NEOPHARMED GENTILI
H1-24 RESULTS PRESENTATION

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Today’s presenter

NEOPHARMED GENTILI

Bruno Sacchi

Chief Financial Officer & Deputy General Manager

- **25+ years in the sector, joined Neopharmed 20+ years ago**
  - Appointed as CFO in 1998 and subsequently Deputy General Manager in 2018
  - Oversees the Finance, Legal/Compliance, Operations and IT functions
  - Successfully executed 10+ transactions with global pharma and local Italian companies
  - Graduated in Corporate Finance from Bocconi University

Neopharmed: a leading Italian primary care branded pharmaceutical company

Overview

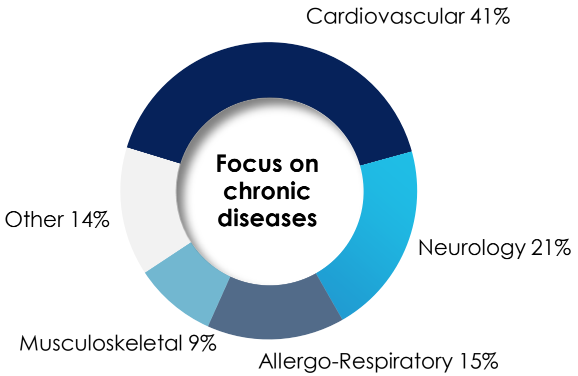
- Leading Italian primary care branded pharmaceutical company
  - **#2 largest scientific information network**, with approximately 419 pharma reps reaching ~75k practitioners nationwide
  - **#2 player by prescription familiarity**[1]
- Neopharmed's drugs are mainly sold into the **pharmacies retail channel**, through wholesalers / distributors
- Proven capabilities in delivering **Like-for-Like Sales CAGR growth** (+7.3% vs. PY[2]) complemented by seamless integration of **selected value accretive add-ons** (7 over the past 7 years)
- Fully outsourced manufacturing[3] and R&D resulting into **asset-light business model** (~€1m capex excluding acquisitions p.a.) and **best in class cash conversion** (~119%[4])

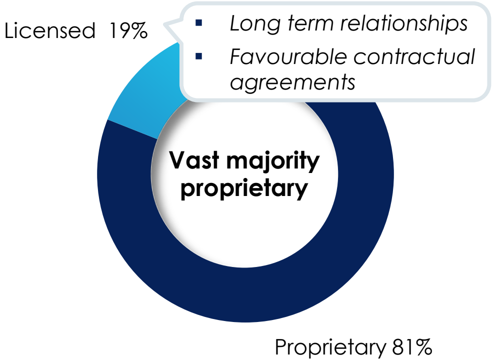
Main KPIs

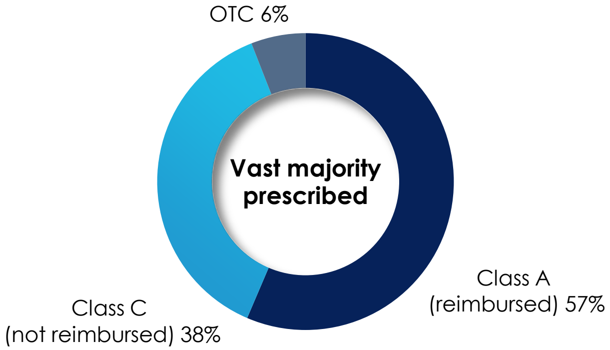
€141.5m	€58.4m / 41%	~119%
(+5.4% vs. PY[5])	(+1.9% vs. PY[5])	
Revenues	**Adj. EBITDA / Margin**	**Cash conversion[4]**

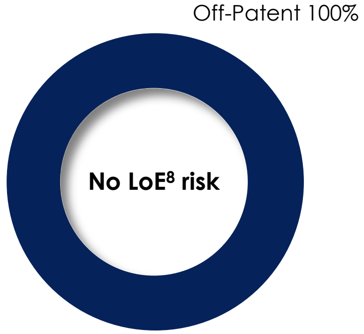
419	~75k	227
Pharma reps	**GPs and specialists covered**	**Employees[6]**

Market-leading and diversified branded drugs portfolio[7]









