

The image shows a close-up of a white lab coat with the 'Erfo' logo and 'LABORATORIO FARMACEUTICO' printed on it. The background is a blurred laboratory setting with several brown glass bottles on a shelf.

Erfo®
LABORATORIO
FARMACEUTICO



EGM INVESTOR DAY

Milano, 09.05.2023



Alessandro Cutè
Chairman & CEO

In 2010 he started to design the Diètnatural model, until he founded Erfo s.r.l. in 2013. Before devoting himself to the creation of Diètnatural he accumulated managerial experience in the Public Administration and in sports clubs of the top football series, thus maturing the passion for well-being and healthy eating.

Agenda

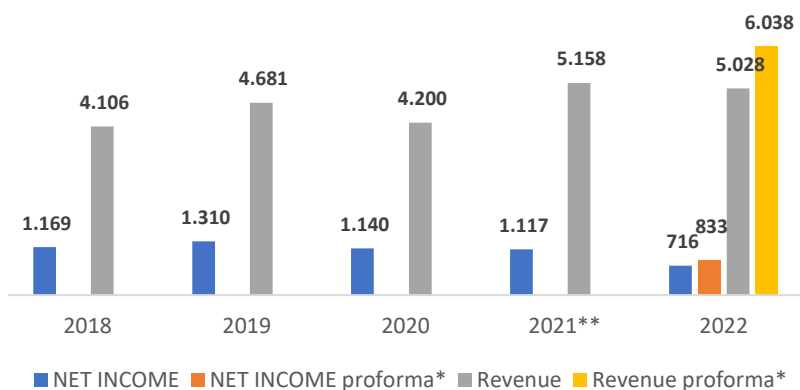
1. At a Glance
2. Business Model & Go to market
3. Key Financials
4. Strategy & Investment Plan

At a Glance

Laboratorio Farmaceutico Erfo S.p.A. is a Benefit Corporation and **Innovative SME** with its headquarters in Villafranca Tirrena (ME). It is specialized in the formulation, production and marketing of nutraceutical products, originated from a continuous **Research and Development** activity which has already generated **over 70 products**.

Marketing and distribution takes place through three business lines:

1. **Diètnatural**: format conceived and developed by the company and dedicated to the sale of nutraceutical products combined with continuous assistance in the **nutritional path** of each client, through **scalable and high-margin commercial formulas** (i.e. direct and franchised single-brand centers)
2. **BodySano**: format developed in **France and Belgium**, dedicated to the sale of nutraceutical products, combined with **a personalized nutritional path and innovative beauty treatments**
3. **Medical Division**: new product line born in 2021 and dedicated to nutraceuticals for different specific therapeutic areas **gastroenterology**, **urology** and, since 2022, **gynecology**, with important developments already planned in the **orthopedic** area.



The company's strategy is to invest in the development of both business lines, and in particular through:

- New openings of **Diètnatural** and **BodySano** centers on the European territory through new franchise collaborations
- Development of the **Medical Division** line both in terms of product (i.e., **R&D**) and in terms of **commercial network** (i.e., increase in the number of single-agent Scientific Drug Informants)
- Investments in **marketing**, **digitalization** and improvement of the user experience related to the **"Dietplan"** app

36%
EBITDA Margin adj FY22

-1 Mln€ (Net Cash)
Adj. Net Fin. Position FY22

>70
Developed products
(FY22)

