

LABOMAR

Mid & Small Conference - Summer Edition Labomar Presentation

JULY 23 AND 26, 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 IMPORTFAB
- 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





GROUP OVERVIEW





LABOMAR IS THE NEW FRONTIER

RESEARCH-DRIVEN FULL SERVICE CDMO OPERATING MAINLY IN
THE **DIETARY SUPPLEMENTS AND MEDICAL DEVICES** SEGMENTS

**LEVERAGING INTERNALLY-DEVELOPED PATENTS AND
A FULL RANGE OF PHARMACEUTICAL FORMS**

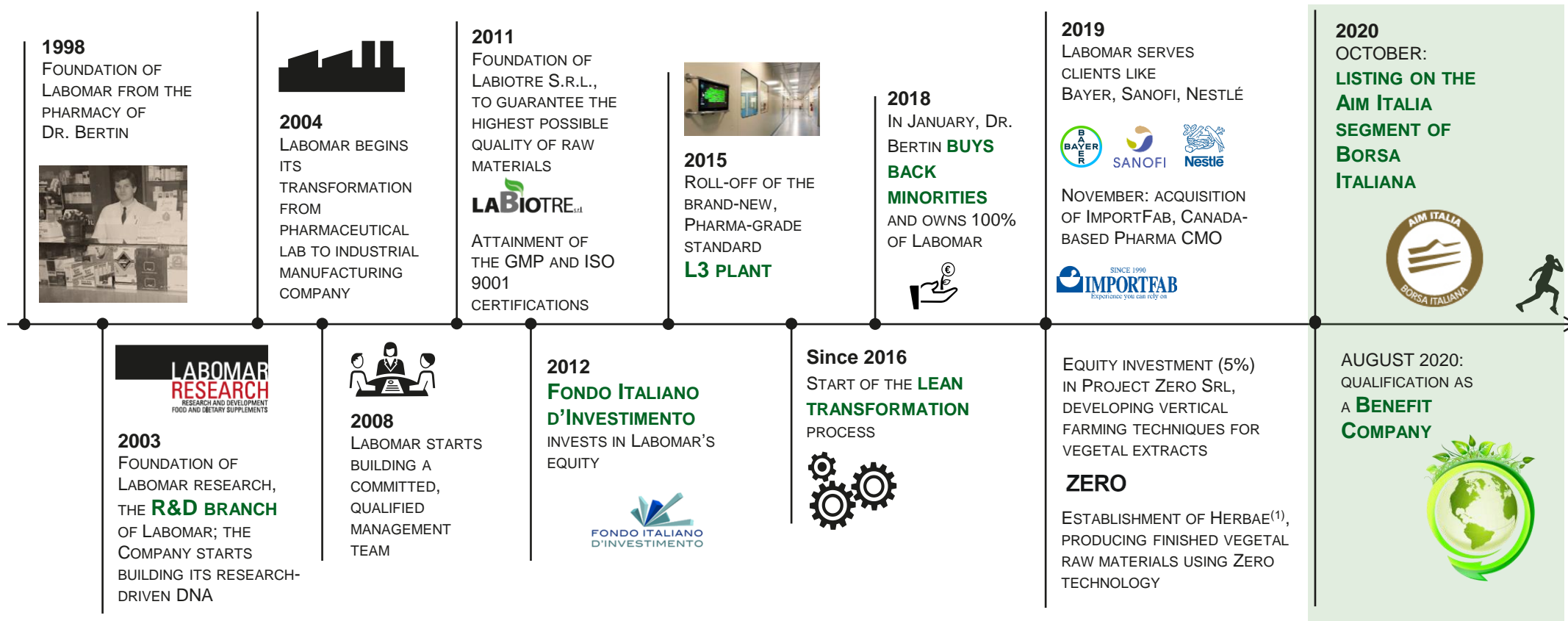
**PROVIDING HIGH-GRADE VALUE-ADDED SOLUTIONS TO
INTERNATIONAL LIFE SCIENCES PLAYERS**

**HIGH ATTENTION TO SUSTAINABILITY, FOR PEOPLE & CUSTOMERS,
INNOVATION AND ETHICS**

THE CDMO «2.0»

