

GEMs PRESENTATION

Milan, November 2020

Strictly Private & Confidential





- **Arterra Bioscience** is an Italian research-based biotech company («PMI Innovativa») with a strong **know-how in biological science** and an extensive experience in screening for the discovery of active molecules.
- By studying signal transduction mechanisms in plants, animals and human cells, Arterra identifies and characterizes **new active compounds** having potential industrial applications. The new **discovered active compounds** lead to potential industrial applications in cosmetics, food supplements, functional food, medical devices, biosolutions for crop protection, food processing industry.



Arterra Bioscience is the ideal partner (*multinationals and SME*) to develop **innovative technologies** and **bio-sustainable industrial products**.



Biotech and its potential



BIOTECHNOLOGY
FOR THE
RESEARCH
AND THE
DEVELOPMENT OF
NEW ACTIVE
COMPOUNDS

BLUE BIOTECH

*marine and
fresh water
organisms*



GREEN BIOTECH

*agricultural
processes and
plants*



WHITE BIOTECH

*raw materials
to valuable
products*

RED BIOTECH

*gene to
drug
discovery*

RESEARCH AREAS

TESTING DISCOVERY PLATFORM (HTS) FOR

- Cosmetics
- Medical Devices
- Nutraceuticals
- Agricultural Bio-solutions
- Food preservative systems



INNOVATIVE NATURAL SOURCING FROM

- Plant Stem Cells
- MicroAlgae
- Extremophile microorganisms

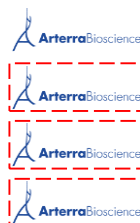
INNOVATIVE PROCESSING TO OBTAIN

- Plant Bio-Peptides
- Hydrophylic Extraction
- Lipophylic Extraction
- Natural fermentation

