



Press Release

Labomar acquires 51.2% of Labiotre to reach 100% ownership

Istrana (TV), November 23, 2021 - Labomar SpA (Ticker: LBM), an Italian-based international nutraceutical enterprise and listed on the Euronext Growth Milan market, announces the acquisition today of the residual 51.2% of Labiotre Srl, the plant extract production specialist based in Tuscany, from Biodue Spa.

The latter is held by Aurora Dodici SpA, investment vehicle which is held indirectly by Armònia SGR SpA, in the name of and on behalf of the "Armònia Italy Fund" Alternative Investment Fund, owned by the Rovati family holding company Fidim Srl.

Labomar thereby increases its overall stake in the company from 48.8% to 100%.

The price paid to Biodue Spa was Euro 8.4 million and is not subject to adjustments. It takes into account the possible future acquisition of Labiotre's production facilities of approx. 2,000 square metres through the exercise of the purchase option under the Rent to Buy agreement to which Labiotre is a party and which may be exercised by January 2023.

The amount was settled using Labomar SpA's own funds and therefore without recourse to bank financing.

This acquisition follows that of September for 17.6% of the share capital of Labiotre Srl, with an outlay of Euro 1.2 million.

Labiotre was founded in 2011 and is based in Tuscany in Tavarnelle Val di Pesa, in the heart of Chianti, emerging as the product of the vast experience gained by a number of medicinal herb and food supplementation specialists.

The company leverages innovative techniques to produce botanical extracts, titrated in active ingredients with documented physiological action. It undertakes exclusive clinical studies on specific extracts or fractions at the discretion and request of customers and works on the active principles of the extract also from the technological point of view and at the specific request of the customer using the most modern pharmaceutical techniques.

Labiotre reported revenues of Euro 6.1 million in 2020, EBITDA of Euro 1 million and a net profit of 426 thousand (figures from the financial statements drawn up as per Italian GAAP.)

The transaction was executed in view of Labiotre's results at June 30, 2021, in addition to the full-year forecast.

Labiotre will join the Labomar Group consolidation scope on December 1, 2021.

Walter Bertin, founder and CEO of Labomar stated: *"Top raw material quality is key to the provision of excellent products - and even more particularly in the nutraceutical sector. Full*

control of Labiotre, with a view to controlling the supply chain and the complete monitoring of the value chain allows us to make successful, cutting-edge products. The future integration, represented upstream by Labomar Next Srl, our subsidiary specialised in the use of aeroponic vertical farming technologies in the field of medical herbaceous plants, and downstream of Labiotre Srl, with Labomar's R&D division, and finally with the various companies operating on the market (Labomar SpA, Entreprises ImportFab Inc., the Welcare Group and the newly-founded LaboVar Srl), entirely fits with our vertically-integrated business model through which our Group seeks to strengthen its winning competitive factors.

Labomar was assisted in the transaction by BModel as Corporate Advisor, in the persons of the Founder Mr. Claudio De Nadai and the Senior Partner Ms. Martina Torresan.

It was assisted by Studio Pavia e Ansaldo, with Partner Mia Rinetti and Associate Francesco Savi, for the legal aspects of the transaction and by Consimp - Consulenza d'Impresa, with Senior Partner Michele Graziani, for the accounting and tax aspects.

Studio Legale Associato Gatti Pavesi Bianchi Ludovici, with the partner Gianpaolo Scandone, the Associate Fabiola Capparelli and Lorenzo Arrigoni, assisted Biodue Spa and its shareholders.

Labomar Profile

Founded by Walter Bertin in Istrana (province of Treviso) in 1998, Labomar 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.

For further information:

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