

# **FULL YEAR 2020**

## **Results Presentation**

6 April 2021

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# FINANCIAL HIGHLIGHTS

	<b>2020</b>	<b>2019</b>	
<b>REVENUE</b>	€ 172.0 mln	€ 159.7 mln	<b>+8%</b>
<b>EBITDA *</b>	€ 22.3 mln	€ 20.3 mln	<b>+10%</b>
<b>EBITDA MARGIN *</b>	<b>13.0%</b>	<b>12.7%</b>	
<b>EBIT *</b>	€ 10.7 mln	€ 10.9 mln	<b>- 2%</b>
	<b>H2-2020</b>	<b>H2-2019</b>	
<b>REVENUE</b>	€ 96.6 mln	€ 76.5 mln	<b>+ 26%</b>

\* Ebitda and Ebit Adjusted for non recurring costs amounting to 1.2 €m in 2020 and 2.8 €m in 2019

2020 and 2019 figures reported in this presentation have been prepared in accordance with IAS/IFRS also for the purposes of the translisting to MTA/STAR

# FINE FOODS I.D.



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

TABLETS



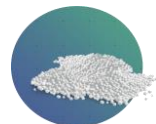
CAPSULES



EFFERVESCENT  
TABLETS



GRANULES



EFFERVESCENT  
GRANULES



POWDERS

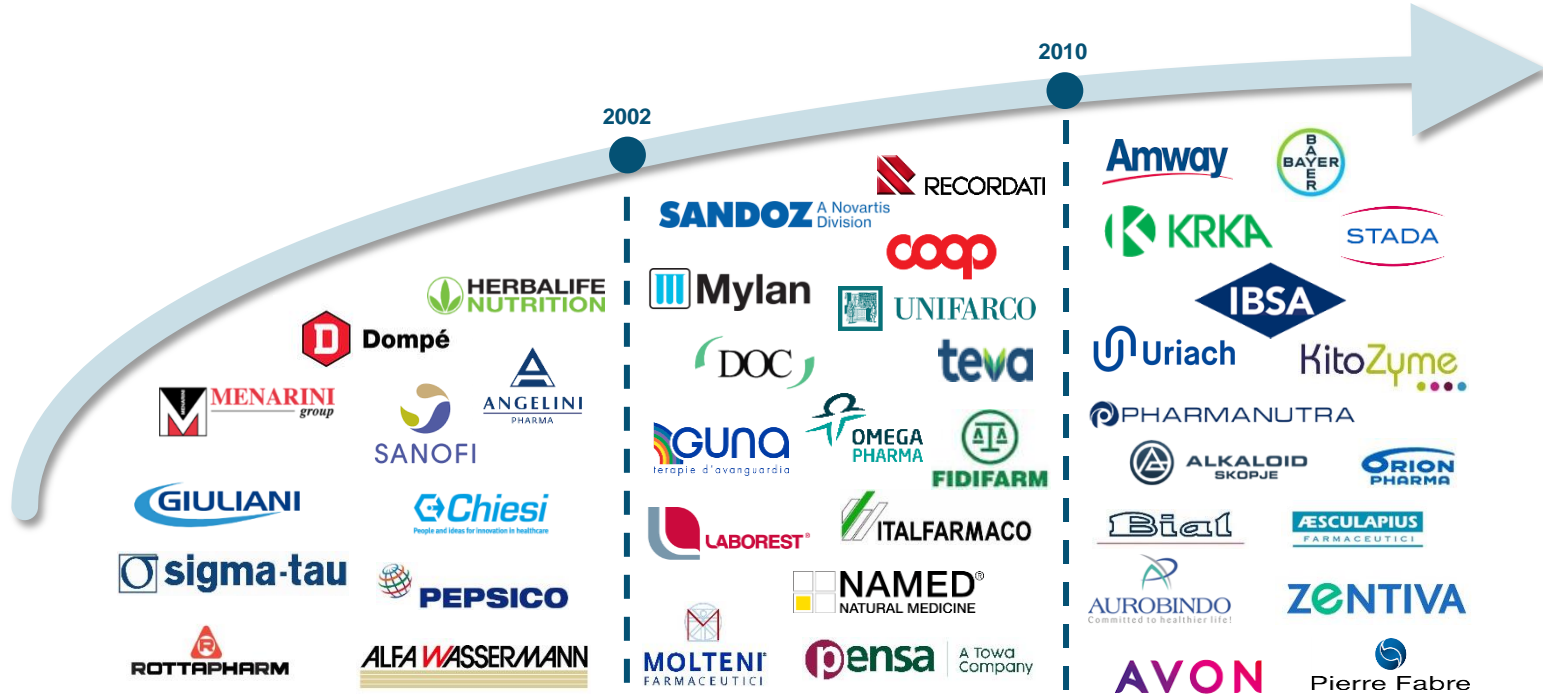


**Established in 1984** in Brembate (Bergamo) as an **R&D laboratory** that applied **Pharmaceutical technologies** to the new and fast growing **Nutraceutical industry**

Developed soon into a **CDMO** in the **Nutraceutical sector** and immediately after in the **Pharmaceutical sector**

Furtherly developed in the **Cosmetic and Biocides sectors** thanks to the acquisition of Pharmatek PMC occurred in January 2021

# CUSTOMERS' LOYALTY



\* Sigma-Tau & Alfa Wassermann (now Alfaisigma), Mylan (now Viatris), Fidifarm (now Dietpharm)

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

## NUTRACEUTICALS

### Selection of products



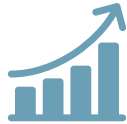
### Selection of products

## PHARMACEUTICALS

# FINE FOODS KEY FIGURES 2020



**172€m Revenue in 2020 with  
~11% CAGR over the last 10  
years**



**~ 52€m increase in revenue  
over the last 3 years**



**~74% of products  
sold in 2020 has been  
delivered abroad <sup>(1)</sup>**



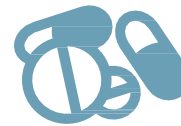
**More than 100 customers,  
mainly leading Pharmaceutical  
and Nutraceutical players**



**~15% of employees  
dedicated to R&D and QA**



**162 new R&D  
Projects in 2020**



**~1.300 SKUs<sup>(2)</sup>,  
tailored to client needs**

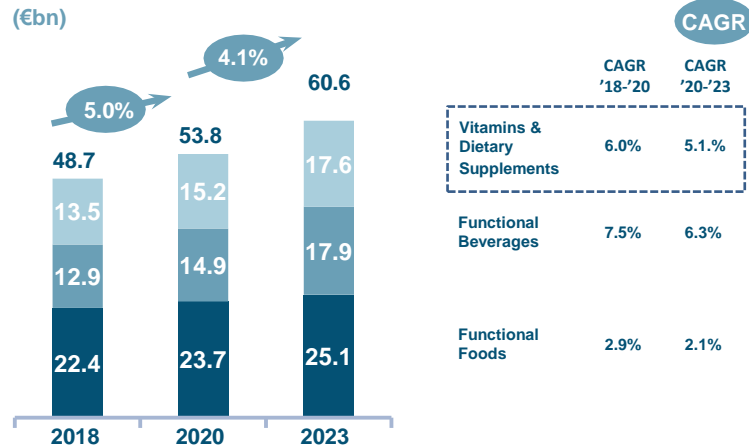


**~100€m investments  
over last 5 years**

*(1) 57€m revenue invoiced in Italy, of which 12€m delivered abroad | (2) SKUs means "Stock-Keeping Units", namely single product codes*

