

20 February 2013

Europe | Poland | Biotechnology

DR. KALLIWODA  
RESEARCH GmbH

## Initiating Coverage

BUY

PT: PLN 18.15

## Overview

Industry:	Biotechnology
Country:	Poland
ISIN:	PLPHRMN00011
Reuters:	PHR.WA
Bloomberg:	PHR.PW
Website:	pharmena.com.pl

Last price:	7.45
	Max Min
Price 52 weeks:	22.02 6.05
Market cap (PLNm)	52.42
Number of shares (m)	7.04

## Shareholder structure

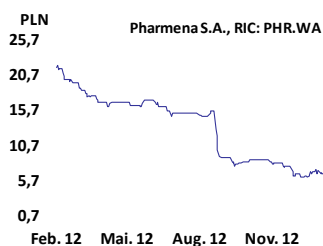
Grupa Pelion S.A.	45.83%
Jerzy Gębicki	15.60%
Konrad Palka	10.66%
Anna Sysa-Jedrzejowska	6.42%
Master Farm Sp. z o.o	5.21%
Free float	16.28%

## Performance

4 weeks	11.34%
13 weeks	-6.63%
26 weeks	-49.73%
52 weeks	-66.26%
YTD	19.36%

## Dividend

	PLN	in %
2008	0.06	0.81%
2009	0.05	0.60%
2010	0.01	0.13%
2011	0.05	0.62%



## Analysts

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## Pharmena S.A.

## Market does not account for 1-MNA drug

- Pharmena S.A. is a Polish company, which was founded in order to commercialize the discovery of the active substance 1-MNA by researchers from the Technical and Medical Universities in Lodz. Since 2003, the Company has introduced on the market dermocosmetics against excessive psoriasis, dandruff as well as sensitive skin. In this period, it has reached the second position in the Hair Care segment in Poland. For all products, which are based on 1-MNA, Pharmena S.A. has patent protection in Europe, North America and Asia until at least 2020.
- Since 2007, Pharmena S.A. has conducted research relating to the anti-atherosclerotic drug 1-MNA. This drug is in Phase II of research and in our view will be introduced on the market in c. five years. According to PhARMA, the global market for circulatory diseases, especially dyslipidemia, is currently worth USD 42bn. Due to missing side effects and the fact, that all competitive drugs will lose patent protection in 2016 at the latest, Pharmena S.A.'s drug has an enormous market potential.
- In 2012, consolidated revenues of the Pharmena Group reached PLN 9.1m (+23.4%). The substantial growth y-o-y resulted from the expansion of assortment as well as promotional activities. On the level of consolidated EBIT (PLN -3.1m) and net profit (PLN -4.1m), which take into account the US subsidiary Cortria Corporation, the Group reported a loss, however Pharmena's operations relating to the sale of dermocosmetics and dietary supplements generated an EBIT margin of >18%. Despite a net loss, the Group's cash position increased from PLN 3m at the end of 2011 to PLN 3.2m, which stemmed from the share issue (C series) in October of PLN 4.9m net. At the end of 2012, Pharmena Group's balance sheet did not show any interest-bearing debt.
- We initiate coverage of Pharmena S.A. with a 12-months PT of PLN 18.15 and a BUY rating. Our valuation is a weighted average of the Sum-of-the-Parts method (70%) and peer group analysis (30%). In our opinion, the Company's current market valuation does not reflect the value of the drug 1-MNA at all.

in PLNm	2009 (entity)	2010 (entity)	2011 (entity)	2012 (cons. not audit.)	2013E (consol.)	2014E (consol.)
Revenues	6.38	7.70	8.78	9.13	12.03	18.74
EBITDA	0.65	0.05	0.82	-2.92	-9.70	-2.85
EBIT	0.52	-0.07	0.69	-3.05	-9.87	-3.11
Net income	0.77	0.12	0.61	-4.13	-8.44	-2.95
EPS	0.12	0.02	0.10	-0.59	-0.96	-0.34
Tangible BVPS	2.58	2.54	2.63	1.27	1.56	1.22
RoE	4.83%	0.77%	3.76%	-32.55%	-74.52%	-24.12%
EBIT margin	8.22 %	-0.87 %	7.92 %	-33.36 %	-82.00 %	-16.60 %
P/E	60.39	376.58	76.51	neg	neg	neg
P/Tangible BVPS	2.88	2.93	2.83	5.86	4.78	6.09
EV/EBITDA	92.41	1131.67	73.31	neg	neg	neg

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## 1 Company profile

Pharmena S.A., which is a company that is active in the cosmetics and biotech industry, was founded in November 2002 by researchers from the Technical and Medical Universities in Lodz. The main area of activity of the Pharmena Group is the study and commercialization of innovative dermocosmetics, anti-atherosclerotic drugs as well as dietary supplements, which are based on the physiological and natural active substance 1-MNA. Pharmena S.A. has been listed on the NewConnect market since 2008 and currently employs 15 people (10 in sales, 5 in administration department).

## 2 SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>- Pharmena S.A. is a leading Polish cosmetics and biotech company; as the only ones on the market all of Group's products comprise the 1-MNA substance and are protected by patents in Europe, North America and Asia until min. 2020</li> <li>- Pharmena S.A. has strong shareholders comprising two strategic (Pelion S.A. and Master Pharm Polska sp. z o.o.) as well as financial investors</li> <li>- Drug 1-MNA is very promising due to the fact that it is based on a physiological and natural substance and does not have side effects</li> <li>- Pharmena S.A. co-operates with leading research centers in Poland and abroad e.g. Uniwersytet Jagielloński or Montreal Heart Institute</li> <li>- Dermena is a leader on the Polish market for dermocosm. Hair Care in terms of the number of sold packages</li> <li>- 65% of Pharmena's costs are variable</li> <li>- Dermocosmetic products (currently 34) are sold in pharmacies and drugstores; Company co-operates with the largest drug distributors in Poland, meaning Neuca, Pelion as well as Farmacol</li> <li>- No interest-bearing debt; at the end of December 2012 net gearing amounted to -35.7%</li> </ul>	<ul style="list-style-type: none"> <li>- Pharmena S.A. is a small company and has limited financial capabilities</li> <li>- The NewConnect segment, in which Pharmena is listed, is characterised by low liquidity</li> <li>- As until 2010 Pharmena had co-shareholders at Cortria Corp. (Domain Associated, MVM Science), it will have to lower the value of the project by USD 100m if it commercializes or sells the drug 1-MNA to a strategic investor</li> <li>- In 2011, 64% of Pharmena's sales stemmed from three distributors</li> <li>- Pharmena does not directly control the manufacturing process of its products; moreover the Group outsources auditing, logistics and research on new products</li> <li>- So far, Pharmena S.A. has generated almost all of its sales in Poland</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>- The global market for dyslipidemia, which Pharmena targets with the drug 1-MNA, is worth USD 42bn; Niaspan, one of competitive drugs, generates yearly sales of c. USD 1bn</li> <li>- Worldwide expiration of patent protection for most of key therapies against dyslipidemia</li> <li>- Market introduction of the anti-atherosclerotic drug 1-MNA or sale to one of the global pharma companies in 2015; similar drugs, which have been sold after completion of Phase II, were worth several hundred million dollars</li> <li>- Market introduction of new dermocosmetics; sales based on license agreements in other European markets</li> <li>- Market for dermocosmetics in Poland is worth PLN 967m, and in Europe USD 5bn; in 2006-2011, it grew in Poland by 16.2% y-o-y on average</li> <li>- Diversification of distribution channels e.g. drugstores through the Rossmann chain since Q1/12; start of co-operation with additional customers</li> <li>- Sales of dietary supplement 1-MNA from 2013; Pharmena's target is to gain a 12% market share (c. PLN 36m)</li> </ul>	<ul style="list-style-type: none"> <li>- Change of regulations</li> <li>- Increasing competitive pressure</li> <li>- Risks relating to disruptions of the production process</li> <li>- Risks relating to registration of dietary supplement and the new 1-MNA drug; prolongation of registration or failure to receive a permit could very negatively affect Pharmena Group's results</li> <li>- Loss of key employees</li> <li>- Risks relating to protection of patents and intellectual property rights</li> <li>- Risks relating to share issues and dilution of existing shareholders</li> </ul>

