PRESS RELEASE

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

- **Approval of the Separate Financial Statements and the Consolidated Financial Statements at 31 December 2017:**

  Consolidated financial results at 31 December 2017:

  - **Consolidated gross revenue at around €17.3 million** (an increase of around 19% on €14.5 million at 31 December 2016) up by around €1.3 million on the amount previously estimated by the Board of Directors of Pierrel S.p.A. and announced to the market on 11 October 2017;
  - **Positive EBITDA of around €2.1 million** (an improvement on the negative EBITDA of €1.1 million at 31 December 2016), a significant improvement on the figure of around €0.2 million previously estimated by the Board of Directors of Pierrel S.p.A. and announced to the market on 11 October 2017;
  - **Positive EBIT of around €1.0 million, including around €1.1 million for amortisation and depreciation** (a significant improvement on the negative EBIT of €2.5 million at 31 December 2016);
  - **Net consolidated loss of €2.5 million** (a deterioration on the profit of around €1.1 million recorded on 31 December 2016, which included around €8.5 million of profit resulting from the deconsolidation of RELIEF Therapeutics Holding AG);
  - **Consolidated net financial debt at around €11.4 million** (an improvement of around 50% on 31 December 2016, when the figure was around €22.8 million);
  - **Cash/Consolidated Net Banking Debt positive by around €0.6 million** (a significant improvement negative figure of around €13.6 million at 31 December 2016).

- **2017 Sales of Orabloc® in the USA up by around 23% on 2016. Orabloc® reaches 20% of the market for dental anaesthetics based on Articaine in the USA.**

- **Main financial and business targets updated for the year 2018:**

  - **consolidated gross revenue** estimated **at around €19.3 million** up on the €18.3 million previously estimated and announced to the market, and estimate of **positive consolidated EBITDA confirmed at around €1.8 million**;

- **Main financial and business targets confirmed for the years 2019 and 2020**

- **New Supervisory Body of Pierrel S.p.A. appointed**

- **"Notice approved, in single call, for the Shareholders' Meeting of Pierrel S.p.A. for 23 April 2018, in ordinary session, to resolve on *(a)* the approval of the annual financial statements of**

Pierrel S.p.A. at 31 December 2017; *(b)* the first section of the Remuneration Report of Pierrel S.p.A. for the year 2017; *(c)* the appointment of the members of the Board of Directors of Pierrel S.p.A., having determined their number, set the term of their appointment and their remuneration, as well as the appointment of the Chair of the Board of Directors of Pierrel S.p.A. and the setting of the related remuneration; and *(d)* the appointment of the members of the Board of Statutory Auditors of Pierrel S.p.A. for the years 2018, 2019 and 2020 and the setting of their remuneration.

Capua, 28 February 2018 – The Board of Directors of Pierrel S.p.A. ("**Pierrel**" or the "**Company**") meeting today, examined and approved the **separate financial statements of Pierrel for the year ended 31 December 2017** and the **consolidated financial statements for the Pierrel Group for the year ended 31 December 2017**.

Below is a brief description of the results of the Pierrel Group and the Company at 31 December 2017.

Consolidated financial results at 31 December 2017

The Pierrel Group ended the year 2017 with **consolidated revenue** of around €17.3 million, up by around 19% on the figure of around €14.5 million recorded for the previous year, and a **positive consolidated EBITDA (gross operating profit)** of around €2.1 million, an improvement on the corresponding figure for 31 December 2016, which was a negative by around €1.1 million.

An analysis is provided below of the business and operating results of the Holding and Contract Manufacturing ("**CMO**") Divisions, which are part of the Company and the Pharma Division, linked to the sole-shareholder company Pierrel Pharma S.r.l. ("**Pierrel Pharma**"), a company of the Pierrel Group whose share capital is wholly-owned by Pierrel.

The **Holding Division** recorded a negative EBITDA for 2017, before intercompany eliminations, of around €1.5 million, an improvement of around 38% on the corresponding figure for 31 December 2016, when it was negative by around €2.4 million. This result continued the downward trend in operating costs.