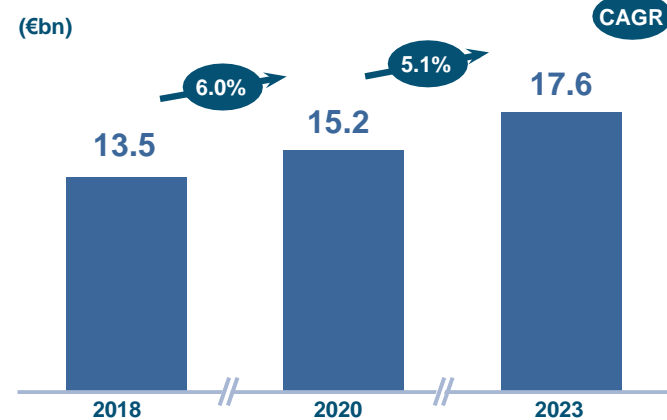
# FAST GROWING NUTRACEUTICALS EUROPEAN MARKET

## 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



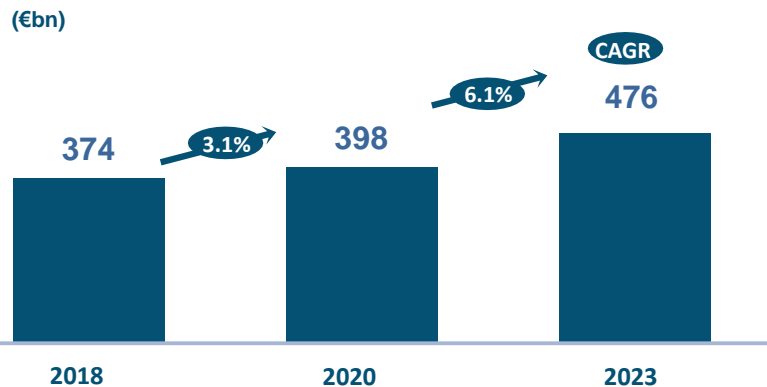
The **Vitamins & Dietary Supplements** segment has consistently shown **strong growth** in the last 2 years, **expected to continue** in coming years. CDMO-driven development and manufacturing, **mostly outsourced**

Source: Euromonitor International, Consumer Health 2021 Edition/Health and Wellness 2020 Edition, Retail Value RSP, EUR Fixed Ex Rates, Current Prices



# PHARMACEUTICAL EUROPEAN PRODUCTION SHOWS CONSISTENT NON-CYCLICAL GROWTH

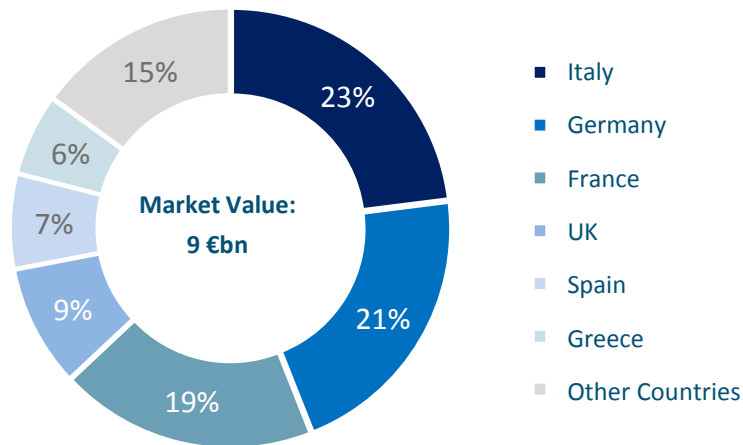
## EUROPEAN PHARMACEUTICAL PRODUCTION



The European Pharmaceutical production is expected to **continue its sound growth** in coming years

Source: Euromonitor International, Industrial, Pharmaceuticals, 2020 Edition, Production MSP, EUR Fixed Ex Rates, Current Prices

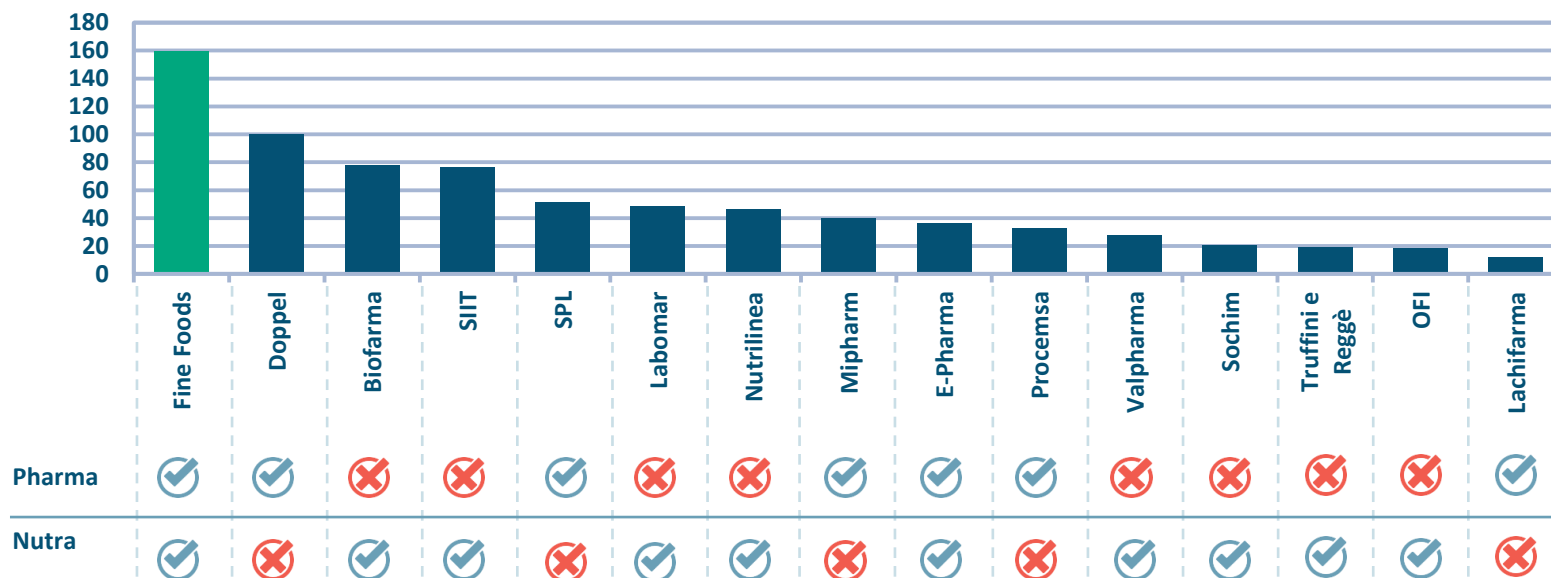
## EUROPEAN CDMOs (PHARMA) 2018 MARKET VALUE



Source: Prometeia – Farindustria 2020

# FINE FOODS IS THE LARGEST ITALIAN CDMO

SELECTED FINE FOODS' ITALIAN COMPETITORS – 2019 REVENUES (€M)