### 3 Valuation

Our valuation of Pharmena S.A. is a weighted average of the Sum-of-the-Parts method (70%) – operations relating to dermocosmetics and dietary supplements as well as research project drug 1-MNA - and peer group (30%). Our 12-months price target for the Group's shares equals PLN 18.15 (SOTP PLN 19.51; peer group PLN 6.85), which implies an upside of 143.6% at present.

#### *Dermocosmetics and diet supplements*

Our DCF model, with which we have determined the value of both business segments, is „post-money”, meaning it accounts for the net increase of liquid funds and number of shares outstanding after the share issue in Q1/13. During the series D share issue Pharmena S.A. plans to raise USD 4m (PLN 12.8m net) from existing shareholders in order to finance Phase II research of drug 1-MNA.

#### Discounted Cash Flow Model (Basis 2/2013)

in PLNm	Phase 1								
	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E
<b>Net sales</b>	<b>12.03</b>	<b>18.74</b>	<b>26.33</b>	<b>37.23</b>	<b>43.22</b>	<b>48.19</b>	<b>52.12</b>	<b>56.01</b>	<b>59.83</b>
(y-o-y change)	31.8%	55.8%	40.5%	41.4%	16.1%	11.5%	8.2%	7.5%	6.8%
<b>EBIT</b>	<b>-9.87</b>	<b>-3.11</b>	<b>2.11</b>	<b>5.40</b>	<b>7.48</b>	<b>8.34</b>	<b>8.96</b>	<b>9.58</b>	<b>10.17</b>
(EBIT margin)	-82.0%	-16.6%	8.0%	14.5%	17.3%	17.3%	17.2%	17.1%	17.0%
<b>NOPLAT</b>	<b>-7.99</b>	<b>-2.52</b>	<b>1.71</b>	<b>4.37</b>	<b>6.06</b>	<b>6.75</b>	<b>7.26</b>	<b>7.76</b>	<b>8.24</b>
+ Depreciation & amortisation	0.17	0.26	0.37	0.52	0.61	0.68	0.73	0.79	0.84
= Net operating cash flow	-7.82	-2.26	2.08	4.89	6.66	7.43	7.99	8.54	9.08
- Total investments (Capex and WC)	-2.44	-4.54	-5.05	-6.56	-3.95	-3.40	-2.88	-2.87	-2.80
Capital expenditure	-0.88	-0.95	-1.11	-0.77	-0.83	-0.86	-0.91	-0.94	-0.92
Working capital	-1.57	-3.59	-3.94	-5.79	-3.12	-2.55	-1.97	-1.93	-1.88
= Free cash flow (FCF)	-10.27	-6.80	-2.97	-1.66	2.72	4.03	5.11	5.67	6.28
<b>PV of FCF's</b>	<b>-9.07</b>	<b>-5.20</b>	<b>-1.97</b>	<b>-0.95</b>	<b>1.35</b>	<b>1.73</b>	<b>1.90</b>	<b>1.83</b>	<b>1.75</b>

PV of FCFs in explicit period	-8.63
PV of FCFs in terminal period	16.72
<b>Enterprise value (EV)</b>	<b>8.09</b>
+ Net cash / - net debt	5.55
<b>Shareholder value</b>	<b>13.64</b>
<b>Number of shares outstanding (m)</b>	<b>8.80</b>
<b>WACC</b>	<b>15.5%</b>
Equity costs	15.5%
Debt costs before tax	8.0%
Effective tax rate	19.0%
Debt costs after tax	6.5%
Equity ratio	100.0%
Debt ratio	0.0%
<b>Fair value per share in PLN (today)</b>	<b>1.55</b>
<b>Fair value per share in PLN (in 12 months)</b>	<b>1.79</b>

Sensitivity Analysis		Terminal EBIT margin						
		14.0%	15.0%	16.0%	17.0%	18.0%	19.0%	20.0%
WACC	12.5%	2.65	2.89	3.13	3.38	3.62	3.86	4.10
	13.5%	2.12	2.32	2.53	2.73	2.93	3.14	3.34
	14.5%	1.70	1.87	2.04	2.21	2.38	2.56	2.73
	15.5%	1.35	1.50	1.65	1.79	1.94	2.08	2.23
	16.5%	1.07	1.19	1.32	1.44	1.57	1.69	1.82
	17.5%	0.83	0.94	1.05	1.15	1.26	1.37	1.48

Source: Dr. Kalliwoda Research GmbH

#### *Research project drug 1-MNA*

We have estimated the value of drug 1-MNA, which will enter Phase II of research in 2013, with the NPV method. We have assumed that Pharmena S.A. will sell the associated rights to one of the large pharma companies in 2015, thus already after completing Phase II. We have determined the sale price by using comparable transactions and the probability of success according to data from IMAP/Industry Report 2011. We have calculated the present value by discounting the estimated value to today.

According to our valuation, the drug 1-MNA project is currently worth PLN 17.96 per share, whereby the number of shares accounts for the dilution resulting from the share issue in Q1/13.