20+ Years History of Continuous Development

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



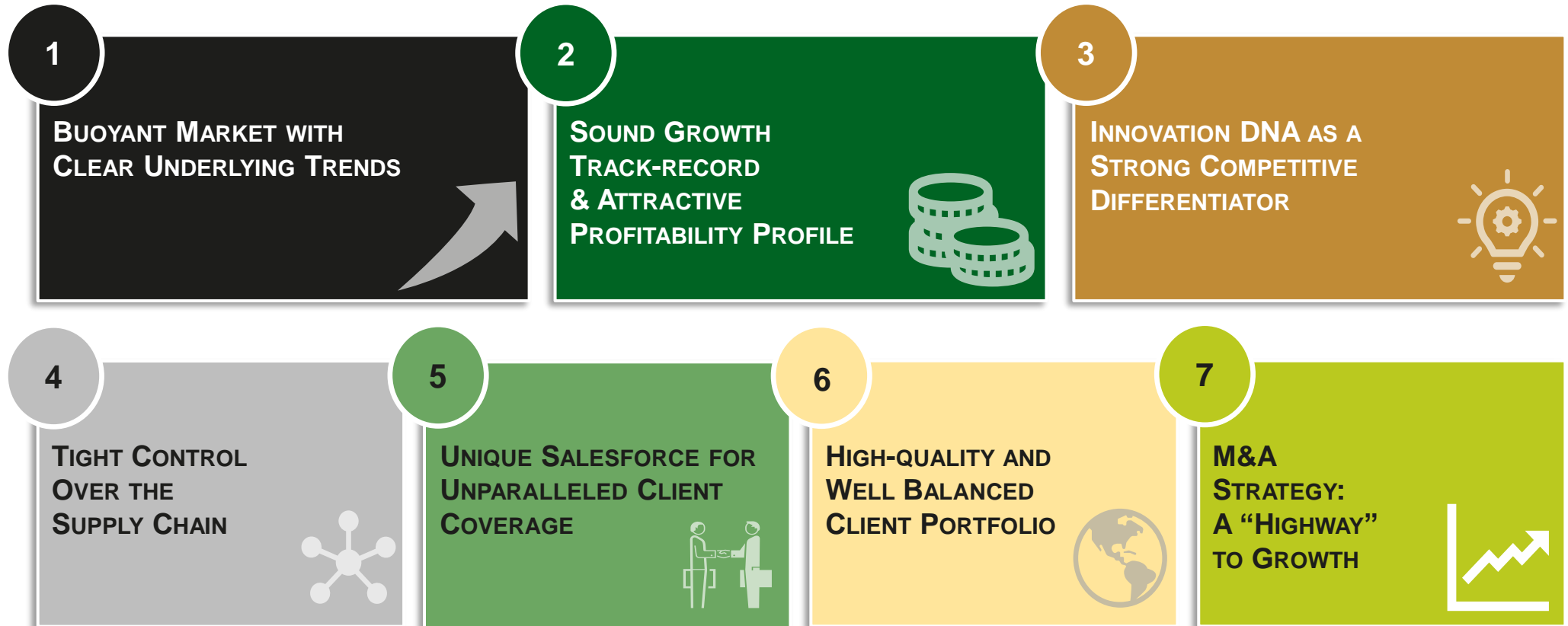
LABOMAR IS WORKING TO SPUR FUTURE GROWTH, ORGANICALLY AND BY M&A

1. Majority equity investment (51%) with 49% held by Zero, in which Labomar holds a minority equity investment of 5%. From April 2021, Herbae Srl has changed its name in Labomar Next Srl

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%

OF FTEs IN R&D,
C. 4% OF REVENUES



c. 1,125

SKUs DELIVERED TO
C. 200 CUSTOMERS



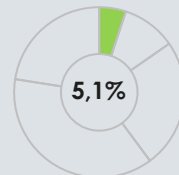
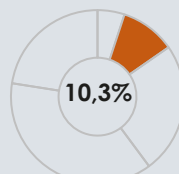
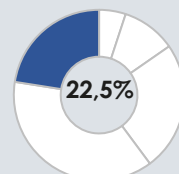
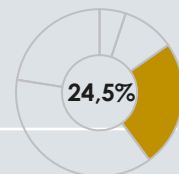
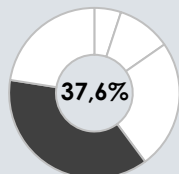
c. 120 ⁽³⁾

READY-TO-MARKET SKUs
INTERNATIONALLY



31,8%

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



EXAMPLE OF CLIENTS



noventure



SANOFI



ANGELINI



ALFASIGMA



Abbott



Dompé



Nestlé



Doppelherz



UNIFARCO



UPSA



MENARINI



GALEN

EXAMPLE OF PRODUCTS



1. Only referred to Labomar stand-alone 2020 (revenues breakdown by pharmaceutical forms are referred only to finished products)

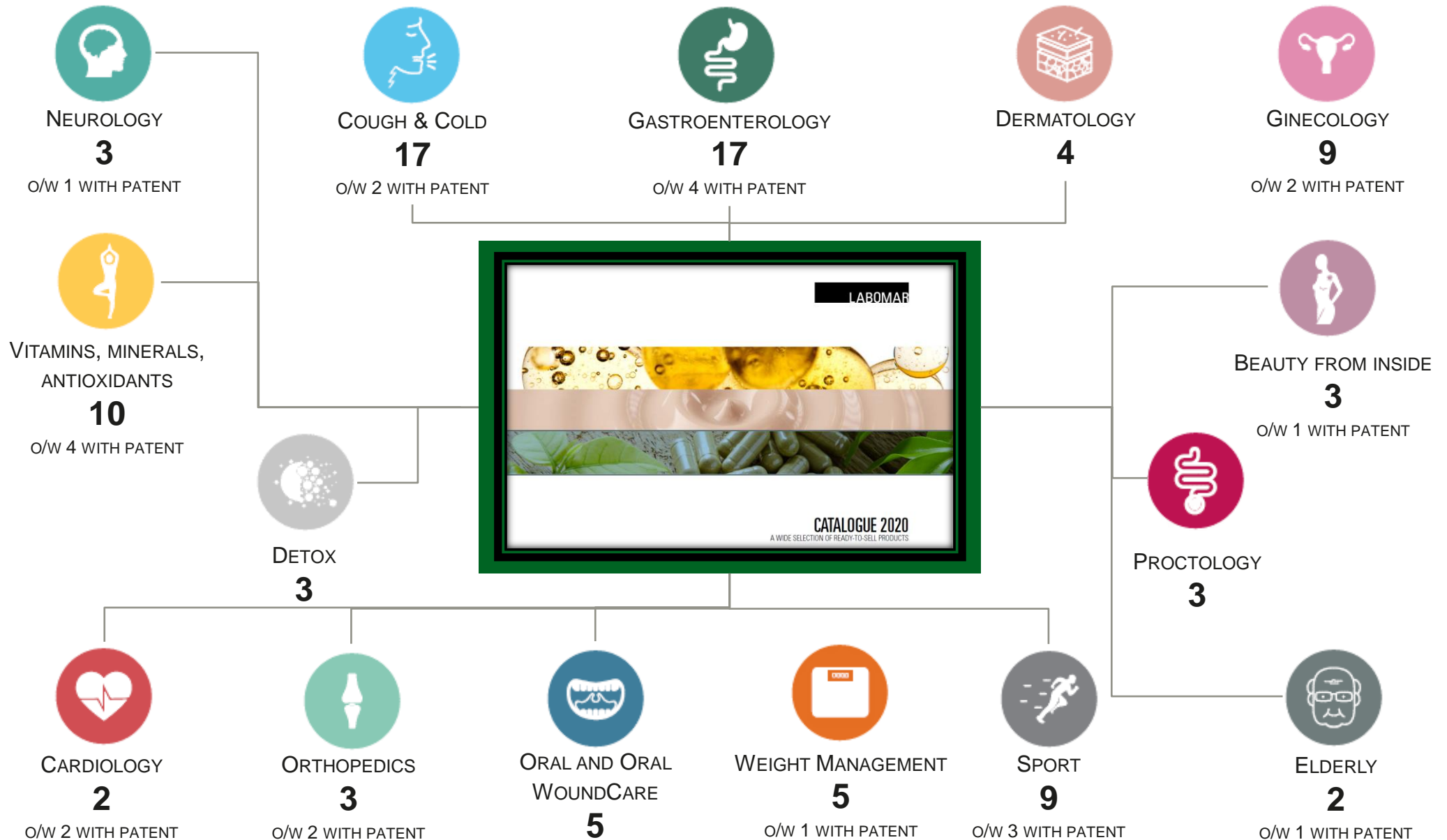
2. Compared to the 2019 figure (34%), the 2020 incidence is lower since many of the products with underlying patents are Medical Devices in the respiratory system / pharyngeal cavity area, which in 2020 recorded a reduction in sales due to the use of masks and less social contacts in connection with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

