

Investor Presentation



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Fine Foods ended 2018 with strong growth

- **REVENUES** €139,4 mln (+ 17%)
- **EBITDA** € 18,7 mln (+ 20%)
- **NET INCOME** € 8,7 mln (+ 40%)

Corporate Governance



The Board of Directors of Fine Foods is composed by 7 directors: 4 nominated by **Fine Foods** and 3 nominated by **Innova Italy** 1

BOARD OF DIRECTORS OF FINE FOODS



Marco Eigenmann
CHAIRMAN
and CEO



Giorgio Ferraris
CEO



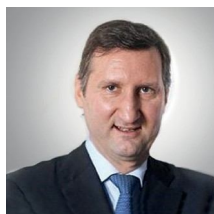
Adriano Pala
DIRECTOR



Federico Oriani
DIRECTOR



Fulvio Conti
DIRECTOR



Paolo Ferrario
DIRECTOR



Marco Costaguta
DIRECTOR

Source: Management elaboration

Fine Foods' Skilled and Strong Management Team



Marco Eigenmann
CHAIRMAN
and CEO

- Age 59, Mr. Eigenmann joined the Company in 1992
- From 1987 he was Director of Pharma-Food-Cosmetics Business Unit and member of the Board of Eigenmann & Veronelli, the family business involved in trading of raw materials
- In 1992 he was appointed Vice President of Eigenmann & Veronelli;
- In 1997 he left the family business to focus on Fine Foods
- From 1997 he is Fine Foods' main shareholder



Giorgio Ferraris
CEO

- Age 61, Mr. Ferraris joined Fine Foods in 2013
- In 2013 he was appointed Board of Directors Member of Mondoconvenienza, left in 2014 to focus on Fine Foods
- Previously, Mr. Ferraris worked for CTI INVEST as M&A General Manager of the Italian packaging division, and for Mondadori Printing
- Between 1995 and 2003 he worked in New Jersey as Executive VP in the specialty chemical sector
- Mr. Ferraris graduated in Pharmacy and attended executive programs at Harvard Business School



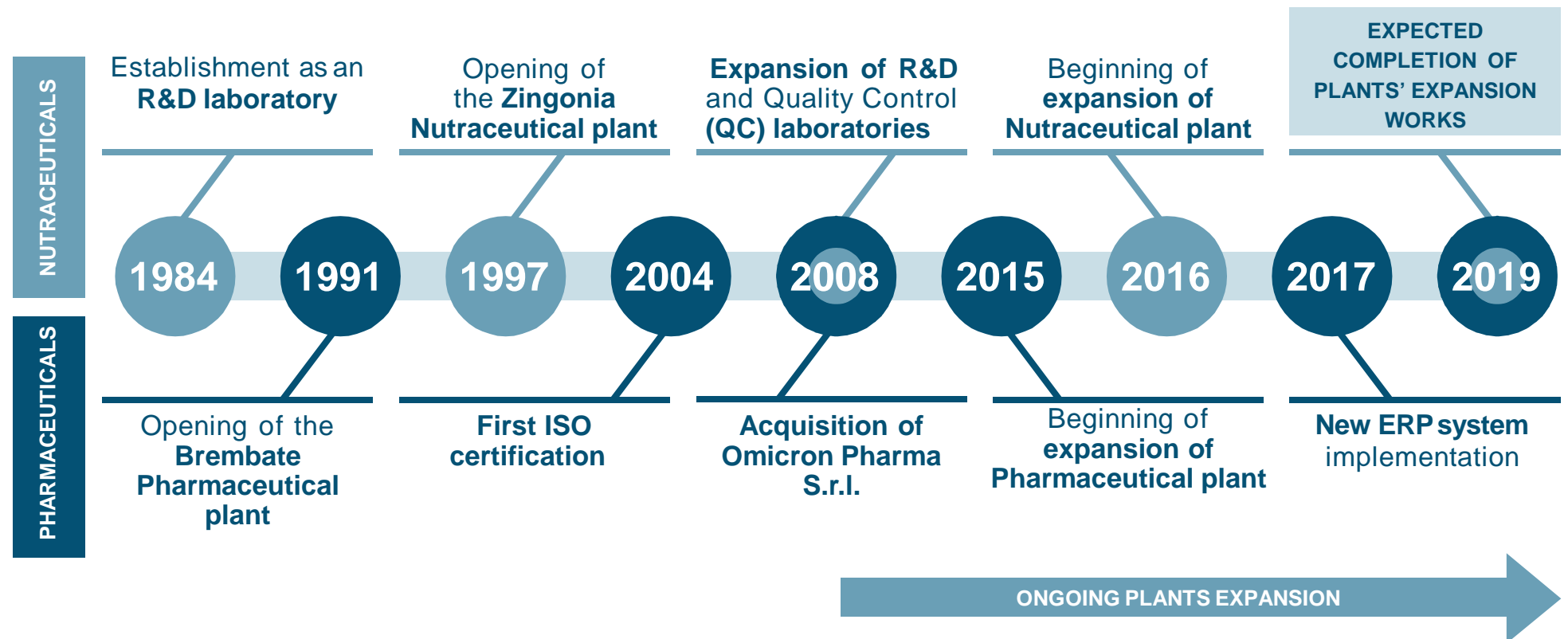
Pietro Bassani
CFO

- Age 55, Mr. Bassani was appointed CFO of Fine Foods in 1998
- From 1993 to 1998, he worked as Administration and Finance Director for La Metallurgica S.r.l. and Vamp Technologies S.r.l.
- He is a qualified accountant ("Dottore Commercialista")
- He graduated in Business Administration

Source: Company data

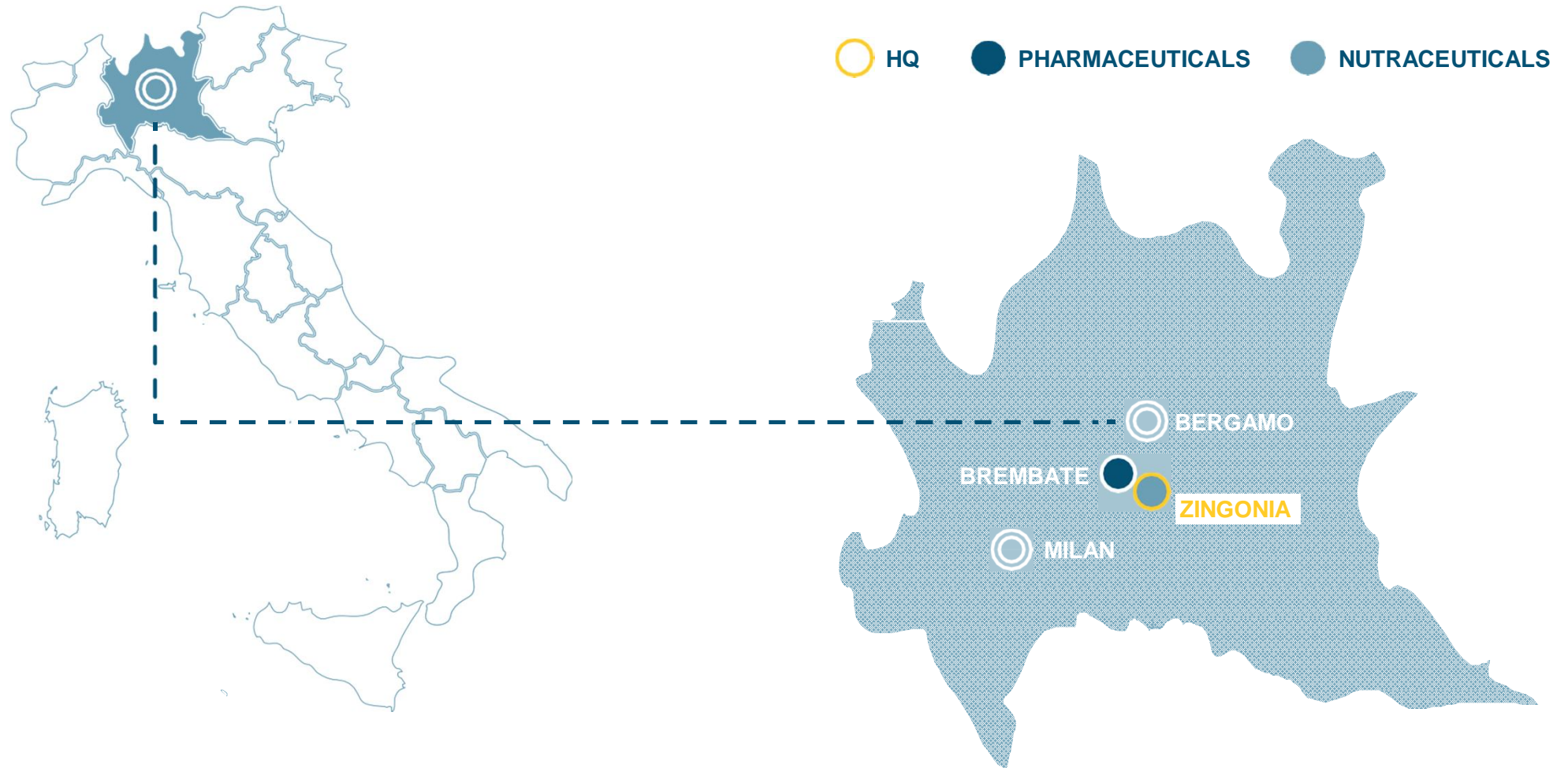
A History of Continuous Growth

- Starting from 2015, Fine Foods has undertaken **significant investments**, to increase **capacity and increase efficiency**, both in Nutraceuticals and Pharmaceuticals



OVER 30 YEARS OF GROWTH, INNOVATION AND FRUITFUL CLIENT RELATIONSHIPS

Manufacturing Plants Geographical Footprint



Fine Foods & Pharmaceuticals N.T.M. S.p.A.



- Fine Foods & Pharmaceuticals N.T.M. S.p.A. ("Fine Foods") is a **CDMO (Contract Development & Manufacturing Organization)** of solid oral forms, for the **Nutraceutical and Pharmaceutical industries**

TABLETS



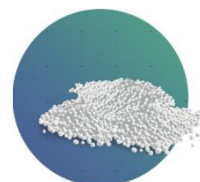
CAPSULES



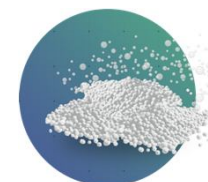
EFFERVESCENT
TABLETS



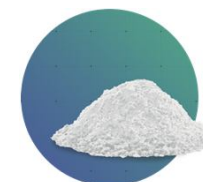
GRANULES



EFFERVESCENT
GRANULES



POWDERS



-
- Fine Foods deliberately holds **no proprietary brands**, in order to maintain **healthy** partnerships and an **integer image with its clients**
 - **Established in 1984** in Brembate (Bergamo), Fine Foods has grown steadily over time becoming a **leader in its reference market**
 - A history of **continuous growth**, innovation and fruitful client relationships: **revenues** have grown **from 50€m in 2009 to 139€m in 2018**, reaching a **2018 EBITDA equal to 18.7€m**, mostly **organically**

Examples of Products Manufactured for Reference Clients



NUTRACEUTICALS

PHARMACEUTICALS

Source:
Company data

Fine Foods Key Figures



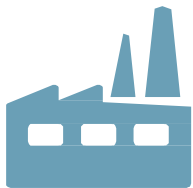
Revenues CAGR of 12% over the last 10 years



Ca. 75% of products sold in 2018 has been delivered abroad⁽¹⁾



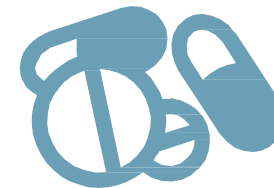
More than 100 customers, including leading Pharmaceutical and Nutraceutical players



92 manufacturing lines in 1 Pharmaceutical plants and 1 Nutraceutical plant



11% of employees dedicated to quality control and assurance



Ca. 1.300 SKUs⁽²⁾, tailored to client needs and delivered with high-quality standards