Source: Financial Statements, Internal Management data, Management analysis of industry data, IQVIA. Notes: (1) Based on 250 respondents who stated they are familiar with the Company and they have prescribed its drugs at least once; (2) Like-for-Like Sales for six-month period ended June 30, 2024, vs. six-month period ended June 30, 2023, excluding Xelevia and Velmetia due to patent cliff; (3) Except for a production facility at Valeas which will be dismissed by December 2024, employing ~30 people; (4) (Adjusted EBITDA – Capex excluding acquisitions - ΔNWC)/ Adjusted EBITDA Six-month period ended June 30, 2024; (5) Six-month period ended June 30, 2024, vs. six-month period ended June 30, 2023; (6) As of June 2024; (7) As % of total sales for the six-month period ended June 30, 2024; (8) Loss of Exclusivity.

Latest updates

TOP LINE

- **H1 2024 Revenue from sales stood at €140.7m,** with +€7.9m / +6.0% vs. PY[1] growth largely driven Top 20 products which continue to show a solid growth rate of 7.5%. To be underlined overperformance of Cardiovascular products (+10.4% vs. PY[1]) thanks to products such as Maoris (+56.8% vs. PY[1]) Luvion (+12.0% vs. PY[1]) which offset lower sales in Respiratory and Antibiotic T.A. due to slowdown in prescriptions after January peak. However, LfL growth, excluding Xelevia and Velmetia due to patent cliff, achieved +€9.4m / +7.3%.

PROFITABILITY

- **H1 2024 Adj. EBITDA increased at €58.4m in absolute value** (+€1.1m or +1.9% vs. PY[1] respectively), mostly driven by revenue increase. **Adj. EBITDA as percentage of Revenues decreased from 42.6% in H1 2023 to 41.2%** in H1 2024. However, H1 2023 benefitted from lower sales force costs due to sales network reorganization after integration of Valeas products'portfolio.

CASH FLOW and FINANCIAL POSITION

- Solid operating cash flow with ~**119% cash conversion[2] rate**, mainly thanks to decrease in net working capital requirements linked to (i) increase in tax payables due to accruals of current corporate tax combined with (ii) slight decrease in TWC despite higher H1 2024 revenues.

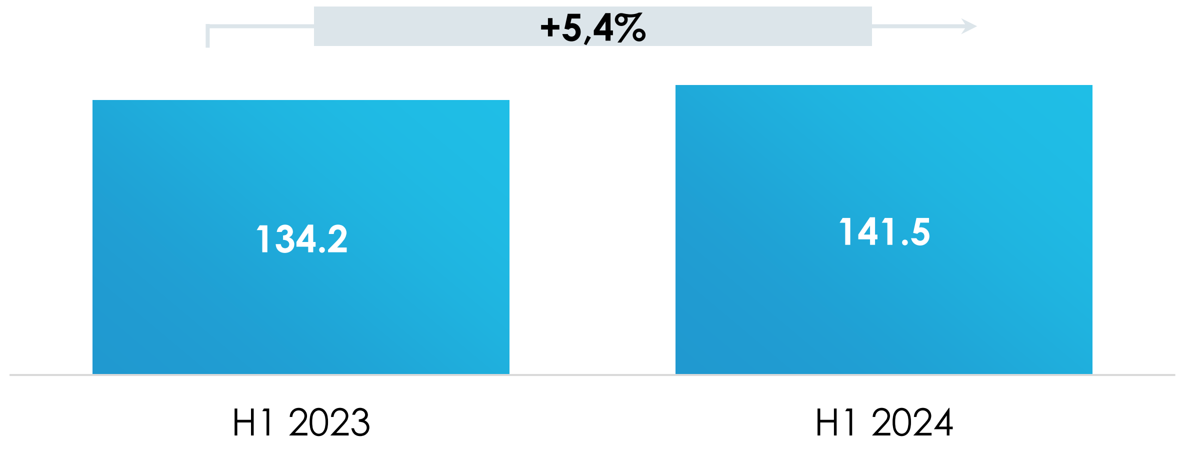
LATEST UPDATES

- No relevant updates to be disclosed for the period H1 2024 in addition to the decision of CEO Eric Falcand to step down from his position for personal reasons as announced the 18th July 2024. Alessandro Del Bono, founder and shareholder, who led the company prior to Eric's appointment and is the current Chairman of the Board, will continue leading the company until a new CEO is appointed by the Board of Directors.