Seller	Acquirer	Phase of research	Transaction value (USDm)	Year
Portola	Novartis	II	575	2009
Portola	Merck	II	470	2009
Corthera	Novartis	po II	620	2009
Calixa	Cubist	II	402	2009
<b>Mean average</b>			<b>516.75</b>	

Fair value drug 1-MNA	
Fair value drug 1-MNA (USDm) after completion of Phase II	516.75
minus USD 100m for ex-shareholders of Cortria Corporation	416.75
Probability of completion of Phase II	0.4330
Discount rate (WACC = 15.5%)	2.8603
Value of drug 1-MNA (USDm) today	63.09
USD - PLN	3.1298
<b>Value of drug 1-MNA (PLNm) today</b>	<b>197.46</b>
Number of shares	8.80
<b>Value of drug 1-MNA per share (PLN)</b>	<b>22.45</b>
<b>Value of drug 1-MNA per share (PLN) with 20% discount</b>	<b>17.96</b>

Source: Probabilities according to IMAP/Industry Report 2011, Oanda.com, Dr. Kalliwoda Research

### Peer group analysis

Our peer group comprises 10 biotech companies with a similar profile to Pharmena S.A. Due to the Company's low liquidity the price target only weights the peer group analysis by 30%.

Company	EV/Sales		EV/EBITDA		EV/EBIT		P/E		EBITDA margin	Net gearing	P/BVPS
	2013E	2014E	2013E	2014E	2013E	2014E	2013E	2014E	Latest	Latest	Latest
Neptune Technol. & Bioress. Inc. (USD)	5.13	4.15	neg	neg	neg	30.49	neg	neg	-25.97%	-107.37%	5.63
Pronova BioPharma ASA (NOK)	2.68	2.64	5.83	6.04	11.09	9.86	12.47	10.08	48.08%	64.81%	2.50
Oculus Innovative Sciences Inc. (USD)	1.79	1.52	neg	15.77	neg	15.03	neg	16.75	-48.19%	n.a.	n.a
Sangamo BioSciences Inc. (USD)	22.47	15.50	neg	neg	neg	neg	neg	neg	-102.51%	-14.22%	7.17
Perrigo Company (USD)	2.93	2.77	11.64	10.72	12.68	11.90	17.63	16.20	23.73%	43.39%	5.12
Salix Pharmaceuticals Ltd. (USD)	3.29	2.74	8.48	6.88	8.71	6.78	14.60	11.60	32.48%	17.50%	5.46
BioCryst Pharmaceuticals Inc. (USD)	19.42	neg	neg	neg	neg	neg	neg	1.37	-102.43%	-112.64%	7.28
Geron Corp. (USD)	31.67	24.43	neg	neg	neg	neg	neg	neg	n.a	-100.68%	2.03
BioMarin Pharmaceuticals Inc. (USD)	12.31	10.14	neg	neg	neg	neg	neg	neg	-7.54%	-7.70%	6.89
Obagi Medical Products Inc. (USD)	1.75	1.61	9.33	5.81	8.88	6.69	16.68	12.14	18.84%	-37.67%	4.54
<b>Median</b>	<b>4.21</b>	<b>2.77</b>	<b>8.90</b>	<b>6.88</b>	<b>9.98</b>	<b>10.88</b>	<b>15.64</b>	<b>11.87</b>	<b>-7.54%</b>	<b>-14.22%</b>	<b>5.46</b>
Pharmena S.A. (PLN)	4.61	2.96	neg	neg	neg	neg	neg	neg	-31.84%	-35.70%	5.86
Premium/Discount	9.58%	6.85%	neg	neg	neg	neg	neg	neg			
<b>Fair value Pharmena S.A. (PLN)</b>	<b>6.85</b>										

Source: Dr. Kalliwoda Research GmbH, Thomson Reuters Knowledge

## 4 Fiscal-year 2012 results and outlook

### Revenues

On 13 February 2013, Pharmena S.A. published its Q4/12 report. According to it, the Group's consolidated revenues in whole 2012 increased by 23.4% y-o-y to PLN 9.1m, despite a 2% decrease of the market for dermocosmetics in Poland. The reasons for the improvement were higher sales due to an expansion of assortment as well as promotional activities. Due to sales, which stemmed from services for the 100% US subsidiary Cortria Corporation, Pharmena's entity sales, which only comprise activities relating to dermocosmetics and dietary supplements, were higher and amounted to PLN 10.8m.

Between January and December 2012 Pharmena Group introduced on the market 14 new dermocosmetic products (e.g.. Shampoo, lotion and treatment in ampoules Dermena Men). In addition, since September 2012 the Group has also sold dietary supplement in capsules Dermena Complex against excessive psoriasis.

In our view, the Hair Care segment was responsible for c. 62% of Pharmena Group's total revenues in 2012, while we estimate the share of Skin Care products at c. 20%. The Group has not yet published an audited annual report for 2012.

### Results for 2012 compared to previous year

Fiscal-year 2012 compared to the previous year			
in PLNm	2012	2011	Change (%)
Consolidated revenues Pharmena Group	9.13	7.40	23.4%
Revenues (only Pharmena)	10.84	8.78	23.5%
EBITDA (consolid. Pharmena Group)	-2.91	-2.29	26.9%
EBITDA margin	-31.8%	-31.0%	
EBITDA (only Pharmena)	2.13	0.82	160.5%
EBIT (consolid. Pharmena Group)	-3.05	-2.41	26.2%
EBIT margin	-33.4%	-32.6%	
EBIT (only Pharmena)	2.00	0.70	187.5%
Net income (consolid. Pharmena Group)	-4.13	-2.90	42.7%
Net margin	-45.3%	-39.2%	
Net income (only Pharmena)	1.45	0.61	138.6%

Source: Company information, Dr. Kalliwoda Research GmbH

### Profitability

At the end of December 2012 Pharmena Group's consolidated EBIT amounted to PLN -3.1m compared to PLN -2.4m in the previous year. However, on the entity level (without Cortria Corp., only dermocosmetics and dietary supplements), it increased by 187.5% y-o-y to PLN 2m (EBIT margin: 18.4%), which mainly stemmed from a change of production location of dermocosmetics. Subsidiary Cortria Corporation bears high costs associated with research on the new anti-atherosclerotic drug 1-MNA (patents, consulting), which in 2012 were higher than in the previous year due to preparations for Phase II.

As the Pharmena Group subcontracts production, warehousing, accounting and logistics to external companies, most of its costs are included in Cost of Goods Sold. In 2012, they increased by 24.2% y-o-y to PLN 12.2m on the consolidated level, thus more than revenues.