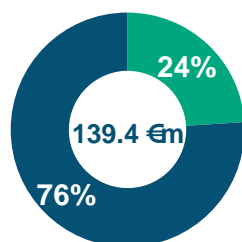
(1) 52€m revenues invoiced in Italy, of which 33€m delivered abroad | (2) SKUs means "Stock-Keeping Units", namely single product codes

Fine Foods at a Glance

2018 Revenues breakdown

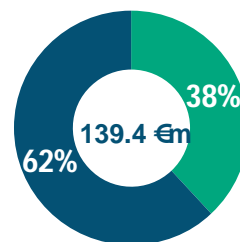
Revenues by end-market

- Pharmaceuticals
- Nutraceuticals



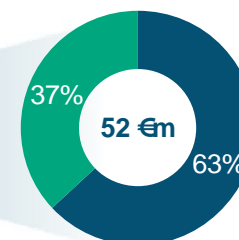
Revenues by geography

- Italy
- Export



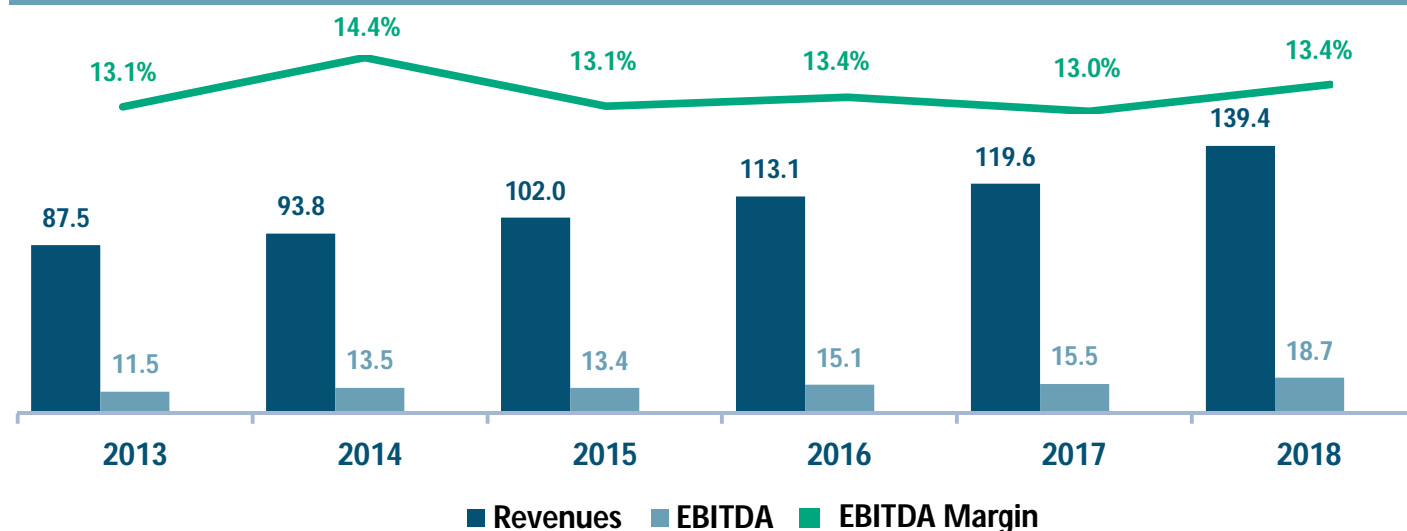
Italian revenues by delivery

- Delivered in Italy
- Delivered abroad



~75% of products delivered to foreign end-markets⁽¹⁾

Revenues and EBITDA evolution (€m)



Revenues CAGR '13-'18 of 9.8%

EBITDA CAGR '13-'18 of 10.2%

Robust EBITDA margin at an average level of 13.4%

(1) 33€m have been invoiced as revenues in Italy, but delivered abroad

Source: Company data

Reference End-markets

PERSONAL CARE



PHARMACEUTICALS



NUTRACEUTICALS



FUNCTIONAL FOOD & BEVERAGE

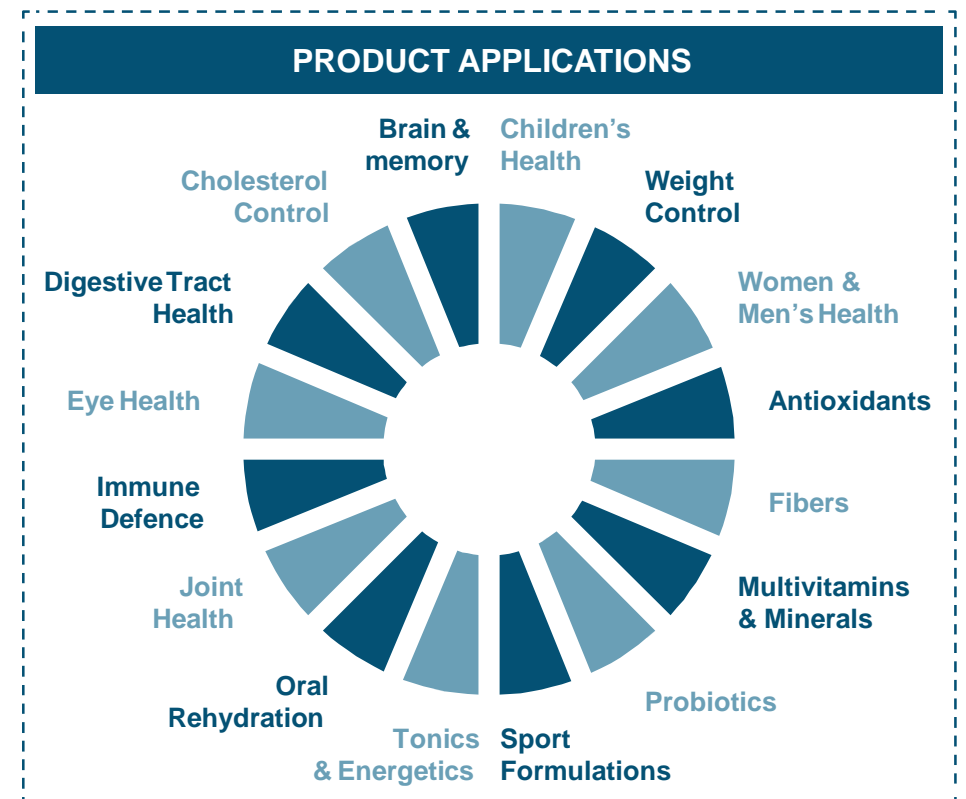
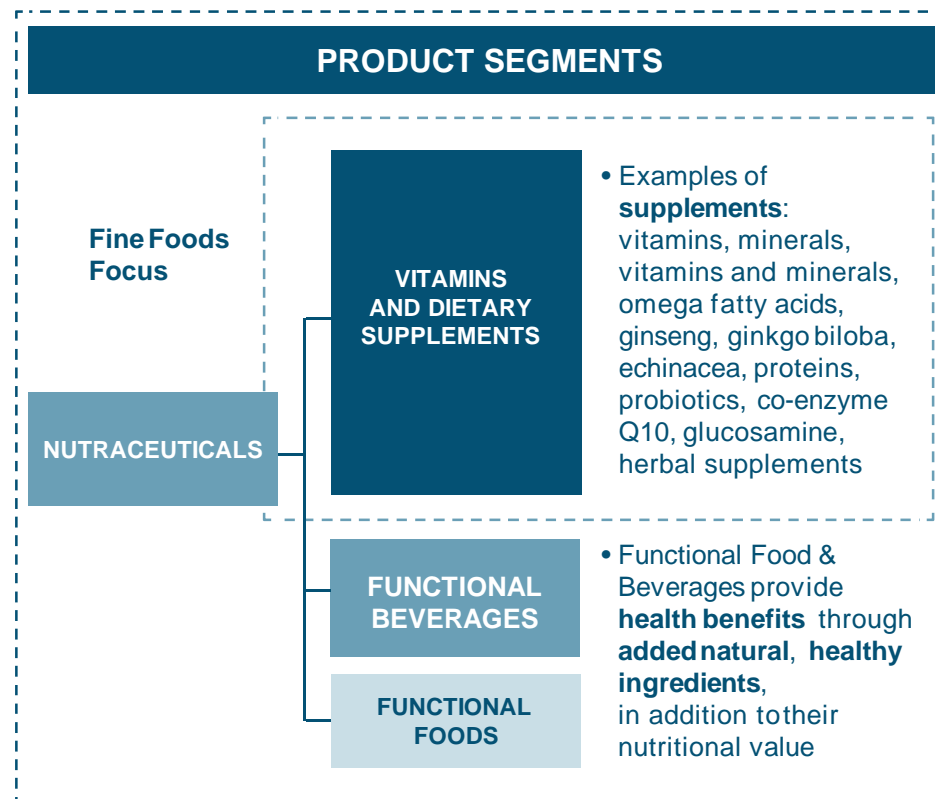


SIMILAR CUSTOMERS AND BRANDS ARE COMMON BETWEEN ADJACENT CDMO SEGMENTS

Source: Management elaboration

Nutraceuticals Overview by Segment & Application

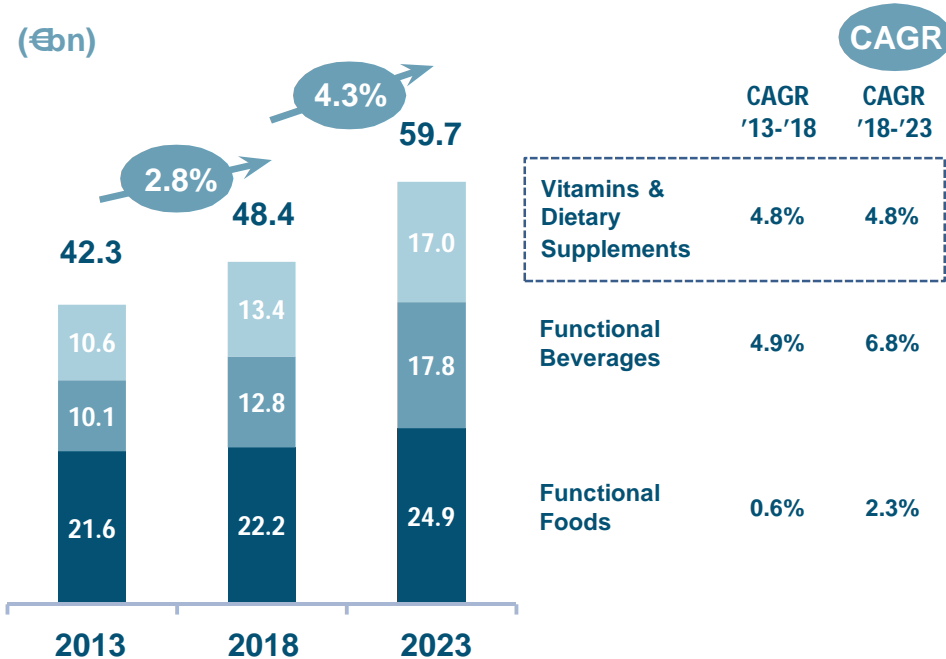
- The Nutraceuticals market is very diverse, with a lighter regulatory framework than Pharmaceuticals
- Fine Foods virtually operates in all the application categories of solid oral forms, within the “Vitamins and Dietary supplements” segment