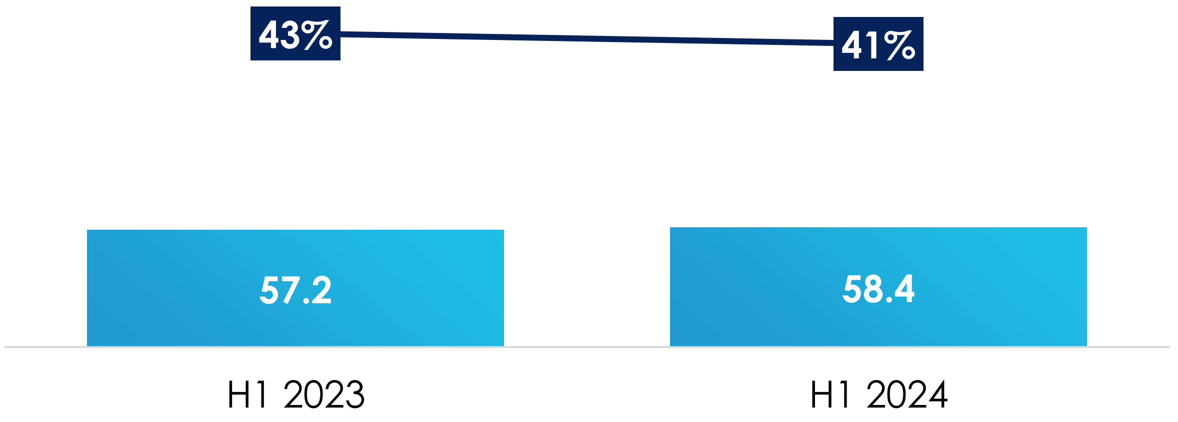
Notes: (1) Six-month period ended June 30, 2024, vs. six-month period ended June 30, 2023; (2) Cash conversion calculated as (Adjusted EBITDA – Capex excluding acquisitions - ΔNWC) / Adjusted EBITDA.

Financial highlights

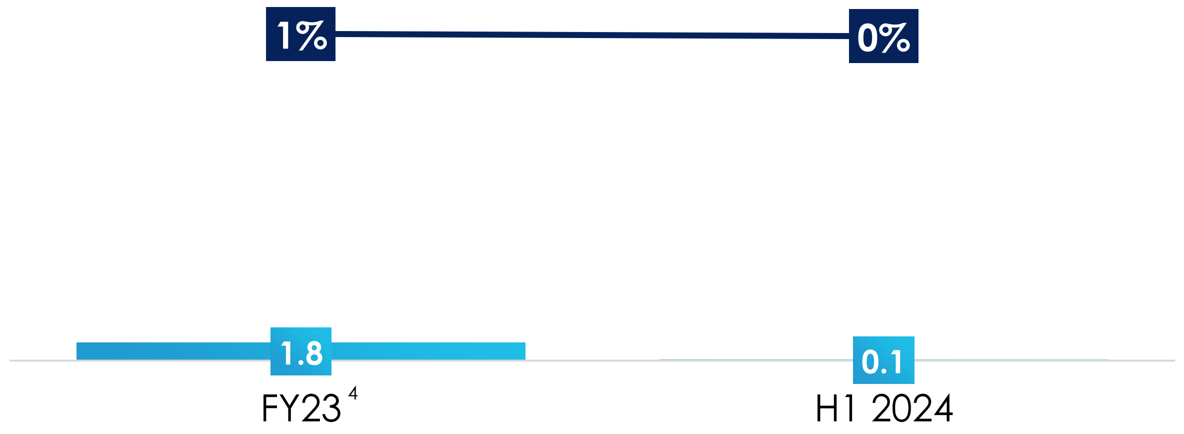
Total Revenues (€m) & growth (%)[1]



