**PRESS RELEASE**

**BOARD OF DIRECTORS OF PIERREL S.P.A.**

- ✓ **Approval of the Interim Management Report for the Pierrel Group and Pierrel S.p.A. at 30 September 2017:**
  - **Revenue of some € 9.8 million**, showing an increase of some 2% compared to 30 September 2016, when they were some € 9.6 million;
  - **EBITDA negative about € 0.4 million**, showing an increase of about 71% compared to 30 September 2016, when it was negative for about € 1.4 million;
  - **EBIT negative about € 1.2 million, of which about € 0.8 million for amortization**, an improvement of approximately 50% compared to 30 September 2016, when it was negative for about € 2.4 million;
    **Overall consolidated net loss of approximately € 4.2 million** (due by approximately € 3.2 million from non-recurring charges), down about 180% compared to 30 September 2016, when the Group recorded a consolidated net profit of about € 5.2 million;
  - **Net financial debt of approximately € 16.8 million**, an improvement of about 16% compared to 30 June 2017, when it was approximately € 22.3 million and of about 21% compared to 31 December 2015 when it was approximately € 27.2 million for operating activities only;
  - **Net banking financial debt at approximately € 12.6 million**, an improvement of about 20% compared to 30 June 2017, when it was approximately € 21.1 million and of about 26% compared to 31 December 2016 when it was some € 22.9 million;
  - **Cash and cash equivalents of about € 0.7 million**, a deterioration of 32% compared to 31 December 2016, when it was approximately € 1.1 million.

- ✓ **Sales of Orabloc® in the first 9 months of 2017 in the US recorded an increase of about 19% over the corresponding 2016 period.**

*Capua, 7 November 2017* – The Board of Directors of **Pierrel S.p.A.** (**"Pierrel"** or **"the Company"**) met today and revised and approved on a voluntary basis the **Interim Management Report of the Pierrel Group and the Company as at 30 September 2017,** prepared in accordance with IAS/IFRS international accounting standards.

The Company and its subsidiary Pierrel Pharma S.r.l. with a sole shareholder (collectively, the **"Pierrel Group"**) closed the first nine months of 2017 with **consolidated revenues** of approximately € 9.8 million, up by about 2% compared to the approximately € 9.6 million achieved in the corresponding period of 2016 and a negative **consolidated EBITDA** of about € 0.4 million, an improvement of about € 1.0 million compared to 30 September 2016, when it was negative for about € 1.4 million.

Here follows a brief description of the business performance and management results at 30 September 2017 of the individual divisions of the Pierrel Group (Holding, Contract Manufacturing - CMO and Pharma).

The **Holding Division** recorded a negative EBITDA of around € 1.2 million in the first nine months of 2017, an improvement of around 24% on the corresponding figure of 30 September 2016, when a negative figure of around € 1.6 million was recorded, in line with the forecasts approved by the Board of Directors of the Company on 11 October and communicated to the market on the same date.

The **CMO Division** recorded in the first nine months of 2017: *(a)* total sales, gross of intercompany eliminations, of approximately Euro 9.6 million, an improvement of some 7% compared to the € 9.0 million recorded in the same period of 2016; and *(b)* a positive EBITDA, gross of intercompany eliminations, of approximately € 879 thousand, an improvement of some 670% compared to the same period of 2016, when it was positive for approximately € 130 thousand.

Both the sales and the EBITDA recorded by the Division in the first nine months of the year are substantially in line with the forecasts approved by the Company's Board of Directors on 11 October and reported to the market on the same date.

The **Pharma Division** recorded in the first nine months of 2017 total sales, gross of intercompany eliminations, of some € 4.6 million, an improvement of about 5% compared to the sales achieved in the first nine months of 2016, also due to the positive sales performance of Orabloc®, Pierrel branded dental anesthetic based on articaine marketed by the Pharma Division. In particular, at 30 September 2017 Orabloc® sales on the North American market by Pierrel Group's distributors to end-customers increased by approximately 19% compared to the same period of 2016. During the same period, the Pharma Division recorded a positive EBITDA of about € 0.4 million, in line with the corresponding figure at 30 September 2016.

