Fin Posillipo S.p.A. to transfer to the said THERAMetrics, each in proportion to the shares held in the capital of PRINT at the date of transfer of the related THERAMetrics shares, 2.75 THERAMetrics shares for



each warrant not exercised within this period. After the expiry of the deadline of 17 July 2015, with no warrants exercised by the holder of the right, THERAMetrics then asked the Company and Fin Posillipo S.p.A. to transfer respectively 29,348,550 and 9,151,450 THERAMetrics shares, under the terms outlined above. Due to the transactions described, the investments held by the Company and by Fin Posillipo S.p.A. in the share capital of THERAMetrics as of 3 August 2015 have been adjusted, respectively, to about 27% and about 31% of its share capital. In addition, the above transaction resulted in the need to record a loss of some Euro 2.2 million in the financial statements of Pierrel S.p.A.

- (vi) during the month of August 2015 THERAMetrics Holding AG signed a collaboration agreement with Grunenthal GmbH, a well-known family-run pharmaceutical company, involving a wide use of the innovative platform DRR2.0 owned by THERAMetrics. With this agreement the Innovative Medicines Unit ("IMU ") of Grunenthal will be able to use some of the most advanced computer tools available that can generate "drug-disease" hypotheses to identify new treatments in the medical field;
- (vii) on 26 August 2015, the Board of the Swiss subsidiary THERAMetrics Holding AG approved the new business and financial objectives of the TCRDO Division for the three years from 2015 to 2017, that for the year 2015 provide gross revenues of some € 15.1 million (of which € 6.1 million of pass-through costs) and an EBITDA loss of some € 4.8 million. Subsequently, on 28 August 2015 the Board of Directors of the Company updated and approved the new 2015-2017 Business Plan of the Group;
- (viii) on 2 September 2015 THERAMetrics Holding AG signed a general agreement of cooperation with Accelovance Inc., a renowned Contract Research Organization (CRO) primarily engaged in the fields of oncology, vaccines and general medicine based in Rockville in the United States. Under the terms of the partnership, the two companies will collaborate in the framework of an agreement for the provision of services in the field of clinical research;
- (ix) in the month of September 2015, Pierrel Pharma S.r.l. launched the new product Orabloc® (Articaine by Pierrel) in Poland, with EU registration, a disposable preloaded single-dose syringe with a vial of Articaine Pierrel, designed to minimize the impact of possible contamination from patient to patient;
- (x) on 17 September 2015, the Food and Drug Administration ("FDA"), the US Government agency that deals with the regulation of food and pharmaceuticals, authorized the sale and distribution in the US territory of GOCCLES, a device owned by the subsidiary, invented by Università Cattolica of Rome, produced and marketed by Univet Optical Technologies S.r.l., a company specialising in the design, production and marketing in over 50 countries worldwide of devices for eye protection and magnifying optical systems for surgery and dentistry;
- (xi) in September 2015 Univet, licensee of GOCCLES, through its Toronto branch Univet Optical Technologies North America, signed a contract under which the North American distributor Patterson Dental Canada Inc. committed to the sale of at least 600 GOCCLES devices per year, thus ensuring to Patterson the exclusivity in the Canadian market;
- (xii) at the end of September 2015, the subsidiary Pierrel Pharma S.r.l. signed a distribution agreement for Orabloc® (Articaine by Pierrel) with Darby Dental Supply Llc, the largest US national dental care distributor operating in the telemarketing & telesales of products aimed at the professionals in dental care;



- (xiii) again during the month of September 2015, Pierrel Pharma begun distributing in both Iraq and in Kosovo, delivering the first orders of Lidocaine Pierrel (Iraq) and Orabloc® (Kosovo);
- (xiv) on the 29 September 2015, THERAMetrics Holding AG and Cloud Pharmaceuticals Inc. announced a strategic partnership focusing on the design and development of treatments for orphan diseases and other indications of the central nervous system (CNS). THERAMetrics will employ its innovative technology DRR2.0 to identify new target proteins produced by the genes responsible for some diseases, while Cloud Pharmaceuticals will apply its process "Quantum Molecular Design (sm)" for the design of small molecular compounds and peptides capable of inhibiting the activity of such proteins.

Events after 30 September 2015

On 7 October 2015, the Board of THERAMetrics Holding AG approved, due to the continued financial difficulties, a new restructuring plan that, in order to further reduce costs and financial resources provides in brief (a) a drastic reduction of its workforce, (b) the consolidation of decentralized functions, and (c) the sale of some assets.