The **CMO Division** posted total sales of around €16.6 million for 2017, before intercompany eliminations, an increase of around 21% on the €13.7 million posted in 2016, and a positive EBITDA of around €3.6 million (21.7% of gross revenue), before intercompany eliminations, representing a significant improvement on the previous year, which recorded a positive EBITDA of around €1.3 million (9.48% of gross revenue). The increase was mainly due to the rise in sales to the subsidiary Pierrel Pharma, which in turn recorded an increase in sales of the dental anaesthetic under the Orabloc® brand mainly in the North American, Canadian and Russian markets, in addition to a significant increase in sales to third-party customers. The increase in sales was also helped by the effects of the organisational efficiency improvement measures implemented by the Company, which was reflected in its ability to process customer orders more promptly.

The **Pharma Division** posted sales of around €8.8 million for 2017, before intercompany eliminations, up by around €1.3 million on 2016 (+17.3%), when sales, before intercompany eliminations, came to around €7.4 million. As reported above for the CMO Division, this change was largely due to the increase in sales volumes of the Orabloc® dental anaesthetic in the United States, Canada and Russia, as a result of the growing market appreciation and recognition for Pierrel's anaesthetic, in addition to the strengthening of promotional and marketing activities.

In particular, as a result of the increase in **sales of Orabloc® recorded in 2017 on the US market** by the Pierrel Group's distributors, the Pierrel Group's dental anaesthetic reached a share of around 20% of the US market for dental anaesthetics based on Articaine.

The EBITDA of the Pharma Division for 2017, before intercompany eliminations, was positive by around €1.5 million, an improvement on 2016, when it was positive by around €1.1 million. The significant improvement in the EBITDA for this Division, compared to the previous year, was also due to the increase in sales of Orabloc® described above.

The Pierrel Group recorded a **positive EBIT** (operating profit) at 31 December 2017 of **around €1.0 million**, **after amortisation/depreciation charges of around €1.1 million**, an improvement on the figure for the previous year, which was negative by around €2.5 million, after amortisation/depreciation charges of around €1.4 million.

At 31 December 2017, the Pierrel Group reported **non-recurring financial expenses totalling around €3.2 million** attributable – as described in more detailed below in this press release in the commentary on the results achieved by the Company in 2017 – to the ownership interest in Relief Therapeutics Holding AG, a company whose shares are listed on the Swiss Stock Exchange ("**Relief**"), amounting to around 2.95% of its share capital at 31 December 2017.

In view of the above, **and, in particular, considering the net effect of the non-recurring financial expenses** referred to above, at 31 December 2017 the Pierrel Group recorded a **consolidated net loss** of around €2.6 million, a significant deterioration on the profit of around € 1.1 million recorded, at consolidated level, at 31 December 2016, of which around €8.5 million as profit from the "*Discontinued Operations*" connected to the final deconsolidation of Relief.

The Group's **net financial debt** amounted to around €**11.4 million** at 31 December 2017, including the Company's remaining payable to the US customer Dentsply International Inc., amounting to around €7.4 million at 31 December 2017, as principal plus interest, and whose final repayment was deferred from 2012 to 2026 by commercial agreement signed on 29 January 2018 between the Company and the North American multinational engaged in the marketing of professional dental products (for more details see the press release published by the Company on 29 January 2018 and available on Pierrel's website www.pierregroup.com, *Press/Press releases* section). The Group's net financial debt at 31 December 2017 showed a significant improvement of around €11.4 million on 31 December 2016, when the figure was around €22.9 million, essentially due to the restructuring operation of the Pierrel Group started in 2017, in execution of which, among other things, Fin Posillipo S.p.A. (shareholder with a 36% stake in Pierrel, which exercises *de facto* control over the Company) and Bootes S.r.l. (shareholder with a 5% stake in Pierrel): *(a)* purchased the Pierrel Group's debts due to the banks for an amount, as principal plus interest, of around €8.2 million; and *(b)* authorised the Company to allocate part of the debts referred to in item (a) above to its equity, in the amount of around €8.2 million and to designate that amount as an advance payment for a future share capital increase of the Company and, in any event, as a capital contribution if the Company does not approve any share capital increase by the term of 31 December 2018. For more details on the restructuring operation of the Pierrel Group and the activities carried out in execution of that operation see, among others, the press releases published by the Company on 7 August 2017, 9 August 2017, 11 October 2017, 20 October 2017, 22 November 2017, 28 December 2017, 29 December 2017, 29 January 2018 and 9 February 2018, all available on Pierrel's website at www.pierregroup.com, *Press/Press Releases* section.