FIELDS OF APPLICATION

INDUSTRIAL

- Cosmetics
- Nutraceutical
- Functional Food
- Agrifood Processing




AGRO


- Agricultural Bio-Solution
- Seed Industry

BIOMEDICAL

- Phytoterapeutics (human & animals)
- Drug discovery & target validation



Legend:  Arterra is already active in the market

Legend:  Arterra is preparing to enter the market

Source: Company Management

Shareholders & Board Members

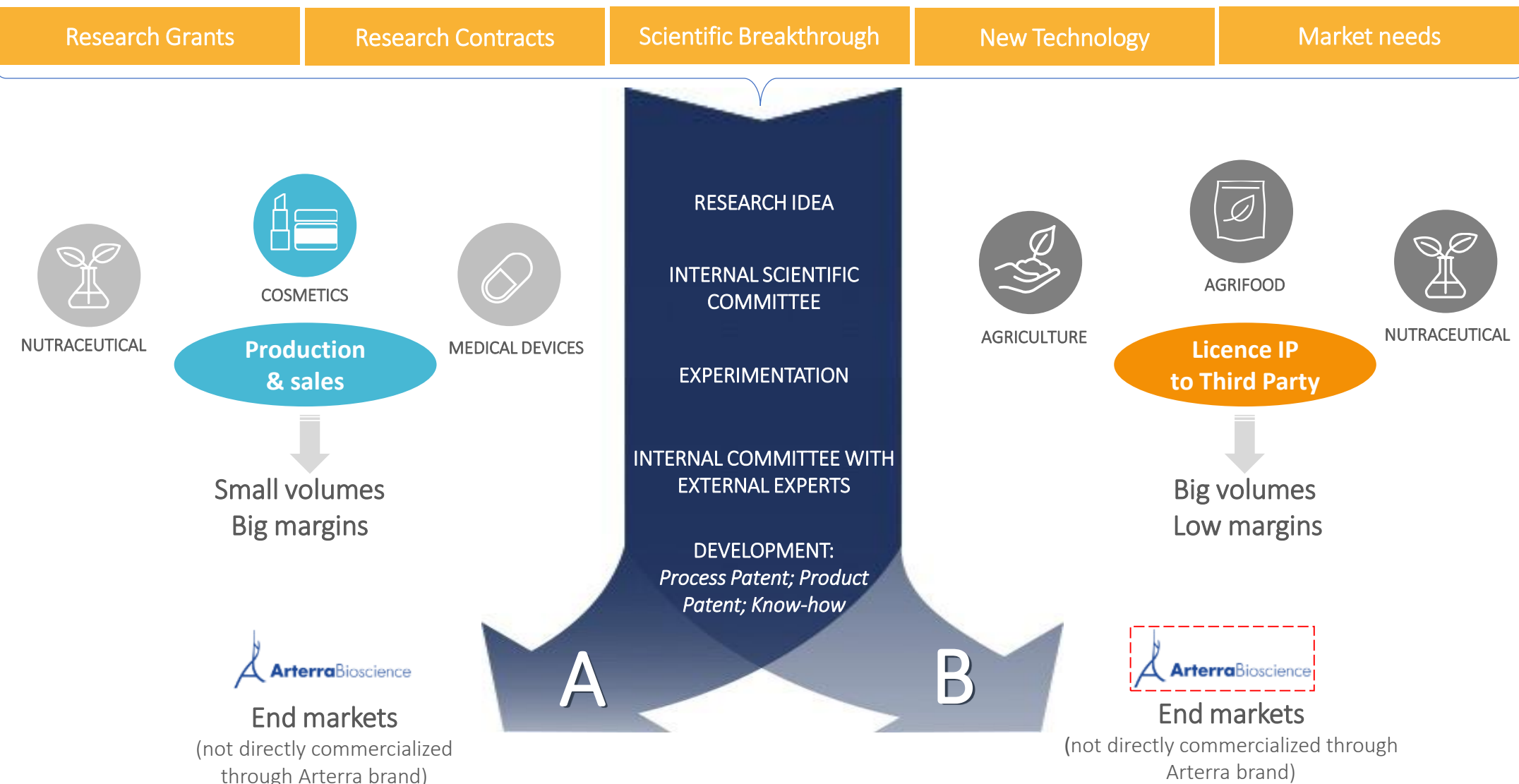


Vitalab is the Joint Venture* with Intercos, which commercializes Arterra Bioscience products in Cosmetics (the Company main source of revenues). In order to approach the market, Arterra Bioscience cannot sell directly to brands, but it can commercialize its products only through the following channels:

- through Vitalab, in order to approach multinational global brands and global prestige brands;
- through Intercos, in order to approach make-up and skin care global brands and private labels.

* According to Vitalab's by-laws, Arterra is entitled to obtain 40% of Vitalab's distributed income until 10.10.2025

The Research Process is the initial stage of the business value chain



Legend: Arterra is already active in the market

Legend: Arterra is preparing to enter the market

Commercialization of active ingredients in the Cosmetic industry



SMALL VOLUMES
BIG MARGINS

A

Arterra commercializes active ingredients for the Cosmetic industry through two different channels, which interact directly with renowned global brands:

- Vitalab, a joint venture with Intercos, which represents around 26,7% of 2018 total turnover
- Intercos, which represents around 53% of 2018 total turnover



Sells ingredients
for Cosmetic
application through



End markets



CHANTECAILLE



Key Investment Highlights



1

Bioscience great momentum since environmental sustainability is becoming crucial for a huge number of industries

2

Biotech company with an outstanding R&D and highly qualified Technology Team

3

A global reach and presence with low commercial investments

4

Huge potential in the reference core-market

5

A profitable and scalable business model

6

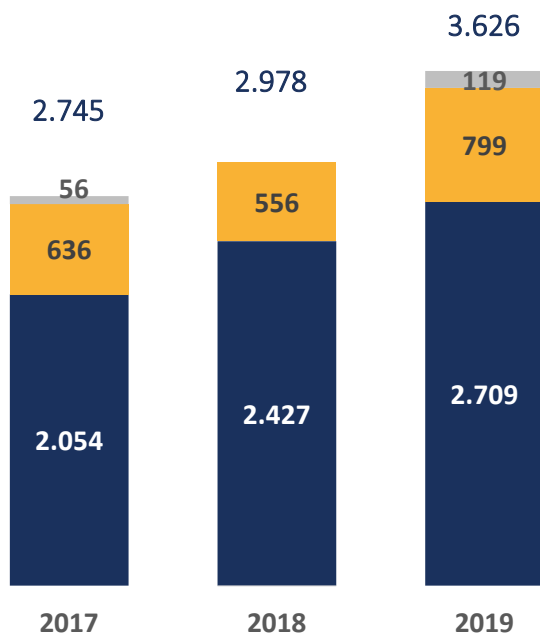
Attractive key financials driven by impressive profitability



Limited production costs driving compelling profitability: thriving upside arising from additional revenues to be mostly converted in EBITDA



