LABOMAR

Italian Sustainability Week 2021 Labomar Presentation

JUNE 29-30 AND JULY 1, 2021

















Today's Speakers

WALTER **BERTIN**



FOUNDER & CEO

- FOUNDED LABOMAR IN 1998 FROM THE "FARMACIA BERTIN"
- MEMBER OF THE FEDERSALUS BOARD SINCE 2011 AND OF **UNINDUSTRIA TREVISO SINCE 2012**
- GRADUATED IN PHARMACEUTICAL SCIENCE AND COMPLETED A MASTER DEGREE IN LEAN **MANAGEMENT**







CLAUDIO DE NADAI



IR & BOARD DIRECTOR

- CONSULTANT FOR LABOMAR SINCE 2007 ON FINANCIAL STRATEGY AND BOARD MEMBER SINCE 2018, HE LED THE ASSET DEAL ON IMPORTEAB
- AFTER 13 YEARS AS CFO AND GENERAL MANAGER OF AN ITALIAN SME AND A PAST ENTREPRENEURIAL EXPERIENCE IN AGRI-FOOD, HE FOUNDED BMODEL (CORPORATE FINANCE BOUTIQUE)



CLAUDIO **CRESPAN**



CFO

- JOINED LABOMAR GROUP IN 2021 AND APPOINTED AS CFO
- 15 YEARS IN EXTENSIVE PREVIOUS EXPERIENCE AS CFO AND M&A IN INTERNATIONAL STRUCTURED COMPANIES, PREVIOUS EXPERIENCE IN A BIG4 AUDIT FIRM.
- VICE PRESIDENT OF ANDAF NORTH EAST (CFO ASSOCIATION)



FRANCESCO DA RIVA



HEAD OF SALES

- SIGNIFICANT EXPERIENCE IN LABOMAR, FIRST AS HEAD OF FOREIGN SALES AND RECENTLY PROMOTED TO HEAD OF SALES AND COMMERCIAL NETWORKS
- EXTENSIVE PREVIOUS EXPERIENCE AS SENIOR CONSULTANT IN STRATEGY AND **BUSINESS PLANNING**
- **EDUCATION: MASTER IN MANAGEMENT,** ACCOUNTING AND CONTROL AT BOCCONI University; Master Executive MBA AT CUOA BUSINESS SCHOOL









Today's Speakers

GABRIELE SCHIAVINA



LEAN MANAGER

- JOINED LABOMAR GROUP IN MAY 2019 AND APPOINTED AS LEAN MANAGER
- 15 YEARS IN EXTENSIVE PREVIOUS EXPERIENCE AS PROCESS AND PRODUCTION MANAGER IN SOME PRESTIGIOUS COMPANIES LIKE FERRARI (MODENA) AND CARRARO GROUP (PD)
- Focus on Lean Principles with over 2 years in Lenovys





CRISTINA BETTIN



HR DIRECTOR

- JOINED LABOMAR GROUP IN
 SEPTEMBER 2020 AND APPOINTED AS
 HR DIRECTOR
- EXTENSIVE PREVIOUS EXPERIENCE IN THE FIELD OF HUMAN RESOURCES, WITH REGARD TO ORGANIZATIONAL DEVELOPMENT, TRAINING, RESEARCH AND SELECTION PROCESSES, EMPLOYER BRANDING AND PEOPLE ENGAGEMENT







ANNA ROCCATO



CONTROLLER IN SALES AREA

- JOINED LABOMAR GROUP IN 2019, AS CONTROLLER IN THE COMMERCIAL AREA
- GRADUATED IN ADMINISTRATION,
 FINANCE AND CONTROL AT CA'
 FOSCARI UNIVERSITY