Source: Management elaboration

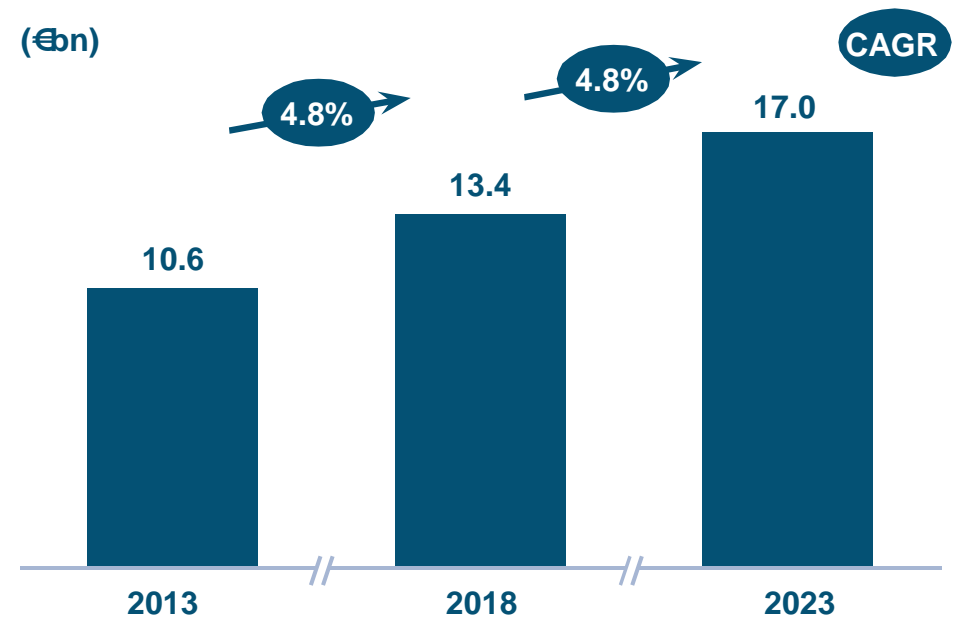
Focus on European Nutraceuticals Market

EUROPEAN NUTRACEUTICALS MARKET VALUE



The European Nutraceuticals market has shown **high, steady growth**, and is **expected to accelerate** in coming years

EUROPEAN VITAMINS & DIETARY SUPPLEMENTS MARKET VALUE

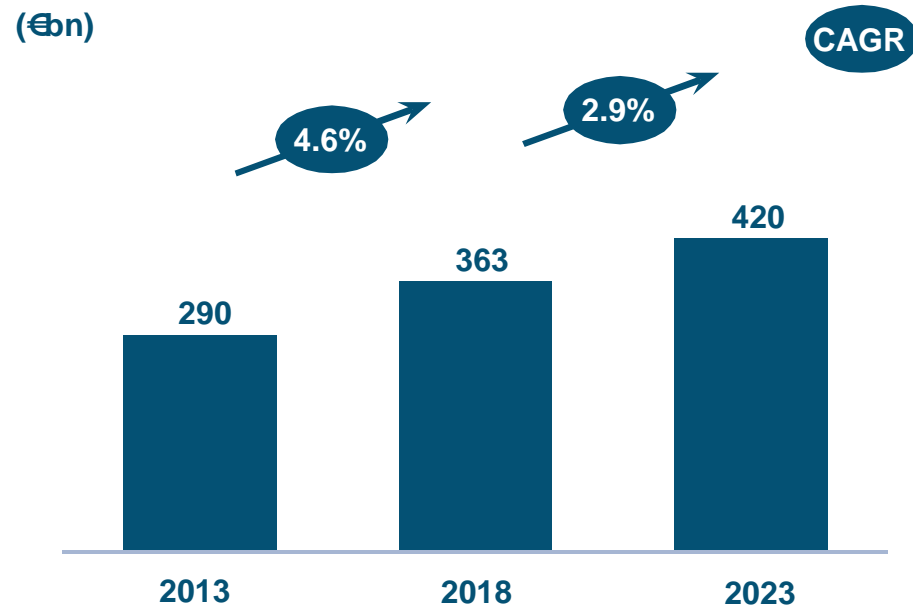


The **Vitamins & Dietary Supplements** segment has shown consistently **strong growth** in the last 5 years, **expected to continue** in coming years. CDMO-driven development and manufacturing, **mostly outsourced**

Source: Euromonitor

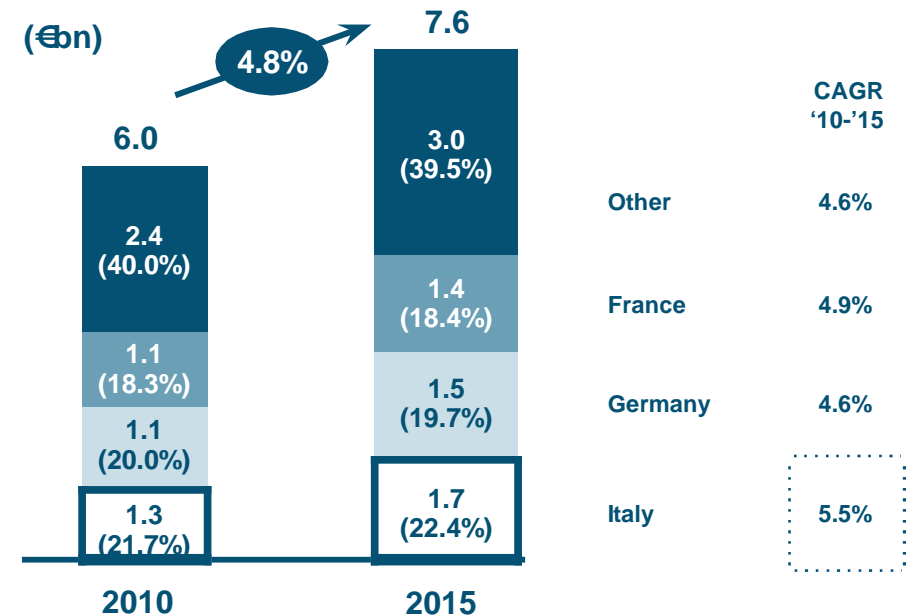
Focus on European Pharmaceuticals Market and CDMO



EUROPEAN PHARMACEUTICALS MARKET VALUE



 The European Pharmaceuticals market has been showing consistent non-cyclical growth

EUROPEAN CDMOS (PHARMA) MARKET VALUE

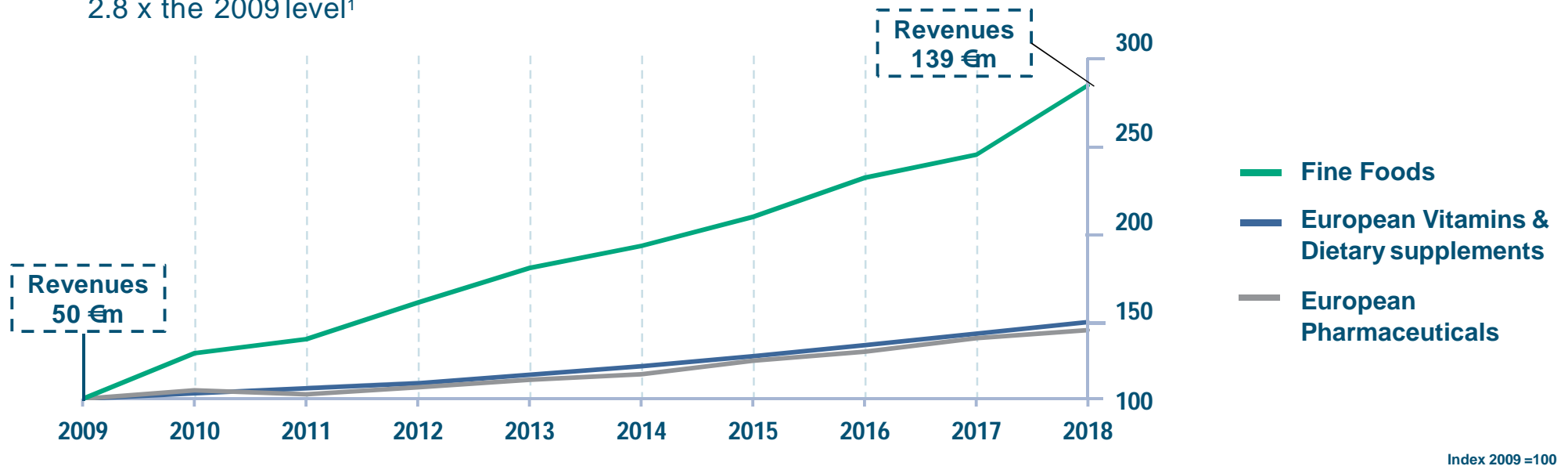


-  Plenty of space for CDMOs to grow further along the outsourcing trend
-  Italy shows the highest growth among European markets

Source: Euromonitor, Farmindustria, Prometeia | Note: CDMO – Contract Development Manufacturing Organization

Performance Relative to Reference End-Markets

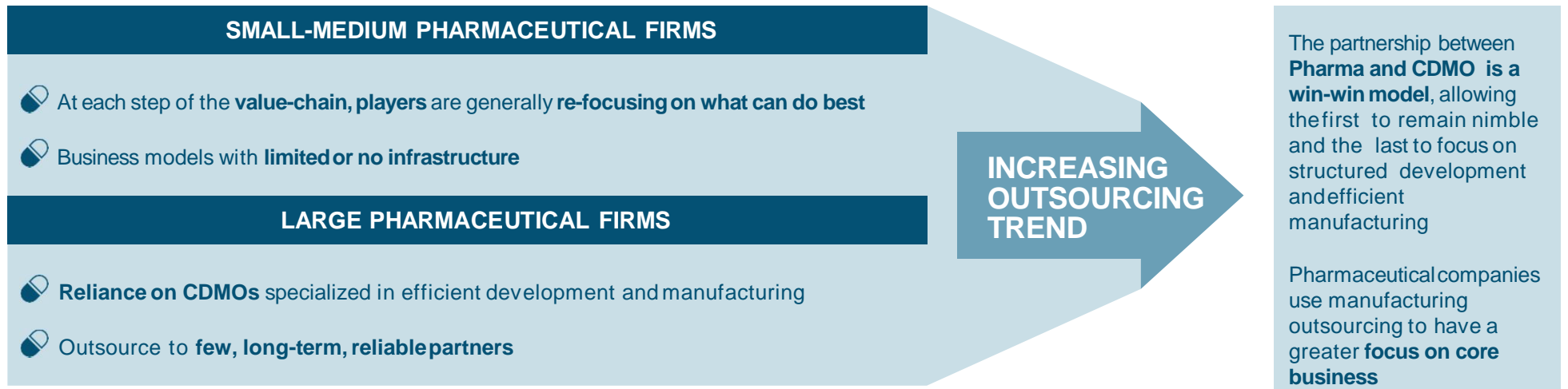
- Nutraceuticals and Pharmaceuticals markets shows **high steady growth and resilience during recessions**
- Fine Foods has substantially outgrown its reference end-markets** in the last decade, with 2018 sales at 2.8 x the 2009 level¹