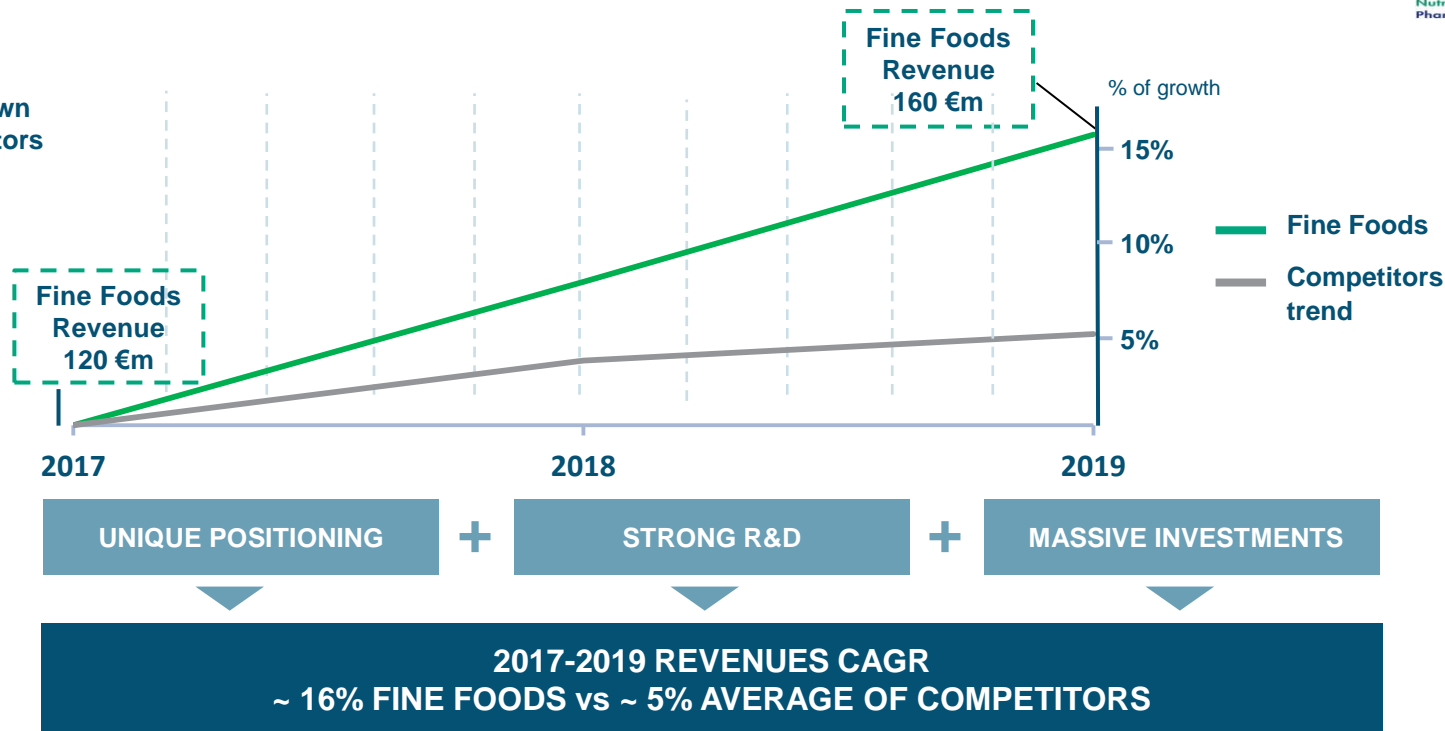


Note: Doppel, Biopharma, Nutrilinea, Mipharm, Procemsa and OFI are controlled by Private Equity investors

Source: Management elaboration on publicly retrievable selected information

# STRONGLY OUTPACED PEERS

Fine Foods has substantially outgrown its panel of Competitors in the last 2 years



Sources: Management elaboration on publicly retrievable selected information

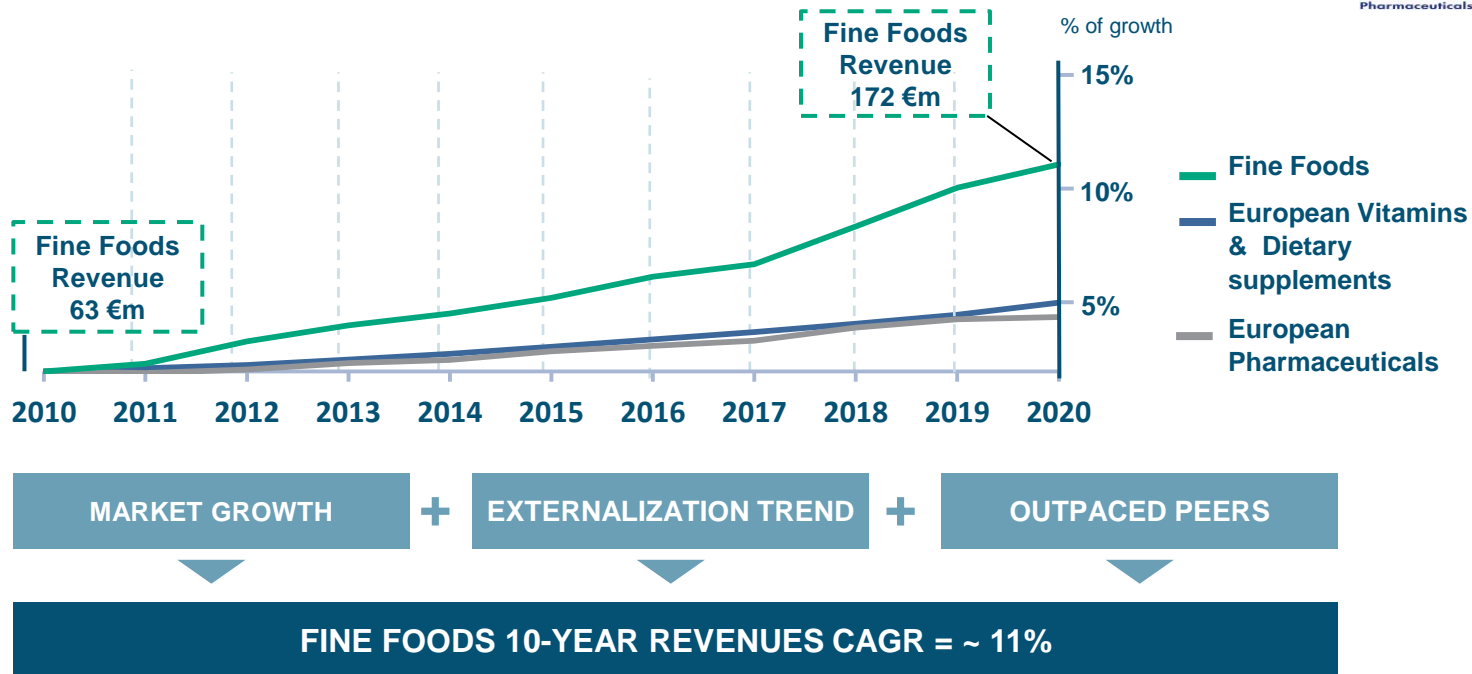
Methodology: the three variables' time series are divided by their respective value used as basis and multiplied by a factor of 100; the considered variables are Fine Foods and Competitors revenues

# CONSISTENTLY OUTPERFORMING THE MARKETS



Nutraceuticals and Pharmaceuticals markets show **high steady growth and resilience during recessions**

Fine Foods has substantially outgrown its reference end-markets in the last decade, with 2020 sales at 2.7 x the 2010 level



Sources: Euromonitor International, Industrial, Pharmaceuticals, 2020 Edition Production MSP, EUR Fixed Ex Rates, Current Prices. Consumer Health, 2021 Edition/Health and Wellness 2020 Edition, Retail Value RSP, EUR Fixed Ex Rates, Current Prices

Methodology: the three variables' time series are divided by their respective 2010 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 production size

# R&D DRIVES THE GROWTH

R&D has been an integrating part of the Company's Business Model since foundation



162

**projects in 2020**

37

**new products  
in production in 2020**

94

**employees dedicated to scientific,  
technical, quality & control activities  
representing ~ 15% of total workforce**

# R&D COMPETITIVE ADVANTAGES



## **INNOVATION**

Privileged access to new raw materials and state-of-the-art technologies



## **TECHNICAL EXPERTISE**

Highly trained staff performs numerous advanced activities, from sensory tests to stability assessments (205 new stability tests started in 2020)



## **SUSTAINABILITY**

Continuous research of innovative solutions with lower environmental impact



## **REGULATORY COMPETENCE**

Active FSE members, substantial in-house regulatory expertise at the service of Customer's new developments

# CROSS-FUNCTIONAL R&D

**PHARMA LAB**  
at the service of  
Food Supplement  
innovative products

## INNOVATION LAB

**TAILOR-MADE SOLUTIONS**  
to support the most  
demanding Customers

## OPPORTUNITY LAB

**FORMULAE DATABANK**  
Huge assortment of finished  
product formulations set to go

## AREAS OF COMPETENCE



# STRONG HOLISTIC ESG APPROACH SINCE FOUNDATION

**HR innovative  
approach**

**Certified  
healthy & safety**

**Going green  
implemented actions**



**Environmental  
certification**

**Audited Social  
Responsibility**

**Anticorruption and  
Corporate Liability**



## HR INNOVATIVE APPROACH FOCUS ON HUMAN RESOURCES



### WE HIRE → Our talents

Assessment Center to support an innovative and sophisticated recruiting process, including personality, skills and language tests