145
Total Active centers
(FY22)

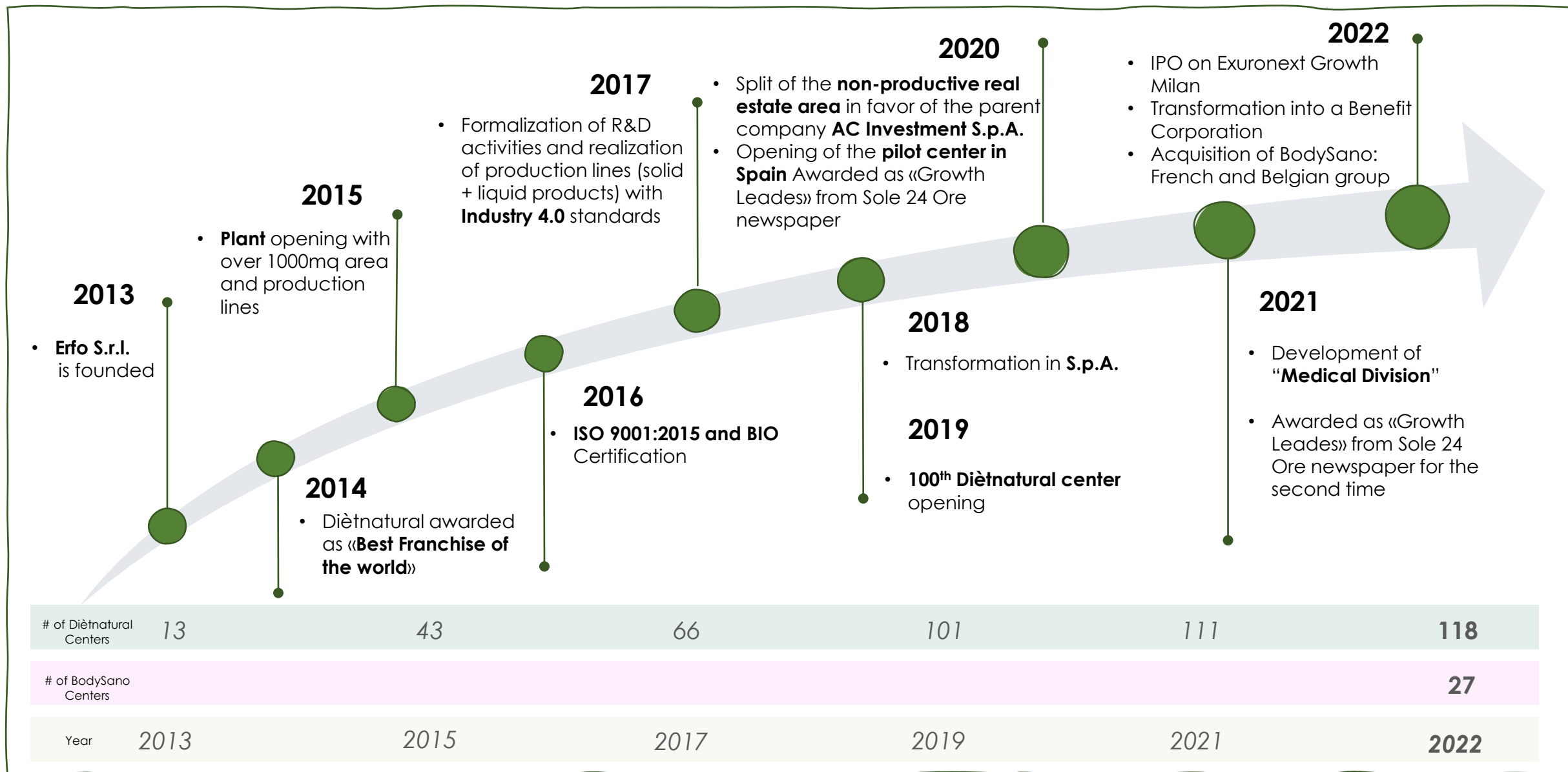
NET INCOME '13-22 **+16 %CAGR**

REVENUE '13-22 **+24% CAGR**

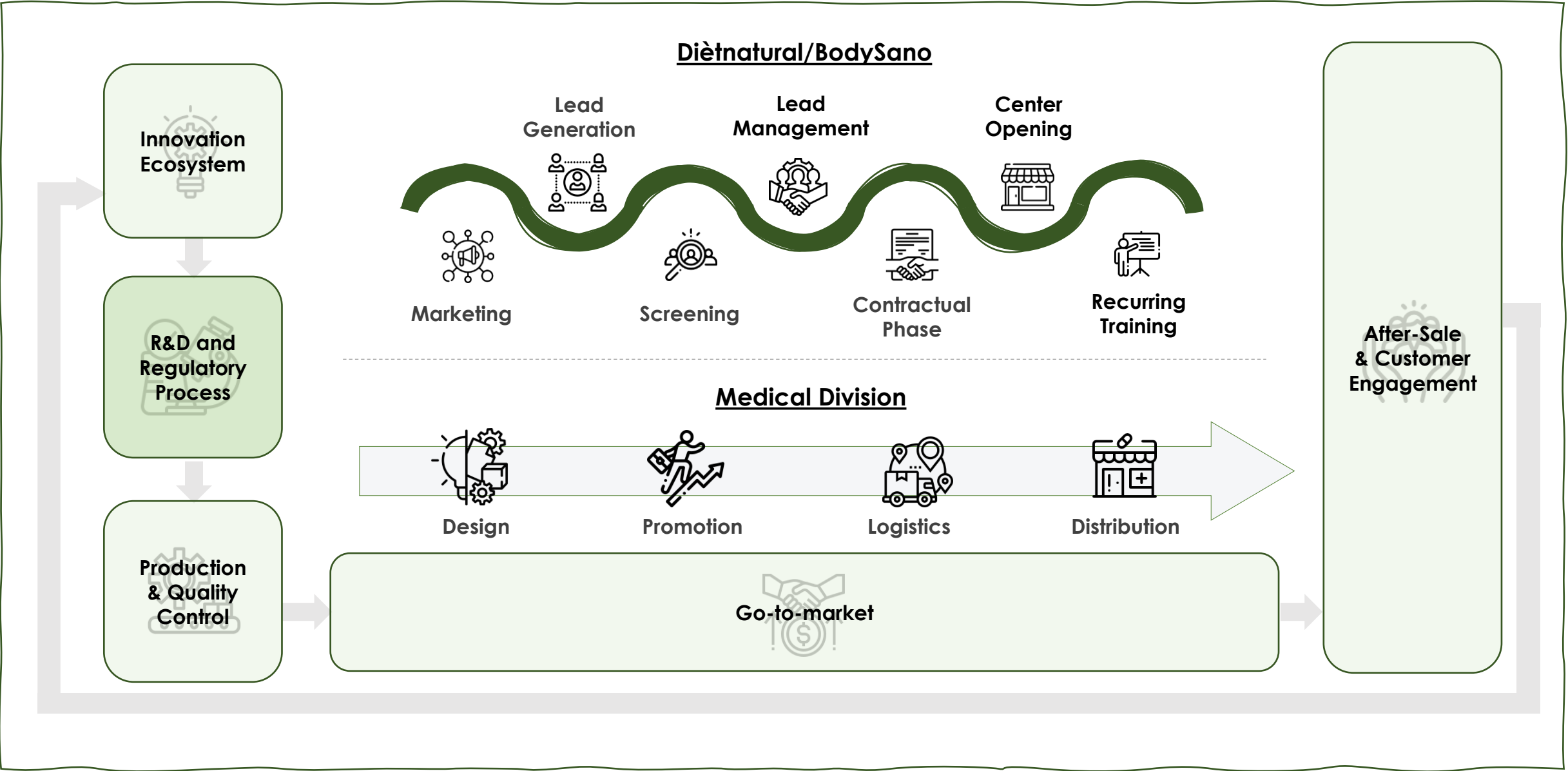
*The 2022 proforma consolidated figures (unaudited) assume the full consolidation of BodySano Group and Diètnatural Nutricenter S.r.l.

**The 2021 comparative consolidated figures (unaudited) were constructed assuming the full consolidation of Diètnatural Nutricenter S.r.l. and Giano Pharma s.r.l. (a wholly owned subsidiary in 2021, merged by incorporation on August 29, 2022). Refer to the press release of March 31st, 2022 for further information.

Storyline



Business Model



Go-to-Market



Business model



Regular Meetings
(every 10 days)



Exclusive and high quality products



High-precision instruments and targeted services (e.g., DNA testing, metabolic and intolerance testing)



1

Standardized Layout
(Sale Area e Consulting Area)



Franchising

105

Centers In Italy

Direct centers

13

12 Centers in Italy
+ 1 in Spain

2

Formulas
(Standard vs. Smart)

NEW FORMAT



Business model



Regular Meetings
(every 7 days)



Exclusive and high quality products



High-precision instruments and targeted services (e.g., DNA testing, metabolic and intolerance testing)



Innovative beauty treatments



1

Standardized Layout
(Sale Area, Consulting Area, Beauty Area)



