

FARMACOSMO+

1H23: top-line +14% YoY driven by retail and M&A, strong gross margin improvement

Sector: Digital retail trade

1H23 results: sales growth somewhat below expectations, higher-than-expected profitability. At the end of September, Farmacosmo released 1H23 results with sales of Euro 36.7 m, up YoY by +14% (Euro 32.1 in 1H22). Growth was mainly driven by the retail channel which saw an increase by +28% YoY to Euro 22.4 m following a c. +5% organic growth of farmacosmo.it (+20% as of our previous estimates for the full year) and M&A (profumeriaweb.com, baucosmetics.it, pharmasi.it). On a consolidated basis growth in the retail segment was partially offset by a slowdown in the B2B business (-17% YoY) to Euro 12.1 m (Euro 14.6 m in 1H22). Gross Profit stood at Euro 7.6 m, +71% YoY (Euro 4.5 m in 1H22) as Gross Profit Margin jumped to 20.4% vs. 13.8% in 1H22 and 14.1% at year-end 2022 and 16% as of our previous estimates for the full year. This was achieved thanks to tight control on provisioning and pricing, Management policy of direct purchase of key products to improve margin and change in sales mix with higher weight of the retail business which accounted for 67% of total sales vs. 54% in 1H22. Opex increased by 79% mainly due to higher personnel and services costs (up by +94% and +73% respectively) following the incorporation of the newly acquired companies in the P&L, strengthening of Management structure and cost related to being a listed company. This resulted in an EBITDA of Euro 30 k (after Euro 120 k of M&A related one-offs) or 0.1% on sales vs. Euro 0.2 m (0.7% on sales) prior year for the parent company stand alone and for which we underline a positive contribution with an EBITDA of Euro 0.3 m, +34% in 1H23. At the bottom line the Group recorded Net Loss of Euro 1.7 m (Euro 2.1 on a consolidated basis) vs. Euro 0.3 m in 1H22 after D&As of Euro 1.6 m, up significantly vs. prior year (Euro 0.4 m) due to capitalized IPO costs (Euro 0.3 m), and goodwill from the acquisitions (Euro 0.6 m). On the balance sheet Net Debt came in at Euro 1.3 m vs. a cash position of Euro 5.2 m at year end 2022 due to some NWC absorption (Euro 5.3 m) reflecting the direct purchase policy affecting inventory, and the seasonality of the business in favour of the second half of the year and concentrated in the last quarter.

Well defined strategy aligned with driving market trends and booming KPIs in support of short and mid-term growth. The Group also announced sales for the first nine months at Euro 52.5 m, +14% YoY again driven by the retail channel (+28% YoY) thanks to the M&A contribution as farmacosmo.it recorded sales in line with last year. Management stressed that the lower-than-expected organic growth was to be attributed to the weak economic scenario negatively affecting consumer spending and a strategy focusing on profitability rather than volumes. Management also highlighted that the restructuring and integration of the acquired companies is well underway starting to show expected results in terms of revenue growth and increased profitability. Management did not provide guidance for FY23 but expressed commitment to a strategy focusing of the high-margin core business (retail and digital services) while continuing to work on the integration of the new group companies. The last months of the year should be characterized by the further development of ContactU, the online telepsychology platform following the launch of couple and parental counselling in July 2023 and by the development of FarmaWoW. The later a Pharma&Beauty web platform acquired by the Group in August (total consideration of the deal for Farmacosmo c. 150 k for 51% of the share capital) in partnership with Erfo SpA, an EGM listed company active in the nutraceutical industry with the strategic rationale for Farmacosmo to enter the fast-growing nutraceutical niche market. Finally, Management stressed growth across all KPIs for the retail business in support of healthy growth in the short-term: increase in total retail orders by +45%, no of total clients +45%, no of loyal clients +30%, AOV for farmacosmo.it at Euro 99 (Euro 96 year-end 22) and settling above Euro 100 from July, 74% of sales from recurring clients.