20+ Years History of Continuous Development

LABOMAR BUILDS VALUABLE RELATIONSHIPS WITH THE BIG PHARMA AND STARTS DEVELOPING FOREIGN MARKETS

1998

FOUNDATION OF LABOMAR FROM THE PHARMACY OF DR. BERTIN





2004

LABOMAR BEGINS ITS TRANSFORMATION FROM PHARMACEUTICAL LAB TO INDUSTRIAL MANUFACTURING **COMPANY**

2011

FOUNDATION OF LABIOTRE S.R.L.. TO GUARANTEE THE HIGHEST POSSIBLE QUALITY OF RAW MATERIALS



ATTAINMENT OF THE GMP AND ISO 9001 **CERTIFICATIONS**



2015

ROLL-OFF OF THE BRAND-NEW. PHARMA-GRADE **STANDARD**

L3 PLANT

2018

In January, Dr. BERTIN BUYS **BACK MINORITIES**

AND OWNS 100% OF LABOMAR



2019

LABOMAR SERVES CLIENTS LIKE BAYER, SANOFI, NESTLÉ





NOVEMBER: ACQUISITION OF IMPORTFAB. CANADA-BASED PHARMA CMO



2020 OCTOBER: LISTING ON THE AIM ITALIA **SEGMENT OF**









FOUNDATION OF

2003

LABOMAR RESEARCH, THE R&D BRANCH OF LABOMAR: THE **COMPANY STARTS** BUILDING ITS RESEARCH-DRIVEN DNA



2008

LABOMAR STARTS **BUILDING A** COMMITTED. QUALIFIED MANAGEMENT TEAM



2012 **FONDO ITALIANO D'INVESTIMENTO**

INVESTS IN LABOMAR'S **EQUITY**



Since 2016

START OF THE **LEAN TRANSFORMATION**

PROCESS



EQUITY INVESTMENT (5%) IN PROJECT ZERO SRL. **DEVELOPING VERTICAL** FARMING TECHNIQUES FOR **VEGETAL EXTRACTS**

ZERO

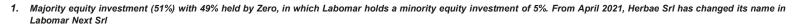
ESTABLISHMENT OF HERBAE⁽¹⁾. PRODUCING FINISHED VEGETAL RAW MATERIALS USING ZERO **TECHNOLOGY**





LABOMAR IS WORKING TO SPUR FUTURE GROWTH, ORGANICALLY AND BY M&A





Source: Management



Distilling the Equity Story





The Leading One-stop-shop CDMO

REVENUES BREAKDOWN (1)



30% (2)

REVENUES BASED ON
PROPRIETARY PATENTS AND
FORMULAS



 $7^{\circ}/_{\circ}$

of FTEs in R&D, c. 4% of REVENUES



c. 1,125

SKUS DELIVERED TO C. 200 CUSTOMERS



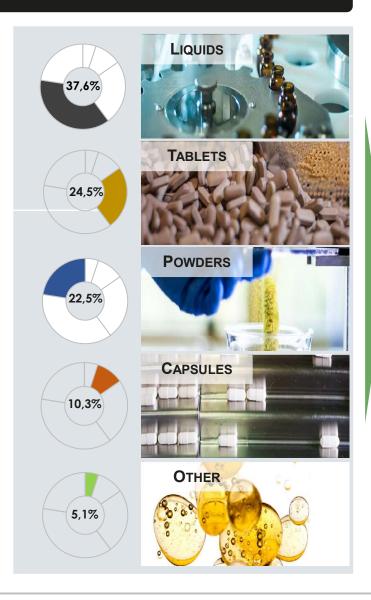
c. 120⁽³⁾

READY-TO-MARKET SKUS
INTERNATIONALLY



31,8%

SHARE OF FOREIGN TOTALSALES, WHICH RISES TO 38,2% ON A CONSOLIDATED LEVEL

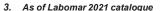








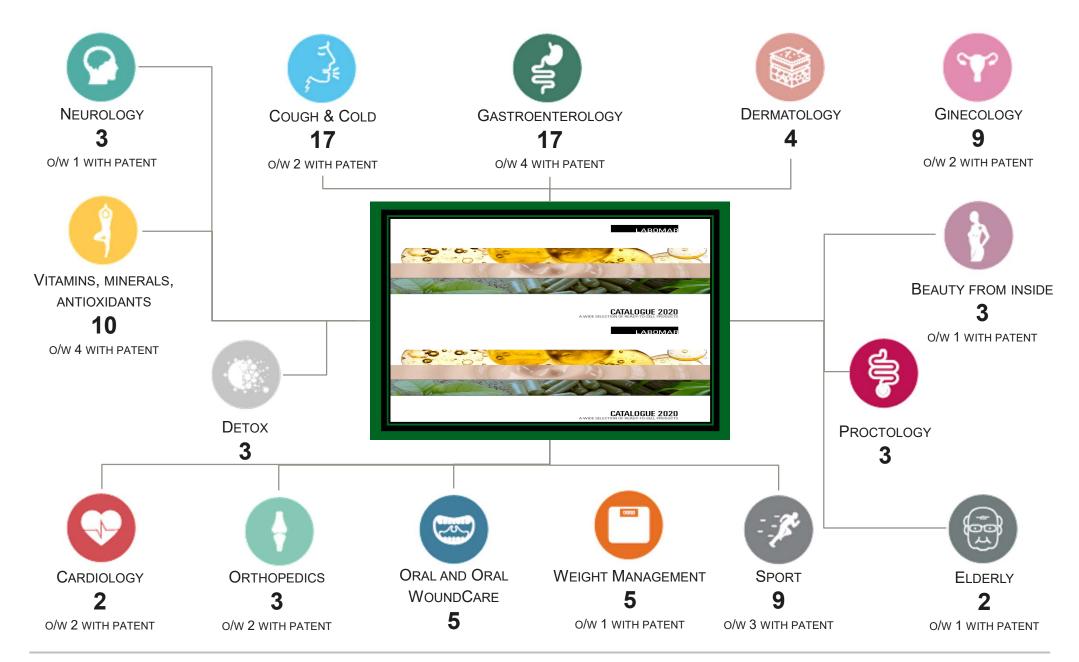
^{2.} Compared to the 2019 figure (34%), the 2020 incidence is lower since many of the products with underlying patents are Medical Devices in the respiratory system / pharyngeal cavity area, which in 2020 recorded a reduction in sales due to the use of masks and less social contacts in connection with the Covid-19 pandemic