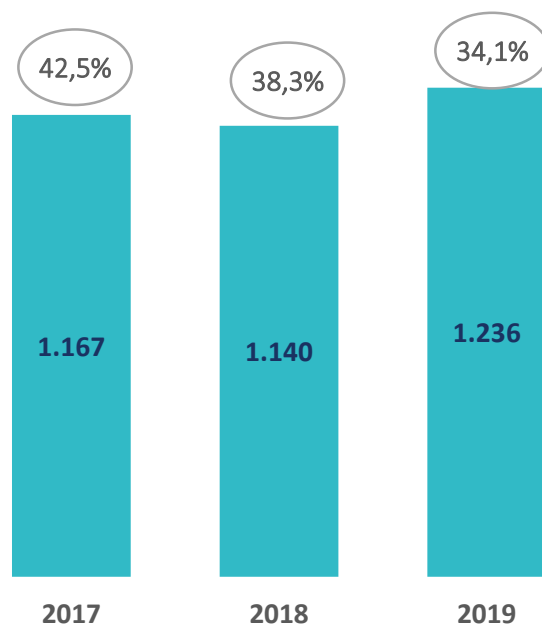
Turnover (€/000)



■ Changes in finished products
■ Other Revenues
■ Revenues

YoY 2018-2019: + 21,8%

Ebitda (€/000)

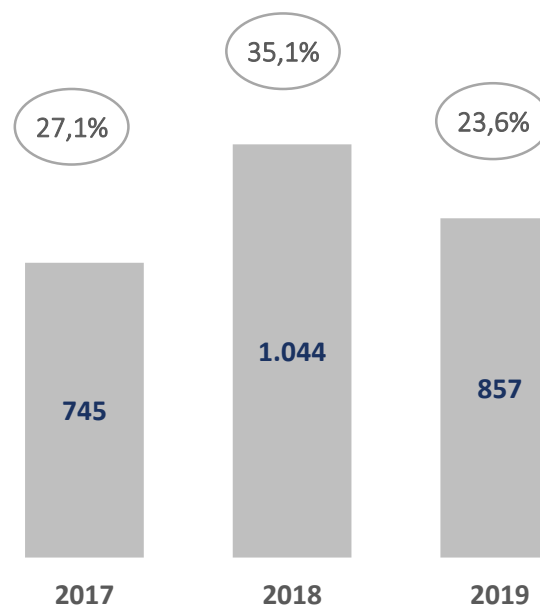


■ EBITDA

YoY 2018-2019: +8,4%

○ = % margin on VdP

Net Income (€/000)



■ Net Income

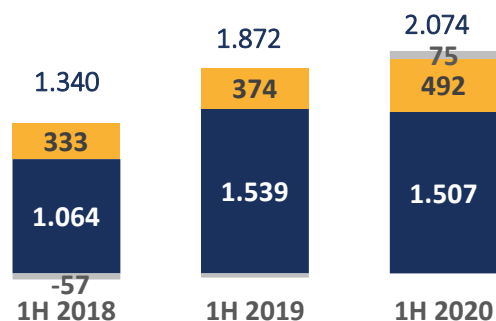
YoY 2017-2018: -17,9%

○ = % margin on VdP

The first semester of 2020 has shown a slight increase in revenues, while the marginality has declined due to investments in equipment and staff



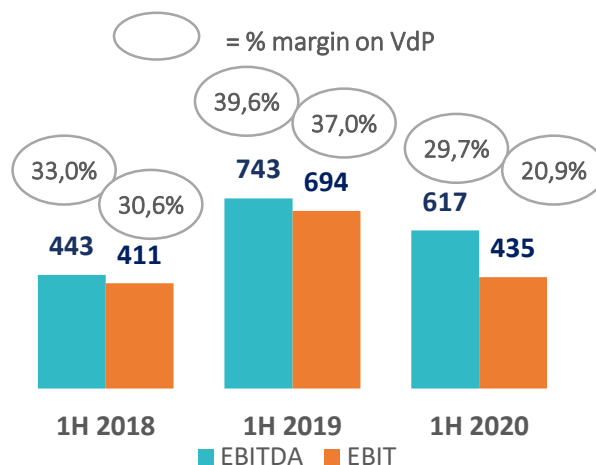
Turnover (€/000)



■ Changes in finished products
■ Other Revenues

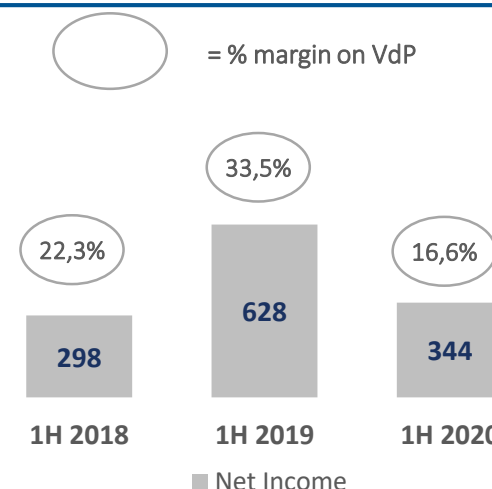
YoY 1H 18-1H 19: + 39,7%

EBIT & EBITDA (€/000)