### ***Balance Sheet and Cash Flow Statement***

At the end of December 2012, the largest positions on Pharmena Group's consolidated balance sheet were equity (PLN 8.9m, equity ratio of 77.5%) and liquid funds (PLN 3.2m). Despite a possibility to produce smaller series of cosmetics in the new production location, inventories (+27.2% do PLN 1.4m) as well as short-term debt (+70.1% do PLN 2.2m) increased more than consolidated sales. Short-term debt concerns primarily payables e.g. towards manufacturers of substance 1-MNA.

The increase of liquid funds mainly resulted from the issue of 781.8k new shares in September 2012, through which Pharmena Group raised PLN 4.9m net in order to finance next studies on anti-atherosclerotic drug 1-MNA. On the other hand, there was a negative impact from the capital increase at the subsidiary Cortria Corporation of USD 400k (c. PLN 1.2m) in August 2012, which the Group covered with own means. As interest-bearing debt was zero at the end of 2012, net gearing amounted to -35.7%.

### ***Outlook***

In our opinion, Pharmena S.A. is a very interesting company, which has international patent protection for its products until 2020 (dermatologic applications) and 2025-26 (oral applications) respectively. Pharmena uses the profits, which it generates in the segments dermocosmetics and dietary supplements (from Q3/12 Dermena Complex in capsules against psoriasis, since H2/13 anti-atherosclerotic dietary supplement 1-MNA) as well as funds from the issuance of new shares for financing research on the innovative new anti-atherosclerotic drug 1-MNA.

In our opinion, the odds are good that Pharmena Group will achieve a significant international market success with its anti-atherosclerotic drug. All drugs, which currently constitute competition for the Group on the USD 42bn market for dyslipidemia, will lose their patent protection in 2016 at the latest and can then be copied by manufacturers of generic drugs. Moreover, in comparison with current products such as e.g. Niaspan from Abbott Laboratories, which are based on niacin, the drug 1-MNA does not lead to side effects, while having the same effectiveness. In our view, this constitutes a huge competitive advantage.

## Expiration period of patents of competitive drugs

Drug	Manufacturer	Patent until
Zocor	Merck	2006
Pravachol	Bristol-Myers Squibb	2006
Lipitor	Pfizer	2010/2011
Tricor	Abbott Laboratories	2011
Crestor	AstraZeneca	2012
Zetia	Merck/Schering-Plough	2014
Vytorin	Merck/Schering-Plough	2014
Niaspan	Abbott Laboratories	2016

Source: Dr. Kalliwoda Research GmbH

In our opinion, the most probable scenario for the Pharmena Group is the sale of drug 1-MNA to one of the five largest pharma companies (so called “Big Pharma”) during Phase III at the latest, thus c. ½ years before market introduction. Large medical companies such as Pfizer, Bayer or Roche look for drugs on the market, which are in an advanced stage of research and will be protected by patents. We assume that the sale of drug 1-MNA could be completed at the end of 2015. In our model, we have taken that into account by using the NPV (Net Present Value) valuation method.

In terms of consolidated results, we expect a net loss in 2013 and 2014 due to (1) costs associated with Phase II of research on drug 1-MNA and (2) expenses relating to marketing of dietary supplements Dermena Complex and 1-MNA. In our view, Pharmena will pay for the promotion of new dietary supplements c. PLN 3m (mainly in 2013), whereas costs, which Cortria will bear, should in our opinion amount to c. PLN 15m (PLN 9m in 2013, PLN 6m in 2014). On the entity level, meaning segments dermocosmetics and dietary supplements, we expect an EBIT of PLN 2.5m in 2013 and PLN 3m in 2014.

On the top line, we forecast mainly positive effects from market introduction of dietary supplements:  
 (1) Dermena Complex – increase from PLN 100k. in 2012 to PLN 1m in 2013 and PLN 2m in 2014  
 (2) Dietary supplement 1-MNA - PLN 500k w 2013 and PLN 5m in 2014. At the same time, we expect that Pharmena Group will continue to gain new partners in order to diversify its distribution network and sell dietary supplement 1-MNA Europe-wide based on licensing agreements.

We have determined a 12-months price target of PLN 18.15 for the shares of Pharmena S.A. The PT constitutes a weighted average of the SOTP method (70%; segments dermocosmetics, dietary supplements and 1-MNA drug) and the peer group (30%). Our price target implies an upside potential for the Company’s shares of 143.6% at present. We rate the stock a BUY.

Due to the fact that Pharmena Group finances follow-up studies mainly with equity, we consider the dilution of shareholders due to new share issues as a risk. In Q1/13, the Group plans to conduct a series D rights issue, through which it wants to raise USD 4m (PLN 12.8m net) from existing shareholders.



## Our forecasts 2013E-2015E

Our forecasts 2013E-2015E			
in PLNm	2013E	2014E	2015E
Consolidated revenues	12.03	18.74	26.33
<i>thereof: Dermocosmetics Hair Care</i>	54.4%	33.9%	22.0%
<i>thereof: Dermocosmetics Skin Care</i>	19.8%	19.7%	19.6%
<i>thereof: Dermena Complex</i>	8.3%	10.7%	15.2%
<i>thereof: Dietary supplement 1-MNA</i>	4.2%	26.7%	36.5%
<i>thereof: Others</i>	13.4%	9.0%	6.8%
EBITDA (consolid. Pharmena Group)	-9.70	-2.85	2.48
EBITDA margin	-80.6%	-15.2%	9.4%
EBITDA (only Pharmena)	2.65	3.16	3.37
EBIT (consolid. Pharmena Group)	-9.87	-3.11	2.11
EBIT margin	-82.0%	-16.6%	8.0%
EBIT (only Pharmena)	2.50	3.00	3.20
Net income (consolid. Pharmena Group)	-8.44	-2.95	1.29
Net margin	-70.1%	-15.7%	4.9%
Net income (only Pharmena)	2.40	2.85	2.95

Source: Dr. Kalliwoda Research GmbH

## 5 Business model

Pharmena was founded as a limited partnership (Sp. z.o.o) in November 2002 by scientists from the Technical and Medical Universities in Lodz. At the beginning, the Company's mission was to commercialize a discovery in the area of dermatology, meaning market introduction of products, which were based on the substance 1-MNA that was patented by scientists from the Technical University in Lodz. 1-MNA (1-metylonikotynamid), which is mainly being produced in the liver, is a metabolite and chemical equivalent of niacin. It is anti-inflammatory and has additional advantages when applied on skin. It also impacts heart and dish risk biomarkers (stimulates the production of endogenous prostacyclin, which prevents among others strokes).

First products based on results of the discoveries were introduced on the market in 2003. Currently, there are 34. As a result of research on applications of analyzed substances in medicine, Pharmena and its 100% subsidiary Cortria Corporation in the US initiated actions in order to introduce on the market innovative, mainly anti-atherosclerotic drugs, based on the substance 1-MNA.