3. As of Labomar 2021 catalogue

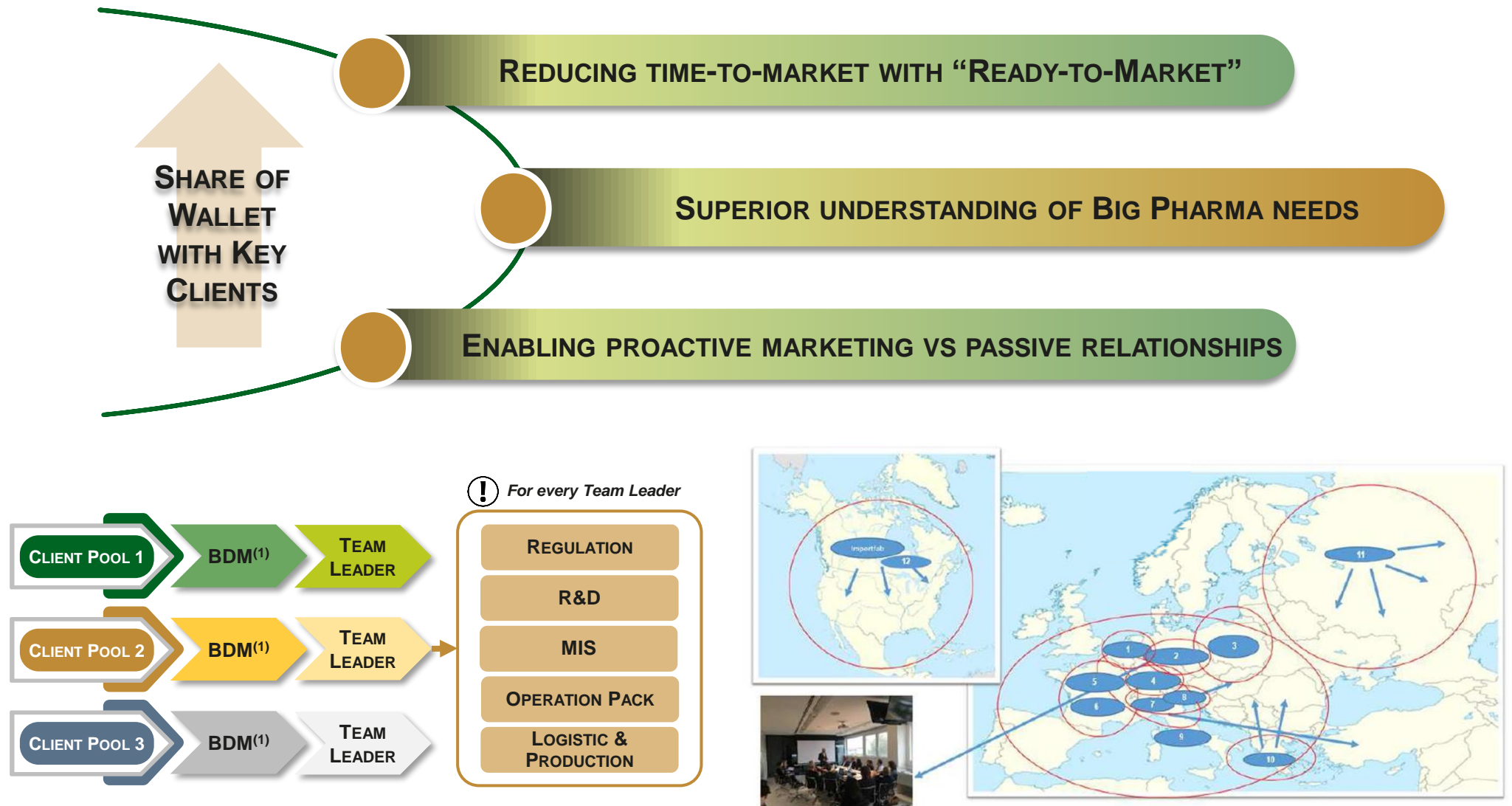
Source: Management



Labomar Catalogue: Unique, Wide “Ready-to-Market” Selection



Unique Salesforce for Unparalleled Client Coverage

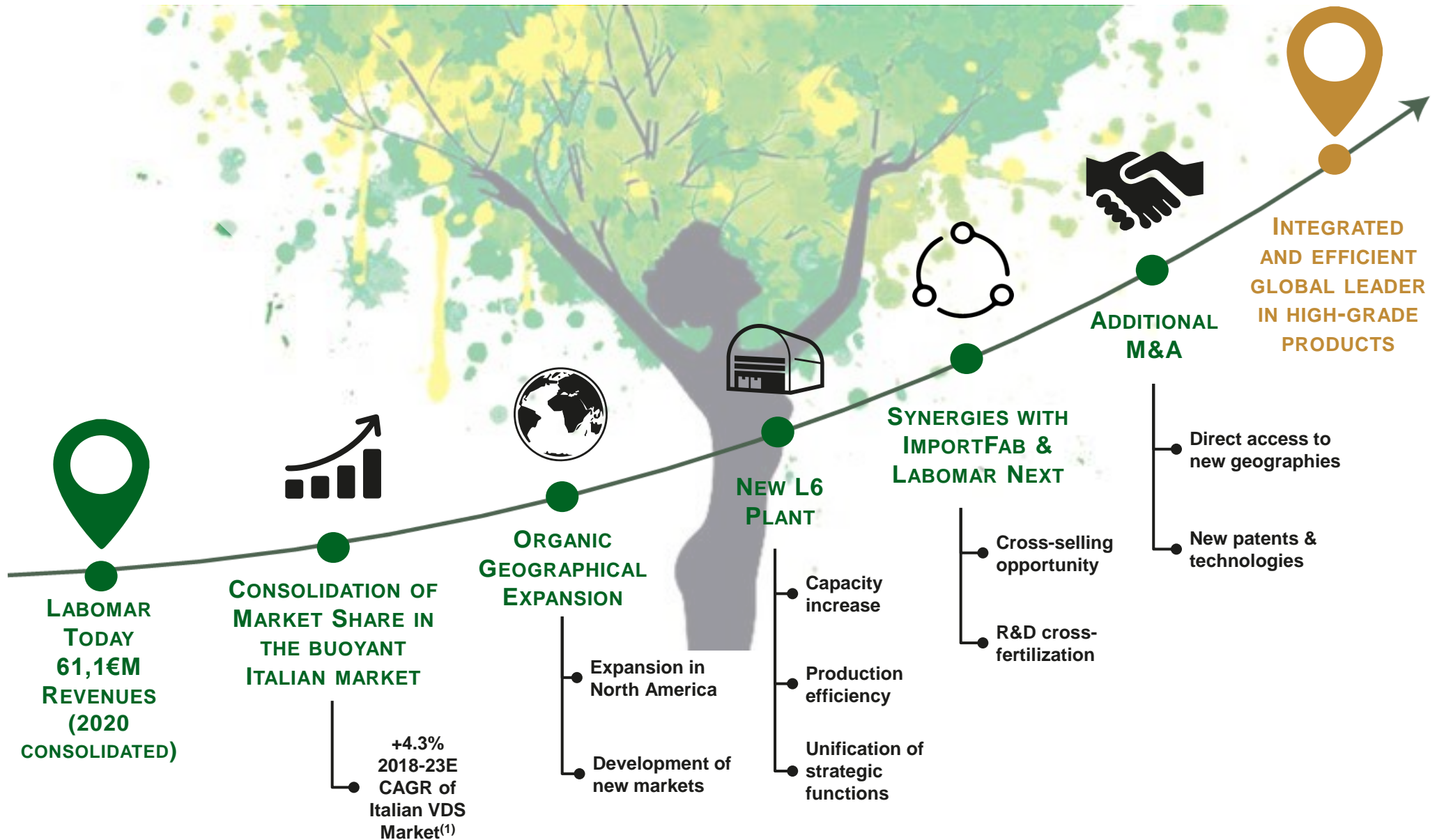


ONE-IN-A-KIND COMMERCIAL STRUCTURE IN THE CDMO LANDSCAPE

1. BDMs (Business Development Managers) are professional figures with high seniority in the field and good relationship network, mainly divided by geographic area of development. Their job is about targeting the most relevant opportunities with key clients.

Source: Management

Labomar Strategy Pillars





**LATE NEWS: FIRST
M&A GOAL AFTER
QUOTATION**

Late News: First M&A Goal after Quotation

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.

WHY WELCARE?



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

WELCARE

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.

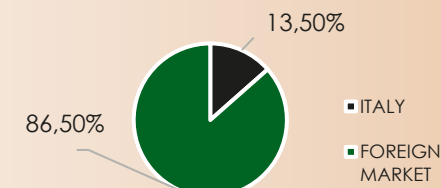
Internal R&D Capabilities;

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.