Positive stance on the stock confirmed. Following the above we made some adjustments to our FY23 forecast. We now assume FY23 revenues of Euro 80 m (Euro 90 m pr.) and an EBITDA margin of 2.0% (2.7% pr.) We also adjusted our expected sales growth rates for FY24-25, and in particular organic growth of farmacosmo.it (22PF-25E CAGR of +14% vs. 25% pr.) and Digital Health services (Euro 9 m in FY25 vs. Euro 20 m pr.). We also adjusted profitability margins now assuming average 23-25 GP margin at 20% vs 18% pr.. Overall, we changed our average sales and EBITDA forecast by -16% and -34% respectively. Based on our new estimates and updated market data, our valuation model yields a new target price of Euro 2.04 p.s. (Euro 2.79 pr.), +190% vs. current stock price. At our valuation the stock would be trading at FYE 23-24 EV/Sales of 0.96x and 0.73x respectively vs. current stock price at 0.32x and 0.26x. Given all the above, and considering the undemanding valuation, we reiterate our positive stance on the stock.

Target Price **2.04 (2.79 pr.)**

Price (€) **0.70**
Market Cap (€ m) **25**
EV (€ m) **26**

As of November 6th, 2023

Share Data

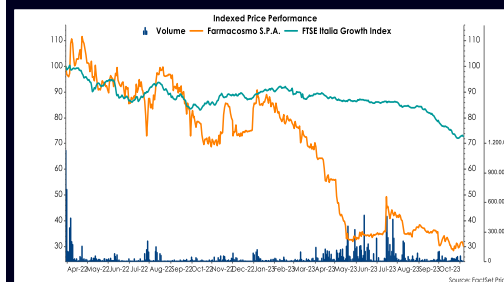
Market	Euronext Growth Milan
Ticker	COSMO
ISIN	IT0005487670
N. of Shares	38.857.840
Free Float	26.48%
Main Shareholder	DECO F Srl
CEO	Fabio de Concilio

Financials

	22A	23E	24E	25E
Rev.	66.6	80.4	100.1	117.9
YoY	14%	21%	24%	18%
EBITDA	0.0	1.6	4.0	7.1
EBITDA	0.1%	2.0%	4.0%	6.0%
EBIT	(1.6)	(1.3)	1.0	4.0
EBIT	n.s.	n.s.	1.0%	3.4%
Net Inc.	(2.0)	(2.1)	0.1	2.3
Net Debt	(5.2)	(2.4)	(5.6)	(9.7)
Net Equity	19.0	17.0	17.1	19.4

Performance

	1M	3M	6M
Absolute	-10%	-28%	-35%
Relative (FTSE Italia Growth)	-5%	-17%	-23%
52-week High/Low (Eu)	2.20	/	0.62