On 15 October 2015 THERAMetrics Holding AG signed with Fin Posillipo S.p.A. and Bootes S.r.l., shareholders of the said THERAMetrics and related parties of the Company in consideration of the investments held in Pierrel, respectively of some 36.4% and 5.6 % of its share capital, a binding term sheet for the subscription of a convertible bond for a maximum amount of CHF 3.3 million (some € 3 million), the issue and subscription of which is expected in four instalments in the period between October 2015 and this February 2016 (the " Convertible Bond Issue "), provided that the subscription of the first tranches is conditional on the attainment of certain objectives set out in the aforementioned restructuring plan of THERAMetrics, still being carried out in compliance with the milestones provided .

The aforementioned term sheet provided, among other things, the right of Pierrel to participate, in whole or in part, to the subscription of the Convertible Bonds, provided that the intention was communicated by the Company to THERAMetrics by 31 October 2015.

In this regard, on 21 October 2015, the Board of Directors therefore resolved (a) not to participate in the subscription of the first tranche of the Convertible Bond, and (b) to ask THERAMetrics, Fin Posillipo S.p.A. and Bootes S.r.l. to schedule for the 4 December 2015 the deadline by which Pierrel can decide whether to subscribe or not, as provided in the term sheet, to all or some of the three remaining tranches of the Convertible Bond. This proposal was then accepted by Fin Posillipo S.p.A. and Bootes S.r.l., with the consent of THERAMetrics, on the same date.

On 29 October 2015 THERAMetrics, Fin Posillipo S.p.A. and Bootes S.r.l. signed the final agreement of the Convertible Bonds in which, unlike as is indicated in the aforementioned term sheet, it is expected that all tranches of the Loan will be mandatorily convertible into new THERAMetrics shares on 1 March 2016, unless the same THERAMetrics communicates to the investors the postponement of the conversion, in whole or in part, of twelve months, and therefore to 1 March 2017.

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The Interim Report of the Group and the parent company Pierrel SpA Pierrel at 30 September 2015 is filed and available to the public on request, at the registered office of the Company in Capua (CE), Strada Statale Appia 7 bis 46/48 and at the head office of Borsa Italian S.p.A. and it will also be available in the Investor



Relations/Financial Documents of the Company's website, www.pierrelgroup.com, and on the authorized storage mechanism of regulated information Nis-Storage (www.emarketstorage.com).

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The executive responsible for the preparation of corporate accounting documents of Pierrel S.p.A., Ms Maria Teresa Ciccone, declares— pursuant to Article 154a, paragraph 2 of Legislative Decree no 58/1998 – that the accounting information contained in the present press release and relative to the Interim Management Report at 30 September 2015 corresponds to the documented results, accounting records and accounting entries of the company.

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The present press release comprises the Interim Management Report at 31 March 2015 pursuant to Article 154-b of Legislative Decree 58/1998 and can be accessed in the section Investor Relations/Financial Documents of the web site of the Company: www.pierrelgroup.com.

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Attached below are the income statements and balance sheets of the Pierrel Group and Pierrel S.p.A. at 30 September 2015, that have not been subject to audit.



PROSPETTI CONTABILI DEL GRUPPO PIERREL

Conto Economico consolidato

<i>(Euro migliaia)</i>	30 settembre 2015	30 settembre 2014	var %
Ricavi	23.613	21.929	7,7%
<i>di cui non ricorrenti</i>	79	40	
Materie prime e materiali di consumo utilizzati	(4.242)	(3.549)	19,5%
Costi per servizi e prestazioni e godimento beni terzi	(11.852)	(11.214)	5,7%
<i>di cui non ricorrenti</i>	(117)	(165)	
Costo del personale	(9.538)	(11.613)	-17,9%
<i>di cui non ricorrenti</i>		(16)	
Altri accantonamenti e costi	(1.406)	(1.973)	-28,7%
<i>di cui non ricorrenti</i>		(514)	
Risultato prima di ammortamenti, oneri finanziari ed imposte	(3.425)	(6.420)	-46,7%
Ammortamenti e svalutazioni	(3.348)	(8.122)	-58,8%
<i>di cui non ricorrenti</i>	(1.081)	(4.986)	
Risultato operativo	(6.773)	(14.542)	-53,4%
Oneri finanziari	(1.828)	(2.461)	-25,7%
Proventi finanziari	41	38	7,9%
Risultato prima delle imposte	(8.560)	(16.965)	-49,5%
Imposte sul reddito di periodo	(40)	353	-111,3%
Risultato consolidato del periodo	(8.600)	(16.612)	-48,2%
Utile/(Perdita) netta di terzi	(3.673)	(4.338)	-15,3%
Perdita netta di Gruppo	(4.927)	(12.274)	-59,9%