Cash/Consolidated Net Banking Debt at 31 December 2017 was **positive at around €0.6 million**, representing a significant improvement on the total of around €13.6 million posted on 31 December 2016

At 31 December 2017, the Pierrel Group held **cash resources** of around €1.9 million, a significant improvement on the amount recorded at 31 December 2016, when the figure was around €1.1 million.

Results of Pierrel at 31 December 2017

At 31 December 2017, **Pierrel** reported revenue of €16.8 million, an **increase** of 22% compared to around €13.8 million achieved for the year 2016 and a positive **EBITDA** of around €2.1 million, **a very significant improvement** on 31 December 2016, when it was negative by around €1.1 million.

The **net financial position** of the Company at 31 December 2017 was a debt of around €6.9 million, **an improvement of around €9.2 million** compared to 31 December 2016 when it was a debt of around €17.8 million.

In 2017, the Company recorded **non-recurring costs of around €3.2 million**, all related to the shareholding in Relief. In particular, in 2017 the Company: *(a)* recognised losses on the Relief equity investment due to the difference between the amount obtained from the sale of several Relief shares and their book value; and *(b)* had to adjust the equity investment in Relief (recorded in the item "*Available-for-sale financial assets – AFS*") to its fair value, recognising the related amount through profit or loss, due to the classification of the value of the equity investment in Relief, in accordance with IAS 39, as a prolonged and continued reduction in value. In light of the above, **and, in particular, considering the negative effect from the write-down described above, which is of a non-recurring nature, at 31 December 2017** Pierrel posted a net loss of around **€2.0 million**, which was nevertheless an improvement on the loss of around €6.9 million recorded at 31 December 2016, when it included write-downs and non-recurring costs of around €3.0 million.

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During the same meeting the Board of Directors updated the main financial and business targets of the group the Company belongs to (the "**Pierrel Group**" or the "**Group**") for the year 2018 with respect to those previously estimated and announced to the market on 11 October 2017. In particular, for the year 2018, the Board of Directors of the Company estimates **consolidated gross revenue** at around €19.3 million, up on the figure of around €18.3 million previously estimated and announced to the market, and an estimated **positive consolidated EBITDA of around €1.8 million**, in line with the figure previously estimated and announced to the market.

The Board of Directors of Pierrel also confirmed the main financial and business targets of the Pierrel Group for the years 2019 and 2020, which, as already announced to the market on 11 October this year, envisage:

- for **2019, consolidated gross revenue of around €20.9 million and a positive consolidated EBITDA of around €2.6 million**;
- for **2020, consolidated net revenue of around €23.0 million and a positive consolidated EBITDA of around €3.4 million.**

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During the same meeting, the Board of Directors of the Company also approved the **Annual Report on corporate governance and ownership structure** and the **Remuneration Report for the year 2017**. These reports will be made available to the public at the registered office of the Company in Capua (CE), Strada Statale Appia 7-bis 46/48 and at the registered office of Borsa Italiana S.p.A., as well as the Company's website, www.pierrelgroup.com in the *Investor Relations/Corporate Governance/Shareholders' Meeting Documentation* section and the Nis-Storage authorised storage mechanism (www.emarketstorage.com) according to the terms and conditions of the law.

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The Board of Directors also accepted the resignation of Ms. Camilla Calzone, associate lawyer of the firm "Operari Lex - Studio Legale Associato", from the position of member of Pierrel's Supervisory Body in the form of a sole-member body. It also *(a)* confirmed the sole-member composition of the Supervisory Body and *(b)* appointed Mr. Vittorio Gennaro, managing director of Operari S.r.l., already head of the outsourced Internal Audit Function of the Company, as sole-member of the Supervisory Body. Mr. Gennaro will remain in office until the approval of the financial statements of the Company at 31 December 2020.

