

## GROUP REVENUES OF €18.8 MILLION (+6% YoY) DRIVEN BY ONLINE RETAIL CHANNEL (+22% YoY)

MORE THAN 5.5 MILLION VISITORS

ALL MAJOR KPIs ON THE RISE  
ORDERS +50% YoY TOTAL | CUSTOMERS + 50% YoY  
LOYAL CUSTOMERS + 30% YoY  
CONVERSION RATE + 5% YoY

## EXECUTION OF STRATEGIES CONTINUES WITH THE LAUNCH OF CONTACTU - TELEPSYCHOLOGY PLATFORM - WITH THE FIRST SESSIONS ALREADY CONDUCTED AND MORE THAN 100 PROFESSIONALS ALREADY ENGAGED

*Naples, April 24th 2023*

**Farmacosmo S.p.A.** (“Company”. “Farmacosmo”), a company active in the Health, Pharma & Beauty sector, listed on the Euronext Growth Milan market of Borsa Italiana, announces that the Board of Directors, which met today, reviewed certain unaudited management data (revenues and key business KPIs of the Company) as of March 31st, 2023.

Fabio de Concilio, President and CEO of Farmacosmo, said: “2023 is a very important year for our Group, during which we will consolidate and transfer the business model within the subsidiaries. Optimizing revenue and cost synergies will enable us to make the acquired structures more efficient. **The core business and marginality of farmacosmo.it will always and in any case remain our priority.** In 2023, we will work mainly on the marginality of the business, of farmacosmo.it and all investee companies. Twelve months ago, at the date of listing, we had set a goal of significantly reversing the revenue weight of the two business legs, B2B and B2C, at that time 56% and 44%. As of today, the weight has completely changed: the retail channel, given as the sum of portals and physical pharmacies, stands at about 66%. The Group is moving quickly toward full integration of not only the acquisitions it has made, but also the digital ecosystem of services (ContactU). Making an investee's integration efficient is, merely by way of example, managing back office and operations from the parent company, using Farmacosmo's logistics for picking, packaging, and delivery. This is the case of **Bàu Cosmesi**, which as of March 31st, and only 45 days after its acquisition, is fully managed by Farmacosmo staff and is hosted by Nola Logistics. To date, we have total control of the activities, from order arrival to delivery. All owned **Pharmacies** host Bau's products, and all of Farmacosmo's industrial partners have become distributors of Bau's products. The same is happening with **ProfumeriaWeb**: numerous cost synergies have already been realized between late 2022 and early 2023 due to the implementation with Farmacosmo of a single strategic center for IT developments and marketing policies. To date, the marketing, purchasing, and administrative departments are managed by Farmacosmo staff. In the last quarter of 2022 alone, the new management cut costs by more than 250,000 euros. As of June 30, 2023, ProfumeriaWeb's logistics will also be housed in Nola.

*In addition to major business-economic changes, the website has also been completely redesigned, and the new version will be published during the third quarter of 2023. A complete redesign with 'luxury' graphics, requested by leading perfumery and high cosmetics maisons. ProfumeriaWeb is rebuilding its 2021 identity. **However, it is a process that must first go through marginality and then through revenue growth. This statement applies to any Group Company.** Phàrmasi, Farmacosmo's insular brand, completed on April 10th all integration into the world of Farmacosmo. Since the next day, sales on a daily basis have increased significantly. In May, the same digital services as Farmacosmo will launch (shared fidelity between website and Pharmacy, fast and super fast delivery). Physical pharmacies are restructuring the business model by becoming the "phygital" arm of Farmacosmo.it. As of the date of this Press Release, they have all been branded and pharmacy customers will be able to share on-offline discounts, order on site all Farmacosmo products not available in stores, pick up merchandise or make returns. All this was done in 90 days.*

*My last comment is for ContactU, the telepsychology platform launched in early April. The investment in the technological infrastructure will allow us, during 2023, to adapt it to any videostreaming (telemedicine and teleconsultation). As of the date of this Press Release, we have already started the first online sessions and concluded contracts with Companies for employee psychological welfare. At the moment we are not yet investing in marketing, exploiting only the order confirmation banners of our platforms. April is a debugging month to evaluate and correct any platform errors. Therefore, we are confident of achieving an adequate level of profitability. Just one year after listing, the Farmacosmo ecosystem has as many as six companies.*

*The strategic M&A goals we had set by 2025 during the listing have seen a strong acceleration in the first 12 months alone, and the Company's development is proceeding under the banner of merging online and offline, through the pursuit of the omnichannel strategy with the acquisition of the first physical pharmacies and the expansion of the offering with high value-added digital services".*

In the first quarter of 2023, total revenues stood at 18.8 million euros, up 6% from the same period last year. Growth is driven by the retail component, whose weight will increasingly predominate over B2B. **The different marginality between the components of physical pharmacies, ecommerce platforms, digital services and B2B, drives us to focus more and more efforts on the core business: retail and digital services. Already since February this year, the Company has improved overall marginality through increased focus on all retail revenue components and cost optimization.**

The group's growth is driven by the retail channel and the performance of farmacosmo.it, which once again confirms the high loyalty of the customer base thanks to the high quality of customer engagement actions put in place by management. The main business KPIs of the B2C channel are shown below:

- Orders filled in the first quarter of 2023 grew by more than 50% compared to the same period in the previous year.
- More than 5.5 million visitors in the first quarter of 2023, up 75% from the same period last year.
- The Average Order Value of *farmacosmo.it*, among the highest in the market, cart consolidates at a higher value of 96 euros; *profumeriaweb.com*'s one at 78 euros, *baucosmesi.it*'s at 40 euros and *phàrmasi.it*'s at 60 euros.
- As of the date of this Press Release, the April Average Order Value of farmacosmo.it touched 99 euros for the first time, up 7 euros since the end of 2021.