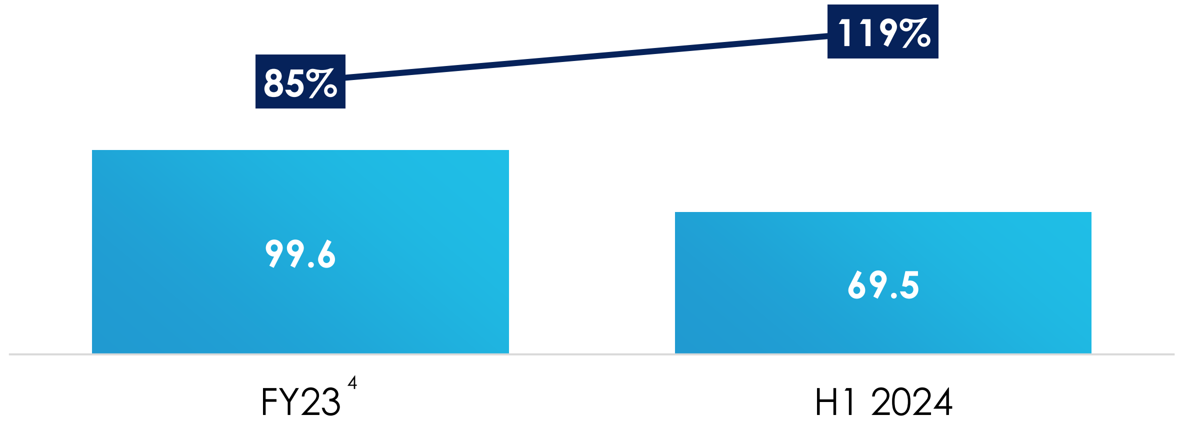
Adjusted EBITDA (€m) & margin (%)[1]



Capex excluding acquisitions (€m) & as % of Total Revenues



Operating free cash flow[2] (€m) & cash conversion[3] (%)