Franchising

26

Centers in France

Direct centers

1

Center in Belgium



Business model

10

Products related to the
urological, gastrointestinal,
gynecological areas



5

Key Clients (Distributors)

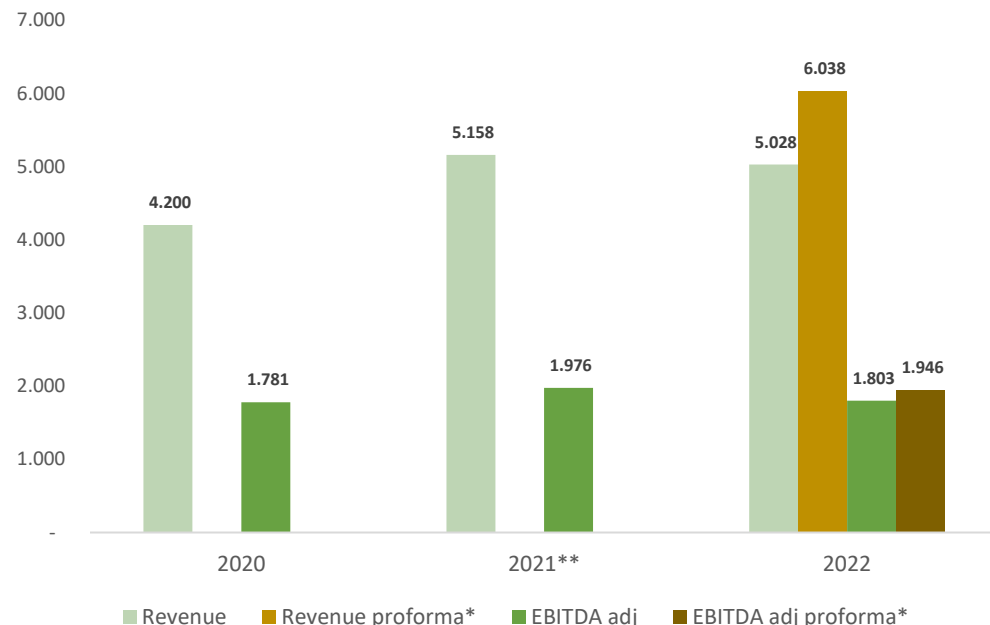


8

Scientific Drug Informants
(4 Sicily + 4 Center of Italy)

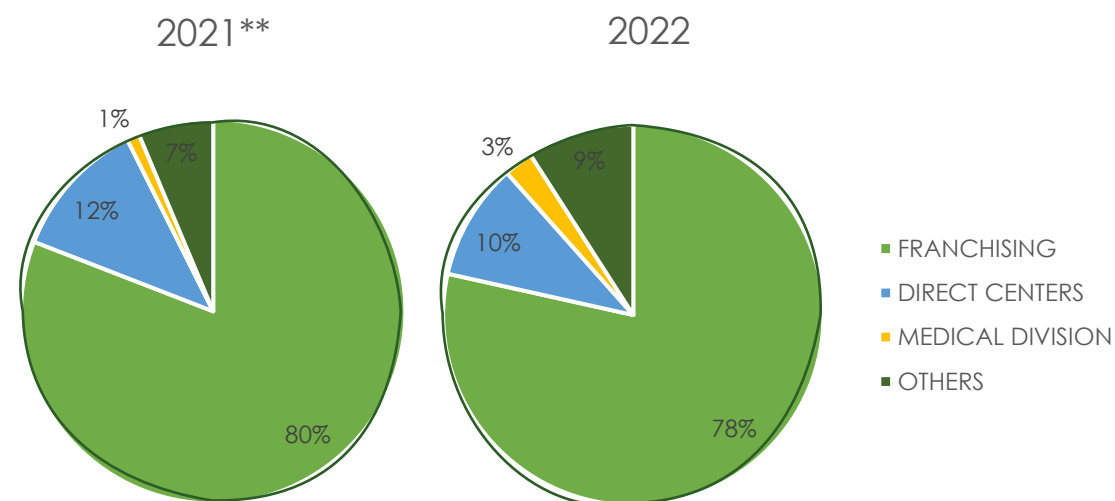
Key Financials

Highlights 2020-2022 (€k)