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The Board of Directors of the Company also resolved to call the Ordinary Shareholders' Meeting of Pierrel, in single call, on 23 April 2018 to discuss and resolve on: *(a)* the approval of the separate financial statements of Pierrel at 31 December 2017; *(b)* the first section of the Remuneration Report of Pierrel for the year 2017 pursuant to and for the purposes of Article 123-*ter* of the Italian Consolidated Finance Act; *(c)* the appointment of the members of the Board of Directors of the Company, having determined their number, set the term of their appointment and their remuneration, and the appointment of the Chair of the Board of Directors of Pierrel and the setting of the related remuneration; and *(d)* the appointment of the members of the Board of Statutory Auditors of Pierrel S.p.A. for the years 2018, 2019 and 2020 and the setting of their remuneration. During the same meeting the Board of Directors of the Company also approved the reports on the agenda items of the Shareholders' Meeting called.

Lastly, the Board of Directors of Pierrel approved the explanatory reports on the agenda items of the aforementioned Shareholders' Meeting prepared pursuant to and for the purposes of Article 125-*ter* of the Italian Consolidated Finance Act. These reports, together with all the additional documentation relating to the agenda items of the aforementioned Shareholders' Meeting, will be made available to the public at the registered office of the Company in Capua (CE), Strada Statale Appia 7-*bis* 46/48 and at the registered office of Borsa Italiana S.p.A., as well as the Company's website, www.pierrelgroup.com in the *Investor Relations/Corporate Governance/Shareholders' Meeting Documentation* section and the Nis-Storage authorised storage mechanism (www.emarketstorage.com) according to the terms and conditions of the law.

Pursuant to Article 125-*bis* of the Italian Consolidated Finance Act and Article 84 of the Issuer Regulations, the Company announces that the notice of the meeting will be published in accordance with Italian law and the Articles of Association.

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The annual financial report of Pierrel at 31 December 2017, approved by the Board of Directors of Pierrel on 28 February 2018 (which includes the separate financial statements and the consolidated financial statements of Pierrel at 31 December 2017, accompanied by the related reports of the Board of Directors of Pierrel on operations and the certification pursuant to Article 154-*bis* of the Italian Consolidated Finance Act) and the related reports of the Board of Statutory Auditors of the Company and the audit firm will be made available to the public at the Company's registered office in Capua (CE), Strada Statale Appia 7-*bis*, no. 46/48 and at Borsa Italiana S.p.A., as well as on the Company's website, www.pierrelgroup.com in the *Investor Relations/Corporate Governance/Shareholders Meeting Documents* section and the Nis-Storage authorised storage mechanism (www.emarketstorage.com) according to the terms and conditions of the law.

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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-*bis*, paragraph 2 of the Italian Consolidated Finance Act – that the accounting information from the separate financial statements of Pierrel at 31 December 2017 as reported in this press release corresponds to the documented results, accounting records and accounting entries of the Company.

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In addition to the standard financial indicators established by IFRS, this press release contains some alternate performance indicators for the figures at 31 December 2017, as well as the years 2018, 2019 and 2020 to provide a better evaluation of the operating performance and financial position of the Pierrel Group. These measurements are also included in the other annual and interim statements, but they should not be considered as substitutes for the standard indicators established by IFRS.

Pursuant to the CESR/05-178b Communication of 3 November 2005, below is the definition of the alternate performance indicators mentioned in this press release:

- "**EBIT**" or "**operating profit/loss**": indicates the difference between the gross operating profit/loss and the amortisation, depreciation and write-downs and it is the operating profit/loss before financial management and tax;
- "**EBITDA**" or "**gross operating profit/loss**": indicates the difference between sales revenues and costs related to the consumption of materials, costs of services, labour costs and the net balance of operating income/expenses and related write-downs and represents the operating profit/(loss) before amortisation, depreciation and write-downs, financial management and tax;
- "**Net financial debt**": is an indicator of the Group's financial structure. It is calculated as short-term and long-term debt and the related derivative instruments, net of cash and cash equivalents and financial assets.

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Attached below are the balance sheet, income statement and cash flow statement of the Pierrel Group and Pierrel at 31 December 2017.