### WE TRAIN → Our experts

- Ad hoc training for all employees based on competences gap analysis
- Tutoring Programs for Production Operators



### WE ENGAGE → Our team

- Value Sharing
- CEO bi-annual Results Presentations to all employees
- Psychologist and Nutritionist available to employee
- Twice-weekly HR desk for employees
- Talent factory for young High Potentials

### WE VALUE → Our people

- Growth pattern for all employees
- High % of permanent employment after a period of temporary employment
- Diversity: gender, nationality, etc.
- A competitive compensation system based on internal and external benchmarking



## HR INNOVATIVE APPROACH EMPLOYEE ENGAGEMENT



### WOMEN

~ 43% of total employees,  
~ 64% of white collar employees,  
~ 40% of managers



### NATIONALITIES

17 different nationalities



### AGE OF EMPLOYEES (AVE.)

~ 41 years old



### TRAINING HOURS

~ 11,000 in 2020



### SATISFACTION

annual survey  
scoring ~ 85%



### RETENTION

2020 employees'  
retention rate  
at ~ 98%

### WHEN

Certified since 2014

### SCOPE

Continuous improvement on  
Risk Prevention  
and Staff Protection

### WHAT

Certified management  
system

### STANDARD

International



### WHEN

Certified since 2010

### SCOPE

Continuous improvements on environmental issues

### WHAT

Certified management system

### STANDARD

International





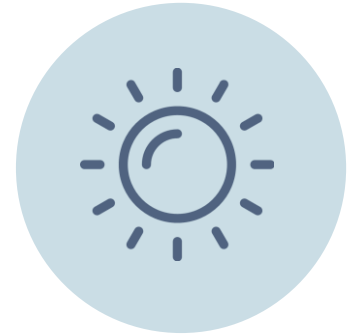
**Installation  
of 2 Co-generators**



**Programs for reduction  
of water consumption**



**Programs for  
reduction of  
environmental  
impact of waste**



**Installation of  
Solar panels**

HEALTH & SAFETY



BUSINESS ETHICS

ENVIRONMENTAL



LABOR STANDARDS



**SMETA** (*Sedex Members Ethical Trade Audit*) is the world's leading social audit which aims at assessing a company based on its organization's standards of labour, health and safety, environment and business ethics.

Fine Foods has successfully been audited for the SMETA 4 Pillars, thus proving to be a **reliable, sustainable and ethical supplier** for all its clients.

# ESG ANTICORRUPTION AND CORPORATE LIABILITY



## WHEN

since 2015

## SCOPE

avoid corruption  
and corporate liability

## WHAT

Organizational, managerial  
and control models, to  
prevent crimes committed  
by employees and for  
which the company may be  
held liable.

## HOW

risk assessment, code  
of ethics, whistleblowing

## VERIFIED

Independent controlling body  
(ODV)

231



# PHARMATEK ACQUISITION



Fine Foods, last 19 January 2021, **acquired 100% of Pharmatek PMC S.r.l.**



The price, for a maximum of **€ 17.2 million**, was paid in cash for a fixed component of € 11.2 million; the variable component of a maximum of € 6 million (earn-out) will be paid within the next three financial years.



Pharmatek new Board of Directors includes **Marco Eigenmann (President)**, **Marco Pessah (CEO)**, formerly Pharmatek sole shareholder and **Giorgio Ferraris**.





# PHARMATEK KNOW-HOW AND TECHNOLOGIES



Pharmatek is a CDMO active in the sectors of **cosmetics, biocides and medical devices** manufactured in **different Pharmaceutical Forms**



LIQUIDS



GEL



CREAMS



OINTMENTS

**Pharmatek production includes,**  
among others:

- body creams
- face creams
- tonic lotions
- scrubs
- toothpaste
- mouthwash
- moisturizers
- deodorants
- skin disinfectants
- sanitizing gel








# STRONG CROSS SELLING POTENTIAL



Pharmatek will benefit of Fine Foods' **Organizational Structure**, **Financial Solidity** and **Consolidated Business Model**

- new CDMO market segments
- new pharmaceutical forms
- R&D synergies

- new commercial relationships
- cross selling relationship with existing customers

	FINE FOODS GROUP BUSINESS UNITS		
	NUTRACEUTICALS 	PHARMACEUTICALS 	COSMETICS - BIOCIDES 
Nutraceutical Clients	●		●
Pharmaceutical Clients	●	●	●
Cosmetic Clients	●		●



Source: Fine Foods

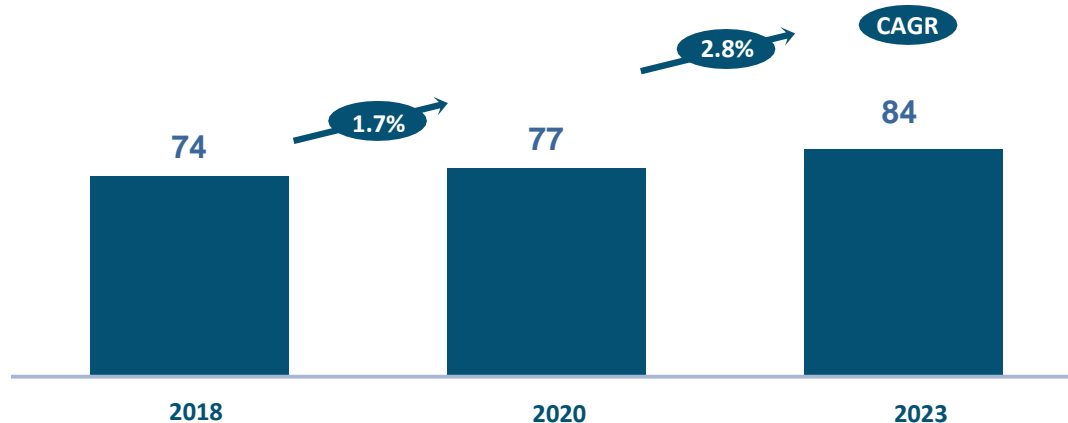


# PHARMATEK REFERENCE MARKETS



## EUROPEAN COSMETIC AND BIOCIDES MARKET

(€bn)



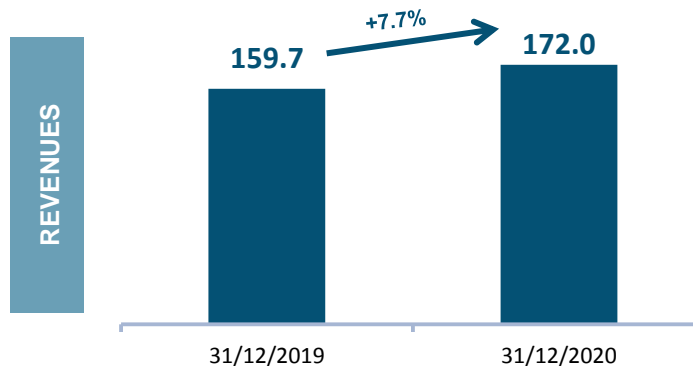
The **European Cosmetic and Biocide** market is expected to **accelerate growth** in coming years

Source: Euromonitor International, Consumer Health 2021 Edition/Beauty and Personal Care 2020 Edition, 2020/Home Care Edition 2021, Retail Value RSP, EUR Fixed Ex Rates, Current Prices  
Cosmetics as per aggregation of Euromonitor's Bath and Shower, Deodorants, Hair Care, Skin Care  
Biocides as per aggregation of Euromonitor's Oral Care, Dermatologicals, Surface Care, Adult Mouth Care