Luisa Primi

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KEY FINANCIALS

	2020A	2021A	2022A	2023E	2024E	2025E
Profit&Loss Statement						
Sales	44,1	58,0	65,7	79,4	98,9	116,7
Revenues (VoP)	44,5	58,5	66,6	80,4	100,1	117,9
EBITDA	1,1	1,6	0,0	1,6	4,0	7,1
EBIT	0,9	1,1	(1,6)	(1,3)	1,0	4,0
Financial Income (charges)	(0,3)	(0,4)	(0,6)	(0,8)	(0,8)	(0,8)
Extraordinary items	(0,3)	(0,4)	0,0	0,0	0,0	0,0
Pre-tax profit (loss)	0,5	0,7	(2,2)	(2,1)	0,2	3,2
Tax	(0,2)	(0,2)	0,2	0,0	(0,1)	(0,9)
Net profit (loss)	0,4	0,4	(2,0)	(2,1)	0,1	2,3
o/w Minorities	0,0	0,0	0,1	(0,4)	0,0	0,5
Balance Sheet						
Net working capital (NWC)	(2,3)	(1,1)	(3,0)	(1,3)	(3,2)	(3,7)
Net fixed assets	1,0	1,5	17,3	16,5	15,5	14,4
M/L Funds	(0,2)	(0,2)	(0,6)	(0,7)	(0,8)	(0,9)
Net Capital Employed	(1,4)	0,1	13,8	14,6	11,5	9,7
Net Debt	(2,0)	(0,8)	(5,2)	(2,4)	(5,6)	(9,7)
Equity	0,6	1,0	19,0	17,0	17,1	19,4
o/w Minorities	0,0	0,0	1,6	1,3	1,3	1,8
Cash Flow						
Net Income	0,4	0,4	(2,0)	(2,1)	0,1	2,3
Non-cash items	0,3	0,6	1,9	3,0	3,1	3,2
Change in Working Capital	1,0	(1,2)	1,9	(1,7)	1,9	0,5
Cash Flow from Operations	1,7	(0,2)	1,8	(0,8)	5,2	6,1
Capex	(0,5)	(0,9)	(17,5)	(2,0)	(2,0)	(2,0)
Other non-current asstes	0,0	0,0	0,0	0,0	0,0	0,0
Extraordinary items	0,0	0,0	0,0	0,0	0,0	0,0
Free Cash Flow	1,2	(1,1)	(15,7)	(2,8)	3,2	4,1
Disposals/Acquisitions	0,0	0,0	0,0	0,0	0,0	0,0
Dividend	0,0	0,0	0,0	0,0	0,0	0,0
Other (equity)	(0,2)	(0,0)	20,1	0,0	0,0	0,0
Change in Net Debt	1,0	(1,1)	4,4	(2,8)	3,2	4,1
Per Share Data						
Current Price	0,70					
Total shares out (m)	38,86					
EPS	0,0	0,0	(0,1)	(0,1)	0,0	0,1
DPS	0,0	0,0	0,0	0,0	0,0	0,0
FCF	0,0	(0,0)	0,1	(0,1)	0,1	0,1
Pay out ratio	0%	0%	0%	0%	0%	0%
Ratios						
EBITDA margin	2,6%	2,7%	0,1%	2,0%	4,0%	6,0%
EBIT margin	1,9%	1,8%	n.s.	n.s.	1,0%	3,4%
Net Debt/Equity	-353,2%	-86,9%	-27,4%	-14,2%	-32,8%	-49,8%
Net Debt/(Net Debt + Equity)	139,5%	-660,6%	-37,8%	-16,5%	-48,8%	-99,1%
Net Debt/EBITDA	-1,71	-0,54	-121,33	-1,48	-1,40	-1,36
Interest cover EBIT	2,52	2,63	n.s.	n.s.	1,26	5,00
ROE	67,2%	42,8%	-10,5%	-12,1%	0,9%	11,9%
ROCE	-72,5%	1013,6%	-12,4%	-8,7%	9,3%	50,3%
Free Cash Flow Yield	3,7%	n.m.	16,0%	n.m.	11,8%	14,8%
Growth Rates						
Revenues (VoP)	83%	32%	14%	21%	24%	18%
EBITDA	195%	36%	-97%	3683%	147%	77%
EBIT	303%	23%	-247%	19%	180%	298%
Net Profit	n.m.	11%	n.m.	n.m.	n.m.	1454%

Revenue breakdown FY21A-1H23A

Euro k	1H23A	%	1H22A	%	Var.	FY22A	%	FY21A	%
Retail	22.428	61%	17.491	54%	+28%	36.585	57%	28.129	48%
B2B	12.116	33%	14.627	46%	-17%	27.599	43%	29.896	52%
Physical Pharmacies	2.162	6%							
Digital Health	19	-							
Total	36.725	100%	32.118	100%	100%	64.184	100%	58.025	100%