Balance sheet, income statement and cash flow statement of the Pierrel Group at 31 December 2017

Assets

(€ thousands)	31 December 2017	of which vs. related parties	31 December 2016	of which vs. related parties
Intangible assets	1,403		1,407	
Tangible assets	10,216		10,223	
Financial fixed assets	133		280	
Receivables and other non-current assets	4		4	
Prepaid tax	5,275		5,407	
Non-current assets	**17,031**		**17,321**	
Inventories	2,780		2,454	
Trade receivables	3,241		2,711	
Tax receivables	46		60	
Other current assets and sundry receivables	799		1,645	
Cash and cash equivalents	1,850		1,108	
Available-for-sale financial assets (AFS)	**478**		**4,947**	
Current assets	**9,194**		**12,925**	
TOTAL ASSETS	**26,225**		**30,246**	

Equity and liabilities

(€ thousands)	31 December 2017	of which vs. related parties	31 December 2016	of which vs. related parties
Share capital	50		50	
Reserves and retained earnings/(losses)	4,720		(9,919)	
Net Profit/(Loss) for the period	(2,516)		2,359	
Consolidated equity	**2,254**		**(7,510)**	
Employee benefits	350		350	
Non-current financial liabilities	10,726	*4,692*	7,519	
Non-current tax payables	101		114	
Other current liabilities and sundry payables	1,375		2,129	
Non-current liabilities	**12,552**		**10,112**	
Trade payables	4,486	*16*	5,839	*6*
Current financial liabilities	2,566	*646*	16,464	*721*
Current tax payables	121		46	
Other current liabilities and sundry payables	4,246	*35*	5,295	*45*
Current liabilities	**11,419**		**27,644**	
TOTAL LIABILITIES	**23,971**		**37,756**	
TOTAL EQUITY AND LIABILITIES	**26,225**		**30,246**	

Consolidated income statement

(€ thousands)	31 December 2017		31 December 2016	
Continuing operations:		*of which vs. related parties*		*of which vs. related parties*
Revenue	17,303		14,516	
of which non-recurring	*466*		*244*	
Raw materials and consumables used	(5,597)	*(15)*	(5,477)	
Sundry services	(3,421)		(3,356)	
of which non-recurring	*(249)*		*(56)*	
Third-party goods	(111)		(134)	
Personnel costs	(5,005)	*(35)*	(5,361)	*(45)*
Other provisions and costs	(1,062)		(1,304)	
of which non-recurring	*(41)*		*(463)*	
Earnings Before Interest, Tax, Depreciation and Amortisation	**2,107**		**(1,116)**	
Amortisation, depreciation and write-downs	(1,104)		(1,392)	
of which non-recurring	*(37)*		*(213)*	
Operating profit/(loss)	**1,003**		**(2,508)**	
Financial expenses	(3,368)	*(128)*	(1,859)	*(89)*
of which non-recurring	*(2,175)*		*(178)*	
Impairment loss on Available-for-sale financial assets (AFS)	(1,055)		(3,070)	
of which non-recurring	*(1,055)*		*(3,070)*	
Financial income	1,153		1	
of which non-recurring	*117*			
Profit/(loss) before tax	**(2,267)**		**(7,436)**	
Income tax	(249)		25	
NET OPERATING PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**(2,516)**		**(7,411)**	
Discontinued operations:				
NET OPERATING PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS			**8,547**	
of which non-recurring			*10,231*	
NET OPERATING PROFIT/(LOSS)	**(2,516)**		**1,136**	
of which Net loss attributable to non-controlling interests			(1,223)	
of which Net Profit/(Loss) attributable to Pierrel shareholders	**(2,516)**		**2,359**	