# FINE FOODS SIGNIFICANT OVERALL REVENUE GROWTH

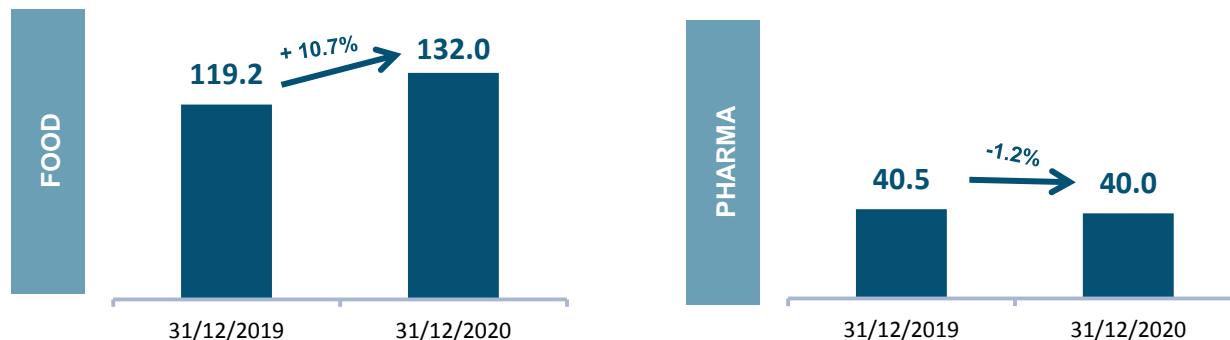


Increase in 2020 Revenues  
driven by very strong  
growth in H2-2020: +26%  
compared to H2-2019

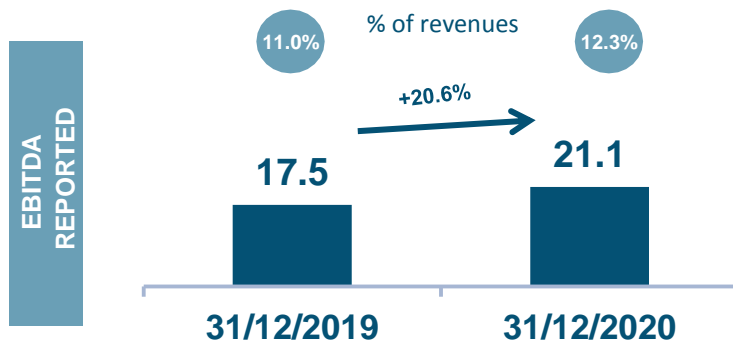


Figures according  
to IAS-IFRS  
principles

## Revenue break-down

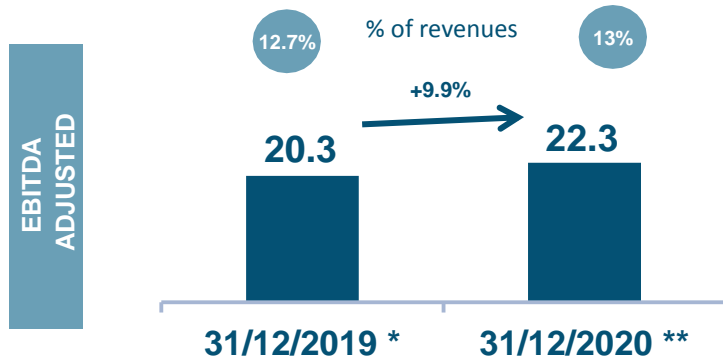


# STRONG INCREASE IN EBITDA



- Significant increase in overall Ebitda compared to 2019 driven by turnover growth
- Ebitda margin Adj. at 13% in line with historical trend

Figures according to IAS-IFRS principles



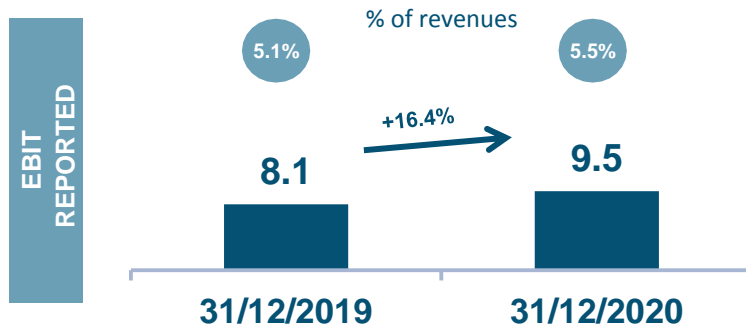
**\* 2.8 €m adjustment for non recurring costs:**

- 1.2 €m for plants expansion start-up costs
- 1.3 €m for Nembro plant closing and production transfer costs
- 0.3 €m for extraordinary consultancy fees

**\*\* 1.2 €m adjustment for non recurring costs:**

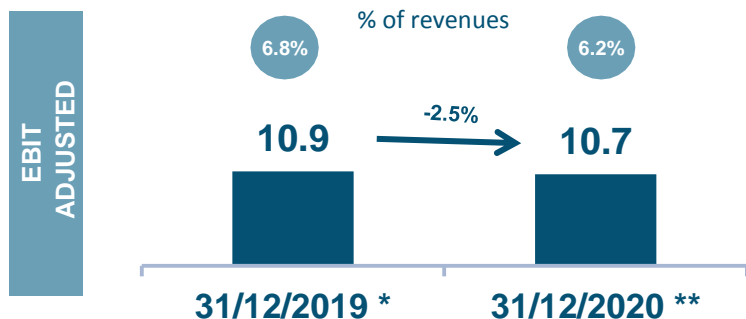
- 0.9 €m for Covid impacts
- 0.3 €m for extraordinary consultancy fees

# EBIT AFFECTED BY DEPRECIATION FOLLOWING STRONG INVESTMENTS



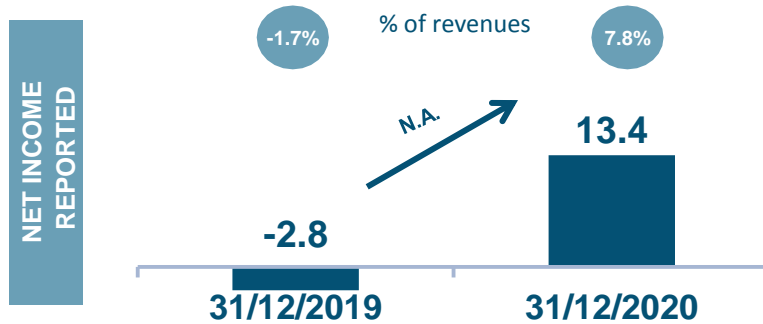
- Ebit Reported increased compared to previous year despite a further increase in depreciation (11.6 €m in 2020 vs 9.4 €m in 2019)
- Ebit Adjusted in line with previous year

Figures according to IAS-IFRS principles



- \* 2.8 €m adjustment for non recurring costs  
 \*\* 1.2 €m adjustment for non recurring costs

# NET INCOME DRIVEN BY POSITIVE PERFORMANCE



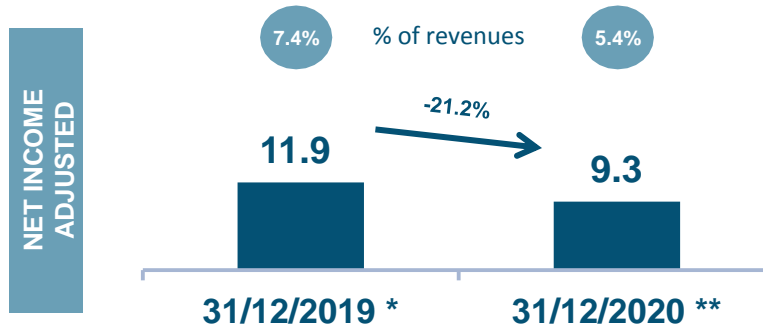
Net Income 2020 mainly impacted by:

- fair value evaluation of financial asset (+2.1 €m net of tax effect)
- fair value evaluation of warrants (+4.9 €m)

