

ADD VALUE S.R.L

Gruppo AVM

## **Fastest Growing in-Pharmacy Digital Advertising platform in Italy, with a focus on simplification and digital transformation for Pharmacists and Pharma/Personal care/Healthcare Brands.**

**Short project description:** €800k investment (€4.5M pre-money) to boost the scale up and fast growth of the platform on the Italian market with a 3K active Pharmacies target by 2023, where €3.6B annual Pharma spending is generated.

**Some Financial Details:** Absence of revenue in 2018/19 due to focus on R&D activities, kickstarted Revenue in 2020 since product launch in May. Forecast €1M in 2021, €5M in 2022, €13M in 2023. EBITDA pre 2021 < 0, strongly increase 2022 EBITDA > €1M, 2023 EBITDA > €6M

**Financial Structure:** €800k invested through Add Value Investor Club Deal through SPV by February 2021.

**Sector:** Pharmaceutical market in Italy: €24B, 3<sup>rd</sup> largest in Europe (larger than UK's), with strong performance under current environment. 20K Pharmacies throughout the country with an average annual per-pharmacy revenue of €1.2M, representing the backbone of Pharma distribution and a key pillar of the Health Care System. With 180 active Pharmacies since launch in May 2020, the company's Digital Advertising platform allow brands to digitalize their in-pharmacy adv & marketing spending, reaching 12M annual customer interactions where €216M of revenue are generated. The growth plan aims at reaching 3K active pharmacies by 2023 (15% of total, 1 out of 7), with an exposure to €3.6B of aggregated Annual Pharmaceutical Revenue.

The company's competitive advantage lies in the 1) frictionless activation of pharmacies (i.e. free-to-use service for pharmacists; leveraging on brands' existing salesforce for pharmacy activation) 2) superior product and user engagement (i.e. simplest UX, excellent Design) and 3) high switching costs (i.e. physical installation of devices in the pharmacy spaces; high frequency of usage as part of daily productivity tools used by pharmacists)

**Target exit:** conservatively 5x in 3 years.

### **Business Model and Strategy:**

The company is a Tech startup that has launched a full-stack, highly scalable IoT platform. Such platform has a focus on ease of use and allows Pharmacists to digitalize their in-pharmacy communication through app-controlled displays, provided for free as a single turnkey service. While ~75% of the content cycle is comprised by Pharmacist-generated content, ~25% is represented by brands' sponsored content, managed by the platform algorithm. Such sponsored content allows Brands to reach the most valuable potential customer interactions right at POS level, with hyper targeted, relevant digital advertising. Through Technology, and Adaptive advertising capabilities, the company aims at providing the highest quality in-pharmacy advertising with limited supply (max 3 brands per Pharmacy), leveraging on the existing strong demand from Brands. The company is able to tap into Brands' adv & marketing budgets, which are increasingly embracing digital, offering advanced targeting, analytics and simplification of paper logistics. Growth is achieved by both Pharmacist-led activation and Brands-led activation (through Brands' salesforce).

**Add Value Srl**

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