

Press Release

Industrial Partnership between Labomar and Sesa Group

Labomar and Var Group sign Partnership Agreement for the development of digital e-commerce platforms on the chinese market for nutraceutical products

Istrana (TV), September 7, 2021 — Labomar SpA (AIM Ticker: LBM), an Italian-based international nutraceutical enterprise, and Sesa ("SESA" - SES.MI), a business segment technological innovation and digital services leader - through its subsidiary Var Group SpA, a Software and System Integration player - have signed a partnership agreement for the development of Chinese market digital e-commerce platforms for nutraceutical products. The partnership involves the setting up of a Labomar majority-owned Newco, with Var Group - who will develop the partnership project under the LaboVar brand - taking a stake.

The partnership will focus on the development of an e-commerce platform on the Chinese digital market for Labomar's nutraceutical products (food supplements, cosmetics and well-being products).

The digital sales platform will be developed by Adiacent, a Sesa Group company operating in the customer experience and digital marketing sector, specialised in digital e-commerce platforms and digital marketing for international enterprises on the Chinese market, thanks to the long-standing partnership with Alibaba and a direct presence in China through a team of Chinese mother-tongue staff based in Shanghai. The start of operations and the consequent first sales are expected in the first half of 2022.

The partnership is an opportunity to operate on one of the world's largest markets (China), bringing top-quality products and a business model focused on digital sales platforms, such as Tmall (marketplace leader in China for online business-to-consumer retail, owned by the Alibaba Group) and Wechat (Tencent Group), through mini-programs - proprietary tailor-made e-commerce solutions - developed by Adiacent China for leading international customers.

The staffing and specialisations on Adiacent China's team have recently been strengthened with the acquisition of Fireworks in the first half of 2021, doubling the size of the workforce, with approx. 40 Chinese mother-tongue and international staff based in Shanghai.

"I am very satisfied with the launch of this collaboration with such a highly-respected and experienced technological partner as the Sesa Group: it will allow Labomar to gain a foothold on such a large market as the Far East, quickly and flexibly, mirroring our company's "modus operandi". We at the same time will be able to quickly tap into the potential of this area. LaboVar will allow us to test our ability to penetrate the Far Eastern

markets, which report very strong growth in personal care products. The Chinese consumer, in particular, is young and attentive and looks with interest at European products: we want to precisely meet this need", stated Walter Bertin, founder and director of Labomar.

Labomar S.p.A., founded by Walter Bertin in Istrana (province of Treviso) in 1998, is a CDMO (Contract Development and Manufacturing Organization) engaged in the development and production of food supplements, medical devices, foods for special medical purposes and cosmetics for third parties. Its research team creates, develops and manufactures high added-value and innovative content nutraceutical products. Many of the supplements produced by Labomar leverage proprietary technologies which boost the bioavailability of the active ingredients, modulate their gastrointestinal absorption and improve their taste. Over more than 20 years, Labomar has built a business model which sets it apart from its competitors and generates value for all stakeholders, providing a high quality and productivity standard full service. The company boasts a well structured and cutting-edge research and development department, a commercial team which reacts quickly to market demands and a high level of product differentiation thanks to its proprietary patents and formulas.

Labomar reported in 2020 preliminary consolidated revenues of approx. Euro 61.1 million (at like-for-like exchange rates approx. Euro 61.5 million), up 26.3% (27.2% at like-for-like exchange rates) on 2019. The 2020 figure includes - for the first time - the revenues and margins of the Canadian ImportFab for a full year, acquired in October 2019. Labomar SpA's revenues in 2020 were approx. Euro 51.8 million (+10.2% vs 2019). In July 2021, Labomar acquired 63% of the Welcare Group. The Group comprises Welcare Industries S.p.A. and Welcare Research S.r.l., producers of medical devices for skincare, with its registered office in Orvieto. Labomar sincerely believes in operating as a business centred on sustainability and the well-being of the individual, the environment and the community. It has therefore amended its By-Laws to become a Benefit company. This new legal status, introduced in Italy in 2016, formalises the decision to develop a responsible, sustainable and transparent development model, which marries operating-earnings objectives with social and environmental aspects.

Sesa S.p.A., headquartered in Empoli (FI), operating across the country and overseas, including in Germany, Switzerland, Austria, France, Spain, Romania and China, heads Italy's leading technological innovation and business segment digital services Group, with consolidated revenues of approx. Euro 2,037 million and 3,500 employees at April 30, 2021.

The Sesa Group's mission is to provide technological solutions and digital transformation services to enterprises and organisations, supporting their innovation trajectory. Thanks to the expertise and specialisations of its workforce, the Sesa Group operates in the value-added segments of Information Technology, such as Collaboration, Cloud, Digital manufacturing, ERP & Vertical Solutions, Business Services, Digital Security, Customer Experience.

The Sesa Group is involved in four main areas:

- VAD (Value Added Distribution) sector, with revenues of approx. Euro 1,600 million and approx. 425 staff at April 30, 2021;

- SSI (Software and System Integration) sector, with revenues of approx. Euro 480 million and approx. 2,500 staff at April 30, 2021;

- Business Services sector, with revenues of approx. Euro 47 million and approx. 410 staff at April 30, 2021;

- Corporate sector, with revenues of approx. Euro 20 million and approx. 200 staff at April 30, 2021.

The Sesa Group pursues a sustainable development policy in support of its Stakeholders and over the 2011-2021 period has delivered continuous employment, revenue (CAGR 2011-2021 +10.6%) and earnings (EBITDA CAGR 2011-2021 +13.9%) growth.

In 2021, the Company incorporated sustainability into its By-Laws and launched the B Corp certification process. Sesa S.p.A. is listed on the STAR segment of the Italian Stock Exchange (ISIN Code: IT0004729759).

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