Consolidated cash flow statement

(€ thousands)	31 December 2017	31 December 2016
NET OPERATING PROFIT/(LOSS)	**(2,516)**	**1,136**
of which Net Profit/(Loss) from continuing operations	*(2,516)*	*(7,411)*
of which Net loss from discontinued operations		*8,547*
Amortisation and depreciation	1,068	1,208
Provisions and write-downs	31	298
(Write-back)/Write-down of non-current assets	1,239	-
Other (gains)/losses on non-current assets		(8)
(Gain) from TMX deconsolidation		(10,231)
Transfer of AFS Reserve to profit or loss due to impairment loss on Relief		3,070
Movement in taxes	260	(94)
Movement in outstanding financial expenses	2,068	1,120
Movement in inventories and work in progress	(331)	124
Movement in trade receivables	(530)	583
Movement in trade payables	(1,352)	223
Net movement in other current assets and liabilities	(1,348)	(648)
Movement in employee benefits	(6)	8
Cash flow used in operating activities	**(1,417)**	**(3,211)**
Outflow for acquisition of tangible assets	(1,011)	(382)
Outflow for acquisition of intangible assets	(91)	(165)
Cash proceeds from sale of RELIEF shares	1,196	64
Net movement in other non-current assets and liabilities	8	24
Outflow for investments in other non-controlling interests	-	(100)
Net cash flow used in investment activities	**102**	**(559)**
Net movement in short-term financing	(1,920)	(1,327)
Cash advance payments for future capital increase	4,000	3,200
Share capital increases net of transaction costs	-	-
Income from the sale of THERAMetrics own shares		573
Costs relating to the incentive schemes for TMX personnel involving share-based payments		16
Cash flow from financing activities	**2,080**	**2,462**
TOTAL CASH FLOW FOR THE YEAR	**765**	**(1,308)**
Net cash and cash equivalents at the start of the year	1,108	2,320
Total cash flow for the year	765	(1,308)
of which from Continuing operations	*765*	*(1,308)*
Exchange effect	(23)	96
Net cash and cash equivalents at the end of the period	**1,850**	**1,108**

(*) of which €718 thousand for net notional income (net notional expenses of €538 thousand at 31 December 2016)

Balance sheet, income statement and cash flow statement of Pierrel S.p.A. at 31 December 2017

Assets

(Euro)	Notes	31 December 2017	*of which vs. related parties*	31 December 2016	*of which vs. related parties*
Intangible assets	(1)	288,530		266,409	
Tangible assets	2	10,215,894		10,221,879	
Investments	(3)	4,574,475		4,574,475	
Receivables and other non-current assets	(4)	3,225,789	*3,225,789*	4,300,000	*4,300,000*
Prepaid tax	(5)	5,274,522		5,407,238	
Non-current assets		**23,579,210**		**24,770,001**	
Inventories	(6)	2,558,974		2,430,604	
Trade receivables	(7)	2,280,950	*197,658*	2,260,533	*832,122*
Tax receivables	(8)	42,956		54,564	
Other current assets and sundry receivables	(9)	809,835	*199,640*	711,381	*113,217*
Cash and cash equivalents	(10)	1,498,511		836,984	
Available-for-sale financial assets (AFS)	(11)	**477,823**		**4,946,697**	
Current assets		**7,669,049**		**11,240,763**	
TOTAL ASSETS		**31,248,259**		**36,010,764**	

Equity and liabilities

(Euro)	Notes	31 December 2017	of which vs. related parties	31 December 2016	of which vs. related parties
Share capital		50,000		50,000	
Reserves and Retained earnings		10,029,747		4,613,963	
Loss for the year		(1,996,889)		(6,865,379)	
Equity	(12)	**8,082,858**		**(2,201,416)**	
Employee benefits	(13)	350,877		351,388	
Non-current financial liabilities	(14)	6,033,746		7,519,118	
Non-current tax payables	(15)	100,545		113,577	
Other current liabilities and sundry payables	(16)	5,958,817		8,098,336	
Non-current liabilities		**12,443,985**		**16,082,419**	
Trade payables	(17)	4,301,823	*15,216*	5,657,291	*6,593*
Current financial liabilities	(14)	2,496,170	*577,108*	11,246,338	*721,137*
Current tax payables	(18)	104,750		28,394	
Short-term provisions for liabilities	(19)	176,677		218,464	
Other current liabilities and sundry payables	(20)	3,641,996	*35,350*	4,979,274	*45,350*
Current liabilities		**10,721,416**		**22,129,761**	
TOTAL LIABILITIES		**23,165,401**		**38,212,180**	
TOTAL EQUITY AND LIABILITIES		**31,248,259**		**36,010,764**	