- The **Diètnatural** line represents the main source of revenue for the company and on average represents **c. 90% of the total turnover**
- In 2022, **Erfo's Medical Division** has seen signs of growth, with revenues reaching around €125k (FY2022)

- Total revenue generated by the company amounted to **c. €5m at the end of 2022** (vs €5.1m in 2021). With *proforma** data, total revenue would have been **c. €6m at the end of 2022 (+ 17% YoY)**
- Erfo has been able to maintain **a good level of EBITDA Margin, of around 36% (FY 2022)**, notwithstanding an increase in structural costs related to the implementation of the growth strategy of the company (Post-IPO)
- PFN Adjusted is **c. €1m (cash positive) at the end of 2022, with a cash conversion rate of 82%**



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Strategy & Investment Plan - Goals

Geographical Footprint



- **Development of the network of Diètnatural Centers in Central-Northern Italy** to benefit from greater **spending capacity** and macro trends of **health awareness** and **drug mistrust**



- **Development of the international network especially in France** (whose market growth is estimated at c. 5-7% between 2020-2025) and in adjacent countries and attributable to the Mediterranean culture (i.e., Spain)

Digitalization & Marketing



- Development of **digital control systems** for Diètnatural centers' customers and improvement of the user experience related to the "**Diètplan**" app
- Investments in **marketing** (e.g., advertising campaigns, communication on social media) in order to increase brand awareness
- Investments to increase the network of Scientific Drug Representatives for the **Medical Division line and opening of new distribution channels**

Research & Development



- Investments in Research and Development and **innovative projects related to the therapeutic lines already in place** (i.e., urology and gastroenterology)
- **New research projects related to testing phases for new therapeutic areas** (e.g., OOC application on new therapeutic areas)



M&A

- **National and international targets** identified by the company in order to:
- Accelerating the growth of the Diètnatural line abroad
- Increase in the Medical Division's product portfolio and sales network (i.e., Scientific Drug Representatives)

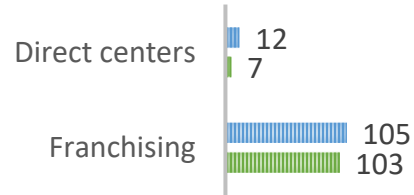
(M&A transactions may be concluded through the use of various financial means: i.e., cash, equity, debt)

Strategy & Investment Plan – Results 2022

Geographical Footprint

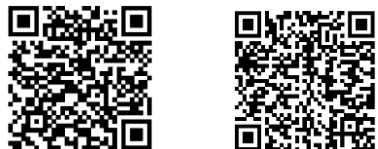
DIETNATURAL CENTERS IN ITALY

■ 2022 ■ 2021



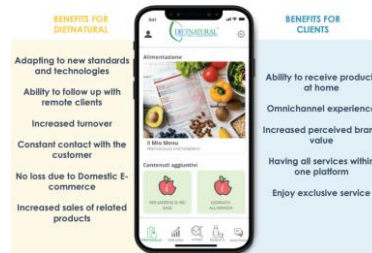
- Engaged a **new area manager assistant** to work on increasing centers average revenues
- Erfo lands in **the French and Belgian markets with 27 new centers (BodySano brand)**

See more



Digitalization & Marketing

- Diètnatural APP update with **e-commerce** capabilities (online by 1H2023)
- Creation of a **data center** integrating information coming from all devices (scale, cash register, etc.) to abilitate data analytics and research (development in progress)
- In store marketing and Lead generation projects



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Research & Development

- Start-up of a proprietary **Microbiology Laboratory** to further boost Erfo's industrial research activities
- First **Patent** filed: "**Policistix**", for the treatment of Polycystic ovary syndrome
- Development of **10 innovative products**
- Active participation in the **R&D project "Platform"** funded by MISE and aimed at developing patentable solutions to facilitate osseointegration processes
- Presentation of the **R&D Project "PLANTS"**, funded by MIMIT and aimed at the development of patentable green solutions for osteopenia and sarcopenia

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M&A

- Acquisition of 65% of BodySano**, company active in the field of nutraceuticals and beauty centers with 27 centers in France and Belgium
- Entry into the **market of advanced aesthetics services**
- Hired an **international account manager**

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Thanks for your attention



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