Sources: Euromonitor; Company data

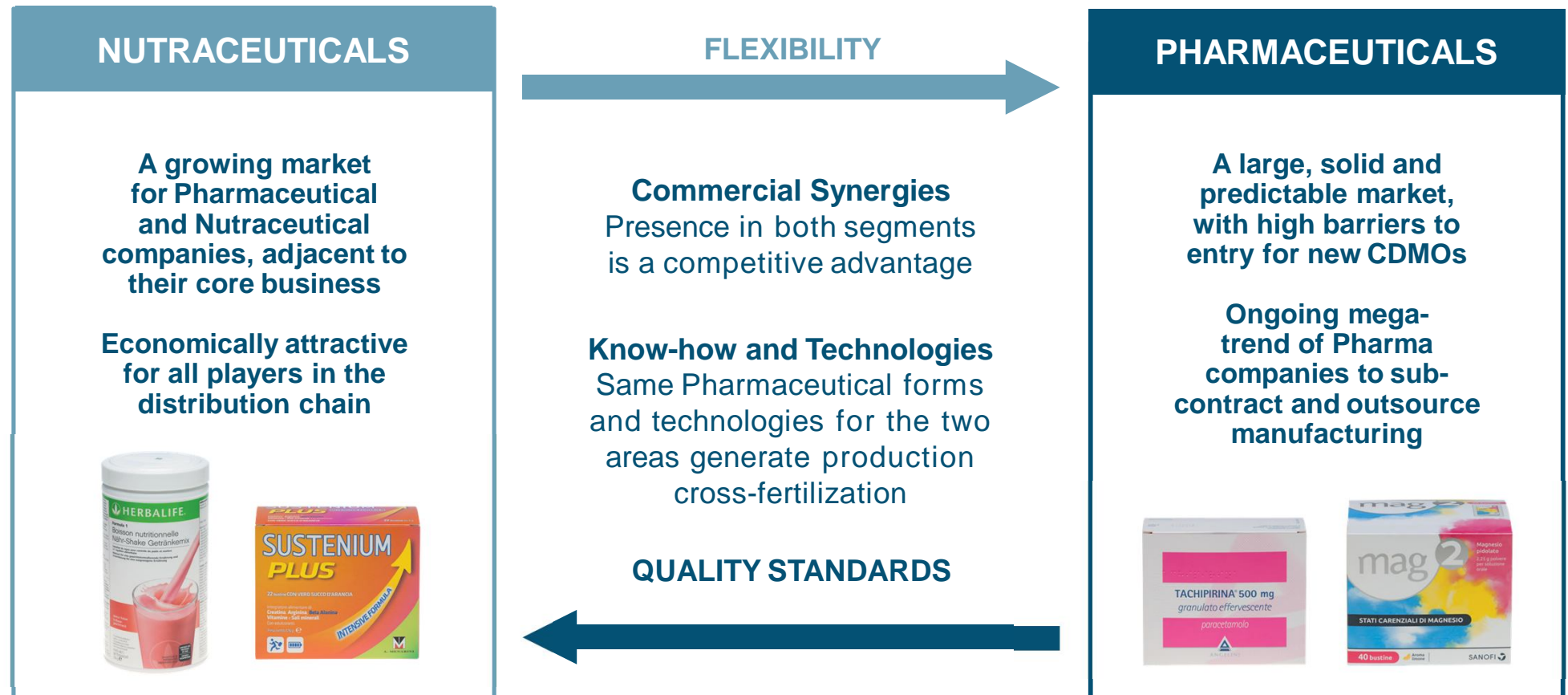
Methodology: the three variables' time series are divided by their respective 2009 value (the basis) and multiplied by a factor of 100; the considered variables are Fine Foods revenues, European Nutraceuticals – Vitamins & Dietary Supplements segment size and European Pharmaceuticals market size

Pharmaceuticals Outsourcing Mega-trend



THE CDMO SECTOR HAS BEEN GROWING REMARKABLY THANKS TO STRUCTURAL, LONG-TERM TRENDS

Fine Foods Competitive Advantages Being Both in Nutraceuticals and Pharmaceuticals

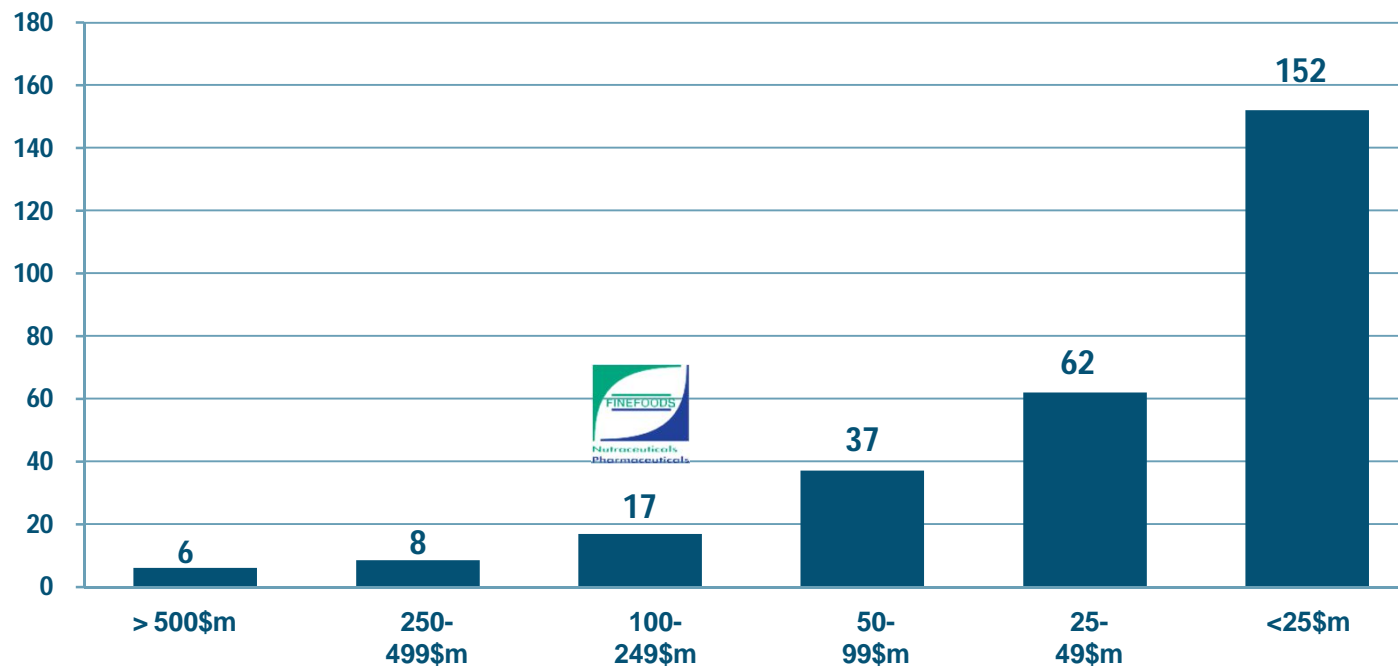


Source: Management elaboration

A Fragmented Sector Full of Opportunities

TOP 282 WORLD PHARMACEUTICALS CDMOs BY 2017 REVENUE CLUSTERS

of CDMOs






- The CDMO market started to show **strong M&A activity in recent years**
- It remains a **highly fragmented market**, with the **majority of CDMOs having revenues < 25\$m** and the absence of an overall market leader
- Plenty of **consolidation opportunities**
- Structured and nimble CDMOs**, willing to rapidly invest in production capacity, **have a competitive advantage**

CDMOS CAN USE ACQUISITIONS AS PART OF THEIR STRATEGY TO COMPLEMENT THEIR TECHNOLOGY FOOTPRINT, GEOGRAPHIC REACH AND CLIENT PORTFOLIO

Source: PharmSource Trend Report 2016

Fine Foods Benchmarking Analysis


-  Fine Foods is the largest Italian CDMO
-  Fine Foods is one of the few players active in both Pharmaceuticals and Nutraceuticals
-  In general, the largest European CDMOs are focused almost exclusively on Pharmaceuticals

SELECTED FINE FOODS' COMPETITORS AT ITALIAN LEVEL – 2017 REVENUES (€M)

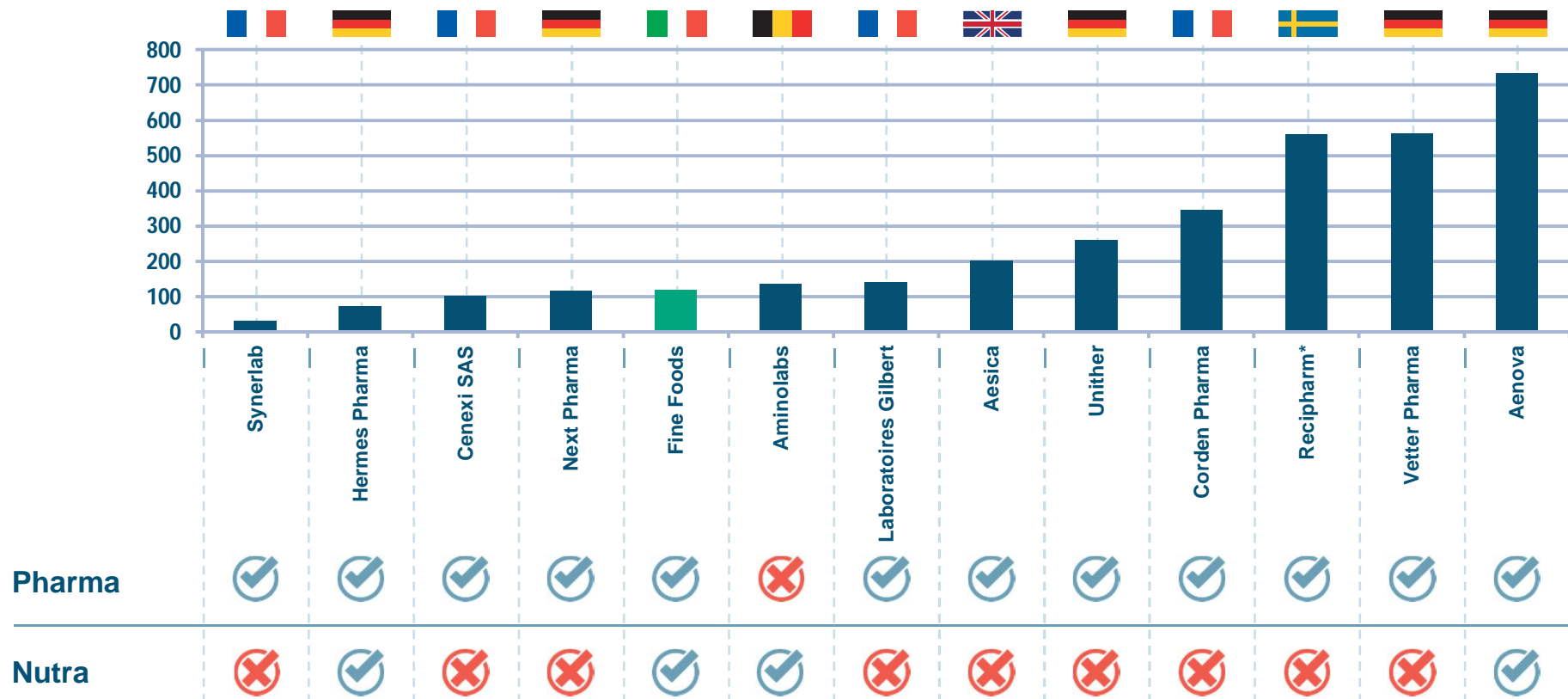


* Listed companies | Note: Nutrilinea, Mipharm and Doppel are respectively controlled by the Private Equity investors White Bridge, Mandarin Capital and Trilantic Europe Source: Management elaboration on publicly retrievable selected information

European CDMO Pharmaceutical Landscape

-  Fine Foods' goal is to achieve a top European positioning, leveraging on (i) its business mix and solid business model, and (ii) a strong financial position enabling inorganic growth