Source: Group financial statements

Key Financials

Euro k	1H23A	1H22A	FY22A	FY21
Sales	36.7	32.1	65.6	58.0
YoY	+14%	+22	13%	32%
Gross Profit	7.6	4.5	9.4	8.5
% on sales	20.4%	13.8%	14,1%	14,6%
EBITDA	0.0	0.2	0.0	1.6
% on sales	0.1%	0.7%	0,1%	2,7%
EBIT	(1.5)	(0.4)	(1.6)	1.1
% on sales	-4.2%	-1.2%	-2,3%	1,8%
Net Income	(2.1)	(0.3)	(2.0)	0.4
Group's Net Income	(1.7)	(0.3)	0.1	-
Fixed Assets	16.6	3.4	17.3	1.5
Trade receivables	5.5	4.6	5.5	4.8
Inventory	6.4	2.6	4.7	2.1
Trade payables	-10.3	-7.7	(13.6)	(8.0)
Other	0.7	0.6	0.4	0.0
NWC	2.3	0.1	(3.0)	(1.1)
Funds	(0.6)	(0.3)	(0.6)	(0.2)
Total Capital Employed	18.3	3.3	13.8	0.1
Net Debt	1.3	(13.8)	(5.2)	(0.8)
Equity	16.9	17.1	19.0	1.0
Group's Equity	14.3	17.1	17.4	1.0

Estimate Revision

	FY23E		FY24E		FY25E		Var. 23	Var. 24	Var. 25	Av. Var.
	Old	New	Old	New	Old	New				
Profit&Loss Statement										
Revenues (VoP)	90,0	80,4	119,4	100,1	150,3	117,9	-11%	-16%	-22%	-16%
EBITDA	2,5	1,6	6,2	4,0	10,8	7,1	-34%	-36%	-34%	-34%
EBIT	0,4	(1,3)	4,1	1,0	8,5	4,0	-417%	-76%	-53%	-182%
Financial Income (charges)	(0,8)	(0,8)	(0,8)	(0,8)	(0,8)	(0,8)	0%	-16%	0%	-5%
Pre-tax profit (loss)	(0,4)	(2,1)	3,3	0,2	7,7	3,2	n.a.	-94%	-58%	n.a.
Net profit (loss)	(0,4)	(2,1)	2,4	0,1	5,5	2,3	n.a.	-94%	-58%	n.a.
Balance Sheet										
Net working capital (NWC)	(3,8)	(1,3)	(4,7)	(3,2)	(5,5)	(3,7)	-67%	-33%	-33%	-44%
Net fixed assets	17,3	16,5	17,2	15,5	16,9	14,4	-5%	-10%	-15%	-10%
M/L Funds	(0,7)	(0,7)	(0,9)	(0,8)	(1,1)	(0,9)	-10%	-15%	-20%	-15%
Net Capital Employed	12,8	14,6	11,5	11,5	10,2	9,7	14%	0%	-5%	3%
Net Debt	(5,8)	(2,4)	(9,5)	(5,6)	(16,3)	(9,7)	-59%	-41%	-41%	-47%
Minorities	1,6	1,3	2,1	1,3	3,2	1,8	-21%	-37%	-45%	-34%
Equity	18,6	17,0	21,0	17,1	26,5	19,4	-9%	-19%	-27%	-18%

Source: PMI Capital Research estimates

VALUATION

Based on our new estimated and updated market data (including peers' derating by -3% e-pharmacies, -30% Digital Health services and -11% EGM listed Wholesale and Digital Retail) our valuation model yields a new target price of Euro 2.00 p.s., or a fair value of the Group of Euro 77.6 m, providing for a potential upside of 190% vs. current stock price. At our valuation the stock would be trading at FYE 23-24 EV/Sales multiples of 0.96x and 0.73x respectively vs. current stock price at 0.32x and 0.26x.

Valuation Summary

Method	Weight	Price (Euro)	Equity Value (Euro m)
Multiple Comparison (FY 23-24 EV/Sales)	50%	2.13	82.6
DCF	50%	1.95	75.5
Target Price	100%	2.04	79.1

Market Multiples

We selected a set of listed companies active in Farmacosmo's reference and listing markets and divided in three groups reflecting the different profiles:

- i) Listed European e-pharmacies: RedCare Pharmacy (pr. Shop Apotheke), DocMorris (pr. Zur Rose) and Talea Group (pr. Farmaè (50% weight)).
- ii) EGM listed Digital Retail and Wholesale companies (30% weight).
- iii) Listed international Digital Health Services companies (20% weight).