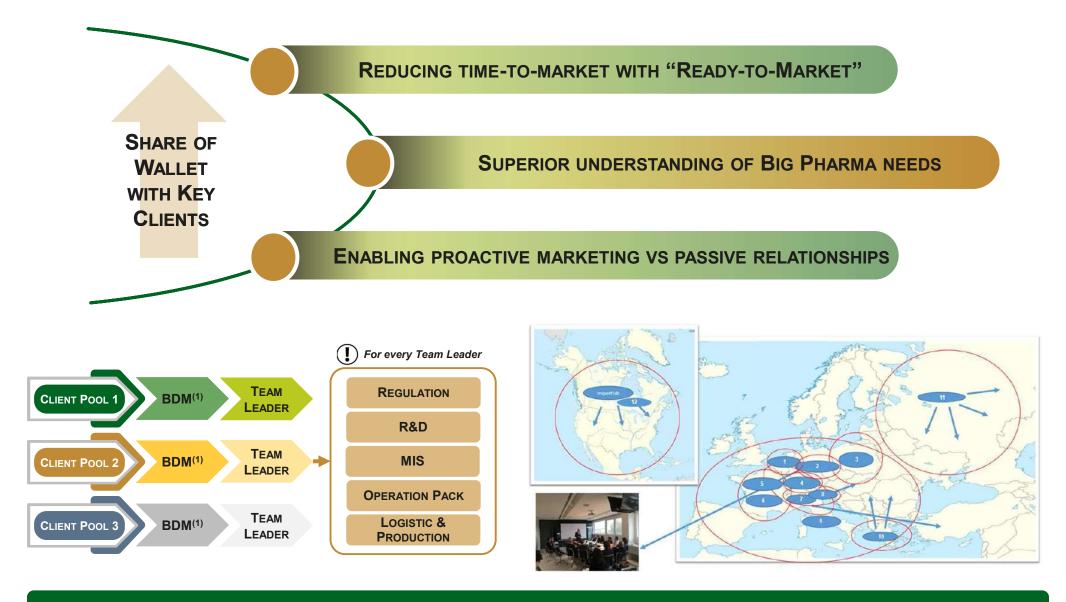
Labomar Catalogue: Unique, Wide "Ready-to-Market" Selection