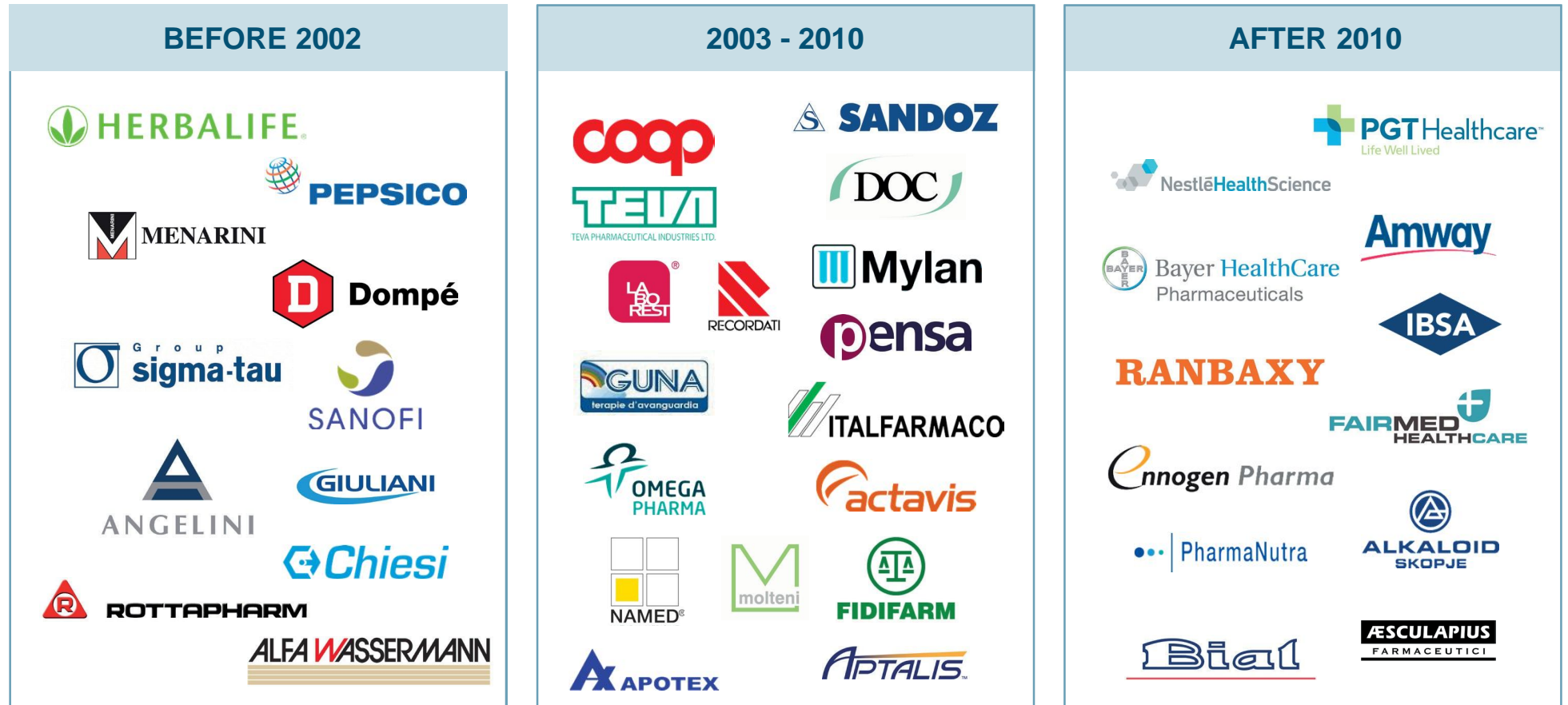
SELECTED FINE FOODS' COMPETITORS AT EUROPEAN LEVEL – 2017 REVENUES (€M)



*Listed companies

Source: Management elaboration on publicly retrievable selected information

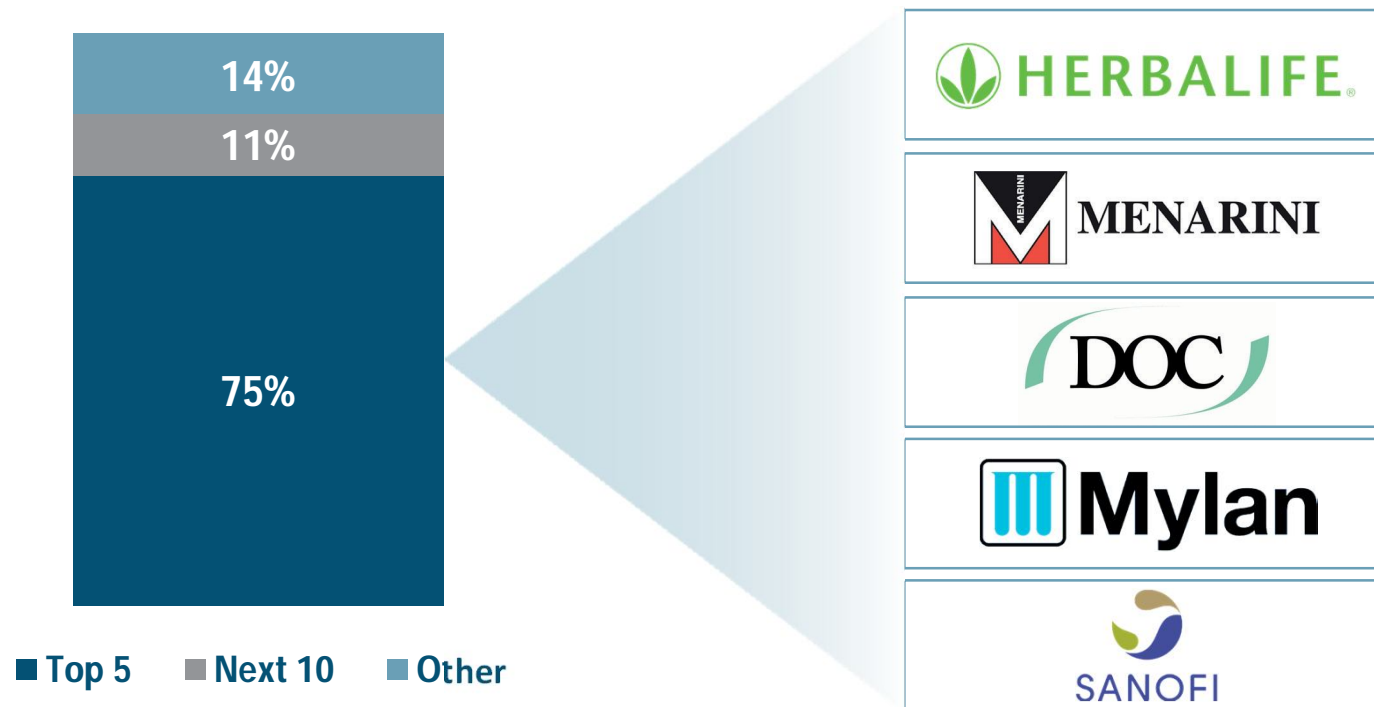
Acquisition and Retention of Key Loyal Customers



RETAINED KEY CLIENTS ACQUIRED BEFORE 2002 AND ADDED SEVERAL NEW ONES AFTERWARDS

Customer Concentration

2018 CUSTOMERS IN % OF TOTAL REVENUES



Source: Management elaboration on Company data

Superior Technical Competence

STRONGEST TECHNICAL TEAM AMONG ITALIAN CDMOS

- 57 people in **Quality Assurance** and **Quality Control**
- 20 people in **R&D** and **industrialization**

Recognized excellence in custom product development as a key pillar of revenue growth:

- 108 Nutraceutical projects in 2018**
 - 35 new products in production
 - 3-12 months from origination to production
- 20 Pharmaceutical projects in 2018**
 - 13 new products in production
 - 6-12 months from origination to production

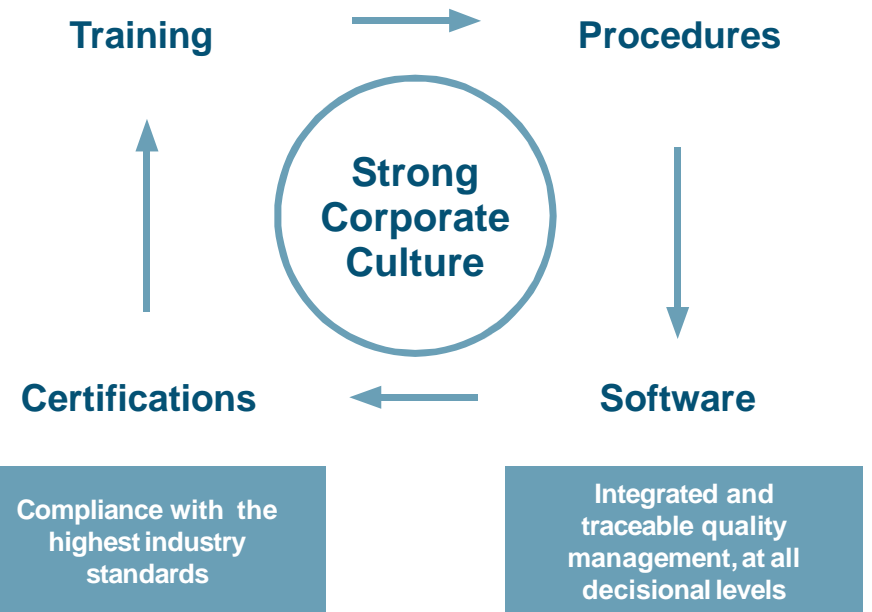


No related expenditure has been capitalized

QUALITY MANAGEMENT PARADIGM

1,952 training hours
in 2018

412 Standard Operating
Procedures and Operating
Instructions



Compliance with the
highest industry
standards

Integrated and
traceable quality
management, at all
decisional levels

77 employees dedicated to scientific activities, representing over 15% of total workforce

Fine Foods' Certification Framework

- Continuously enhanced quality and sustainability management corroborates Fine Foods' reputation with clients
- In 2018 only, Fine Foods passed successfully 27 audits from customers and authorities

QUALITY	
 ISO9001	 ISO22000
QUALITY	FOOD SAFETY
	 ISO13485
AIFA APPROVAL	MEDICAL DEVICES

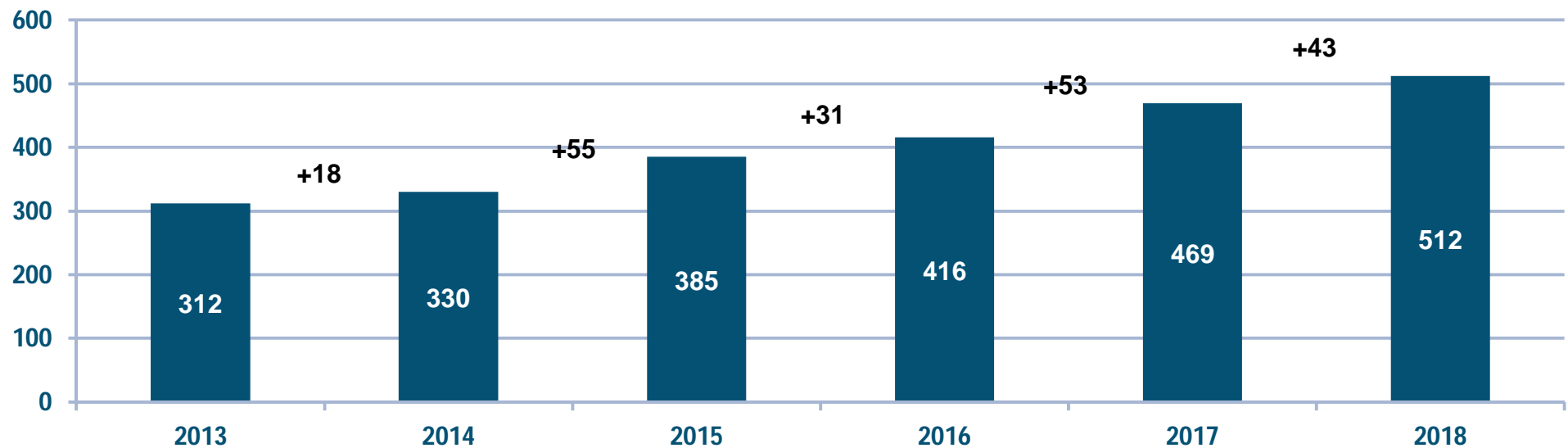
SUSTAINABILITY	
 ISO14001	 OHSAS18001
ENVIRONMENTAL	HEALTH AND SAFETY
	
D.LGS. 231/2001	ETHICAL STANDARDS

**FINE FOODS GUARANTEES THE HIGHEST QUALITY AND RELIABILITY
ALONG ALL THE STEPS OF THE PROCESS**

Fine Foods'