As of 30 September 2017, the Pharma Division recorded overall sales lower than the forecasts approved by the Board of Directors of the Company on 11 October 2017 and reported to the market on the same date, mainly due to the postponement to the following month of deliveries referring to orders processed in September 2017. Nonetheless, due to the increase of sales with a higher gross profit with respect to those with a lower gross profit, the EBITDA of the Division at 30 September 2017 was in line with the budget forecasts.

Pierrel Group's **EBIT** at 30 September 2017 was negative for approximately € 1.2 million, after amortisation of approximately € 0.8 million, an improvement of about 50% compared to the corresponding figure of 30 September 2016 when it was negative for approximately € 2.4 million, after amortisation of approximately € 0.9 million.

In addition to the foregoing, the Pierrel Group reported **non-recurring financial charges of some € 3.2 million** at 30 September 2017, down about 300% compared to 30 September 2016, when they were equal to about € 1.0 million. The item of non-recurring financial charges is attributable to: (a) for approximately € 1.6 million, adjusting, in line with applicable accounting principles, to fair value (corresponding to the stock market value of the Relief Shares on the Swiss Stock Exchange on the last day of the reference period) of the value of the holdings of the Company in Relief THERAPEUTICS Holding AG, entered in accordance with IAS 39 among the *"Available-for-sale financial assets"*; and (b) for approximately € 1.7 million, to the capital loss recorded by the Company following the sale of some of the Company's Relief shares in the first nine months of 2017.

Therefore, in the light of the foregoing, at 30 September 2017, the Pierrel Group recorded a **consolidated net loss** of approximately € 4.2 million (significantly influenced by the non-recurring financial charges described above for approximately € 3.0), significantly deteriorating compared to 30 September 2016, when the Group recorded a consolidated net profit of € 5.2 million, which was, however, significantly affected by the disposal capital gain of approximately € 10.2 million, as a result of the deconsolidation of the Relief Group the entire TCRDO Division from the Pierrel Group since the end of May 2016, which has determined the elimination of all assets and liabilities of the TCRDO Division, the negative net assets attributable to the Group and the positive net equity of third party competence (for more information see the press release published by the Company on 14 November 2016 and can be found on the Pierrel website at www.pierrelgroup.com, section Press/Press Releases). At 30 September 2017, the **net financial debt** of the Pierrel Group amounted to approximately € 16.8 million, an improvement compared to 31 December 2016, when it was approximately € 22.8 million and included a current financial debt of approximately € 11.3

million euro (about € 16.5 million at 31 December 2016). The improvement in the net financial debt of the Pierrel Group is mainly due to: *(a)* the payment, at the due dates, of some repayment rates of the loans in force at 30 September 2017; *(b)* the positive effects of the communications received by the Company on 8 August 2017 by the shareholders Fin Posillipo S.p.A. and Bootes S.r.l., in which they authorized the Company to account to Pierrel's capital a part of the receivables (for an amount of approximately € 4.1 million) due from shareholders to the Company following the purchase of receivables accrued from Unicredit S.p.A., Banca Popolare di Milano S.p.A. and Banca Nazionale del Lavoro S.p.A. against the Company and Pierrel Pharma S.r.l. with a sole shareholder (for more details see the press releases published by the Company on 7 and 9 August 2017 and available on the Pierrel website www.pierrelgroup.com, section *Press/Press Releases*); and *(c)* future capital increase payments made in July and August 2017 by the shareholders Fin Posillipo S.p.A. and Bootes S.r.l. for the benefit of the Company for a total amount of € 1.0 million, in compliance with the previous commitment made by the shareholders (for more information, see the press release published by the Company on 14 November 2016 and available on Pierrel's website at www.pierrelgroup.com, section*Press/Press Releases*).

The **consolidated liquidity** of the Pierrel Group at 30 September 2017 was approximately € 0.7 million, essentially in line with the corresponding figure for the first nine months of 2016.

As of 30 September 2017, none of the Pierrel Group companies has issued bonds.