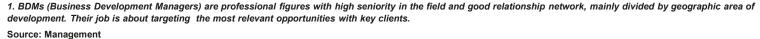
LABOMAR

Unique Salesforce for Unparalleled Client Coverage



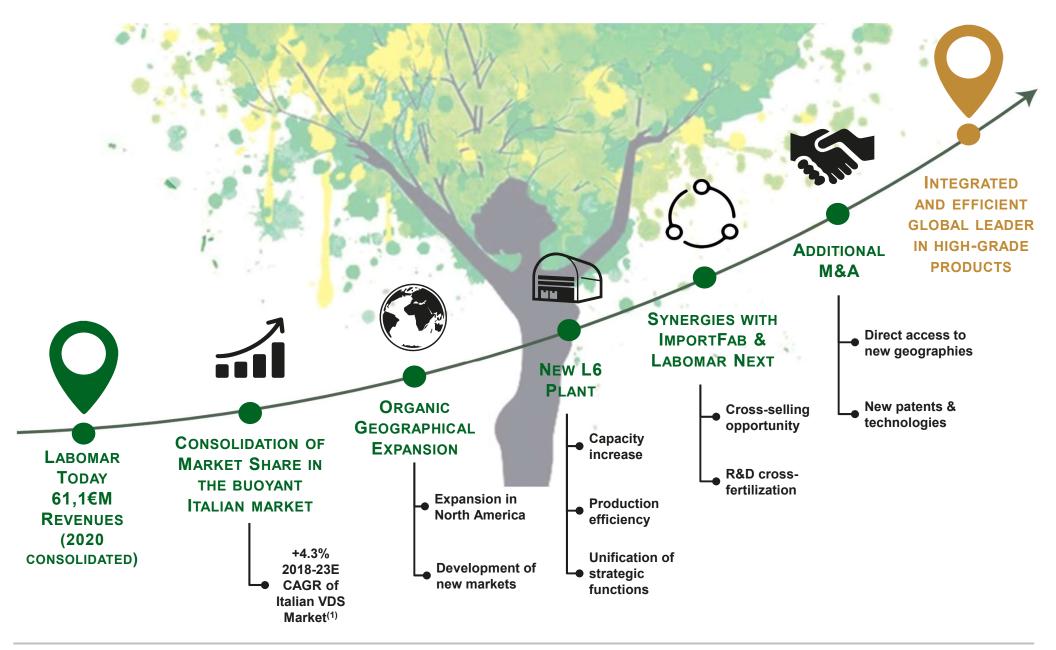
ONE-IN-A-KIND COMMERCIAL STRUCTURE IN THE CDMO LANDSCAPE





Labomar Strategy Pillars

LABOMAR







Late News: First M&A Goal!

Labomar Spa - today 29th June - signed a

Letter of Intent Subject to Confirmatory

Due Diligence for the acquisition of 70% of
the Welcare Group, consisting of Welcare
Industries Spa and Welcare Research Srl.

The completion of the transaction is expected by the first half of July, following the occurrence of certain previous conditions, mainly, the positive outcome of the Due Diligence.





SIGNIFICANT OPPORTUNITIES FOR MUTUAL INTERNATIONAL CROSS SELLING

DEVELOPMENT OPPORTUNITY OF NEW BUSINESS IN THE NATIONAL MARKET

STRONG COMMITMENT OF THE ENTREPRENEURS WHO WILL CONTRIBUTE TO THE GROWTH OF THE GROUP, WITH HIGH PROFESSIONAL SKILLS



Protecting People - Caring for Nature

https://www.welcareindustries.com/it/

COMPANY PROFILE

Umbrian companies founded in 2001 that develop, manufacture and sell medical devices for the treatment of fragile and wounded skin, with specific portfolios covering hospital acquired infections, wound care and treatment of skin inflammation due to radio/chemio therapy.

Internal R&D Capabilities;

Internal regulatory and quality control departments; Certified ISO9001, ISO 13485, ISO14001.

Revenues are made in foreign market for the majority, especially in the Middle East, Europe, South America and Australia.



KEY FIGURES 2020 (CONSOLIDATED VALUES)

(dati in .000€)		
SALES	6.675	100,0%
EBITDA REPORTED	2.371	35,5%
EBIT	2.059	30,8%
NET PROFIT	1.454	21,8%
NFP ex principi IFRS (positiva)	3.041	

Source: Welcare Management





Late News: First M&A Goal!

Labomar Spa will acquire 63% of Welcare Group by the first half of July and 7% in December 2021.

The total value for the purchase of 70% of the share capital of the Group, subject to a possible adjustment based on the precise measurements as at 30 June 2021 on the Net Financial Position, is equal to 9,5 million €.

This value includes an Active Net Financial Position estimated between 2 and 2,4 million €.

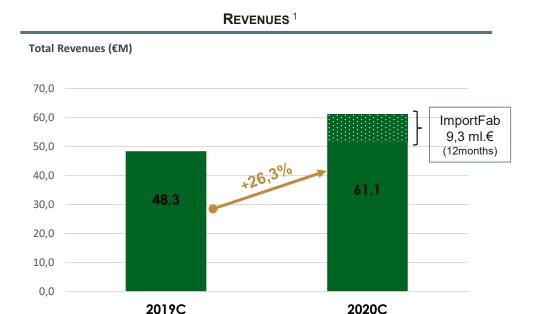
The implicit multiple is 5,04x.

The acquisition will be financed with the proceeds collected by Labomar on the occasion of the listing on the AIM in October 2020.

The **remaining 30%** of the share capital of the Group will be acquire in 2 different moments, with a specular Put and Call option, in the half of 2025 or half of 2026. In this occasion, the multiple applied will be 8,5x.