GEOGRAPHICAL DISTRIBUTION OF 2020 REVENUES



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

SOME PRODUCTS



Late News: First M&A Goal after Quotation

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.**



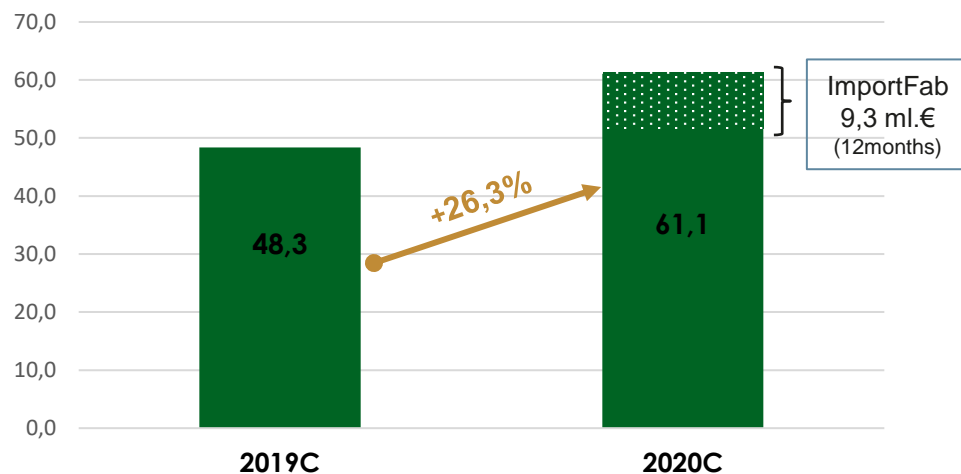


2020 ECONOMIC AND FINANCIAL HIGHLIGHTS

Strong Year Results

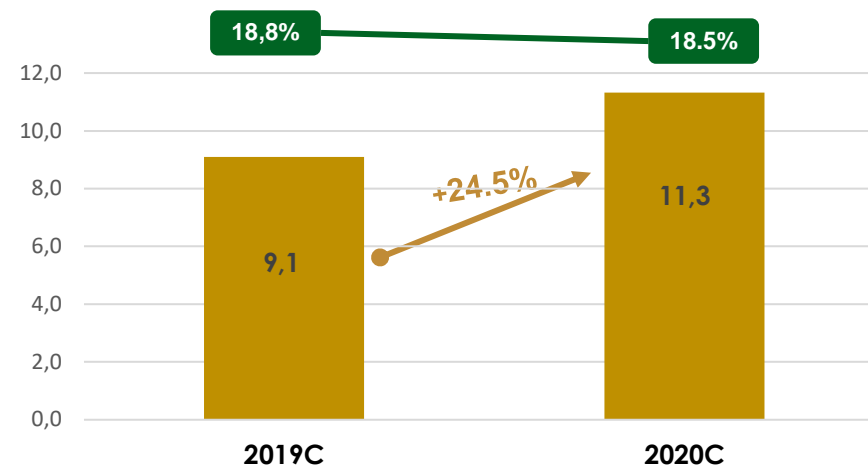
REVENUES ¹

Total Revenues (€M)



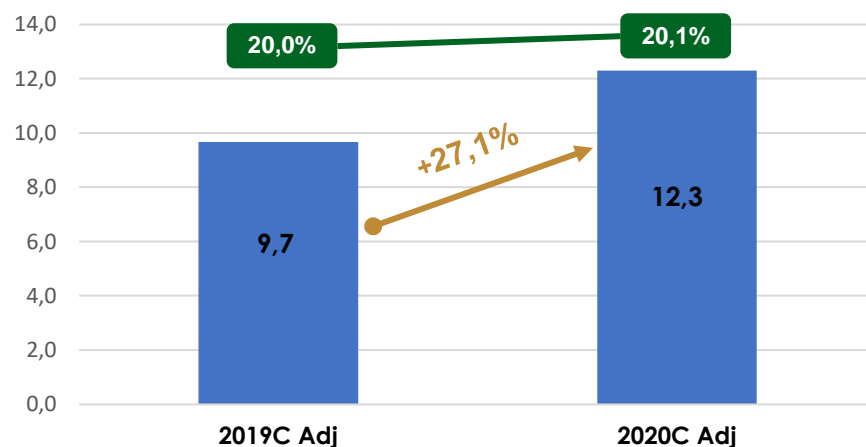
EBITDA

EBITDA (€M and % Total Revenues)



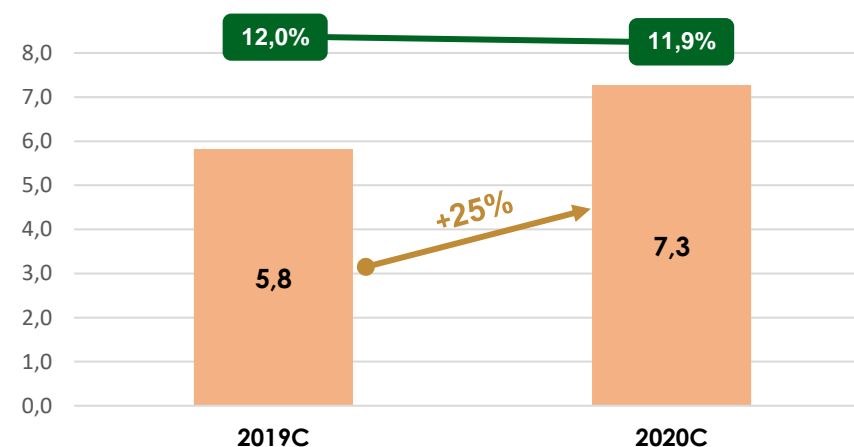
EBITDA ADJUSTED ²

EBITDA ADJUSTED (€M and % Total Revenues)



EBIT

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.