At 30 September 2017 the Group's **overdue debts** to suppliers amounted to some € 2.1 million (some € 3.1 million at 31 December 2016), those to social security institutions amounted to some €0.4 million (some € 1.2 million at 31 December 2016), and those to the tax authorities amounted to some € 0.9 million (some € 1.0 million at 31 December 2016).

During the third quarter of 2017, the consolidation scope of the Pierrel Group did not change significantly compared to the closing date of the previous year.

**Results of Pierrel**

At 30 September 2017, **Pierrel** recorded revenues of some € 9.7 million, an improvement of some € 9.0 million in the corresponding period of 2016 and a negative **EBITDA** of some € 0.3 million, an improvement of about 77% compared to 30 September 2016, when it was negative for some € 1.5 million. Compared with the same period of the previous year, the increase in revenues has led to a proportional increase in raw material costs, but it recorded an absolute decrease of "Costs" (about 11%) and a a decrease in the item "Other costs and provisions" (equivalent to about 27%), with a consequent positive effect on the EBITDA of the period.

The company's **net financial position** at 30 September 2016 was negative for some € 12.2 million, an improvement when compared to 31 December 2016, when it was negative for some € 17.8 million. This change is due to the reasons set out above in this press release in the section on net financial debt of the Pierrel Group as of 30 September 2017 and also includes other non-current payables of some € 6.2 million. This amount is entirely attributable to the discounting of the mid and long-term borrowings of the Company's financial debt towards Dentsply International Inc. In accordance with the terms of the relevant contract, the repayment of that debt relates to the supply of pharmaceutical products by Pierrel to Dentsply and the residual term is estimated to be around 4 years at 30 September 2017. The Company's short-term debt to Dentsply is estimated at some € 677 thousand and is classified under "*Other current financial liabilities*".

At 30 September 2017, the Company recorded an adjustment to the value of the stake held in Relief THERAPEUTICS Holding AG for an amount of some € 3.2 million due to the fair value adjustment of the value of the related stake and the registered capital loss as a result of some sales of Relief shares made on the market in 2017 (for further information please refer to the description above in this press release related to the non-recurring financial charges of the Pierrel Group at 30 September 2017). Under the international accounting principle IAS 39, this investment, equal to 3% of the related share capital, falls under the category "*Available-for-sale financial assets*" for which the applicable evaluation parameter is the fair value (corresponding to the market value of the Relief shares on the Swiss Stock Exchange on the last day of the reference period).

The difference between the value (CHF 0.30) originally entered in the Company's financial statements for each share held in the share capital of Relief THERAPEUTICS Holding AG and the fair value of the Relief shares at 30 September 2017 (CHF 0.10) qualified as a "*prolonged and continued*" loss and, in accordance with the reference accounting principle, recognized in the income statement of the Company.

In the light of the foregoing, the Company's total net loss for the first nine months of 2017 was some € 4.0 million (some € 3.0 million at 30 September 2016), mainly due to the above-mentioned adjustment (for some € 3.2 million) of the residual value of the investment held in Relief.

**Significant events during the third quarter of 2017 and after 30 September 2017**

All the events and significant transactions related to the Pierrel Group occurred in the third quarter of 2017, as well as significant events after 30 September 2017, were promptly communicated to the public. In this regard, the following is noted:

(i) the events related to the purchase by the shareholders Fin Posillipo S.p.A. and Bootes s.r.l. of loans granted by Unicredit S.p.A., Banca Popolare di Milano S.p.A., Banca Nazionale del Lavoro S.p.A. and Intesa Sanpaolo S.p.A. against the Company and Pierrel Pharma S.r.l. with a sole shareholder and the consequent partial repayment of such receivables to the Company's assets and the related effects of such transactions on the Company's balance sheet (see, inter alia, press releases published by the Company on 14 July 2017, 7 August 2017 and 9 August 2017, all available on the Pierrel website at www.pierrelgroup.com, section *Press/Press Releases*);