Companies	Country	Market Cap	Sales	Sales YoY	EBITDA %	NI %	SALES CAGR FY22A-25E	FY25E EBITDA%	FY25E NI%
			2022A	22/21	2022E	2022E			
Talea Group	Italy	61	121	41%	2%	-1%	20%	4%	-1%
Doc Morris	Switzerland	539	1.617	1%	-6%	-11%	-1%	0%	-7%
Redcare Pharmacy	Germany	2.120	1.204	14%	-1%	-6%	32%	3%	-1%
Accolade	USA	502	329	24%	-32%	-134%	18%	3%	-20%
Teladoc Helath	USA	2.593	2.271	32%	2%	-572%	6%	13%	-8%
GoodRx Holdings	USA	417	718	14%	13%	-4%	7%	29%	4%
Him & Hers Health	USA	1.184	497	116%	-12%	-13%	34%	7%	-2%
Average		1.059,5	965,3	35%	-5%	-	17%	8%	-5%
Farmacosmo	ITA	24,5	66	13%	1%	-3%	21%	6%	2%

FactSet data as of November 6th, 2023 PMI Capital estimates for Farmacosmo

Farmacosmo is currently trading at EV/sales multiples well below all three peer groups.

Companies	EV/SALES	
	23E	24E
Talea Group	0,7	0,5
Doc Morris	0,6	0,5
Redcare Pharmacy	1,2	0,9
Average e-pharmacies	0,8	0,7
Farmacosmo	0,3	0,3
<i>Premium/Discount to Peers</i>	<i>-61%</i>	<i>-61%</i>
Accolade	1,3	1,1
Teladoc Helath	1,3	1,2
GoodRx Holdings	2,8	2,6
Him & Hers Health	1,3	1,1
Average Digital Health Services	1,7	1,5
Farmacosmo	0,3	0,3
<i>Premium/Discount to Peers</i>	<i>-81%</i>	<i>-83%</i>
Average EGM listed Peers (see Industry Comparison)	0,7	0,5
Farmacosmo	0,3	0,3
<i>Premium/Discount to Peers</i>	<i>-51%</i>	<i>-49%</i>

FactSet data as of November 6th, 2023 PMI Capital estimates for Farmacosmo

DCF Model

Our DCF model is based on a three-stage model with explicit estimates for 2023-25E, 5 years to 2030 with growth normalizing at 3%, an 8.0% EBITDA margin, capex at c. 2% of sales, and terminal value discounted at 8.64% WACC and 1% growth. Our model yields a fair equity value of Euro 7.5 m (Euro 1.95 p.s.).

DCF Model (Euro m)	FY23E	FY24E	FY25E
	(1,3)	1,0	4,0
EBIT	0,0	(0,3)	(1,1)
Tax (27%)	(1,3)	0,7	2,9
NOPAD	3,0	3,1	3,2
D&A	(1,7)	1,9	0,5
Change in NWC	(2,0)	(2,0)	(2,0)
Capex	(2,0)	3,8	4,7
FCF	(1,3)	1,0	4,0
Discounted free cash flows FY23-25E	5,4	7%	
Discounted free cash flows FY26-30E	21,7	29%	
NPV of Terminal Value	47,4	64%	
EV	74,4	100%	
Net Cash FY22A	(2,4)		
Minorities FY22A	(1,3)		
Fair Value of Equity	75,5		
No of shares (m)	38,8		
Fair Value per share (Eu)	1,95		

INDUSTRY COMPARISON

FARMACOSMO Spa (COSMO-IT): PMI Capital Research estimates and Factset Data

EGM Sector: average data for EGM listed companies active in the Digital Retail and Wholesale sub sectors: Eligo (ELG-IT), Talea Group (TALEA-IT), GIGLIO.COM (GCOM-IT), and TrenDevice (TD-IT) (Digital Retail) and Acquazzurra (ACQ-IT), Compagnia dei Caraibi (TIME-IT), HQF (HQF-IT), and Longino & Cardenal (LON-IT)

Industry Peers: average data for two groups of listed peers: e-pharmacies (Talea Group (TALEA-IT), Doc Morris (DOCM-CH), and Redcare Pharmacy (RDC-DE), and Digital Health Services (Accolade (ACCD-US)), and digital health service companies (Teladoc Health (TDOC-US), GoodRx Holdings (GDRX-US) and Him & Hers Health (HIMS-US))

Euronext Growth Milan: average financial and market data for all the companies listed on EGM, reported price performance data are related to the FTSE Italia Index.