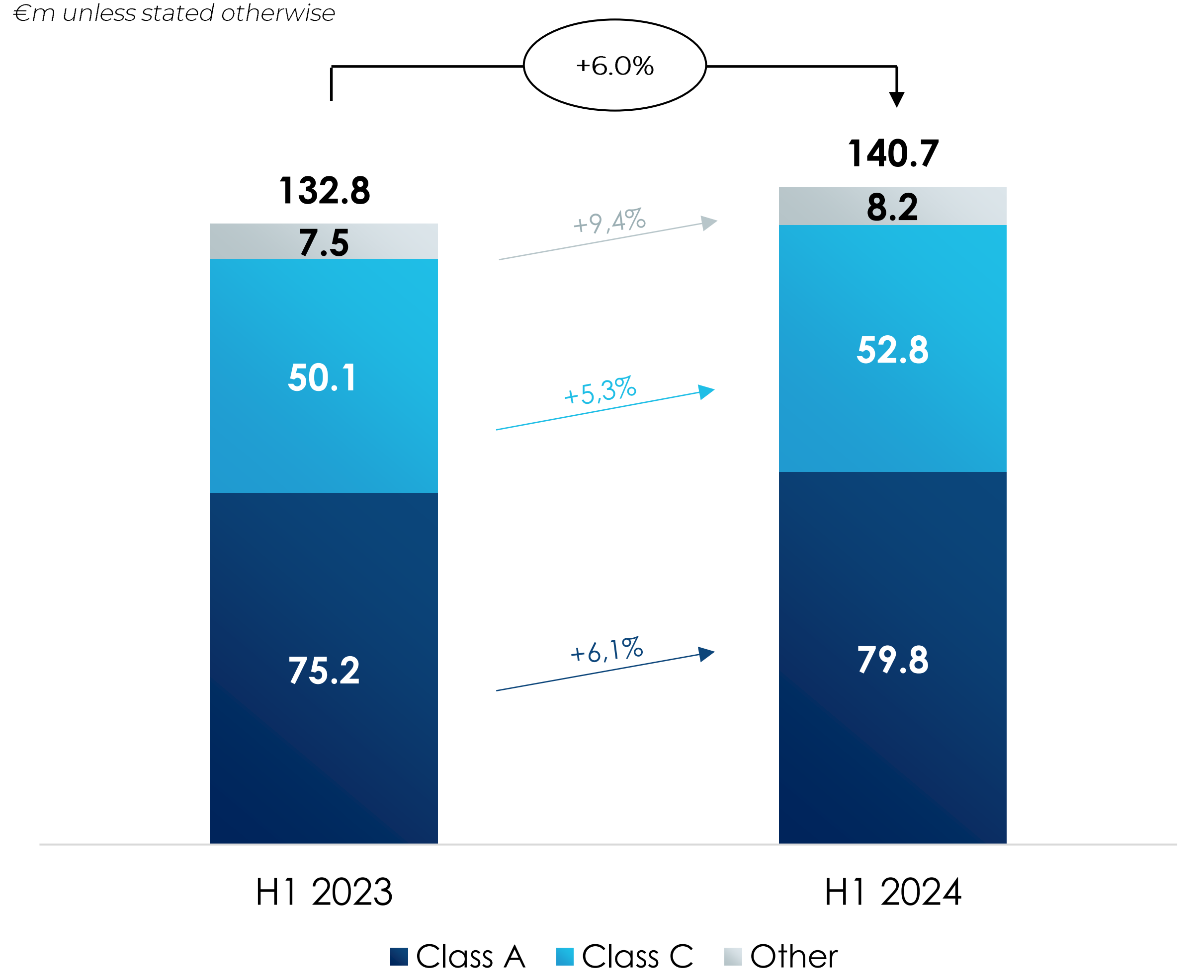


Source: Financial Statements, Internal Management data. Notes: (1) Six-month period ended June 30, 2024, vs. six-month period ended June 30, 2023; (2) Adjusted EBITDA – Capex excluding acquisitions - ΔNWC; (3) Operating free cash flow / Adjusted EBITDA; (4) Twelve-month period ended December 31, 2023, excluding one-off severance payments incurred in 2023A as part of the acquisition of Valeas.