Special Attention to Human Resources

Time evolution of Fine Foods' employees



2018 employees'
satisfaction rate at
81%

2018 employees'
retention rate at
96%

2018 women's quota
of white collars at
60%

Source: Company Data

Nutraceutical Plant Expansion - ZINGONIA

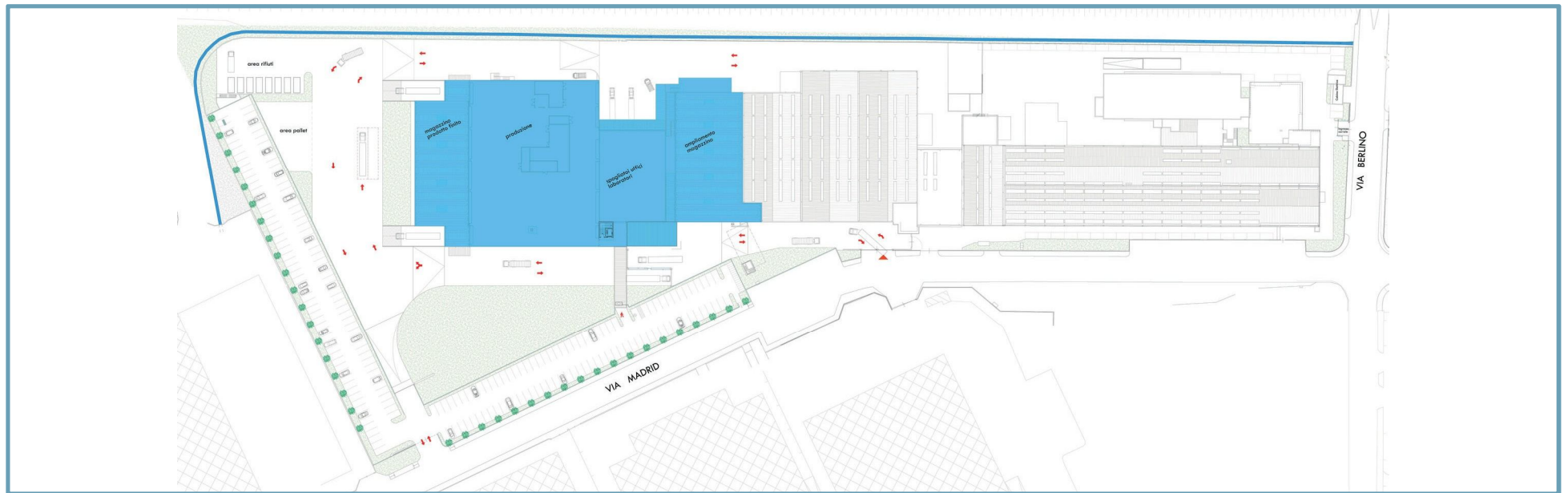
- 🔍 The operating complex covers a **total area of 45,600sqm**
- 🔍 **18.1€m in CAPEX** over the 2016-2018 period
- 🔍 The planned expansion will increase the covered area by **ca. 80%**
- 🔍 Expected completion by 2019



Pre-existing covered area: 15,900 sqm



Final covered area: 28,700 sqm



Source: Company Data | Note: all squared-meters data have been approximated to the nearest hundreds

Pharmaceutical Plant Expansion - BREMBATE

- The operating complex covers a **total area of 20,700sqm**
- **14.7€m in CAPEX over the 2016-2018 period**
- **The planned expansion will increase the covered area by ca. 120%**
- **Expected completion by 2019**



Pre-existing covered area: 5,700 sqm



Final covered area: 12,700 sqm



Source: Company Data | Note: all squared-meters data have been approximated to the nearest hundreds

A Good Environment for a Bright Future

- **ATTRACTIVE MARKET:** the European Nutraceuticals and Pharmaceuticals markets are an attractive long-term investment, thanks to their steady growth and resilience
- **ATTRACTIVE POSITIONING:** leading CDMOs focusing on specific technologies and customer groups, with the intention to provide a “one-stop-shop” offering, are gaining market share within the production value chain
- **OPPORTUNITY TO BE A LEADER IN A CONSOLIDATING MARKET:** current market fragmentation will favor consolidators, with strong balance sheets and significant market shares
- **OPPORTUNITY TO ENTER NEW ADJACENT MARKETS:** significant cross-selling and production cross-fertilization opportunities could be exploited

Strong Potential Growth, Organic and by M&A

ORGANIC GROWTH, LEVERAGING ON A LOYALTY-BASED
CLIENT PORTFOLIO, THAT WILL BENEFIT OF:

- NEW PRODUCTION CAPACITY
- CDMO INDUSTRY TRENDS

CDMOs' **clients** want few, long-term,
reliable relations, with a **preference for**
nimble yet structured players

Along with the ongoing **outsourcing**
trend in the Pharma industry,
CDMOs have been **acquiring**
manufacturing assets

INORGANIC GROWTH IN
ADJACENT MARKETS. MANY
POTENTIAL TARGETS IN
ITALY AND ABROAD

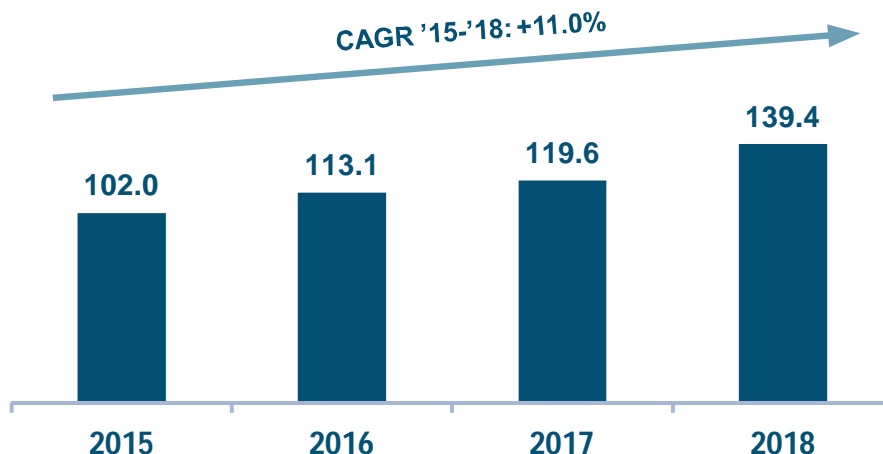


ACQUISITION OF NEW
TECHNOLOGIES
(I.E. SEMI-SOLIDS, LIQUIDS)
IN EXISTING END-MARKETS

The CDMO industry is still very fragmented on the supply side;
Fine Foods will be in the right position to play the consolidator role

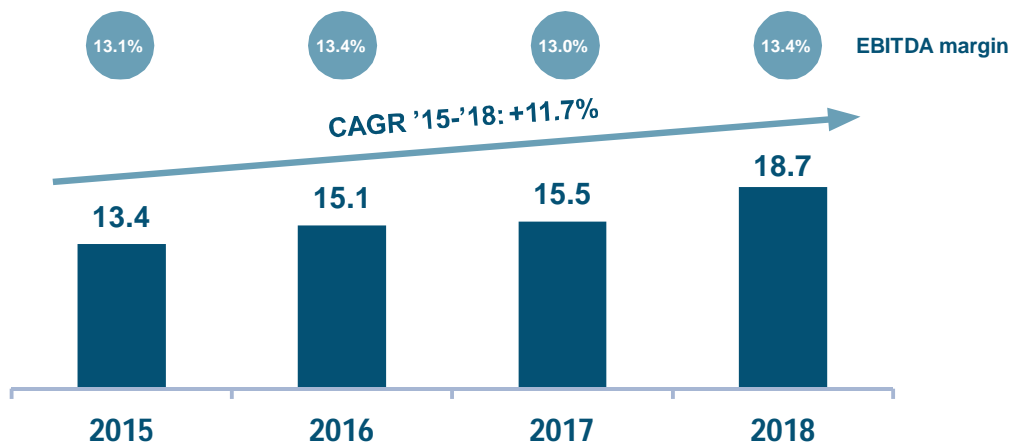
Attractive Revenues and EBITDA Growth Profile...

REVENUES



● **Attractive revenue growth** driven by increasing volumes from loyal clients and by a constant inflow of new ones

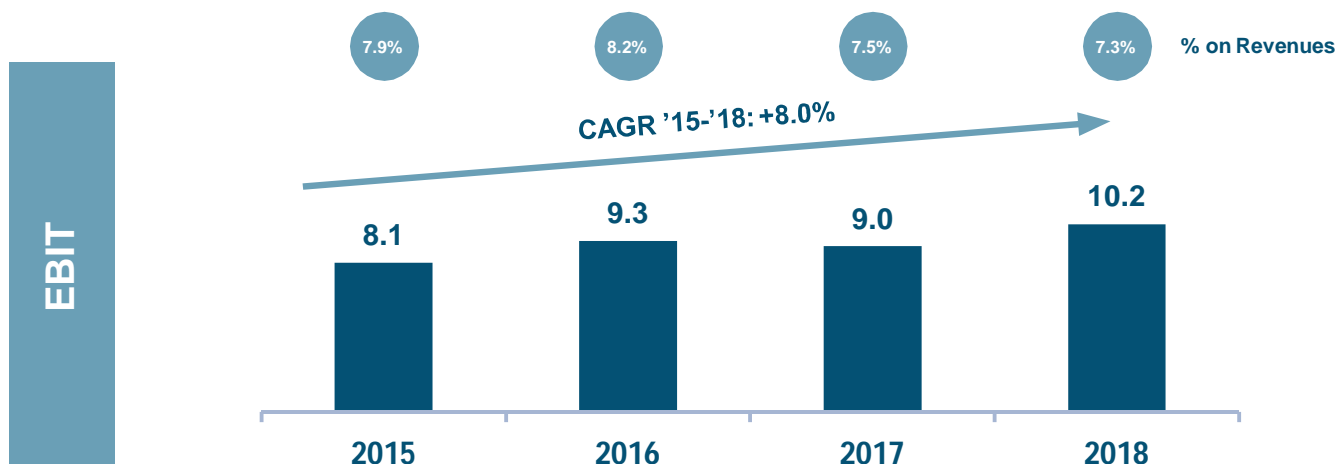
EBITDA



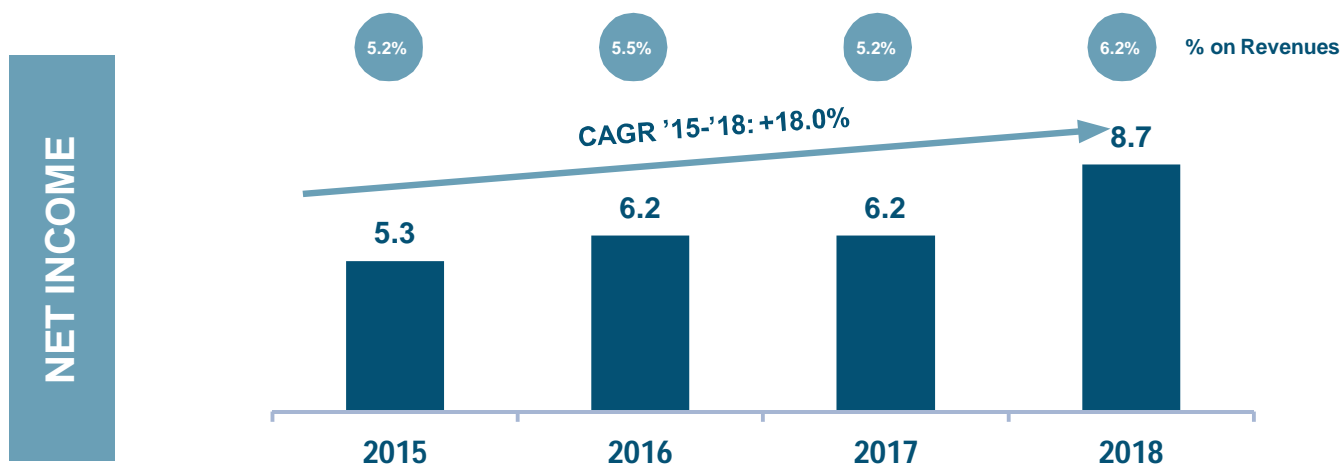
● **Profitability increase** driven by an improved product mix and production costs optimization

Source: Company Data

...Leading to Consistent Improvements in Profitability



 Consistent EBIT growth



 Steady net income growth

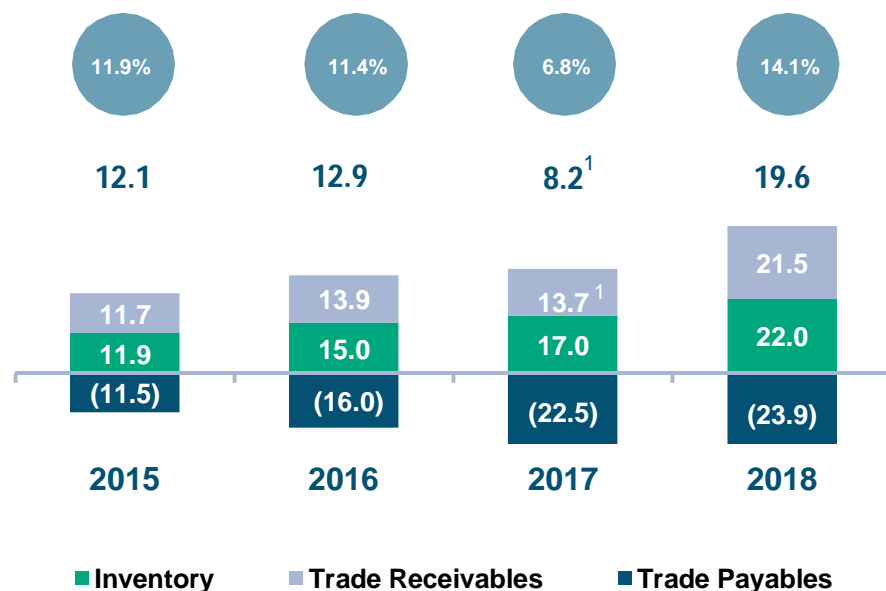
Source: Company Data

Healthy Capital Allocation...