Net Income 2019 mainly impacted by:

- fair value evaluation of financial asset (+3.9 €m net of tax effect)
- fair value evaluation of warrants (-12.6 €m)

Figures according to IAS-IFRS principles



In addition to what reported in previous slides, the variance between these effects mainly explains the variation occurred from 2019 to 2020

\* 14.7 €m Adjustments:

- 2.1 €m non recurring costs net of tax effect
- 12.6 €m negative effect of warrant fair value measurement

\*\* 4.1 €m Adjustments:

- 0.8 €m non recurring costs net of tax effect
- -4.9 €m positive effect on warrant fair value measurement

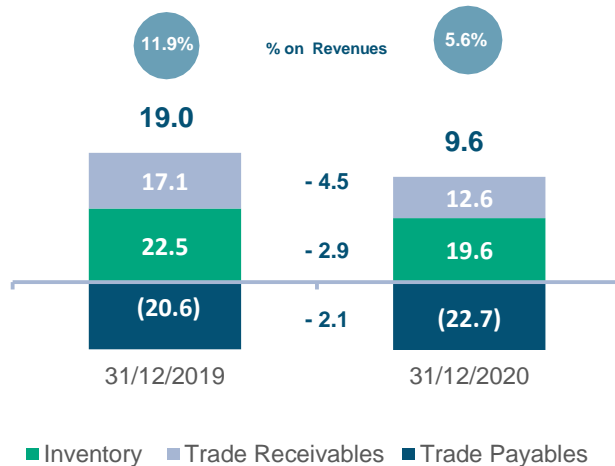


# HEALTHY CAPITAL ALLOCATION

## NET WORKING CAPITAL

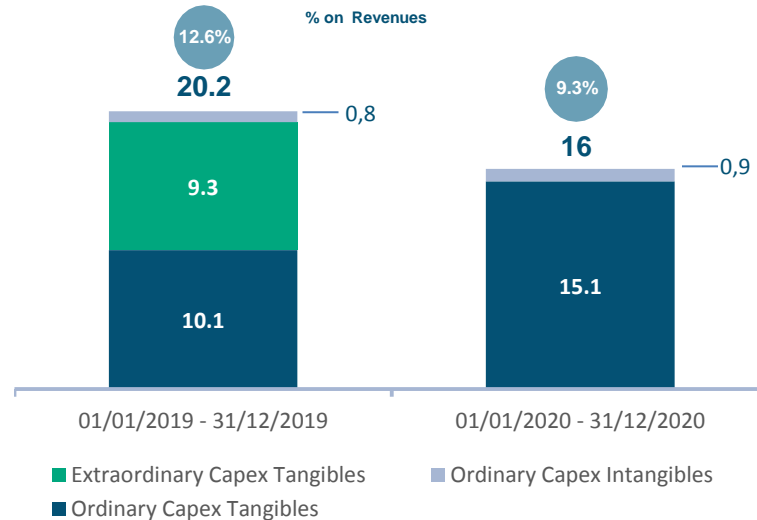
NWC strongly decreased compared to 2019 mainly due to further improvement in collection terms and inventory management

Figures according to IAS-IFRS principles

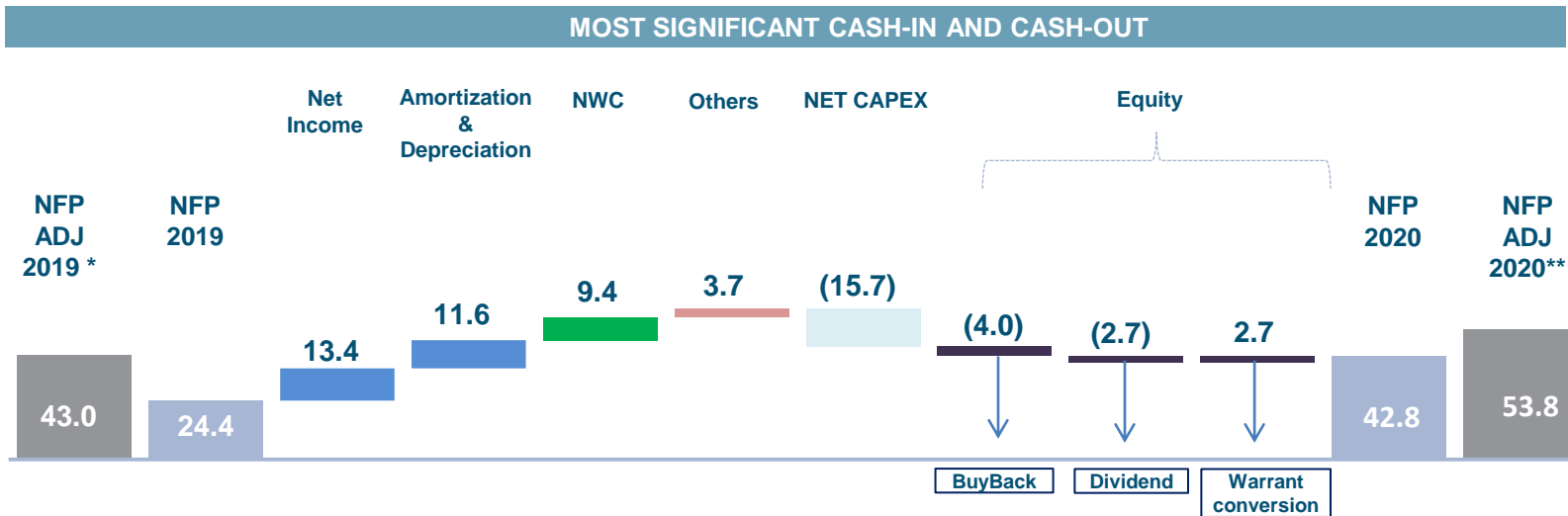


## CAPEX

Capex support business expansion



# NET FINANCIAL POSITION EVOLUTION FROM 2019 TO 2020



Cash-in of 17.5 €m before equity cash out for Buy Back and Dividends of 6.7 €m

\*18.6 €m adjustment for warrant financial liability

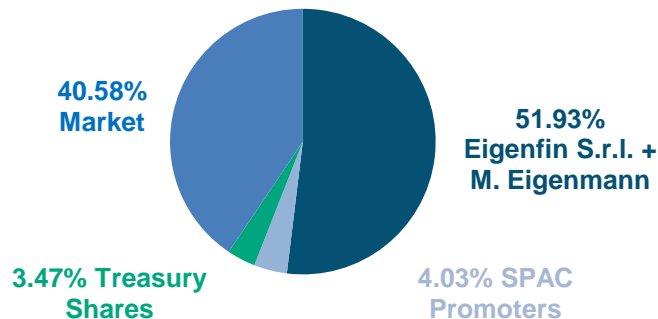
\*\* 11 €m adjustment for warrant financial liability

# SHAREHOLDING STRUCTURE AS OF 31.12.2020

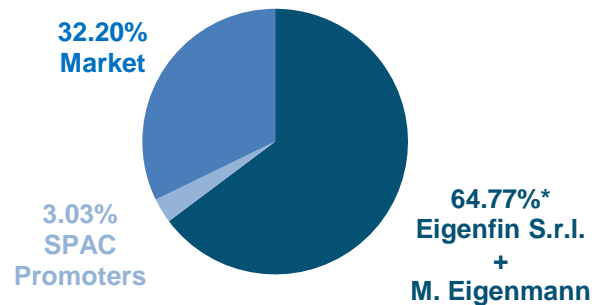
Fine Foods Shares	N. of shares (Mln)	%
Listed Shares	18.8	80%
Unlisted Shares	4.8	20%
Total	23.6	100%

**FLOATING: ~ 50%**

## % OF EQUITY CAPITAL



## % OF VOTING RIGHTS



\* Net of Treasury Shares

# WHY FINE FOODS?



## RELIABILITY

SOLID TRACK RECORDS	STRONG FINANCIALS
CRITICAL MASS	ROBUST MANAGEMENT STRUCTURE
ADVANCED HR MANAGEMENT	GRANULAR FINANCIAL CONTROLLING