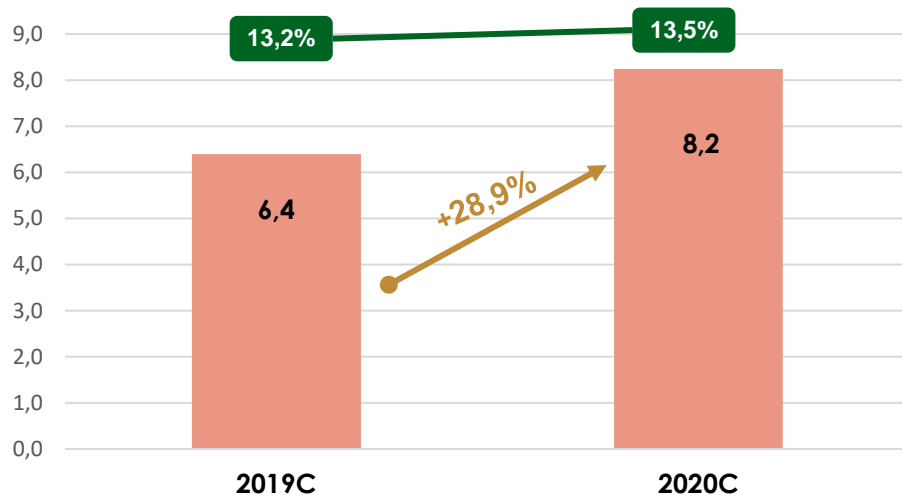
Source: Company Financial Statements 2020 Consolidated



Strong Year Results

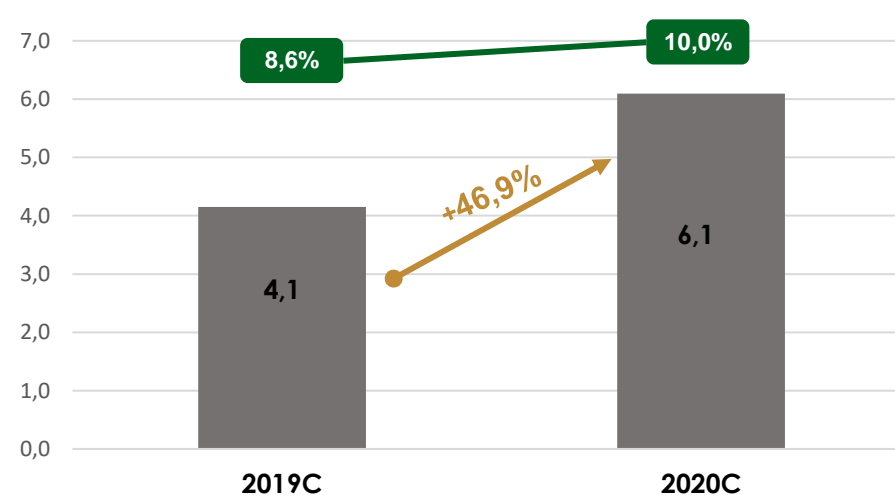
EBIT ADJUSTED ¹

EBIT ADJUSTED (€M and % Total Revenues)



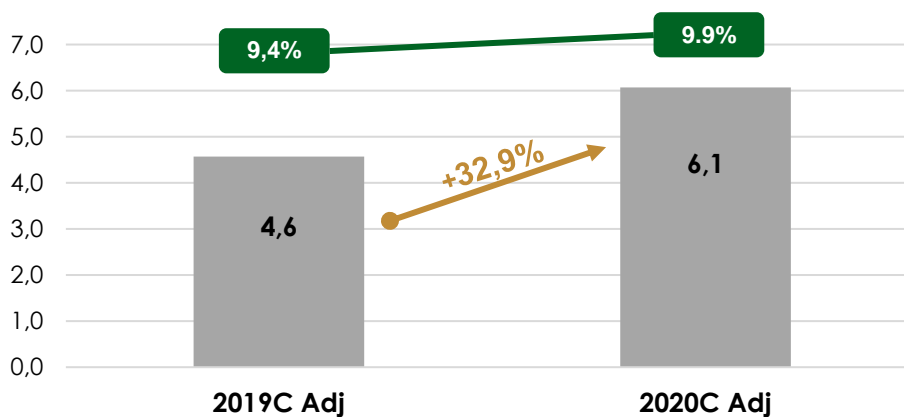
NET INCOME

Net Income (€M and % Total Revenues)



NET INCOME ADJUSTED ²

Net Income Adjusted (€M and % Total Revenues)



1: The adjustments are the same for EBITDA Adjusted

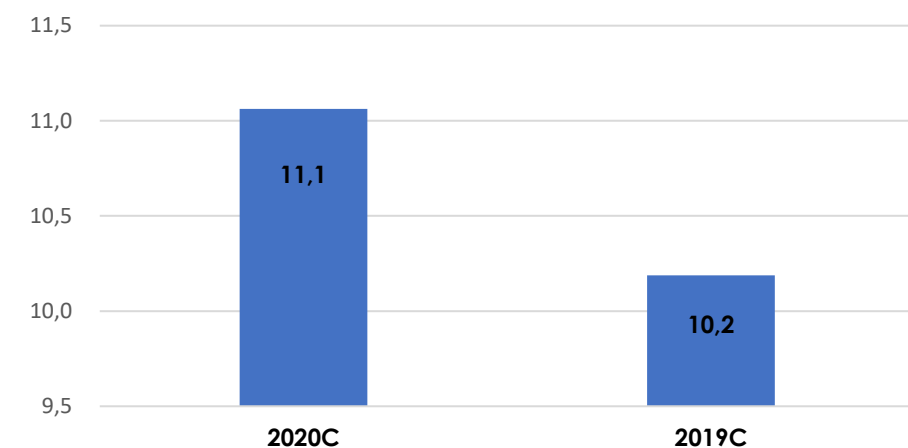
2: Net Income Adjusted 2019 and 2020 is the net income recalculated considering the tax effect of non-recurring costs and, only for 2020, the Patent Box Benefit for previous years.