At the end of September 2012, Pharmena S.A. employed in total 15 people, thereof 10 in the sales and 5 in the administration department. The Company subcontracts most activities e.g. production, warehousing, logistics and accounting to external entities e.g. Pabianickie Zakłady Farmaceutyczne Polfa S.A., IFOTAM Sp. z.o.o w Lodzi (production of 1-MNA), Laboratorium Galenowe Olsztyn Sp. z.o.o w Dywitach (production of finished dermocosmetics) as well as Master Pharm Sp. z.o.o (production of dietary supplement Dermena Complex). Hence, most of Pharmena S.A.'s operating costs are variable.

Regarding the distribution of its products, Pharmena Group co-operates with leading pharma wholesalers in Poland, which serve pharmacies or local drug and cosmetic distributors directly. All of them generate similar gross margins. In 2011, the Company's largest customers were Pelion S.A. (32.3% share in total sales), Farmacol S.A. (25.2%) and Neuca S.A. (6.5%). In addition, since 2012 Pharmena Group has been working together with the largest chain of drugstores in Poland Rossmann, which will allow the Company to reach new client groups.

#### **Company history:**

- 2002: Foundation of Pharmena Sp. z.o.o, which was initiated by scientists from the Technical and Medical Universities in Lodz
- 2003: Signing of an exclusive licensing agreement with the Technical University in Lodz for the commercialization of the substance 1-MNA  
  - Market introduction in Poland of first cosmetic products in May 2003
  - Pelion S.A. (former PGF S.A.), a leading pharma distributor (wholesale, retail, hospitals) in Poland, becomes the Company's major shareholder
- 2004: Pharmena starts export sales on chosen Eastern markets
- 2005: Acquisition of patents and patent applications from the Technical University in Lodz relating to applications of 1-MNA in the area of dermatology  
  - Taking over 100% of shares in the new subsidiary Pharmena North America Inc. (now Cortria Corporation) in order to continue studies, which were initiated in Poland in order to register the drug in the US and Canada
- 2007: Initiation of clinical studies on the anti-atherosclerotic drug 1-MNA in the US and Canada
- 2008: Registration of joint-stock company Pharmena S.A.  
  - Raising PLN 13.6m from Polish investors for researching the drug 1-MNA and IPO on the NewConnect market
- 2009: Patent for the drug 1-MNA in Russia and Mexico
- 2010: Patent for the drug 1-MNA in Canada, Australia and China
- 2011: Patent for the drug 1-MNA in Europe and the US  
  - Determination of specific aspects of functioning of the substance 1-MNA, estimation of doses for further studies
  - Signing of a consulting agreement with Torrey Partners (Top 5 consultant in the world in the pharma industry) for commercialization of drug 1-MNA

***Products:***

The dermocosmetics, which are offered by the Company, are based on the patented active substance 1-MNA and are available in drugstores and pharmacies.

**Dermena (Hair Care)**

Product line comprises a shampoo, gel and conditioner, which strengthen the hair bellows, limit psoriasis and stimulate the recovery of hair.

**Dermena Plus (Hair Care)**

Shampoo against dandruff; consists of (1) pirokton olamine, which positively affects microflora balance of epidermis and protects against excessive development of dandruff and (2) 1-MNA, which strengthens hair bellows and improves their nourishing.

Moreover, in 2012 Pharmena introduced on the market the following new Dermena product lines:

**Dermena Complex (Hair Care)**

Dietary supplement in the form of capsules; nourishing substances responsible for proper hair growth as well as healthy appearance of skin and nails.

**Dermena Lash (Hair Care)**

Conditioner for eyelashes and eyebrows, mascara

**Dermena Repair (Hair Care)**

Shampoo for destroyed hair

**Dermena Men (Hair Care)**

Shampoo, lotion, ampoules

### Allerco (Skin Care)



Cares dry, sensitive skin, which is prone to irritation; does not contain any odoriferous substances and artificial dyes; product line comprises emollient crème (a greasing and moisturizing one), body lotion, shampoo, washing gel, washing cube and bath emulsion.

As part of the product line Allerco, Pharmena S.A. plans to introduce on the market a new creme against blisters.

### Accos (Skin Care)



The product line Accos comprises a gel against acne, washing liquid, clearing tonic, crème and washing cube; the product line was developed as a reaction to issues relating to greasy and mixed skin, which is prone to acne.

### Thermi (Skin Care)



Curing-easing gel for skin, which is exposed to thermic and solar irritations; 1-MNA component protects against arising irritations, reduces rubefaction and regenerates epidermis.

### Revium (Skin Care)



Innovative treatment against wrinkles for +40 years olds; it comprises a revitalizing day creme, regenerating night creme and an eye crème.

### **Dietary supplement 1-MNA**

In Q2/12, Pharmena initiated actions in order to introduce a dietary supplement on the market, which is based on substance 1-MNA and serves prophylaxis. After completion of the registration process, which is scheduled for 2013, the Company plans to initiate product sales under its own brand in Poland and through licensed contractors in Europe.

Dietary supplement 1-MNA can be sold as an independent substance or support other anti-atherosclerotic therapies. It has the ability to impact risk biomarkers of cardiovascular diseases and to stimulate the production of endogenous prostacyclin, which prevents atherosclerosis. The concentration of endogenous prostacyclin in the human organism decreases with age.

### **Drug 1-MNA**

Since 2007, Pharmena Group has been doing research on an anti-atherosclerotic drug, which is based on 1-MNA. The studies are conducted by subsidiary Cortria Corporation, which was founded specifically for that purpose, and have so far cost USD 12.5m. Experience has shown that drug 1-MNA (1) affects cardiovascular risk biomarkers and due to its ability to stimulate the production of endogenous prostacyclin (PGI<sub>2</sub>) shows anti-thrombotic effects, enhances endothelial functional, and protects against gastric injury, and (2) has so far been safe and well-tolerated in studies and has not led to skin rubefaction nor other unwelcome effects relating to therapy with niacin. In case of the drug Niaspan from Abbott Laboratories, which is protected by patents until 2016 and generates yearly sales of c. USD 1bn, more than 50% of patients resign from therapy due to skin rubefaction and burn (so-called “flushing”), which are caused by the drug.

In September 2012, Pharmena S.A. raised capital from the series C share issue (PLN 4.9m net) in order to conduct bioavailability studies. The series D rights issue, which is planned for Q1/13, will be used for conducting Phase II of drug research in order to confirm the effectiveness of substance 1-MNA on higher doses.