	Farmacosmo	EGM Sector Digital Retail	EGM Sector Wholesale	Peers Avg e-pharma	Peers Avg Digital Health Services
Key Financials FY22					
Revenues	66,6	62,6	36,6	980	954
EBITDA	0,0	0,6	1,9	-38	10
EBITDA %	0,1%	1,0%	5,2%	-3,8%	1,0%
EBIT	-1,6	-1,0	0,8	-66	-3.107
EBIT %	-2,3%	-1,7%	2,1%	-6,7%	n.m
Earnings	-2,0	-1,5	0,2	-81	-3.350
Earnings %	-3,0%	-2,3%	0,6%	-8,2%	n.m
Net Debt	-5,2	7,2	4,9	186	106
ND/EBITDA	-121x	11,9x	2,6x	-4,9x	10,9x
YoY Revenue growth FY22	13%	36%	36%	18%	34%
FY22-24 Revenues CAGR	23%	21%	16%	12%	12%
Market Data					
Market Cap	25	25	29	907	1.174
EV	26	26	33	535	1.944
Free Float	26%	22%	22%	54,6%	83,7%
ADTT YTD (Eu k)	57	27	31	4.387	38.644
Market Multiples					
EV/Sales 2022	0.4x	1.8x	0.9x	0.6x	2.2x
EV/Sales 2023	0.3x	0.5x	0.8x	0.8x	1.7x
EV/Sales 2024	0.3x	0.4x	0.6x	0.7x	1.5x
Stock Performance					
1D	(4,9%)	0,2%	(0,6%)	(1,9%)	(2,4%)
1W	(1,7%)	0,3%	(4,7%)	0,0%	7,3%
1M	(9,7%)	(6,0%)	(5,5%)	(11,0%)	(5,4%)
3M	(28,2%)	(18,2%)	(14,0%)	(13,2%)	(37,9%)
6M	(35,4%)	(22,1%)	(21,1%)	(0,2%)	(29,0%)
YTD	(63,9%)	(31,0%)	(27,4%)	54,3%	(6,3%)
1Y	(57,5%)	(35,4%)	(26,7%)	61,7%	(3,5%)

Source: FactSet data as of November 6th, 2023. PMI Capital estimates for Farmacosmo

FARMACOSMO SNAPSHOT

Company description

Farmacosmo is a leading player in the Italian e-pharma, health, and beauty market and is rapidly transforming into Italy's first provider of a digital client centric ecosystem for products and value-added health and wellness services. The Company is currently present in the market with 5 different brands: farmacosmo.it, profumeriaweb.com, www.pharmasi.it, www.baucosmesi.it and www.contactU.it. In addition to the B2C business, Farmacosmo operates as top wholesale supplier to one of the world's largest marketplaces. Farmacosmo has been listed on EGM since March 2022.