NET WORKING CAPITAL

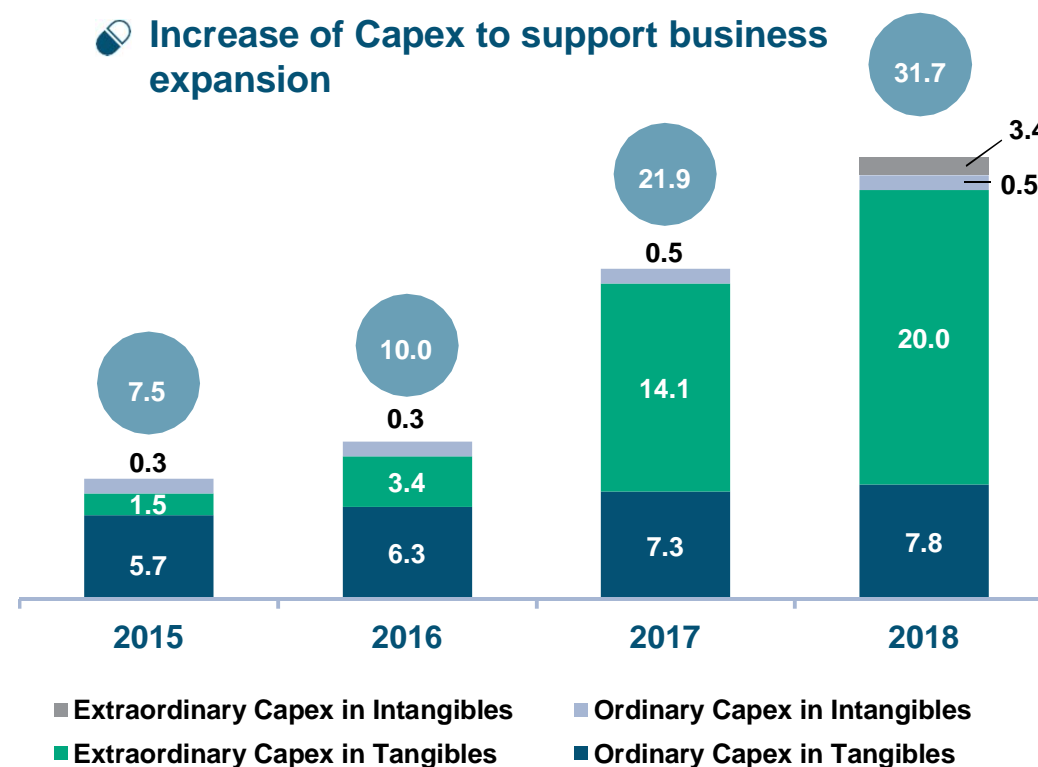
- Efficient working capital management, with collection time structurally lower than payment time

WC% on Revenues



CAPEX

- Increase of Capex to support business expansion



(1) Adjusted adding back the effect of a stand-alone no-recourse ("pro soluto") 2017 factoring transaction of 5€m

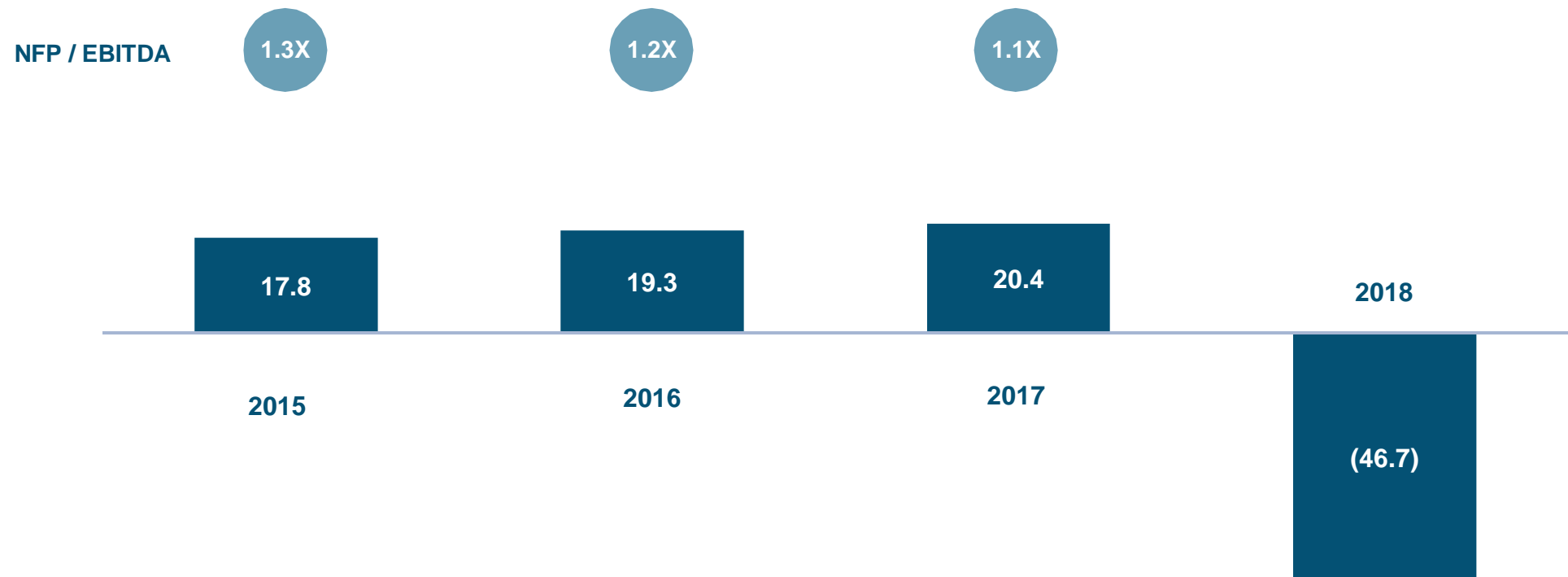
Note: the split between ordinary and expansionary capex was elaborated according to management accounts

Source: Company Data

Strong Balance Sheet

Net Financial Position

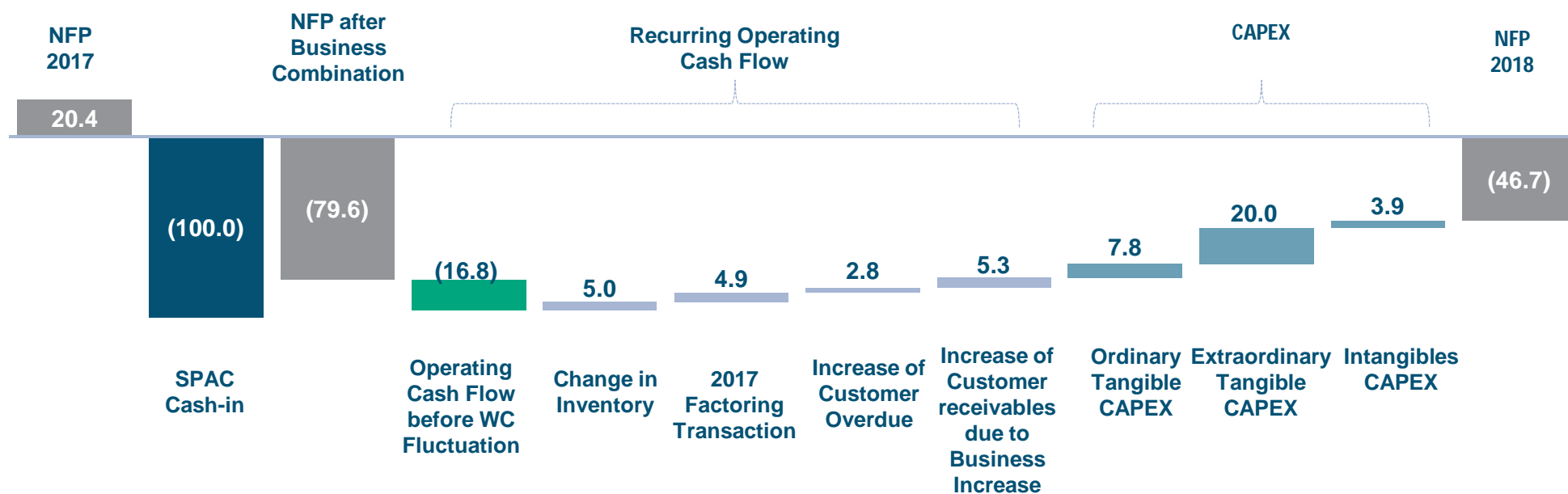
💡 **Strong net financial position** even before Capital injection from Business Combination