EBITDA YoY 1H 18-1H 19: + 67,6%

Net Income (€/000)

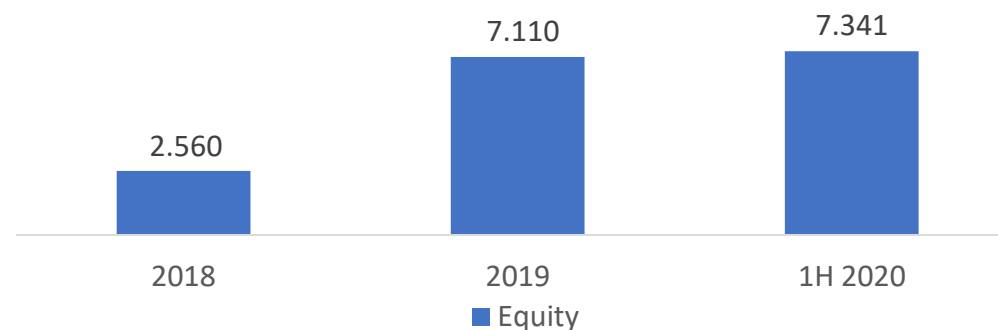


YoY 1H 18-1H 19: + 110,2%

Net Debt (€/000)

	2018	2019	1H2020
Cash and Cash Equivalents	(727)	(4.669)	(4.558)
Current Financial Receivables	(340)		
Current Financial Debt	161	214	188
Current Net Debt	(906)	(4.455)	(4.370)
Long term Financial Debt	731	788	776
Net Debt (Cash)	(175)	(3.667)	(3.594)

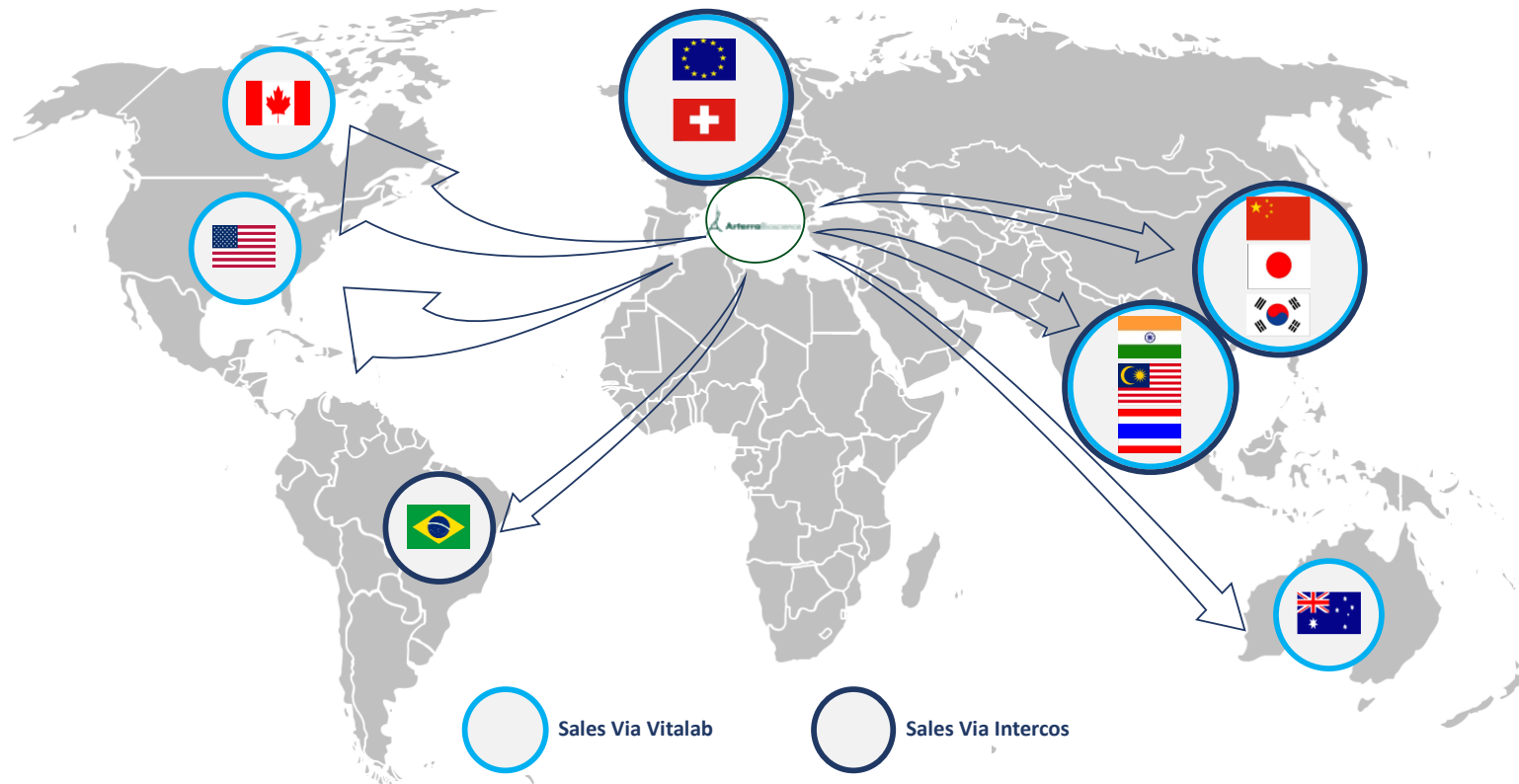
Equity (€/000)