(ii) the approval of the Board of Directors of Pierrel on **11 October 2017**: *(a)* in accordance with the provisions of the current legislation relating to transactions with related parties, of the Pierrel Group's restructuring plan (the "**Recovery Plan**") pursuant to and for the purposes referred to in Article 67, paragraph 3, letter d of the R.D. 16 March 1942, no. 267, as subsequently amended and supplemented (the "**Bankruptcy Law**"), and the related ancillary convention; *(b)* of Pierrel's financial statements and consolidated financial statements for the year ended on 31 December 2016; *(c)* on a voluntary basis, of the Pierrel and Pierrel Group's Interim Management Report at 31 March 2017; and *(d)* of the Pierrel Group's interim financial report as of 30 June 2017, including the condensed consolidated half-year financial statements of Pierrel at 30 June 2017 (for further information, see the press release published by the Company on 11 October 2017 and available on Pierrel's website at www.pierrelgroup.com, section *Press/Press Releases*);

(iii) on **20 October 2017**, the release by Mr Campanile of the certificate referred to in Article 67 paragraph 3, letter d of the Bankruptcy Law relating to the Recovery Plan (for more information, see the press release published by the Company on 20 October 2017 and available on Pierrel's website atwww.pierrelgroup.com, section *Press/Press Releases*);

(iv) on **23 October 2017**, the call for the Meeting of the Shareholders of the Company on 22 November 2017, in a single convocation, to discuss and deliberate, inter alia, on the approval of Pierrel's financial statements at 31 December 2016 and of Pierrel's share capital increase of up to € 35 million, including premium, as one of the key elements of the Recovery Plan (for more information, see the call for the Shareholders' Meeting published by the Company on the 23 October 2017 from the daily newspaper "Italia Oggi" and, in its entirety, on Pierrel's website www.pierrelgroup.com, section *Investor Relations/Shareholders' Meetings documentation/Shareholders' Meeting of 22 November 2017*).

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In addition to the standard financial indicators required by international accounting standards IAS/IFRS ("**IFRS**"), this document contains some alternative performance indicators for the data at 30 September 2017 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 of 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 loss**": 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 o** "**operating profit**": 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.

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

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The Interim Report of the Pierrel Group and the parent company Pierrel S.p.A. at 30 September 2017 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., Mr Francesco Pepe, declares – pursuant to Article 154-a(2) of Italian Legislative Decree 58/1998 – that the accounting information contained in this press release and relative to the Interim Management Report at 30 September 2017 corresponds to the documented results, ledgers and accounting entries of the company.*

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*This press release comprises the Interim Management Report at 30 September 2017 required by Article 154-b of Italian Legislative Decree 58/1998 and is available in the section Investor Relations/Financial Documents section 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 at 30 September 2017, that have not been subject to audit.

## FINANCIAL STATEMENTS OF THE PIERREL GROUP

### Consolidated income statement

| *(€ thousands)* | 30 September 2017 | 30 September 2016 | var % |
|---|---|---|---|
| **Revenue** | **9,819** | **9,596** | *2.3%* |
| ***of which non-recurring*** | ***161*** | | |
| Raw materials and consumables used | (3,360) | (3,347) | *0.4%* |
| Sundry services and leases and rentals | (2,489) | (2,669) | *-6.7%* |
| ***of which non-recurring*** | ***(191)*** | ***(10)*** | |
| Personnel costs | (3,616) | (3,940) | *-8.2%* |
| Other provisions and costs | (784) | (1,084) | *-27.7%* |
| **Earnings Before Interest, Tax, Depreciation and Amortisation** | **(431)** | **(1,444)** | *-70.2%* |
| Amortisation, depreciation and write-downs | (789) | (917) | *-13.9%* |
| ***of which non-recurring*** | | ***(3)*** | |
| **Operating profit/(loss)** | **(1,220)** | **(2,361)** | *-48.3%* |
| Financial expenses | (572) | (969) | *-41.0%* |
| Assets impairment of the Available for sale financial assets ("AFS") | (3,230) | - | |
| ***of which non-recurring*** | ***(3,230)*** | | |
| Financial income | 805 | 7 | *11395.9%* |
| ***of which non-recurring*** | ***118*** | | |
| **Profit/(loss) before tax** | **(4,217)** | **(3,323)** | *26.9%* |
| Income tax | 1 | - | |
| **Net profit/(loss) for the period from continuing operations** | **(4,216)** | **(3,323)** | *26.9%* |
| ***Discontinued operations:*** | | | |
| **Net profit/(loss) for the period from discontinued operations** | | 8,547 | *-100.0%* |
| ***of which non-recurring*** | | ***10,231*** | |
| **Net profit/(loss) for the period** | **(4,216)** | **5,224** | *-180.7%* |
| *of which Net loss attributable to non-controlling interests* | | *(1,223)* | |
| *of which Net Profit/(Loss) attributable to Pierrel shareholders* | *(4,216)* | *6,447* | |