H1 2024 Sales by Product Class & Therapeutic Area

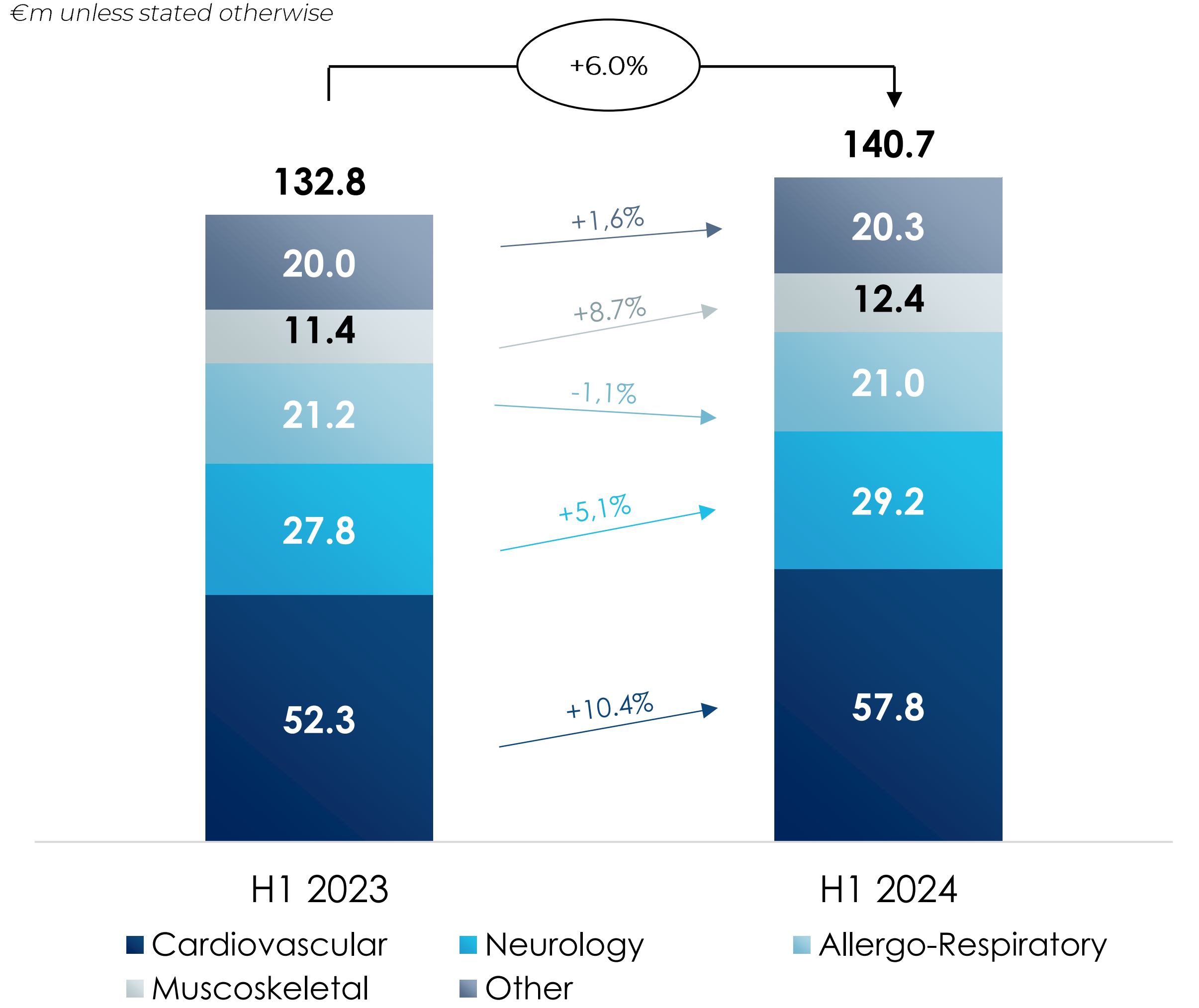
Product Class

€m unless stated otherwise



Therapeutic Area

€m unless stated otherwise



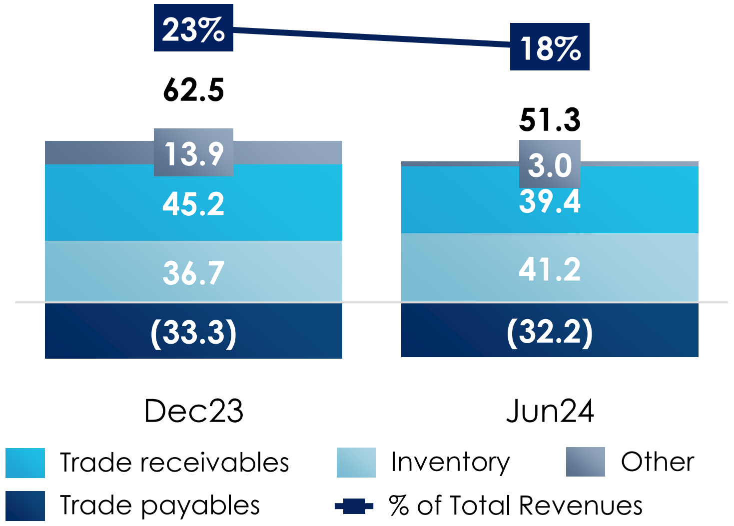
Source: Financial statements, Internal Management data. Sales are derived from Unaudited Management Reporting Data and therefore are not reflective of, and may not be reconciled to, our revenues calculated in accordance with Italian GAAP.

Best-in-class cash conversion underpinned by an asset-light business model

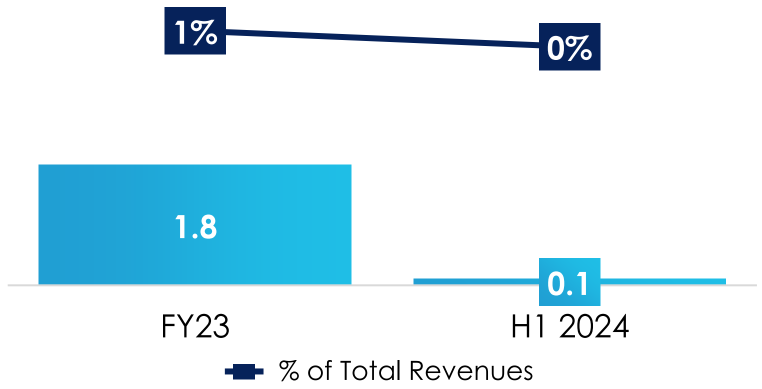
Operating free cash flow summary

€m	FY23	H1 2024
Adjusted EBITDA	**116.6**	**58.4**
Change in net working capital	(15.2)[1]	11.2
Capex excluding acquisitions	(1.8)	(0.1)
Operating free cash flow	**99.6**	**69.5**
% cash conversion	*85%*	*119%*

Net working capital evolution (€m)



Capex excluding acquisitions evolution (€m)



Key considerations

- Outstanding cash generation with a **cash conversion ~119%** thanks to **decrease in NWC requirements** at ~18% of Total Revenues, due to:
  - Increase in tax payables due to corporate current tax accruals of the period.
  - Slight decrease in Trade working capital requirements despite higher revenue;
- **Immaterial capex requirements** in H1 2024.