Cosmetic growth with and beyond IntercoS



- Sales growth in **Global Prestige Markets**
- Sales growth in the new **Independent Green Brands**
- Sales growth in **make-up market**
- Expansion in **new countries** (India, Malaysia, Thailand, Japan, Brazil)
- New **multinational clients** through Vitalab



Diversification Phase



- The developed **technological platforms** are **suitable or adaptable** for the identification of active molecules effective as *medical devices, food supplements, natural food preservatives, bio-agricultural solutions or plant bio stimulants*. Arterra is developing several projects in each of the 4 sectors, which are work in progress, where the company is actually designing the route to market.

	 MEDICAL DEVICES	 NUTRACEUTICAL	 AGRICULTURE	 AGRIFOOD
Time to market	2021	2021	2022/2023	2022/2023
Applicable business model	<ul style="list-style-type: none"> Production & Sales IP licensing to third parties 	<ul style="list-style-type: none"> Production & Sales IP licensing to third parties 	<ul style="list-style-type: none"> IP licensing to third parties 	<ul style="list-style-type: none"> IP licensing to third parties
Application (examples)	Sprays against allergies	Food supplements	Agricultural Bio-solutions	Bio-preservatives
				



INNOVATION



- Strengthening of the Business Development division to better reach new industries (Medical Devices, Nutraceutical, etc.). Arterra aims at adopting smarter technological techniques of production, in order to avoid the risk of a human error in the production phase
- Strengthening of the Financial division needed in this new phase of the company: strong growth

R&D



- Integrate new technologies given the possibility of hiring highly qualified scientists coming from different areas of biological sciences
- Several R&D projects related to new products for Cosmetics, Nutraceutical, etc.

CAPEX



- New production equipment aimed at increasing the production capability
- New production facility

M&A



- Extremely innovative technologies or companies able to enhance the competitive advantage of ARTERRA

Main achievements in 2019-2020

IPO



- Listing on AIM Italia on October 28th, 2019

ORGANISATION



- Hired the COO (chemical engineer with consolidated experience in important industrial groups)

R&D



- Hired a new qualified scientist in order to develop innovative natural molecules for multi-applications
- 9-10 Jan 2020: The Scientific Board approved the Short term projects (Cosmetic), Active Ingredients 2021-2022, Long term projects, Process Innovation (KET), Plant Science (KET)
- Aug 2020: registration of a patent relating to the identification of a natural compound capable of interfering with covid-19 infection with possible applications in different industrial sectors

CAPEX



- New production equipment aimed at increasing the production of plant cell cultures and transformation into finished product
- New equipment for the Molecular and Cellular Biology research lab
- New investments planned for the 1H2020

M&A



- Evaluating the scientific skills necessary internally in order to be transversal in the application of the technologies / molecules to develop: this step is critical in order to be able to scout appropriate technologies to acquire

A successful IPO



Number of shares	6.544.580
Free Float	26,9%
Market Cap	~ 24,2M
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Shares issued	2.208.000
New issue	1.536.000
Selling shares	384.000
Greenshoe	288.000
Warrants* (1: 4 shares)	552.000
Strike price (IPO Price+10%)	€ 2,86
1st exercise period (28 days)	October 2020
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IPO Shares Price	€ 2,6
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IPO Proceeds	€ 5.740.800

* Warrants - main features:

- Issuing ratio: 1 warrant for 4 ordinary shares
- Maturity: 3 years
- Exercise period: 3 periods of 28 days each, in October 2020-2021-2022
- Strike price: IPO Price + 10% for each exercise period (step-up)