Stato Patrimoniale consolidato

ATTIVITA'	30 settembre 2015	31 dicembre 2014
Avviamento	19.116	19.116
Immobilizzazioni immateriali	5.364	5.494
Immobilizzazioni materiali	11.598	14.445
Immobilizzazioni finanziarie	138	
Crediti e altre attività non correnti	40	66
Imposte anticipate	6.431	6.432
Attività non correnti	42.687	45.553
Rimanenze	2.691	3.148
Lavori in corso	925	460
Crediti commerciali	3.037	6.205
Crediti tributari	2.495	1.653
Altre attività e crediti diversi correnti	1.267	1.975
Disponibilità liquide e mezzi equivalenti	1.826	4.461
Attività correnti	12.241	17.902
Attività non correnti possedute per la vendita	930	
Totale Attività	55.858	63.455
PASSIVITA' E PATRIMONIO NETTO	30 settembre 2015	31 dicembre 2014
Capitale sociale	11.353	11.353
Riserve	(21.608)	(12.918)
Utile (perdita) del periodo di Gruppo	(4.927)	(13.643)
Patrimonio netto di Gruppo	(15.182)	(15.208)
Capitale e riserve di terzi	23.058	26.991
Utile (perdita) del periodo di terzi	(3.673)	(4.479)
Patrimonio netto consolidato	4.203	7.304
Benefici ai dipendenti	1.460	1.673
Imposte differite passive	1.540	1.550
Passività finanziarie non correnti	22.257	9.183
Altre passività e debiti diversi non correnti		47
Passività non correnti	25.257	12.453
Debiti commerciali	9.345	10.420
Passività finanziarie correnti	6.670	22.712
Debiti tributari	2.301	2.088
Altre passività e debiti diversi correnti	7.727	8.479
Totale passività correnti	26.043	43.699
Passività direttamente associate alle attività non correnti possedute per la vendita	355	
Totale passività	51.655	56.152
Totale passività e patrimonio netto	55.858	63.455



Posizione Finanziaria Netta Consolidata

(Euro migliaia)	30 settembre 2015	30 giugno 2015	31 dicembre 2014
A. Cassa	16	23	24
B. Altre disponibilità liquide	1.810	4.350	4.438
C. Titoli detenuti per la negoziazione			
D. Liquidità (A) + (B) + (C)	1.826	4.373	4.462
E. Crediti finanziari correnti			
F. Debiti bancari correnti	(1.428)	(3.247)	(10.999)
G. Parte corrente dell'indebitamento non corrente	(924)	(1.076)	(7.542)
G bis. Passività direttamente associate alle attività non correnti possedute per l'...	(355)		
H. Altri debiti finanziari correnti	(4.317)	(4.061)	(4.171)
I. Indebitamento finanziario corrente (F) + (G) + (H)	(7.024)	(8.384)	(22.712)
J. Indebitamento finanziario corrente netto (I) + (D) + (E)	(5.198)	(4.011)	(18.250)
K. Debiti Bancari non correnti	(15.385)	(15.829)	(2.348)
L. Obbligazioni emesse			
M. Altri debiti non correnti	(6.872)	(7.042)	(6.835)
N. Indebitamento finanziario non corrente (K) + (L) + (M)	(22.257)	(22.871)	(9.183)
O. Indebitamento finanziario Netto (J) + (N)	(27.455)	(26.882)	(27.433)



PROSPETTI CONTABILI DELLA CAPOGRUPPO PIERREL S.P.A.

Conto economico

<i>(Euro migliaia)</i>	30 settembre 2015	30 settembre 2014	var. %
Ricavi	11.522	9.597	20,1%
<i>di cui non ricorrenti</i>	<i>103</i>	<i>40</i>	
Materie prime e materiali di consumo utilizzati	(4.072)	(3.259)	24,9%
Costi per servizi e prestazioni e godimento beni terzi	(2.276)	(2.132)	6,8%
<i>di cui non ricorrenti</i>	<i>(99)</i>	<i>(165)</i>	
Costo del personale	(4.161)	(4.113)	1,2%
<i>di cui non ricorrenti</i>		<i>(16)</i>	
Altri accantonamenti e costi	(1.489)	(990)	50,4%
Risultato prima di ammortamenti, oneri finanziari ed imposte	(476)	(897)	-46,9%
Ammortamenti e svalutazioni	(1.403)	(1.727)	-18,8%
<i>di cui non ricorrenti</i>	<i>(54)</i>		
Risultato operativo	(1.879)	(2.624)	-28,4%
Oneri finanziari	(3.865)	(2.077)	86,1%
Proventi finanziari	70		
Risultato prima delle imposte	(5.674)	(4.701)	20,7%
Imposte sul reddito d'esercizio	54		
Risultato del periodo	(5.620)	(4.701)	19,5%