## Consolidated statement of comprehensive income

| *(€ thousands)* | 30 September 2017 | 30 September 2016 |
|---|---|---|
| **Net consolidated profit/(loss) for the period** | **(4,216)** | **5,224** |
| **Other items of comprehensive income, net of tax** | | |
| *Other items of comprehensive income that will subsequently be reclassified to profit/loss for the period* | | |
| Differences from translation of foreign financial statements | | 140 |
| | - | **140** |
| Net gain/(loss) from cash flow hedges | 36 | 71 |
| | **36** | **71** |
| Write-down of Available-for-sale financial assets (AFS) | - | (3,173) |
| | - | **(3,173)** |
| ***Total other items of comprehensive income that will subsequently be reclassified to profit/(loss) for the period, net of tax*** | ***36*** | ***(2,962)*** |
| *Other items of comprehensive income that will not subsequently be reclassified to profit/loss for the period:* | | |
| Gain/(Loss) from revaluation of defined benefit plans | 2 | (4) |
| | **2** | **(4)** |
| ***Total other items of comprehensive income that will not subsequently be reclassified to profit/loss for the period, net of tax*** | ***2*** | **(4)** |
| **Total other items of comprehensive income, net of tax** | **38** | **(2,966)** |
| **Total comprehensive income/(loss), net of tax** | **(4,178)** | **2,258** |
| *of which comprehensive income/(loss) from continuing operations* | *(4,178)* | *(6,429)* |
| *of which comprehensive income/(loss) from discontinued operations* | - | *8,687* |
| *of which net profit/(loss) attributable to non-controlling interests* | - | *(1,223)* |
| *of which net profit/(loss) attributable to Pierrel shareholders* | *(4,178)* | *3,481* |

## Consolidated balance sheet

| ASSETS | 30 September 2017 | 31 December 2016 |
|---|---|---|
| Intangible assets | 1,434 | 1,407 |
| Tangible assets | 10,268 | 10,223 |
| Financial fixed assets | 300 | 280 |
| Receivables and other non-current assets | 4 | 4 |
| Prepaid tax | 5,395 | 5,407 |
| **Non-current assets** | **17,400** | **17,321** |
| Inventories | 3,508 | 2,454 |
| Trade receivables | 2,334 | 2,711 |
| Tax receivables | 70 | 60 |
| Other current assets and sundry receivables | 974 | 1,645 |
| Cash and cash equivalents | 749 | 1,108 |
| Available-for-sale financial assets (AFS) | 510 | 4,947 |
| **Current assets** | **8,146** | **12,925** |
| **Total Assets** | **25,547** | **30,246** |

| EQUITY AND LIABILITIES | 30 September 2017 | 31 December 2016 |
|---|---|---|
| Share capital | 50 | 50 |
| Reserves | (401) | (9,919) |
| Group profit/(loss) for the period | (4,215) | 2,359 |
| **Consolidated equity** | **(4,566)** | **(7,510)** |
| Employee benefits | 346 | 350 |
| Non-current financial liabilities | 6,236 | 7,519 |
| Non-current tax payables | 109 | 114 |
| Other current liabilities and sundry payables | 1,567 | 2,129 |
| **Non-current liabilities** | **8,258** | **10,112** |
| Trade payables | 5,350 | 5,839 |
| Current financial liabilities | 11,327 | 16,464 |
| Tax payables | 34 | 46 |
| Other current liabilities and sundry payables | 5,145 | 5,295 |
| **Total current liabilities** | **21,855** | **27,644** |
| **Total liabilities** | **30,113** | **37,756** |
| **Total Equity and Liabilities** | **25,547** | **30,246** |