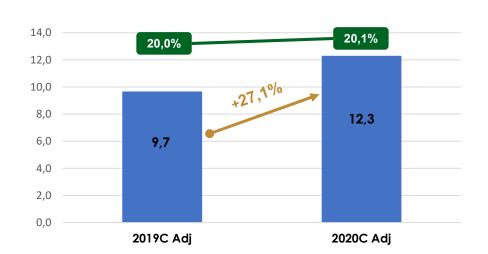


Strong Year Results



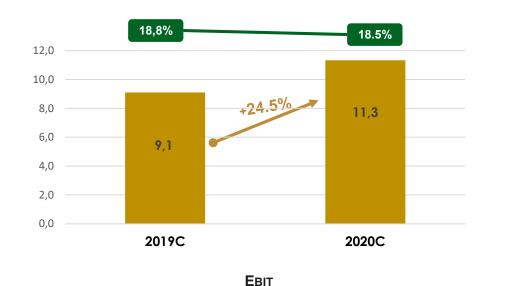


EBITDA ADJUSTED (€M and % Total Revenues)

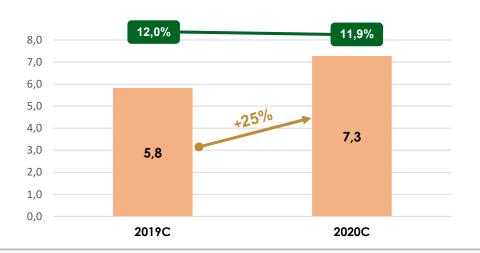


EBITDA

EBITDA (€M and % Total Revenues)

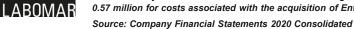


EBIT (€M and % Total Revenues)



^{1: 2020} Revenues includes - for the first time - a full year of revenues from the canadian Entreprises ImportFab Inc., acquired in October 2019.

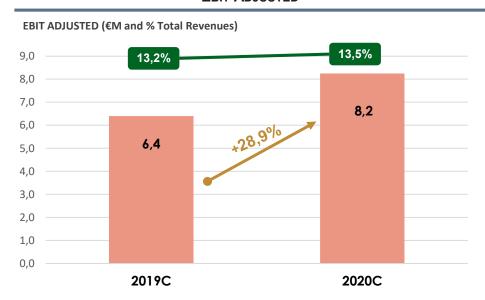
^{2:} EBITDA Adjusted 2020 does not include non-recurring costs of Euro 0.97 million relating to the listing process, while the 2019 figure does not include non-recurring costs of Euro 0.57 million for costs associated with the acquisition of Entreprises Importfab Inc.





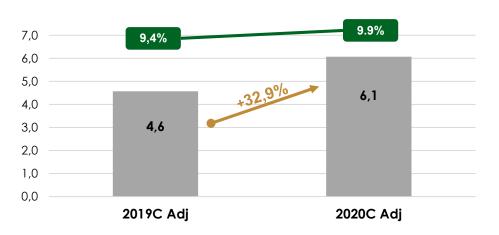
Strong Year Results

EBIT ADJUSTED 1

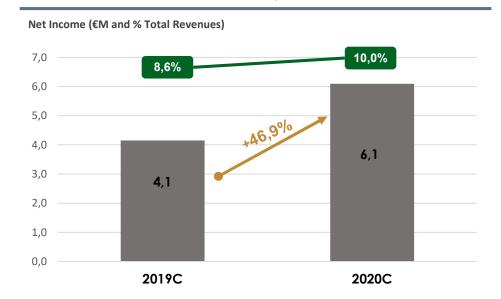


NET INCOME ADJUSTED ²

Net Income Adjusted (€M and % Total Revenues)

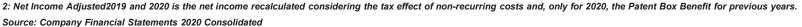


NET INCOME





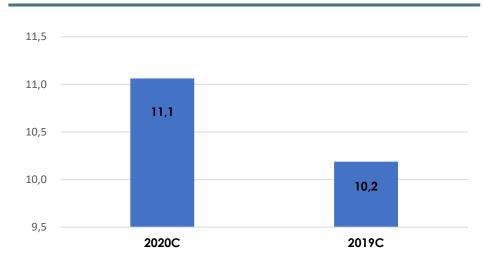
^{1:} The adjustments are the same for EBITDA Adjusted





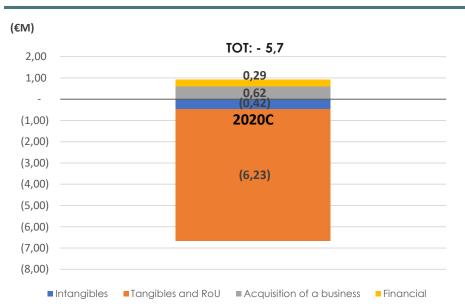
Efficient Business Model and Strong Cash Conversion