Source: Company Data

Net Financial Position Evolution from 2017 to 2018

Most Significant Cash-in and Cash-out



Source: Company Data

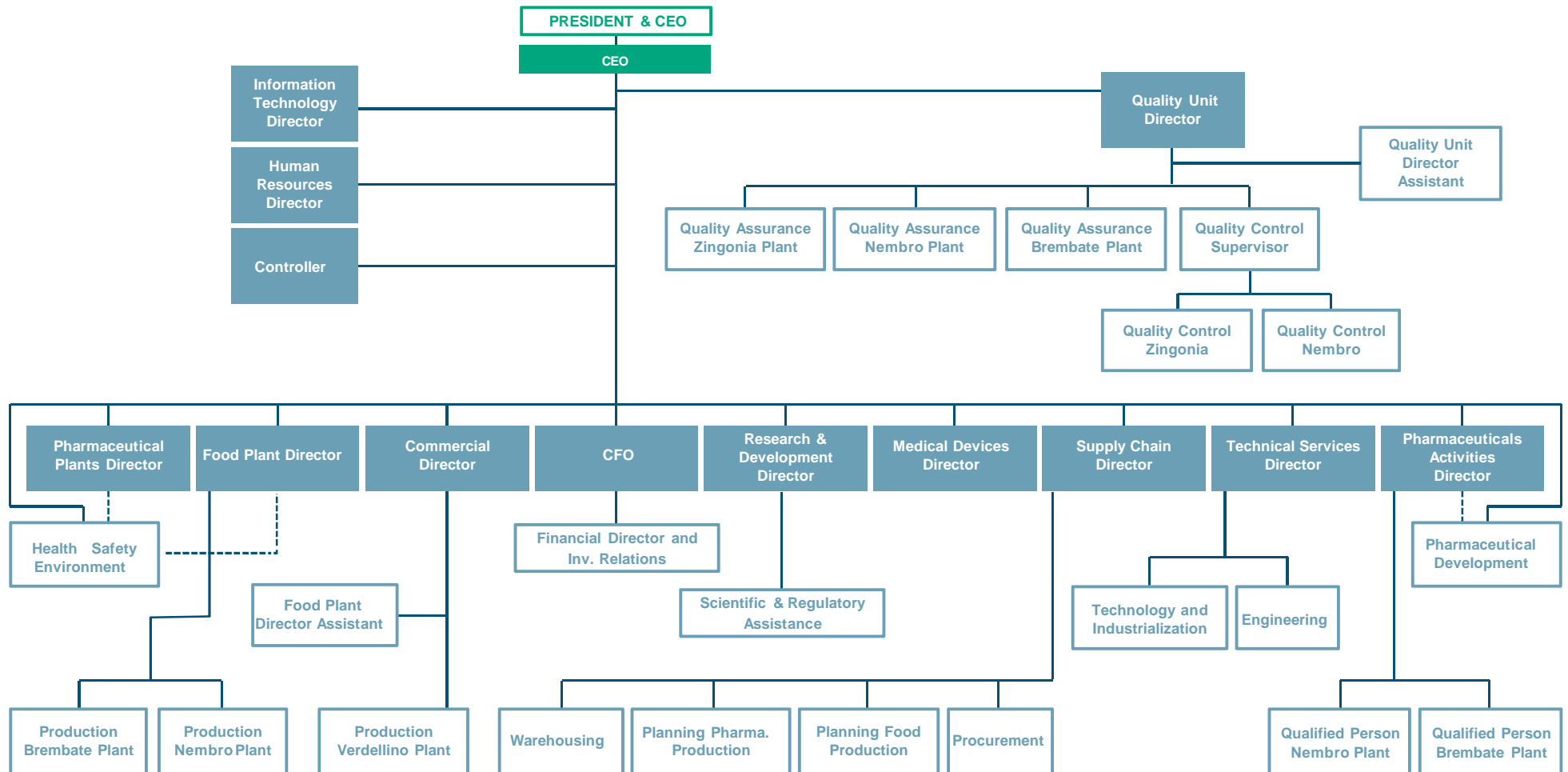
Appendix



Organization Chart



512 FTE employees at 2018 year-end

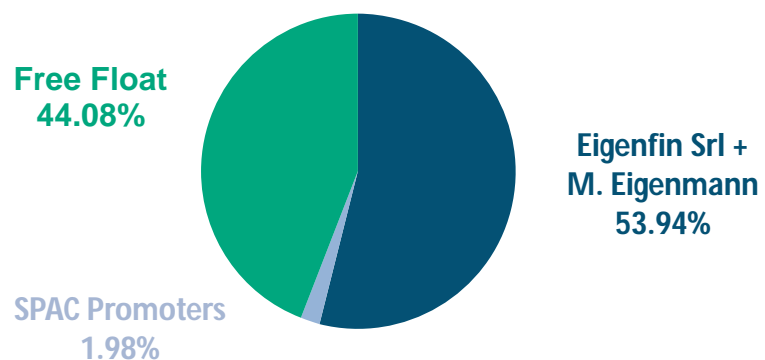


FINE FOODS LEVERAGES ON A SOLID ORGANIZATIONAL STRUCTURE EMPOWERING KEY MANAGERS

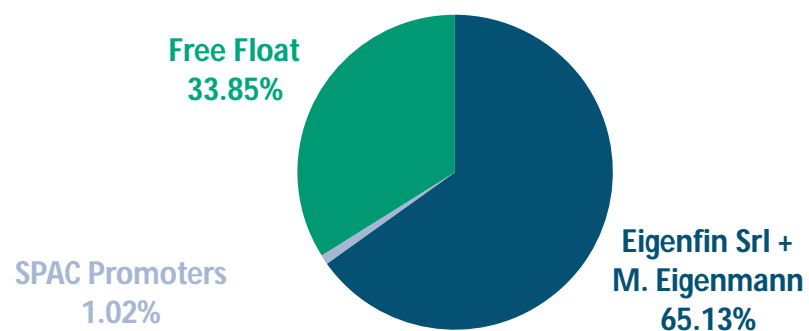
Source: Company data

Shareholding Structure Evolution

% OF EQUITY CAPITAL

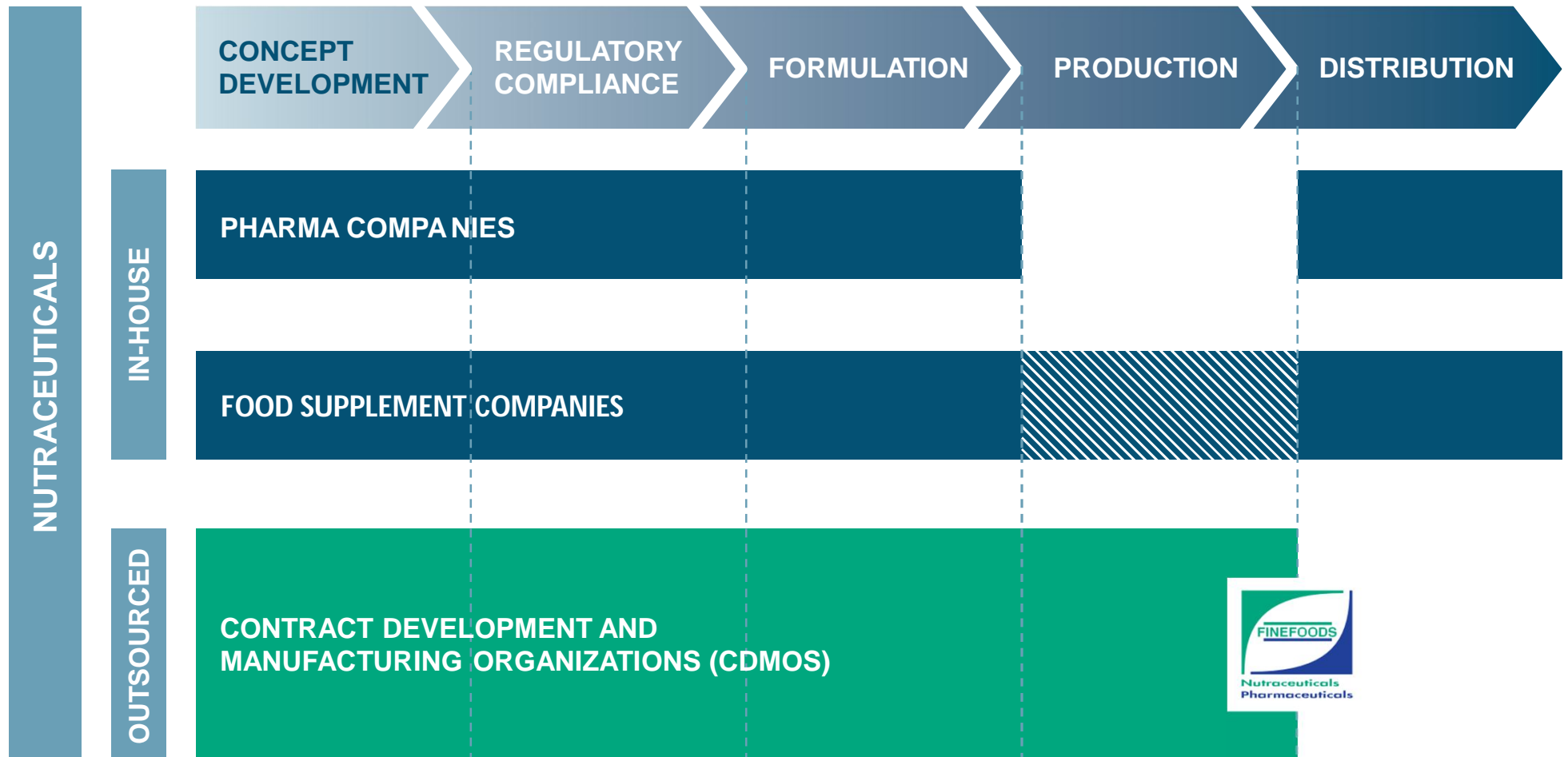


% OF VOTING RIGHTS



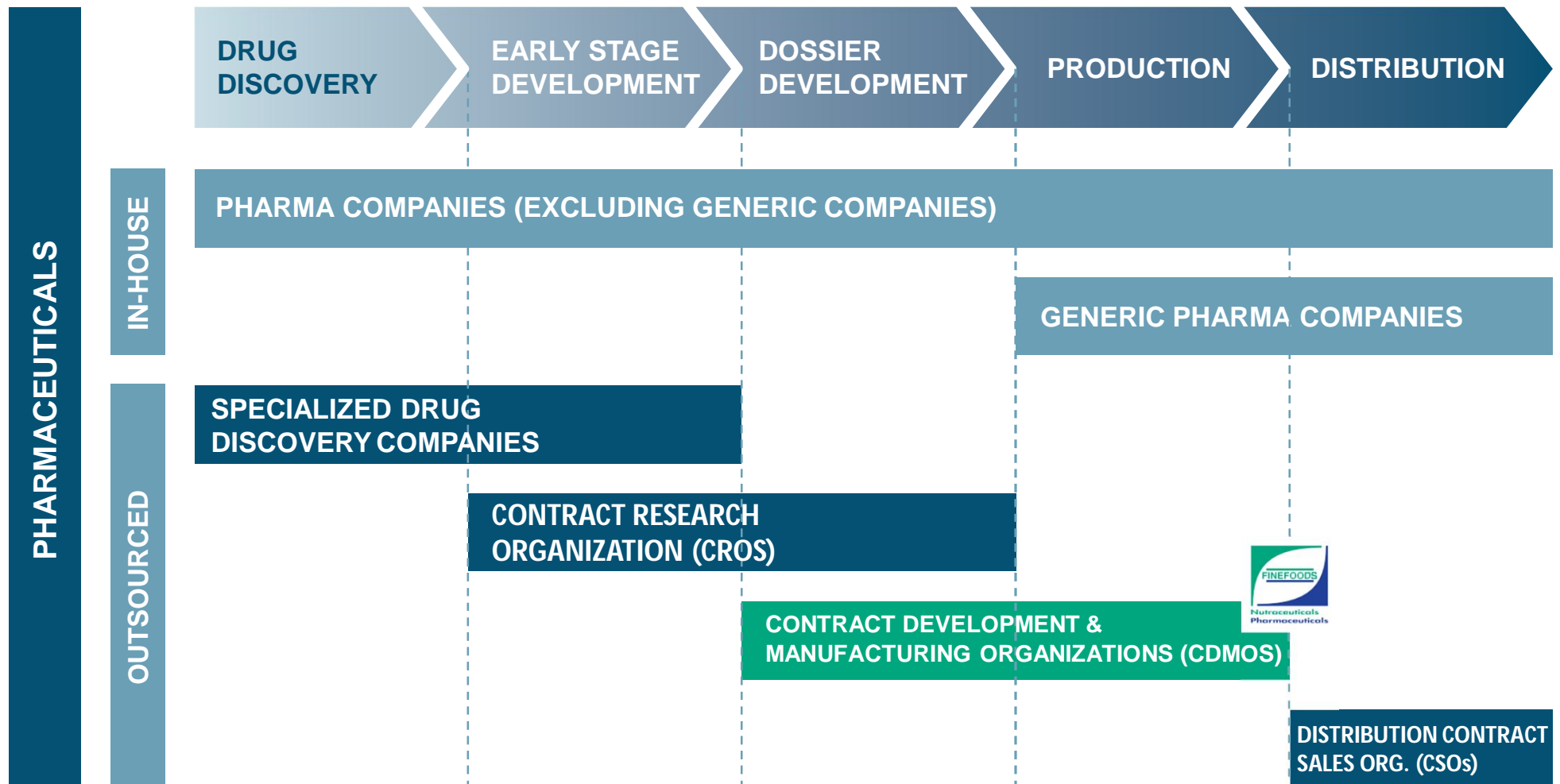
Source: Management elaboration

Fine Foods Positioning in the Nutraceuticals Value Chain



Source: Management elaboration

Fine Foods Positioning in the Pharmaceuticals Value Chain



Source: Management elaboration