Source: Financial Statements, Internal Management data. Notes: (1) Excluding one-off severance payments incurred in 2023A as part of the acquisition of Valeas.

Capital structure

Capital structure overview

€m	Leverage as per OM	H1 2024 adjusted
Current financial indebtedness	(22.4)[2]	(13.5)
Non-current financial indebtedness	(750.0)	(750.0)
Total Gross Financial Indebtedness	**(772.4)**	**(763.5)**
Cash and cash equivalents	26.3[1]	34.3
Total Net Financial Indebtedness	**(746.1)**	**(729.1)**
Net Leverage	**5.9x**	**5.8x**
LTM Pro Forma Adjusted EBITDA	**126.4**	**126.5**

Highlights

- **Adjusted Net Leverage H1 2024 displayed at 5.8x** (-0.1x vs. Offering memorandum ratio)

Source: Internal Management data. (1) Reflects the net increase in cash from the proceeds of the Notes as per the Offering Memorandum; (2) Outstanding indebtedness shown in the table on an as adjusted basis reflects outstanding principal amount of short-term and overdraft facilities and estimated applicable accrued interest and expenses on our financial indebtedness through February 29, 2024, of approximately €13.8 million.

Appendix

Focus on EBITDA, Adjusted EBITDA and Structuring Adjusted EBITDA

Structuring Adjusted EBITDA overview[1]

	€m	LTM Jun24
	EBITDA	**115.0**
1	Cost for services	3.1
2	Personnel expenses	0.4
3	Other operating expenses	(0.2)
4	Other income	(0.6)
	Adjusted EBITDA	**117.8**
	Adjusted EBITDA margin %	*42%*
5	Cost savings from Valeas facility dismissal	1.7
6	Supply prices renegotiation	5.0
7	Existing RCF and Undrawn Committed Unitranche Notes commitment fees	2.0
	Structuring Adjusted EBITDA	**126.5**
	Structuring Adjusted EBITDA margin %	*45%*

Key considerations

1. Adjustment related to non-recurring advisory services related to the acquisitions carried out and related financing and provisions for agent disputes
2. Adjustment related to early retirement incentives, compensations in lieu of notice as well as extraordinary bonuses for the management
3. Adjustment related to donations to the Red Cross for the earthquake in Syria and legal disputes
4. Adjustment related to exceptional revenues from a compensation for contractual breaches by a supplier and exceptional revenues from a release due to excess risk provisions amounting and other non-recurring revenues
5. Costs synergies from the Valeas Acquisition which we expect to obtain between 2024 and 2025 thanks to the production outsourcing
6. Cost savings expected to be achieved between 2024 and 2025 in connection with the one-off renegotiations of certain supply contracts, which we have already secured
7. Commitment fees under the Existing Revolving Credit Facility and the Existing Undrawn Committed Unitranche Notes accrued in 2023, which is accounted as "costs for services" under Italian GAAP principles, but excluded from the Structuring Adjusted EBITDA as considered financial in nature

Source: Internal Management data; (1) Twelve-month period ended June 30, 2024.

Profit & Loss

€m	H1 2023	H1 2024	Δ H1 2023 vs. H1 2024	Δ H1 2023 vs. H1 2024 (%)
Revenues from sales	**132.8**	**140.7**	**7.9**	**6%**
Other Income	1.4	0.7	(0.7)	(48%)
Total Revenues	**134.2**	**141.5**	**7.2**	**5%**
Cost for Raw materials	(31.0)	(33.0)	(2.0)	6%
Costs for services	(29.8)	(33.5)	(3.8)	13%
Personnel expenses	(12.8)	(13.2)	(0.4)	3%
Amortization, depreciation	(36.7)	(44.1)	(7.4)	20%
Other operating expenses	(4.5)	(4.5)	0.0	(1%)
Total production costs	**(114.8)**	**(128.4)**	**(13.6)**	**12%**
Operating Income	**19.4**	**13.1**	**(6.3)**	**(32%)**
Financial income and expenses, net	(26.7)	(78.3)	(51.6)	n.m.
Income before taxes	**(7.3)**	**(65.2)**	**(57.9)**	**n.m.**
Income taxes	(8.8)	(9.7)	(1.0)	11%
Net result for the period	**(16.1)**	**(74.9)**	**(58.8)**	**n.m.**

Source: Internal Management data.