Bioavailability research, which takes c. two months, describes the speed and level of absorption of healing substance by general circulation after one-time application. The study is conducted on a group of 20 patients and comprises two trial groups: 1-MNA vs. niacin (nicotin acid). Phase II research („Proof of Concept”), which will be conducted after completion of bioavailability studies, will be led and monitored by the leading clinical center in Canada – Montreal Heart Institute. It will take place in different centers with several dozen patients (two study groups: placebo, 1-MNA). Phase II will take 12 months after approval by market regulator Health Canada, with an estimated budget of USD 4m (c. PLN 12.8m net).

The international judgement of Pharmena Group’s project by research communities and drug producers is very high. According to the Windhover report, it has been one of ten most promising research projects in the world since 2008 in the area of circulation diseases.

## Comparison of Abbott's NIASPAN and Pharmena's 1-MNA

Criteria for comparison	NIASPAN (drug available on the market)	1-MNA (drug in Phase II of research)
Substance	Natural (60% of it is 1-MNA)	Natural
Unwanted effects	Mainly flushing and skin burning	None
Good cholesterol (HDL)	Increases	Increases
Tripple glycerine (TG)	Decreases	Decreases
Patent protection	Until 2016	Until 2026 (in Europe additionally 5 years)
Conclusion	Up to 88% of patients resign from therapy	1-MNA can work like niacin, but without side effects

Source: Dr. Kalliwoda Research GmbH

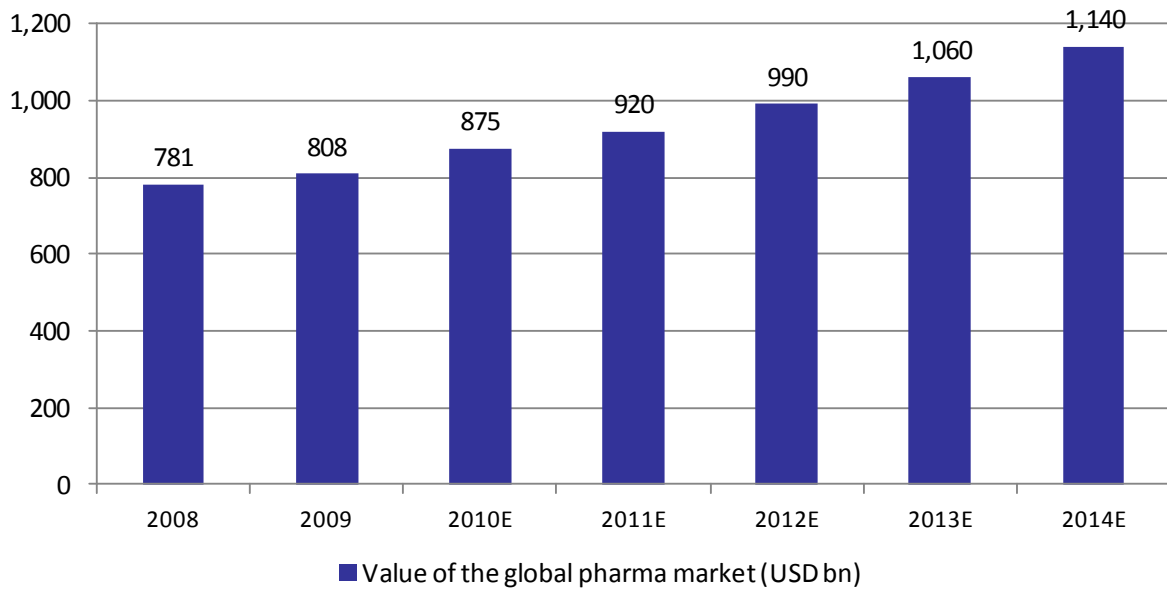
## 6 Market analysis

### *Trends on the pharma market*

According to PhaRMA, the average cost of bringing biotech projects to the market in 2005 amounted to USD 1.3bn compared to USD 138m in 1975. This means that currently only large and strong companies can afford conducting research on new drugs and commercializing them. However, new drugs only pay off, when they are subject to patent protection, which is usually valid for 20 years. After that period, every drug can be “copied” freely, which is very beneficial for producers of so-called generic drugs.

Due to the fact that their drugs lose patent protection large pharma companies such as Pfizer or Roche take over producers of generic drugs or smaller entities, which work on promising new drugs. According to Pharmadeals, the number of M&A transaction in the sector in 2011 amounted to c. 350, and was thus similar to the previous year. At the same time, the average transaction value increased by 30% y-o-y to c. USD 750m. Examples of latest takeovers include the acquisition of the US company Wyeth by Pfizer and Schering-Plough by Merck & Co.

### Value of the global pharma market (USDbn)



Source: IMS Health, IMAP, Dr. Kalliwoda Research GmbH

### Commercialization process

Discovery of drug	Pre-clinical studies	Clinical studies			FDA Approval	Product. Implem.	Sale of the drug
		Phase I	Phase II	Phase III			
						High sales and margins	
3-6 years		6-7 years			0.5-2 years	4-10 years / patent protect.	

Source: PhARMA – profile 2011, Dr. Kalliwoda Research GmbH

Due to a trend towards healthy life style, higher importance of prophylaxis and increase of client' wealth dietary supplements are becoming increasingly popular. As the value of this market increased in Poland more than twofold between 2006 and 2011 (according to website [farmacja.e-bmp.pl](http://farmacja.e-bmp.pl)), we estimate that it currently accounts for more than 50% of total sales in the segment of prescription-free drugs. Dietary supplements provide ingredients, which are essential for health and are recommended by doctors e.g. as support of prescription drugs. They do not require a prescription and are sold in the form of pills, capsules, powders and liquids.

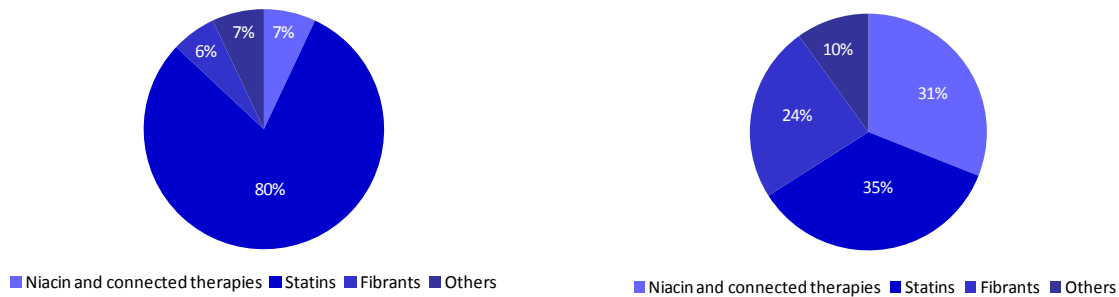
Currently, an increasing number of pharma companies decides to sell dietary supplements a few years before bringing a new drug to the market. Examples such as the company Neptune, which discovered the anti-atherosclerotic acid Omega-3, show that this is a proven strategy to reduce financial risk relating to research on new prescription drugs.