CASH CONVERSION FROM OPERATION E NWC

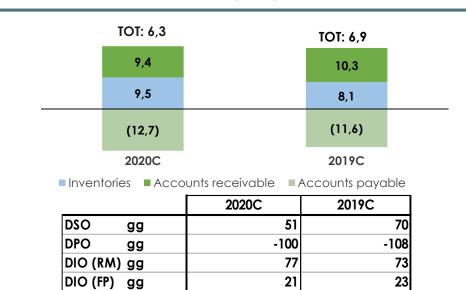


Cash conversion = EBTDA + cash from Trade Net Working Capital

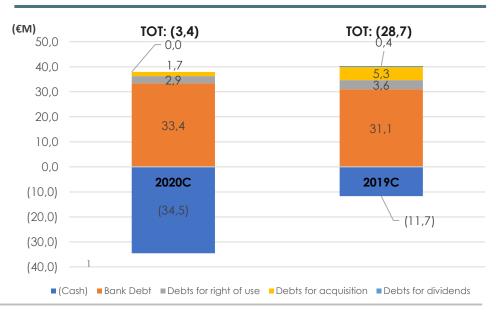
CASH FLOW ABSORBTION FOR CAPEX



TRADE NET WORKING CAPITAL



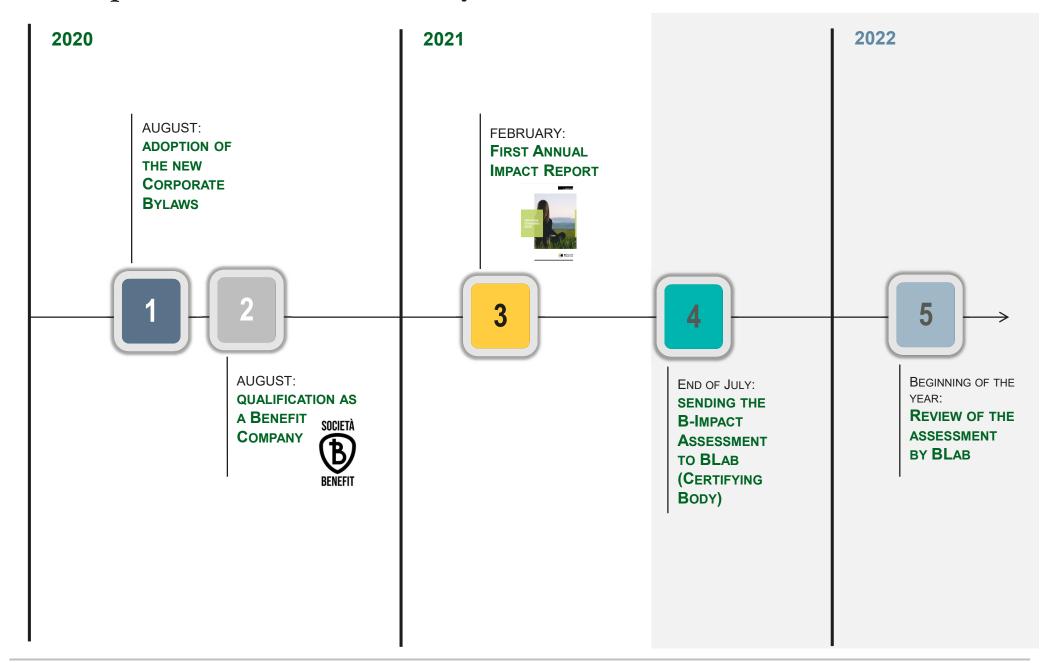
NET FINANCIAL POSITION







A clear path towards Sustainability



2021 Labomar Goal

LABOMAR APPROACH TO **SUSTAINABILITY**





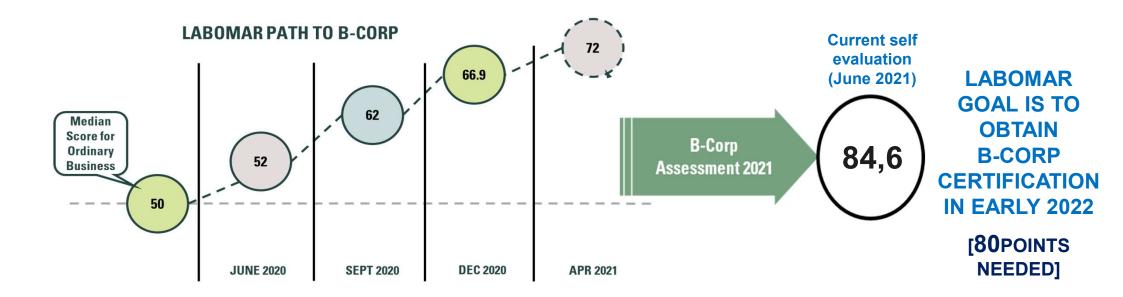
LABOMAR GOAL FOR THE END OF 2021 – BEGINNING OF 2022*: ACHIEVE B-CORP CERTIFICATION