## Net consolidated financial position

| *(€ thousands)* | 30 September 2017 | 31 December 2016 |
|---|---|---|
| A. Cash | 1 | 1 |
| B. Cash equivalents | 748 | 1,107 |
| C. Securities held for trading | - | - |
| **D. Cash resources (A)+(B)+(C)** | **749** | **1,108** |
| **E. Current financial liabilities** | | **17** |
| F. Current bank debt | (1,257) | (14,393) |
| G. Current amount of non-current debt | - | (126) |
| H. Other current financial liabilities | (10,070) | (1,945) |
| **I. Current financial debt (F)+(G)+(H)** | **(11,327)** | **(16,464)** |
| **J. Net current financial debt (I)+(E)+(D)** | **(10,578)** | **(15,339)** |
| K. Non-current bank debt | | (170) |
| L. Bonds issued | - | - |
| M. Other non-current debt | (6,236) | (7,349) |
| **N. Non-current financial debt (K)+(L)+(M)** | **(6,236)** | **(7,519)** |
| **O. Net Financial Debt (N) + (J)** | **(16,814)** | **(22,858)** |

## FINANCIAL STATEMENTS OF THE PARENT COMPANY PIERREL S.P.A.

### Separated income statement

| *(€ thousands)* | 30 September 2017 | 30 September 2016 | *var. %* |
|---|---|---|---|
| **Revenue** | **9,695** | **8,964** | *8.1%* |
| *of which non-recurring* | *161* | | |
| Raw materials and consumables used | (3,649) | (3,203) | *13.9%* |
| Sundry services and leases and rentals | (1,887) | (2,126) | *-11.2%* |
| *of which non-recurring* | *(190)* | *(10)* | |
| Personnel costs | (3,632) | (3,917) | *-7.3%* |
| Other provisions and costs | (856) | (1,170) | *-26.8%* |
| **Earnings before interest, tax, depreciation and amortisation** | **(329)** | **(1,452)** | *-77.3%* |
| Amortisation, depreciation and write-downs | (744) | (763) | *-2.5%* |
| **Operating profit/(loss)** | **(1,073)** | **(2,215)** | *-51.6%* |
| Financial expenses | (411) | (789) | *-47.9%* |
| Assets impairment of the Available for sale financial assets ("AFS") | (3,230) | - | |
| *of which non-recurring* | *(3,230)* | | |
| Financial income | 746 | 65 | *1047.7%* |
| **Profit/(loss) before tax** | **(3,968)** | **(2,939)** | *35.0%* |
| Income tax | 1 | - | |
| **Profit/(loss) for the period** | **(3,967)** | **(2,939)** | *35.0%* |

## Statement of comprehensive income

| *(€ thousands)* | 30 settembre 2017 | 30 settembre 2016 |
|---|---|---|
| **Net profit/(loss) for the period** | **(3,967)** | **(2,939)** |
| **Other items of comprehensive income, net of tax** | | |
| *Other items of comprehensive income that will subsequently be reclassified to profit/loss for the period* | | |
| Net gain/(loss) from cash flow hedges | 35 | 71 |
| | **35** | **71** |
| Write-down of Available-for-sale financial assets (AFS) | - | **(3,172)** |
| | - | **(3,172)** |
| ***Total other items of comprehensive income that will subsequently be reclassified to profit/(loss) for the period, net of tax*** | ***35*** | ***(3,101)*** |
| *Other items of comprehensive income that will not subsequently be reclassified to profit/loss for the period:* | | |
| Gain/(Loss) from revaluation of defined benefit plans | 2 | (4) |
| | **2** | **(4)** |
| ***Total other items of comprehensive income that will not subsequently be reclassified to profit/loss for the period, net of tax*** | ***2*** | **(4)** |
| **Total other items of comprehensive income, net of tax** | **37** | **(3,105)** |
| **Total comprehensive income/(loss), net of tax** | **(3,930)** | **(6,044)** |