### ***Situation in the area of drugs against circulation diseases***

With its dietary supplement 1-MNA, which it plans to introduce on the market in 2013, as well as prescription drug, on which it conducts research through its subsidiary Cortria Corporation, Pharmena targets the market for circulatory diseases. These illnesses, which lead e.g. to strokes, belong to so-called civilization diseases and are currently the most common reason for deaths in the world apart from tumors. The largest segment of the market for circulatory diseases, so-called dyslipidemia, was worth USD 42bn in 2012 (45% US, 33% Europe). This constitutes a growth of 17% compared to 2007. According to estimates, there are c. 18m people in Poland (out from a population of 38m), who are afflicted by the problem of dyslipidemia, meaning that the market is worth c. PLN 692m (source: IMS).

In the last years, the largest share of the market for substances against dyslipidemia have had drugs based on statins. Due to expiring patents it is expected that the share of these substances will decrease to c. 35% in 2015. Drugs based on niacin, which is a substance that is more effective when it comes to healing dyslipidemia, as well as connected therapies e.g. niacin plus 1-MNA should increase their market share from 7% in 2005 to 31% in 2015.

### **Share of different therapies for treating atherosclerosis in 2005 and 2015**



Source: Decision Resources 2007, Dr. Kalliwoda Research GmbH



## 7 Management

### **Konrad Palka**

CEO and Managing Director of Pharmena S.A. from the beginning. Since August 2010, Mr. Konrad Palka has also been CEO and Managing Director of Cortria Corporation. Before, he was among others Director of a Private Banking branch of Bank Austria Creditanstalt and Director of Sales at a pension fund, which was founded by Citibank - Powszechne Towarzystwo Emerytalne DOM. Mr Konrad Palka graduated in Finance and Banking from the University of Lodz. He has completed several training in the area of management, marketing and sales, which were led among others by Swiss Re and Bank Austria Creditanstalt.

### **Marzena Wieczorkowska**

Vice Chairman of the Management Board and Director of Research and Development, at Pharmena since August 2003. Between 1998 and 2003, she was engaged in R&D activity at the Inter-departmental Institute of Radiation Technology of the Technical University in Lodz, where she gained a PhD in chemical science in 2003. In the past, she has taken part in a number of trainings relating to cosmetology, evaluation of risk, marking and manufacturing technology of cosmetics.

### **Prof. Dr hab. Jerzy Gebicki**

Head of Supervisory Board of Pharmena S.A. He also co-founded Trigonedo Sp. z.o.o. Since 2007 Director of the Institute of Radiation Technology of the Technical University in Lodz. He has been a professor since 1993. He completed numerous scientific internships e.g. at State University New York, University of Utah, Ohio State University as well as University of Fribourgh. He is author and co-author of 110 scientific publications and 20 patents.

## 8 Profit and loss statement

Profit and loss statement - Pharmena						
in PLNm	Fiscal year					
	2009 (entity)	2010 (entity)	2011 (entity)	2012* (consol. unaudited)	2013E (consol.)	2014E (consol.)
Hair Care	4.80	5.21	5.72	5.68	6.81	7.70
Skin Care	0.74	1.56	1.79	1.81	2.10	2.35
Dietary supplement Dermena Complex	0.00	0.00	0.00	0.10	1.00	2.00
Dietary supplement 1-MNA	0.00	0.00	0.00	0.00	0.50	5.00
Other revenues	0.84	0.93	1.27	1.54	1.61	1.69
<b>Net sales</b>	<b>6.38</b>	<b>7.70</b>	<b>8.78</b>	<b>9.13</b>	<b>12.03</b>	<b>18.74</b>
Cost of goods sold	-2.02	-2.58	-2.95	-3.01	-3.79	-5.44
<b>Gross profit</b>	<b>4.36</b>	<b>5.13</b>	<b>5.83</b>	<b>6.12</b>	<b>8.24</b>	<b>13.31</b>
Other operating income	0.00	0.00	0.02	0.02	0.02	0.02
Distribution costs	-1.25	-2.45	-2.37	-6.28	-15.03	-12.01
Administration costs	-2.45	-2.61	-2.64	-2.73	-2.89	-4.12
Other operating expenses	-0.01	-0.01	-0.03	-0.04	-0.04	-0.03
<b>EBITDA</b>	<b>0.65</b>	<b>0.05</b>	<b>0.82</b>	<b>-2.92</b>	<b>-9.70</b>	<b>-2.85</b>
Depreciation & Amortization	-0.12	-0.12	-0.12	-0.13	-0.17	-0.26
<b>EBIT</b>	<b>0.52</b>	<b>-0.07</b>	<b>0.69</b>	<b>-3.05</b>	<b>-9.87</b>	<b>-3.11</b>
Net financial results	0.44	0.26	0.07	-0.70	-0.55	-0.53
<b>EBT</b>	<b>0.97</b>	<b>0.19</b>	<b>0.76</b>	<b>-3.75</b>	<b>-10.42</b>	<b>-3.64</b>
Income taxes	-0.20	-0.07	-0.15	-0.39	1.98	0.69
<b>Net income / loss</b>	<b>0.77</b>	<b>0.12</b>	<b>0.61</b>	<b>-4.13</b>	<b>-8.44</b>	<b>-2.95</b>
EPS	0.12	0.02	0.10	-0.59	-0.96	-0.34
<b>Change y-o-y</b>						
Net sales	n.a	20.77%	13.94%	4.01%	31.79%	55.75%
Cost of goods sold	n.a	27.83%	14.21%	2.30%	25.80%	43.39%
Gross profit	n.a	17.50%	13.80%	4.86%	34.75%	61.44%
Other operating income	n.a	-54.45%	1413.42%	0.00%	5.00%	5.00%
Distribution costs	n.a	95.57%	-3.50%	165.59%	139.26%	-20.07%
Administration costs	n.a	6.31%	1.00%	3.61%	5.74%	42.77%
EBITDA	n.a	-91.83%	1443.75%	-456.66%	232.37%	-70.63%
Depreciation & Amortization	n.a	-3.49%	2.70%	4.01%	31.79%	55.75%
EBIT	n.a	-112.77%	-1137.44%	-538.34%	223.93%	-68.47%
Net financial results	n.a	-42.02%	-73.76%	-1137.76%	-21.32%	-3.64%
EBT	n.a	-80.39%	301.81%	-591.31%	178.16%	-65.05%
Income taxes	n.a	-66.31%	132.30%	153.18%	-610.11%	-65.05%
Net income / loss	n.a	-83.96%	392.20%	-778.66%	104.15%	-65.05%
<b>Share in total revenues</b>						
Net sales	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Cost of goods sold	-31.62 %	-33.47 %	-33.55 %	-33.00 %	-31.50 %	-29.00 %
Gross profit	68.38 %	66.53 %	66.45 %	67.00 %	68.50 %	71.00 %
Other operating income	0.03 %	0.01 %	0.17 %	0.17 %	0.13 %	0.09 %
Distribution costs	-19.64 %	-31.81 %	-26.94 %	-68.80 %	-124.90 %	-64.10 %
Administration costs	-38.48 %	-33.88 %	-30.03 %	-29.91 %	-24.00 %	-22.00 %
EBITDA	10.17 %	0.69 %	9.32 %	-31.96 %	-80.60 %	-15.20 %
Depreciation & Amortization	-1.95 %	-1.56 %	-1.40 %	-1.40 %	-1.40 %	-1.40 %
EBIT	8.22 %	-0.87 %	7.92 %	-33.36 %	-82.00 %	-16.60 %
Net financial results	6.94 %	3.33 %	0.77 %	-7.66 %	-4.57 %	-2.83 %
EBT	15.16 %	2.46 %	8.68 %	-41.02 %	-86.57 %	-19.43 %
Income taxes	-3.07 %	-0.86 %	-1.75 %	-4.25 %	16.45 %	3.69 %
Net income / loss	12.09 %	1.61 %	6.94 %	-45.27 %	-70.12 %	-15.74 %