Execution of the strategies announced at the time of listing and implemented at the end of 2022 and beginning of 2023 through the 5 M&A deals concluded in recent months continues: purchase of the ProfumeriaWeb, Phàrmasi, Baucosmesi portals, and the first three physical pharmacies, and the launch of ContactU (March 2023), a digital platform specializing in the provision of online psychology and psychotherapy services.

## PHYSICAL PHARMACIES

During March, the branding of pharmacies in Turin and Verbania was completed. This will generate improved brand awareness and recognizability of the Farmacosmo offer, both online and offline.

Brand recognizability is one of the group's priorities: the new "farmacosmo.it" sign, used for physical pharmacies, has been graphically designed so that the ".it" recalls a pharmacy cross while, at the same time, emphasizing the solid digital vocation. The pharmacy becomes, therefore, an extension of the portal and vice versa, showing how there is continuity between physical point and e-commerce.

As of the date of this Press Release, it is planned to integrate Fidelity cards between the "farmacosmo.it" portal and its pharmacies, which will allow users to accumulate points by making purchases both on the portal and in the pharmacy. This will enable us to optimize their customer journey, improving their shopping and service experience and creating additional touchpoints, which will enable them to take greater advantage of the many opportunities and encourage cross-selling.

The website user and the pharmacy patient will be able to enjoy, in the Farmacosmo Ecosystem, the fruits of the omnichannel strategy: they will be able to benefit from numerous offers, use the physical points as pickup points where they can pick up purchases made online, take advantage of the pharmacy return service, even of items purchased on the portal, enjoy shorter delivery times and extra services with high added value.

The strategy of entrenching logistic pharmacies will allow Farmacosmo to include enabling facilities to evolve into Q-commerce, with the goal of speeding up delivery of all group orders, reducing shipping time, offering the opportunity for a physical pharmacy consultation for e-commerce users, all without affecting margins and costs.

## CONTACTU

With the launch of ContactU.it, the company confirms its entry into the world of digital services of high value-added in the field of Health.

Entering the Telepsychology market allows the Farmacosmo Group to broaden its value proposition, with the goal of accelerating the process of evolution into an integrated ecosystem of services dedicated to personal care and well-being.

ContactU is a project with a strong scientific connotation, the result of the experience of Cepib, a distinguished organization in the academic and professional field of mental well-being. A team with more than 20 years of experience and a Scientific Committee specialized in research and constant experimentation of effective techniques for patient care will enable the ContactU platform to have a different positioning from its competitors, thanks to a value proposition that can cover the needs of patients as much as those of therapists.

In fact, ContactU was created with the aim of offering everyone the opportunity to embark on an effective therapeutic path, without constraints of time and distance, guaranteeing each patient the effectiveness of his or her path and, at the same time, offering favorable conditions for the professional growth of therapists. The platform ensures that therapists take on new patients, allows them to take part in constant supervision to improve their technical-relational skills, and to participate in training events, placing them within a highly professionalizing pathway.

As of the date of this Press Release, ContactU has already signed contracts with companies to enter the B2B leg with the project called: "Psychological Wellness in the workplace".

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This press release is available on the [www.farmacosmoinvestors.com](http://www.farmacosmoinvestors.com) website, section "Investors/Press Releases" and on the authorized storage mechanism "eMarket Storage" ([www.emarketstorage.com](http://www.emarketstorage.com)).

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## THE SOCIETY

Farmacosmo is a company active in the Health, Pharma & Beauty sectors. The company's business model is based on the circular model of the I(ea)n strategy, and is divided into three main business areas: Logistics, Intelligence and Node. Logistics: enables the management and fulfillment of up to 12,000 orders per day, with delivery times of up to 20 hours from carrier picking and just-in time procurement ('zero warehouse' policy). Intelligence: includes strategy definition, competitive positioning and customer journey activities, which enabled the company to intercept c. 188,000 customers in 2021. Recurring customers contributed 74% of the annual retail stream turnover. The average cart value of active customers in the retail stream amounted to €92 (€109 related to recurring customers). Node: R&D activities, process innovation and IT infrastructure of the company. Over the past five years, Farmacosmo's sales value has grown by 54% (CAGR 2016-2021) and will be around €58 million in 2021. The Farmacosmo ecosystem aims to pursue standards of excellence in every part of its value chain, being inspired by compliance with ESG principles at all stages of the logistics process (from the packaging used for online orders to carbon compensation initiatives) and in the valorisation of its employees, the company's strategic asset. The portals ProfumeriaWeb, Phàrmasi, Bau Cosmesi and ContactU, an innovative platform of telepsychology launched in March 2023, are part of Farmacosmo Group. During 2022, Farmacosmo launched its rooting strategy through the acquisition of Farmacosmo-branded logistics pharmacies. Farmacosmo's commitment to ESG is also underlined by the publication of its Sustainability Report 2021.

# FARMACOSMO

PRESS RELEASE

## IDENTIFICATION CODES

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