Source: Company Financial Statements 2020 Consolidated



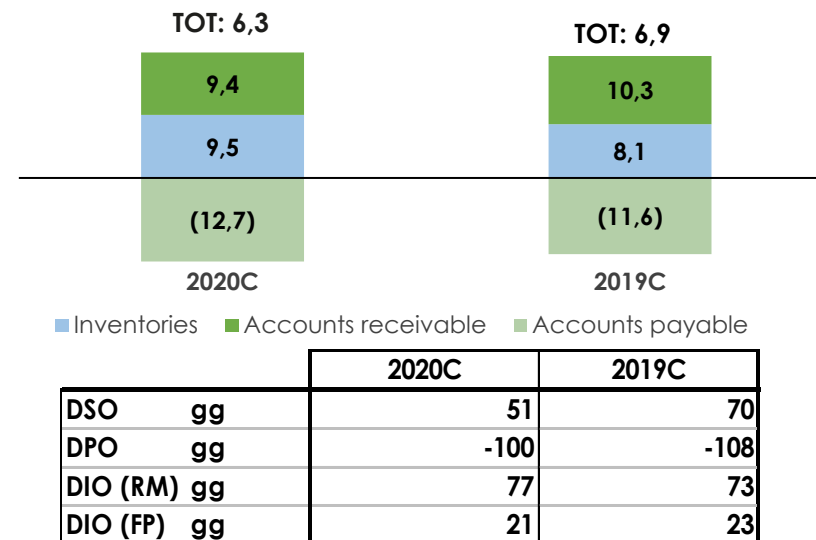
Efficient Business Model and Strong Cash Conversion