Stato Patrimoniale

	30 settembre 2015	31 dicembre 2014
ATTIVITA'		
Immobilizzazioni immateriali	313	393
Immobilizzazioni materiali	11.319	12.070
Partecipazioni	16.689	19.475
Crediti e altre attività non correnti	4.325	4.337
Imposte anticipate	6.360	6.360
Attività non correnti	39.006	42.635
Rimanenze	2.647	3.106
Crediti commerciali	1.333	3.034
Crediti tributari	156	272
Altre attività e crediti diversi correnti	761	1.124
Disponibilità liquide e mezzi equivalenti	674	282
Attività correnti	5.571	7.818
Totale Attività	44.577	50.453
PASSIVITA' E PATRIMONIO NETTO		
Capitale sociale	11.599	11.353
Riserve	(3.107)	1.424
Utile (perdita) del periodo	(5.620)	(7.496)
Patrimonio netto	2.872	5.281
Benefici ai dipendenti	372	399
Imposte differite passive	327	327
Passività finanziarie non correnti	15.311	9.007
Altre passività e debiti diversi non correnti	7.315	7.786
Passività non correnti	23.325	17.519
Debiti commerciali	5.682	6.322
Passività finanziarie correnti	5.774	13.819
Debiti tributari	1.233	1.484
Fondi Rischi a breve termine	119	173
Altre passività e debiti diversi correnti	5.572	5.855
Totale passività correnti	18.380	27.653
Totale passività	41.705	45.172
Totale passività e patrimonio netto	44.577	50.453



Posizione Finanziaria Netta

(Euro migliaia)	30 settembre 2015	30 giugno 2015	31 dicembre 2014
A. Cassa	2	2	1
B. Altre disponibilità liquide	672	3.127	281
C. Titoli detenuti per la negoziazione			
D. Liquidità (A) + (B) + (C)	674	3.129	282
E. Crediti finanziari correnti	65	43	86
F. Debiti bancari correnti	(1.247)	(2.428)	(4.888)
G. Parte corrente dell'indebitamento non corrente	(226)	(385)	(4.782)
H. Altri debiti finanziari correnti	(4.301)	(4.043)	(4.149)
I. Indebitamento finanziario corrente (F)+(G)+(H)	(5.774)	(6.856)	(13.819)
J. Indebitamento finanziario corrente netto (I)+(D)+(E)	(5.035)	(3.684)	(13.451)
K. Debiti Bancari non correnti	(8.446)	(8.709)	(2.183)
L. Obbligazioni emesse			
M. Altri debiti non correnti	(6.865)	(7.034)	(6.824)
N. Indebitamento finanziario non corrente (k)+(L)+(M)	(15.311)	(15.743)	(9.007)
O. Indebitamento finanziario Netto (J)+(N)	(20.346)	(19.427)	(22.458)

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In addition to the standard financial indicators required by international accounting standards IAS/IFRS (hereinafter "IFRS"), this document contains some alternative performance indicators for the data at 30 September 2015 in order to allow a better appraisal of the economic and financial position of the Pierrel Group. These indicators are presented in the other annual financial reports and interim reports, but should not be considered as replacements for the conventional indicators recommended by the IFRS.

Below is a brief description of the alternative performance indicators, as well as their composition, mentioned in this press release:

- EBITDA: Operating income before depreciation and amortization, capital gains/ (losses) and revaluations/ (losses) on the value of non-current assets and non-recurring charges.

- Net financial debt: equal to the algebraic sum of cash, current loans, current financial debt and non-current financial debt.

For information only, it should be noted that the Group's activities are not affected by significant seasonal factors.

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Pierrel S.p.A. is a global supplier to the pharmaceutical, biopharmaceutical and life science industries, specialising in the discovery of medicinal product candidates and the repositioning of existing drugs for new therapeutic indications and clinical research (TCRDO Division), 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. The TCRDO Division, working across Europe and the US, is recognised internationally for its research and development into tech based clinical research innovations with its Drug Repositioning and Repurposing System ("DRR2.0") and Integrated Clinical Development Services ("ICDS") for the pharmaceutical, biotechnology and biomedical industries. The parent company of the TCRDO Division (**THERAMetrics** holding AG, listed in the Swiss stock exchange) holds the innovative interactive **DRR2.0** platform, which runs on a database of 24 million scientific publications (being virtually all of those available in the field of biomedical literature), of over 4,900 drugs and of 9,400 illnesses. With this data, never before collected in one place and stored in the cloud, the Search and Match algorithm can show a researcher not only the candidate drug but also a detailed road map with indications of possible second medical uses. The database can be searched by molecule or by illness. Pierrel also has a production unit in Capua, close to Naples, Italy, that has been 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. 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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