B-Corp Certification: current assessment







LABOMAR

Labomar 1st Impact Report







ESG Organization

10 TEAM LEADERS INVOLVED IN EVERY PHASE OF ITS IMPLEMENTATION



EMANUELE AMADIO CRISTINA BETTIN GIUSEPPE GIROLAMI ANNA ROCCATO

ALESSANDRA ANGELONI FRANCESCO DA RIVA FRANCESCA PAVAN GABRIELE SCHIAVINA





2 EXTERNAL PROFESSIONALS WHO ARE PART OF PTM CONSULTING SRL



Labomar strategic sustainability program







Labomar 1st Impact Report

THE MATERIALITY MATRIX

Respect and ethics in personal and commercial relationships Product Employee well-being innovation Sustainable with a view to **Business** supply chain RELEVANCE FOR STAKEHOLDERS environmental transparency management corporate welfare and integrity Reporting and to stakeholders A culture Process belonging to social and of health innovation Product Supply chain and safety with a view to quality, safety and transparency environmental environmental Creating value for sustainability systems efficacy the community Active Promoting the value of participation in promoting the local area a healthy lifestyle Dialogue government institutions and the public RELEVANCE FOR LABOMAR

COMPANY'S SHARED BENEFIT GOALS





Ethics, Quality, Effectiveness





THE R&D TEAM WORKS WITH HIGH QUALITY RAW MATERIALS AND INNOVATIVE FORMULATIONS



LABOMAR PAYS ATTENTION TO THE **SELECTION OF PARTNERS AND SUPPLIERS**



LABOMAR FOCUSES ON **HIGH-QUALITY PRODUCTION** WITH **CUTTING-EDGE TECHNOLOGIES**



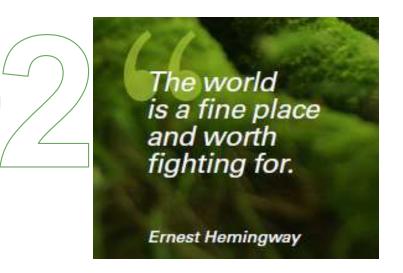
LABOMAR ALWAYS CONDUCTS **PRECISE QUALITY CONTROLS** ON ITS PREMISES, PROCESSES AND PRODUCTS IN LINE WITH THE **GMP STANDARDS**



Commitment, Transparency, Environment

LABOMAR ENVIRONMENT PROGRAMME

ESTABLISHES THE LONG-TERM PATH THAT THE COMPANY INTENDS TO TAKE, AND THE FIRST STEP IS TO MEASURE ITS ENVIRONMENTAL IMPACT.



This process will identify **critical issues in the use of resources** and will allow to Labomar to plan necessary interventions using the **Life Cycle Thinking model.**

4 KEY STEPS/PROJECTS:

- 1. Environmental Management Project
- 2. Sustainable Packaging Project
- 3. SUSTAINABLE SUPPLY PROJECT
- 4. ZERO WASTE PROJECT



Commitment, Transparency, Environment

1. ENVIRONMENTAL MANAGEMENT PROJECT

OBJECTIVE:

- ✓ ACHIEVE ISO 14001 CERTIFICATION;
- ✓ 100% USE OF ELECTRICITY FROM RENEWABLE SOURCES
- ✓ INTRODUCTION OF AN ENVIRONMENTAL MANAGEMENT SYSTEM;
- ✓ ELECTRIFICATION OF THE COMPANY CAR FLEET;
- ✓ REDUCTION OF PLASTIC USED IN DINING AREAS, ELIMINATING PLASTIC BOTTLES AND INTRODUCING A WATER DISPENSER SYSTEM;
- ✓ DOUBLE THE % OF PAPER USED IN THE SUPPLY CHAIN THAT IS CERTIFIED ACCORDING TO THE SUSTAINABLE MANAGEMENT STANDARDS.





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2. Sustainable Packaging Project

OBJECTIVE:

- ✓ INCREASE THE VOLUME OF PACKAGING PURCHASED TO 5% ACCORDING TO THE LIFE CYCLE THINKING, CIRCULAR ECONOMY AND BIOECONOMY PRINCIPLES;
- ✓ SELECT THE PRODUCT LINES INVOLVED IN THE SWITCH TO SUSTAINABLE PACKAGING:
- ✓ LAUNCH NEW PROJECTS BASED ON STRATEGIC PARTNERSHIPS WITH SUPPLIERS AND CUSTOMERS WHO PROMOTE THE ONGOING REDUCTION OF THE ENVIRONMENTAL IMPACT OF PACKAGING.