## PERFORMANCE

HIGH AND STABLE CAGR IN THE LAST 10 YRS	LONG LASTING CUSTOMER'S RELATIONS
HOLISTIC SUSTAINABILITY SINCE 2010	GROWTH SUSTAINED BY R&D PARTNERSHIPS



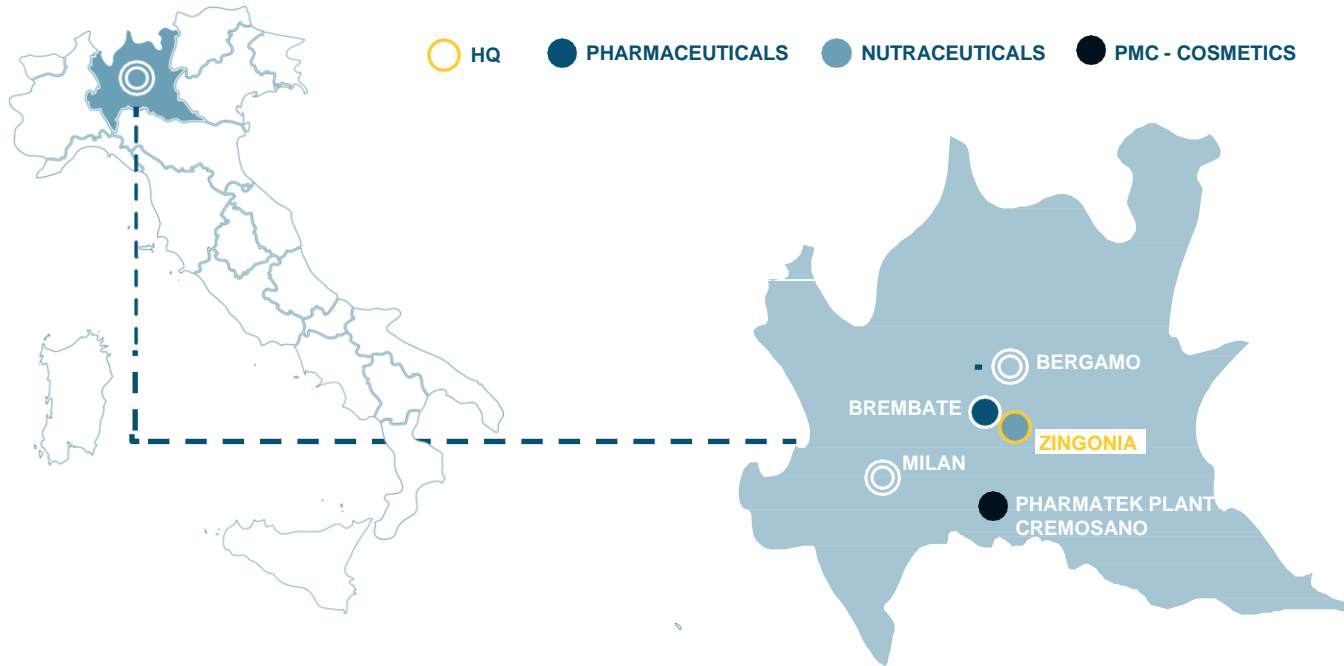
## FUTURE

PHARMA FOOD COSMETIC UNIQUE PRESENCE	CROSS FUNCTIONAL INNOVATIVE R&D
ATTRACTIVE AND GROWING MARKETS	STRUCTURE TO EXPLOIT M&A OPPORTUNITIES



**BACK-UP**

# MANUFACTURING PLANTS GEOGRAPHICAL FOOTPRINT



# CUSTOMER CONCENTRATION WITNESSES SHARE OF WALLET STRONG RISE

## 2020 CUSTOMERS IN % OF TOTAL REVENUES



# NUTRACEUTICAL PLANT EXPANSION - ZINGONIA

The operating complex covers a **total area of 45,600 sqm**

**19.7€m in CAPEX** over the 2016-2019 period

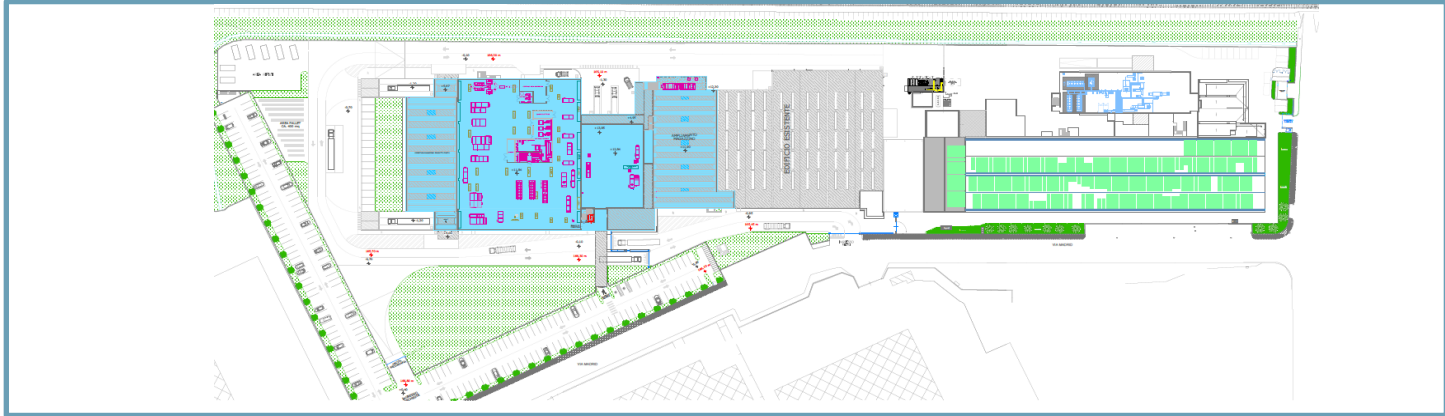
The expansion increased the covered area by **~ 80%** since 2016



Pre-existing covered area: 15,900 sqm



Final covered area: 28,800 sqm



Note: all squared-meters data have been approximated to the nearest hundreds



# PHARMACEUTICAL PLANT EXPANSION – BREMBATE

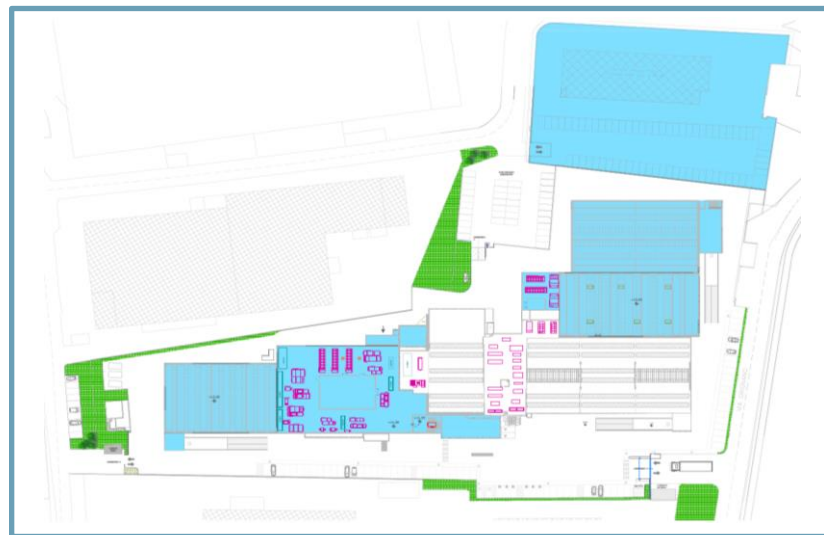
The operating complex covers a **total area of 26,100 sqm**

**15.2€m** for Plant Expansion over 2016-2019 and further **3.8€m** in 2020 for a new warehouse construction and the purchase of a 5,400 sqm land