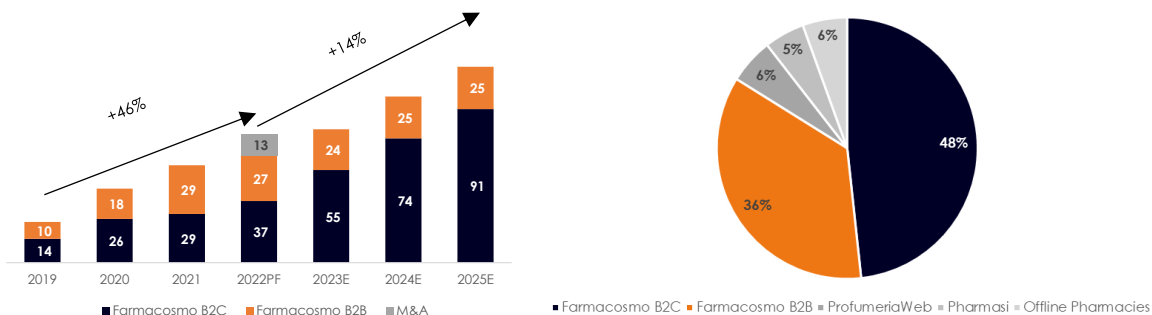
Key Managers

Fabio de Concilio CEO and founder
Paolo Cimmino – CFO & IR
Roberto Frullone – General Affairs
Gabriele Contiello – CTO
Giovanni de Stefano – CMO

Key Shareholders

De Concilio Fabio (40.8%)

FARMACOSMO IN CHARTS



INVESTMENT CASE

Value-added Digital Health Services creating new revenue streams: In line with strategic guidelines to leverage on its e-commerce core to enable expansion into broader healthcare solutions, the Group has recently integrated its offering with B2C and B2B Telepsychology and Telepsychotherapy services through the launch of the digital platform ContactU. This move makes the Group the first player to move into the fast-growing Digital Health Services market.

Unique business model allowing for efficient management of working capital and a profit oriented commercial strategy. The Group's unique business model is based on just-in-time logistics, data intelligence and internally developed and managed technologies. This model allows for a Sell&Buy approach, zero warehouse policy and data driven business decisions resulting in very low working capital absorption and a profit oriented commercial strategy.

Internally developed and managed IT infrastructure as a long-term strategy. Technology is of the highest priority for Farmacosmo which has built the entire IT infrastructure thanks to an internal team of developers. The ad-hoc solutions have been created transversally across all business functions for the optimization and automatization of processes and the collection of data and statistics to be used as insight for continuous improvement of service offering.

Booming KPIs and best-in-class customer experience In a market where brand awareness is becoming increasingly important Farmacosmo's growth has been driven by booming and best-in-class online reputation (4.8/5.0 Trustpilot) and KPIs (FY22 AOV 96 Euro vs. European average of 45, a conversion rate of c. 4%, and 76% recurring orders)

Fast-growing reference market. The Italian e-pharmacy market is characterized by a still rather low penetration rate compared to other European countries and to other product categories. The potential to bring these penetration levels to mirror other countries and categories leaves immense opportunity for growth.

Strategies well aligned with market trends provides for multiple growth opportunities. With its well-defined growth strategy, the Group should be able to benefit from multiple market opportunities among which we highlight: digitalization of the Italian healthcare system with increased demand for end-to-end online experience, increased importance of brand awareness and possible future deregulation of the market.

Strong ESG profile. Farmacosmo has committed to an ESG strategy aiming at minimizing environmental impact through efficient logistics, sustainable packaging, and CO₂ emissions compensation. The Group has applied provisions on corporate governance aimed at promoting transparency and the protection of minority shareholders. The Group provides a sustainability report on a voluntary basis.

FARMACOSMO ON EURONEXT GROWTH MILAN

SHARES (as of November 6th, 2023)

Bloomberg: COSMO:IM
Reuters: COMO.MI
ISIN: IT0005487670
Shares: 38.857.840
Price: Euro XXX
Performance from IPO: -69%
Capitalisation: Euro 24.5
Free Float: 26.48%
EGA: Illimity Bank

IPO

Trading Market: Euronext Growth Milan
Date: March 30th, 2022
Price: Euro 2.25
Capital raised: Euro 22.25 m
Capitalisation: Euro 75.3 m

WARRANT FARMACOSMO 2022-2025

No warrants issued: 1,022,218 (IPO)
No of outstanding warrants: 1,022,218
Strike ratio: 1 newly issued Ordinary Share for every 1 "Warrant"
Exercise period:

First Exercise Period 15/01/2023 – 31/01/2023	Price 2.25 euros per share
Second Exercise Period 15/01/2024 – 31/01/2024	Price 3.040 euros per share
Third Exercise Period 15/01/2025 – 31/01/2025	Price 3.38 euros per share