## Balance sheet

### *Balance Sheet*

| **ATTIVITA'** | **30 September 2017** | **31 December 2016** |
|---|---|---|
| *(€ thousands)* | | |
| Intangible assets | 319 | 266 |
| Tangible assets | 10,267 | 10,222 |
| Investments | 4,574 | 4,574 |
| Receivables and other non-current assets | 3,226 | 4,300 |
| Prepaid tax | 5,395 | 5,408 |
| **Non-current assets** | **23,781** | **24,770** |
| Inventories | 3,183 | 2,431 |
| Trade receivables | 2,007 | 2,261 |
| Tax receivables | 55 | 55 |
| Other current assets and sundry receivables | 845 | 711 |
| Cash and cash equivalents | 617 | 837 |
| **Available-for-sale financial assets (AFS)** | **510** | 4,946 |
| **Current assets** | **7,217** | **11,241** |
| **Total Assets** | **30,998** | **36,011** |

PIERREL

| EQUITY AND LIABILITIES | 30 September 2017 | 31 December 2016 |
|---|---|---|
| Share capital | 50 | 50 |
| Reserves | 4,909 | 4,614 |
| Profit/(loss) for the period | (3,967) | (6,865) |
| **Equity** | **992** | **(2,201)** |
| Employee benefits | 346 | 351 |
| Deferred tax liabilities | 6,236 | 7,519 |
| Non-current financial liabilities | 109 | 114 |
| Other current liabilities and sundry payables | 7,139 | 8,098 |
| **Non-current liabilities** | **13,830** | **16,082** |
| Trade payables | 5,146 | 5,658 |
| Current financial liabilities | 6,608 | 11,246 |
| Tax payables | 34 | 28 |
| Short-term provisions for liabilities | 199 | 218 |
| Other current liabilities and sundry payables | 4,190 | 4,980 |
| **Current liabilities** | **16,177** | **22,130** |
| **Total Liabilities** | **30,007** | **38,212** |
| **Total Equity and Liabilities** | **30,999** | **36,011** |

## Statement of changes in shareholders' equity

| *(€ thousands)* | Share capital | Share premium | Treasury shares | Other reserves | Retained losses | IAS 19R Reserves | AFS reserve | CFH reserve | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Figure at 1 January 2017** | **50** | **1,137** | **(995)** | **-** | **(9,598)** | **(31)** | **7,271** | **(35)** | **(2,201)** |
| Profit/(Loss) for the period | | | | | | | | | - |
| Statement of comprehensive income | | | | | *(3,967)* | *2* | | *35* | ***(3,930)*** |
| **Comprehensive loss for the period** | **-** | **-** | **-** | | **(3,967)** | **2** | **-** | **35** | **(3,930)** |
| Payments for future Share Capital Increase (Including Shareholders' waiver of credit claims) | | | | | | | 7,122 | | **7,122** |
| **Figure at 30 September 2017** | **50** | **1,137** | **(995)** | **-** | **(13,565)** | **(29)** | **14,393** | **-** | **991** |

## Net financial position

| (€ thousands) | 30 September 2017 | 31 December 2016 |
|---|---|---|
| A. Cash | 1 | 1 |
| B. Cash equivalents | 616 | 836 |
| C. Securities held for trading | | |
| **D. Cash resources (A) + (B) + (C)** | **617** | **837** |
| **E. Current financial liabilities** | **55** | **104** |
| F. Current bank debt | (1,257) | (9,175) |
| G. Current amount of non-current debt | | (126) |
| H. Other current financial liabilities | (5,352) | (1,945) |
| **I. Current financial debt (F)+(G)+(H)** | **(6,609)** | **(11,246)** |
| **J. Net current financial debt (I)+(D)+(E)** | **(5,936)** | **(10,305)** |
| K. Non-current bank debt | | (170) |
| L. Bonds issued | | |
| M. Other non-current debt | (6,236) | (7,349) |
| **N. Non-current financial debt (k)+(L)+(M)** | **(6,236)** | **(7,519)** |
| **O. Net financial debt (J)+(N)** | **(12,173)** | **(17,824)** |

* * *

**Pierrel S.p.A**., global provider for the pharmaceutical industry, 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, 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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