The expansion increased the covered area by ~ 150% since 2016

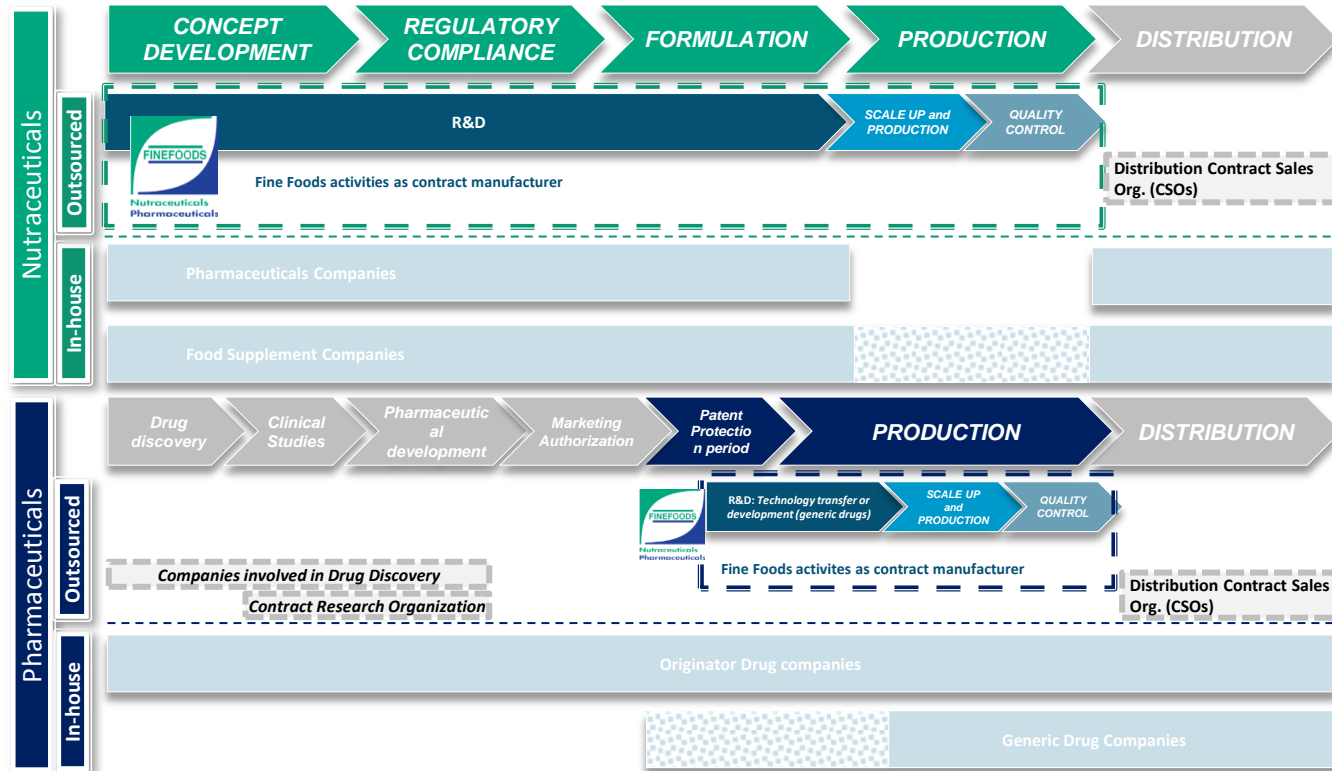
Pre-existing covered area: 5,700 sqm

Final covered area: 14,200 sqm



Note: all squared-meters data have been approximated to the nearest hundreds

# FINE FOODS POSITIONING IN THE PHARMACEUTICALS AND NUTRACEUTICALS VALUE CHAIN



# FINE FOODS FINANCIAL INSTRUMENTS



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## **Total Shares** as of 31.12.2020: **23,571,353**

- Ordinary Shares: 18,821,353
- Multiple Voting Rights Shares: 3,500,000
- Redeemable Shares: 1,200,000
- Special shares: 50,000

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## **Total Warrants** as of 31.12.2020: **7,094,016**

- Warrant Fine Foods & Pharmaceutical N.T.M.  
S.p.A.: 3,094,016
- Warrant Original Shareholders Fine Foods N.T.M.  
S.p.A.: 4,000,000

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## **Controlling Shareholder: Marco Francesco Eigenmann even towards Eigenfin S.r.l.**

- **51.93%** of Share Capital
- **64.77%** of voting rights (net of Treasury Shares)

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## **Buyback**

- Max purchasable shares: **2,000,000**
- N. Treasury Shares as of 31.12.2020: **816,808**
- Total cash out: **8.8€m**
- % of Treasury Shares on Total Shares as of 31.12.2020: **3.5%**

# FINE FOODS SHARES AS OF 31.12.2020



## LISTED SHARES

Ordinary Shares: 18,821,353

## UNLISTED SHARES

### Multiple Voting Rights Shares: 3,500,000

- Totally owned by Marco Francesco Eigenmann even towards Eigenfin S.r.l.
- Conversion Ratio: 1x in Ordinary Shares
- Conversion: among others at simple request of the owner
- Same rights as ordinary shares, other than voting rights.
- Each Multiple-voting Share provides the holder with three votes in all Shareholders' Meetings

### Redeemable Shares: 1,200,000

- Totally owned by Marco Francesco Eigenmann even towards Eigenfin S.r.l.
- Conversion Ratio: 1x in Ordinary Shares
- Conversion: among others at simple request of the owner
- Same rights as ordinary shares, including voting rights.
- Redeemable Shares will be redeemed by the Company, in whole or in part, should the owner be required to pay compensation to the Company (in application of the business combination agreements)

### Special Shares: 50,000

- Totally owned by SPAC Promoters
- Conversion Ratio: 6x in Ordinary Shares
- Conversion: to be converted in 300,000 Ordinary Shares, if the Official Price of the Shares reaches €12.40 for at least 15 days out of 30 consecutive days within 1 october 2021, otherwise they will be converted in 50,000 Ordinary Shares (1x)
- Lock-Up: 12 months since conversion date

# FINE FOODS WARRANTS AS OF 31.12.2020



## Listed Warrants

**Warrant Fine Foods & Pharmaceutical N.T.M. S.p.A.: 3,094,016**

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**Price:** Warrants give right to buy shares at price of € 0.10 each

**Conversion Ratio:** is variable and based on Monthly Share Price with strike price at € 9.50 and Cap at € 13.00

**Maximum converted Ordinary Shares:** No. 839,462 (at Max Conversion Ratio 0.2713x), with capital increase of € 83,946.1

**Warrants expiry on 1 October 2023** (or before, in case of “Accelerated Condition”, if Monthly Share Price is higher than the Threshold Price (€ 13.00))

## Unlisted Warrants

**Warrant Original Shareholders Fine Foods N.T.M. S.p.A.: 4,000,000**

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Totally owned by Marco Francesco Eigenmann even towards Eigenfin S.r.l.

**Price:** Warrants give right to buy shares at price of € 0.10 each

**Conversion Ratio:** it will be fixed for the first 5 years\* and will be variable during last 2 years\*\* with a conversion based on Monthly Share Price with strike price at € 9.03 and Cap at € 12.4

**Maximum converted Ordinary Shares:** No. 1,085,271 (at Max Conversion Ratio 0.2713x), with capital increase of € 108,572.1

**Warrants expiry on 1 October 2025**

\* 1-3 year: warrants will be totally converted only if average daily price of shares will not be less than €12.40 for at least 15 days out of 30 consecutive days (Max number of converted shares: 1,085,271)

4-5 year: 1,000,000 warrants will be totally converted only if average daily price of shares will not be less than €13.31 for at least 15 days out of 30 consecutive days (Max number of converted shares: 271,318)

\*\* 6-7 years: 3,000,000 warrants will be totally converted as above reported (Max number of converted shares: 813,953)

# CONTACTS



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