STOCK GRANT PLAN

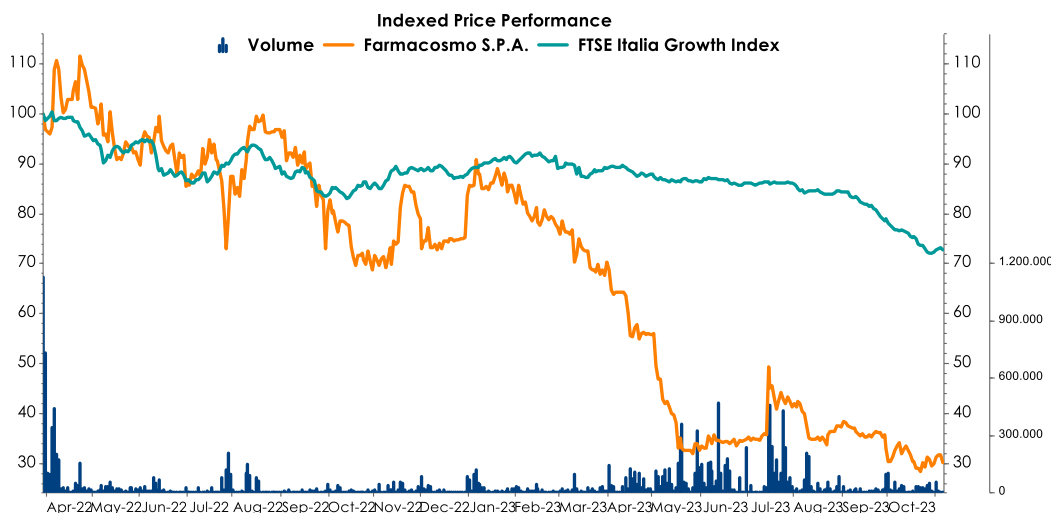
The Company approved a stock grant plan to incentivize key employees. The plan will be implemented through free assignment to the Beneficiaries of up to a maximum number of 400.000 shares (The Plan is structured in three annual cycles of assignment of the shares which coincide with the accounting periods ending respectively on 31 December 2022, 31 December 2023 and 31 December 2024).

SHAREHOLDERS

SHAREHOLDER	N. SHARES	N. VOTING RIGHTS	% ON SHARE CAPITAL	% ON VOTING RIGHTS
DECO F S.r.l.(**)	15.000.438	23.190.568	38,60%	49,29%
Fabio de Concilio (**)	847.545	847.545	2,18%	1,80%
Francesco de Concilio(**)	66.476	66.476	0,17%	0,14%
VAR S.r.l. (**)	4.925.287	4.925.287	12,68%	10,47%
FARVIMA Medicinali S.p.A. (**)	2.700.000	2.700.000	6,95%	5,74%
Fulvio Bartoli(**)	3.019.556	3.019.556	7,77%	6,42%
Marco Piccolo(**)	1.278.315	1.278.315	3,29%	2,72%
Dario Cusani(**)	732.328	732.328	1,88%	1,56%
Mercato (***)	10.287.895	10.287.895	26,48%	21,87%
Totale	38.857.840	47.047.970	100%	100%

(*) DECO F S.r.l. de Concilio family holding company. DECO F S.r.l. holds 15.000.438 shares, of which 10.905.373 ordinary shares and 4.095.065 multiple-voting shares. (**) Shareholders subject to lock-up agreements (***), Farmacosmo owns 86.114 own shares, equal to 0.2% of share capital, acquired through the buyback program approved by the company on 22/04/2022

STOCK PERFORMANCE



Source: FactSet Prices

DISCLAIMER

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Date	Target Price	Market Price	Validity Time
November 7 th , 2023	2.00	0.70	12 months
May 3 rd , 2023	2.79	1.31	12 months

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RESEARCH TEAM:

Luisa Primi, (Senior Analyst, AIAF Associated)

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