Separate income statement

(Euro)	31 December 2017		31 December 2016	
		related parties		*related parties*
Revenue	16,809,312	*5,921,699*	13,773,666	*4,791,676*
of which non-recurring	*390,113*		*163,941*	
Raw materials and consumables used	(5,759,429)	(14,535)	(5,344,248)	
Sundry services	(2,456,691)		(2,657,173)	(50,000)
of which non-recurring	*(158,224)*		*(56,200)*	
Third-party goods	(99,317)		(119,247)	
of which non-recurring				
Personnel costs	(5,040,878)	(35,350)	(5,330,898)	(45,350)
of which non-recurring				
Other provisions and costs	(1,355,812)		(1,443,097)	
of which non-recurring	*(41,175)*			
Profit/(loss) before amortisation/depreciation, financial expenses and tax	**2,097,185**		**(1,120,997)**	
Amortisation, depreciation and write-downs	(1,028,963)		(1,212,701)	
of which non-recurring	*(21,127)*		*(202,153)*	
Operating profit/(loss)	**1,068,223**		**(2,333,698)**	
Financial expenses	(2,976,640)	(58,768)	(1,694,762)	(88,741)
of which non-recurring	*(2,175,264)*		*(177,821)*	
Impairment loss on Available-for-sale financial assets (AFS)	(1,054,565)		(3,070,241)	
of which non-recurring	*(1,054,565)*		*(3,070,241)*	
Financial income	1,091,629	68,870	153,790	*86,000*
Profit/(loss) before tax	**(1,871,353)**		**(6,944,911)**	
Income tax	(125,536)		79,532	
Profit/(loss) for the year	**(1,996,889)**		**(6,865,379)**	
Net Loss/(Profit) attributable to non-controlling interests				
NET LOSS FOR THE YEAR	**(1,996,889)**		**(6,865,379)**	

Cash flow statement

(Euro)	31 December 2017	31 December 2016
Net loss	**(1,996,889)**	**(6,865,379)**
Amortisation and depreciation	1,007,835	1,039,158
Provisions and write-downs	30,678	141,367
(Write-back)/Write-down of non-current assets	1,075,692	173,543
(Gain)/Loss on disposal of non-current assets	-	-
(Gain) from transfer of Deferral on AIC Pharma	(1,385,364)	(1,099,292)
Other (gains)/losses on non-current assets	-	(6,500)
Transfer of AFS Reserve to profit or loss due to impairment loss on Relief	-	3,070,241
Movement in outstanding financial expenses (*)	1,716,903	1,058,487
Movement in deferred taxes	132,716	(65,952)
Movement in inventories	(133,136)	(9,500)
Movement in trade receivables	1,053,794	637,572
Movement in trade payables	(1,355,468)	231,230
Income tax	4,296	(27,032)
Net movement in other current assets and liabilities	(2,197,807)	(560,184)
Movement in employee benefits	(511)	8,931
Cash flow from continuing operations	**(2,047,261)**	**(2,273,310)**
Outflow for acquisition of tangible assets	(1,010,709)	(383,987)
Outflow for acquisition of intangible assets	(41,613)	(30,757)
Outflow for investments in equity interests	-	-
Income from disposal of non-current assets	-	-
Cash proceeds from sale of Relief shares	1,196,011	63,849
Net movement in other non-current assets and liabilities	7,224	25,368
Cash flow from investing activities	**150,913**	**(325,527)**
Net movement in short-term financing	(1,501,612)	(930,341)
Advance payment for future capital increase	4,000,000	3,200,000
Cash flow from financing activities	**2,498,388**	**2,269,659**
TOTAL CASH FLOW FOR THE YEAR	**602,040**	**(329,178)**
Net cash and cash equivalents at the start of the year	836,984	1,172,599
Total cash flow for the year	602,040	(329,178)
Exchange effect	59,487	(6,437)
Net cash and cash equivalents at the end of the period	**1,498,511**	**836,984**

(*) *of which €718 thousand for net notional income (net notional expenses of €538 thousand at 31 December 2016)*

* * *

Pierrel S.p.A. specialises in the manufacture of pharmaceutical specialty products (Contract Manufacturing Division) and the development, registration and licensing of new drugs and medical devices (Pharma Division).
The Pierrel Group is listed on the MTA exchange organised and managed by Borsa Italiana, and has over 60 years' experience in the pharmaceutical sector, as one of Europe's leading producers of local and dental anaesthetics.
Pierrel owns a production unit in Capua, near Naples, Italy, which 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, the US, Russia and Europe. The registered office of Pierrel S.p.A. is in Capua (CE), Italy.

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