CASH CONVERSION FROM OPERATION E NWC

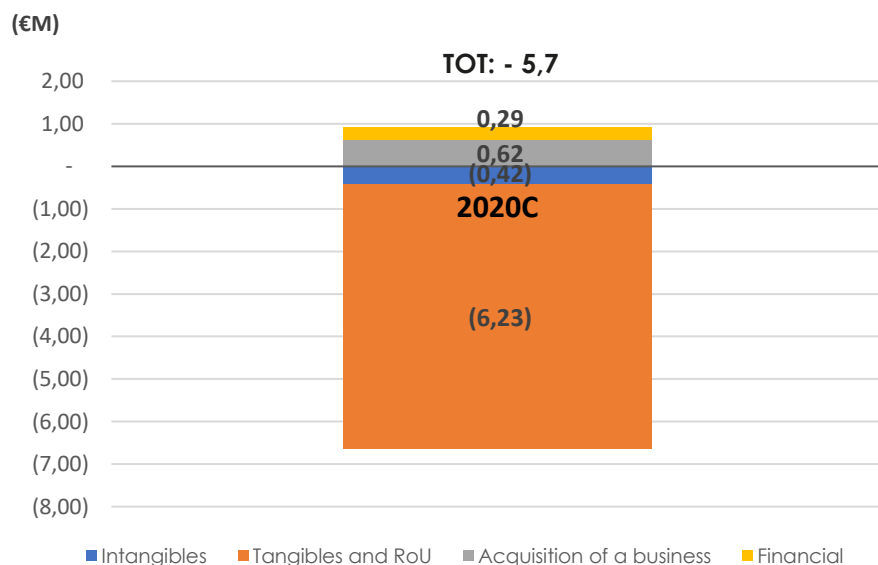


Cash conversion = EBTDA + cash from Trade Net Working Capital

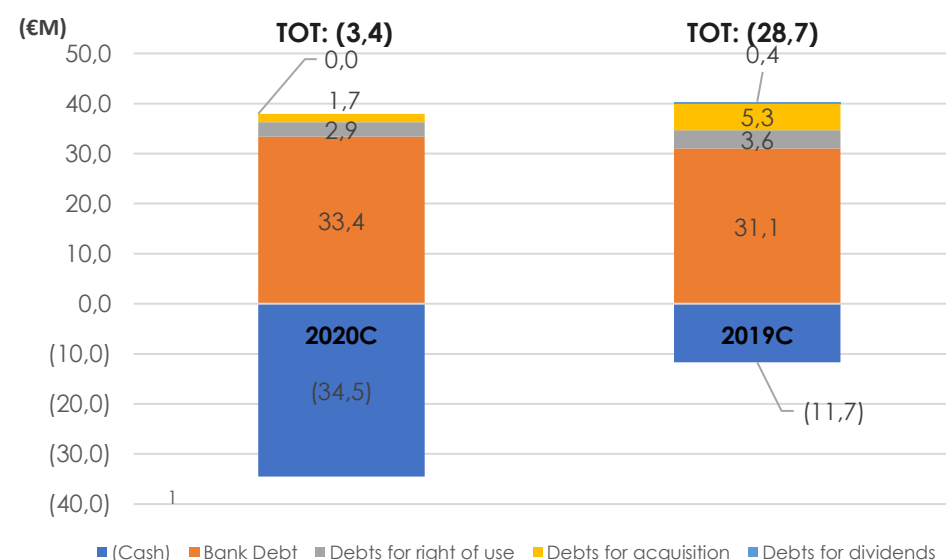
TRADE NET WORKING CAPITAL



CASH FLOW ABSORPTION FOR CAPEX



NET FINANCIAL POSITION

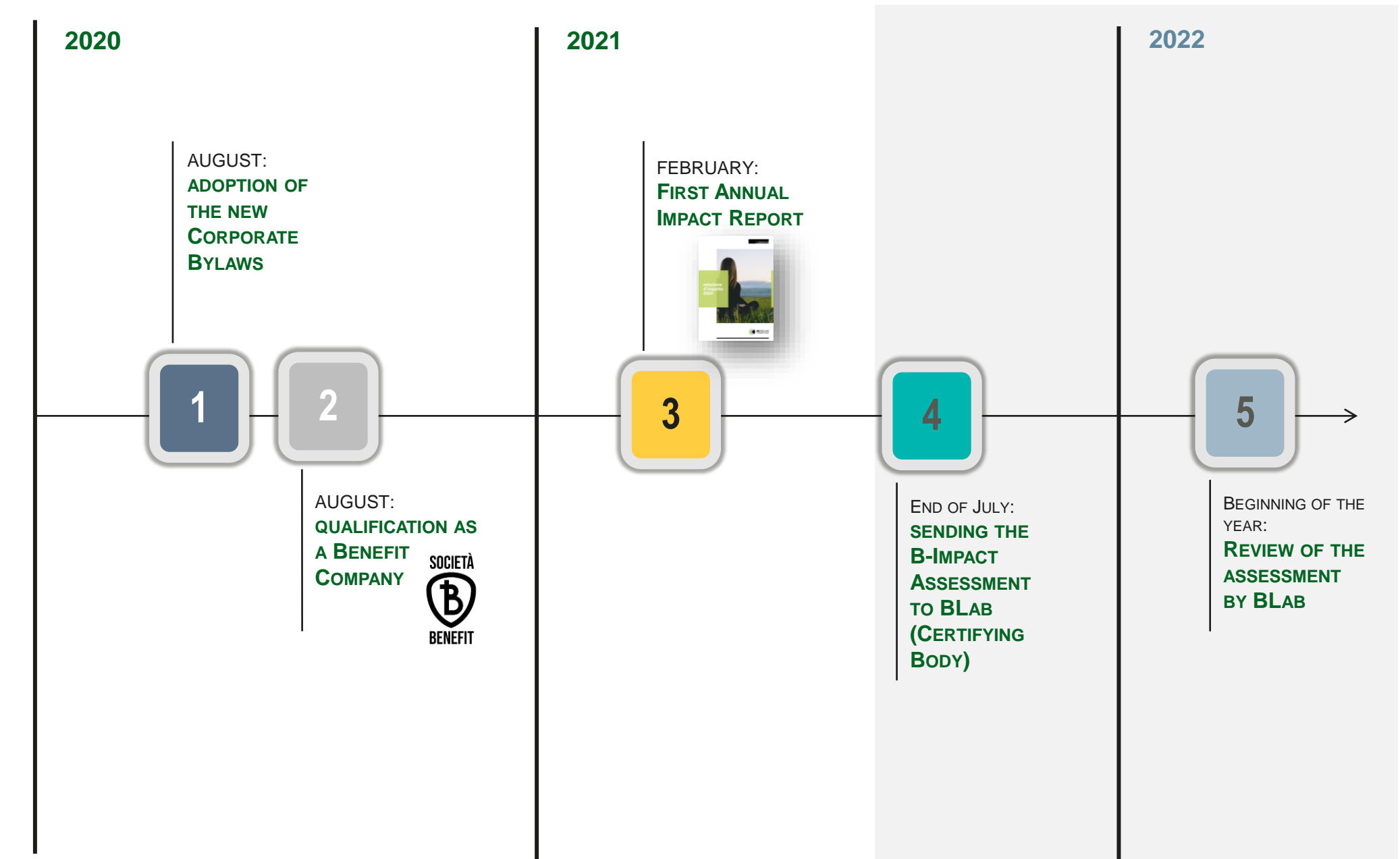




ESG FOCUS



A clear path towards Sustainability



2021 Labomar Goal

LABOMAR APPROACH TO SUSTAINABILITY

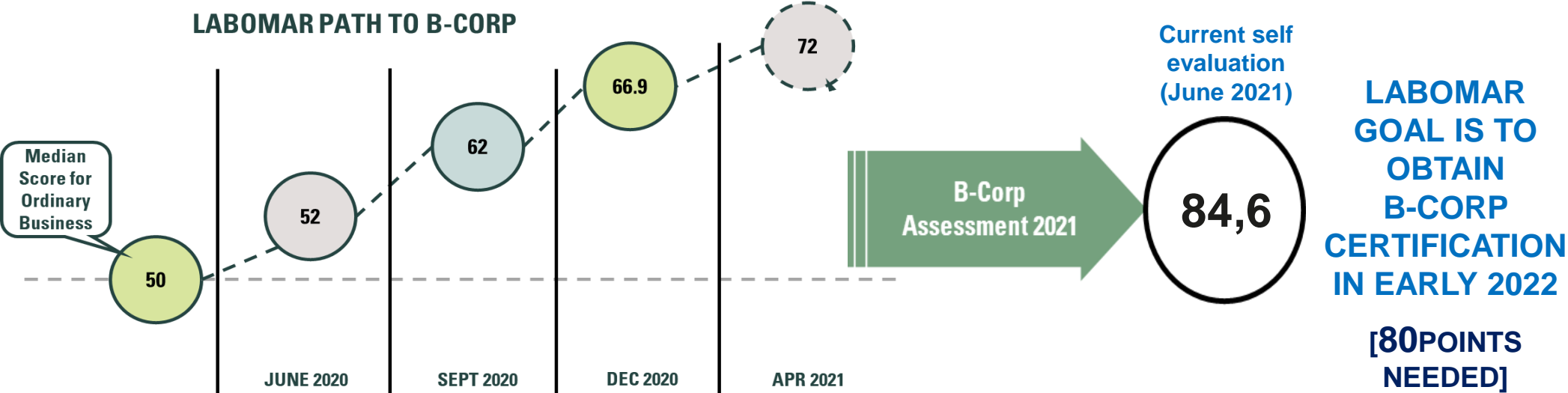


BECIRCULAR
The Sustainability in Labomar

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



B-Corp Certification: current assessment



	Governance	18,93
	Workers	26,34
	Suppliers & Community	18,85
	Environment	16,53
	Customers	3,96



Labomar 1st Impact Report



ESG Organization

10 TEAM LEADERS INVOLVED IN
EVERY PHASE OF ITS IMPLEMENTATION



2 EXTERNAL PROFESSIONALS WHO ARE PART
OF PTM CONSULTING SRL

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