THE SUSTAINABILITY OF MATERIALS		THE SUSTAINABILITY OF RECYCLING
BIO-PE	PLA	R-PET (50-100%)
Bio-based polymers From renewable sources Recyclable	Polylactic acid polymers (PLAs) From renewable sources Biodegradable and compostable	From recycled resources (PET); (e.g., from empty plastic bottles) It reduces energy and greenhouse gas emissions (>40%) when compared with wigin PET. It helps prevent plastic from being released into the environment, where it would take hundreds of years to decompose naturally.



Commitment, Transparency, Environment

3. Sustainable Supply Project

OBJECTIVE:

CREATE A SUPPLIER MANAGEMENT POLICY THAT ENTAILS A
PREFERENCE FOR AND THE CONSOLIDATION OF RELATIONSHIPS
WITH COMPANIES, PRODUCTS AND SERVICES THAT GENERATE
SOCIAL AND ENVIRONMENTAL VALUE.

2021 OBJECTIVES

50% of current suppliers to be assessed according to social and environmental criteria; take action to increase total purchases from suppliers who stand out thanks to their focus on sustainability;

100% of new suppliers to be assessed according to social and environmental criteria;

Develop a code of conduct to be shared with suppliers;

20% of suppliers to agree to adhere to the code of conduct;

Two structured actions to improve transparency with regard to Labomar's indirect suppliers;

70% of secondary packaging supplied to be FSC-certified;

70% of packaging per shipping unit to be made from waste paper;

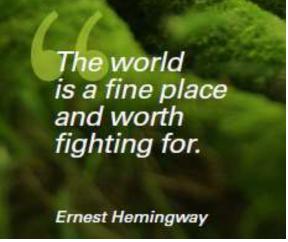
70% of packaging film supplied to be eco-friendly;

4. **ZERO WASTE PROJECT**

OBJECTIVE:

DEFINITION OF THE VARIOUS AREAS OF INTERVENTION ON CORPORATE WASTE AND THE PURCHASE OF PRODUCTS THAT MEET SUSTAINABILITY CRITERIA.





SCOPE OF REDUCTION	2020 TARGETS	2021 ACTIONS
Separated waste collection		Increased capacity to separate waste generated in refreshment areas and offices to be sent for recycling
		2 hours of training per employee
Plastic	Approx. 430kg plastic from water bottles and flasks	50% reduction in plastic from water bottles consumed in dining areas and offices
	2020 bottles donated	Installation of filtered drinking water dispensers
Paper	4,600kg of paper reams used for printing purposes	-10% paper use
		At least 70% of paper purchased possessed certified sustainability characteristics
Travel	Business travel policy	3 electric cars; 3 charging points
Other materials (office, cleaning)		8 eco-sustainable purchase management criteria





Welfare, Community, Respect

THE "GROWTH AT LABOMAR" PROJECT >



THE "LABOMAR WELL-BEING" PROJECT -> ISSUES OF HEALTH AND SAFETY, CORPORATE WELFARE AND WELLNESS

THE "BE LABOMAR BOOK" PROJECT → PROMOTE THE INVOLVEMENT OF STAFF THROUGH CLEAR INTERNAL COMMUNICATION ON COMPANY VALUES AND ACTIVITIES.

THE "LABOMAR DIVERSITY & INCLUSION"

PROJECT

DIVERSITY AND INCLUSION ARE

OPPORTUNITIES TO INVEST IN.







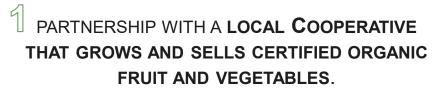
Beauty, Culture, Social, Territory

IMPORTANCE OF **RELATIONSHIPS BETWEEN LABOMAR AND LOCAL ENTITIES.**

Charitable giving and sponsorships

New projects to generate value in 2021

- 1. The Corporate Solidarity Buying Conglomerate Project
- 2. The Social, Environmental, and Landscape Redevelopment Project
- 3. The Treedom Project



THE COOPERATIVE ALSO SELLS A RANGE OF OTHER PRODUCTS MADE FROM ORGANIC CROPS



2 REDEVELOPING **5,000M2 OF LAND IN THE MUNICIPALITY OF ISTRANA IN 2021**, IN

ORDER TO ENHANCE ITS SOCIAL FUNCTION

AND ROLE WITHIN THE REGION

WEB PLATFORM THAT ALLOWS
PEOPLE TO PLANT TREES ALL
OVER THE WORLD



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