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\*2009-11: Results only contain single-company data (dermocosmetics, dietary supplements); 2012: consolidated, unaudited results; 2013E-2014E: consolidated results of the Pharmena Group, thus activities of Pharmena S.A. relating to dermocosmetics and dietary supplements as well as subsidiary Cortria Corporation in the US

## 9 Balance sheet

Balance sheet - Pharmena						
	Fiscal year					
	2009 (entity)	2010 (entity)	2011 (entity)	2012 (consol. unaudited)	2013E (consol.)	2014E (consol.)
in PLNm						
<b>Assets</b>						
Cash and cash equivalents	8.76	3.31	2.56	3.20	5.69	4.45
Inventories	0.92	1.35	1.10	1.40	1.76	2.52
Trade accounts and notes receivables	2.36	2.60	3.23	3.59	4.69	7.26
Other financial assets	0.00	0.00	0.00	0.00	0.00	0.00
Other current assets	0.11	0.38	0.49	0.50	0.65	1.02
<b>Current assets</b>	<b>12.15</b>	<b>7.64</b>	<b>7.37</b>	<b>8.68</b>	<b>12.80</b>	<b>15.25</b>
Property, plant and equipment	0.07	0.15	0.15	0.15	0.16	0.16
Inne wartości niematerialne	0.74	0.67	0.60	0.62	1.32	2.01
Wartość firmy	0.00	0.00	0.00	0.00	0.00	0.00
Long-term financial assets	3.60	7.56	8.93	0.00	0.00	0.00
Other long-term assets	0.50	0.76	0.96	0.99	1.29	1.99
Deferred tax assets	0.04	0.04	0.05	0.00	0.00	0.00
<b>Non-current assets</b>	<b>4.95</b>	<b>9.18</b>	<b>10.68</b>	<b>1.76</b>	<b>2.77</b>	<b>4.15</b>
<b>Total assets</b>	<b>17.09</b>	<b>16.82</b>	<b>18.05</b>	<b>10.43</b>	<b>15.56</b>	<b>19.40</b>
<b>Liabilities</b>						
Trade payables	0.38	0.29	0.78	0.84	1.04	1.46
Other liabilities	0.42	0.37	0.57	0.52	0.68	1.06
Short-term financial debt	0.03	0.05	0.05	0.06	0.07	0.07
Pension provisions	0.00	0.00	0.03	0.03	0.03	0.05
<b>Current liabilities</b>	<b>0.82</b>	<b>0.71</b>	<b>1.43</b>	<b>1.45</b>	<b>1.82</b>	<b>2.65</b>
Long-term financial debt	0.01	0.08	0.06	0.04	0.04	6.00
Deferred tax liabilities	0.10	0.12	0.11	0.00	0.00	0.00
<b>Long-term liabilities</b>	<b>0.11</b>	<b>0.20</b>	<b>0.16</b>	<b>0.04</b>	<b>0.04</b>	<b>6.00</b>
<b>Total liabilities</b>	<b>0.93</b>	<b>0.91</b>	<b>1.60</b>	<b>1.49</b>	<b>1.86</b>	<b>8.65</b>
<b>Shareholders equity</b>	<b>16.16</b>	<b>15.91</b>	<b>16.45</b>	<b>8.95</b>	<b>13.70</b>	<b>10.75</b>
<b>Total equity and liabilities</b>	<b>17.09</b>	<b>16.82</b>	<b>18.05</b>	<b>10.43</b>	<b>15.56</b>	<b>19.40</b>

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\*2009-11: Results only contain single-company data (dermocosmetics, dietary supplements); 2012: consolidated, unaudited results; 2013E-2014E: consolidated results of the Pharmena Group, thus activities of Pharmena S.A. relating to dermocosmetics and dietary supplements as well as subsidiary Cortria Corporation in the US

## 10 Cash flow statement

Cash flow statement - Pharmena						
in PLNm	Fiscal year					
	2009 (entity)	2010 (entity)	2011 (entity)	2012* (consol. unaudited)	2013E (consol.)	2014E (consol.)
Net income / loss	0.77	0.12	0.61	-4.13	-8.44	-2.95
Depreciation & Amortization	0.12	0.12	0.12	0.13	0.17	0.26
Change of working capital	-1.02	-1.07	0.21	-0.68	-1.57	-3.59
Others	-0.06	-0.25	-0.27	-0.06	0.00	0.00
<b>Net operating cash flow</b>	<b>-0.18</b>	<b>-1.08</b>	<b>0.67</b>	<b>-4.75</b>	<b>-9.83</b>	<b>-6.28</b>
<b>Cash flow from investing</b>	<b>-2.35</b>	<b>-3.97</b>	<b>-1.34</b>	<b>-0.16</b>	<b>-0.88</b>	<b>-0.95</b>
Free cash flow	-2.53	-5.05	-0.67	-4.90	-10.71	-7.23
<b>Cash flow from financing</b>	<b>-0.42</b>	<b>-0.40</b>	<b>-0.09</b>	<b>5.55</b>	<b>13.21</b>	<b>5.99</b>
Change of cash	-2.95	-5.45	-0.76	0.64	2.49	-1.24
Cash at the beginning of the period	11.72	8.76	3.31	2.56	3.20	5.69
Cash at the end of the period	8.76	3.31	2.56	3.20	5.69	4.45

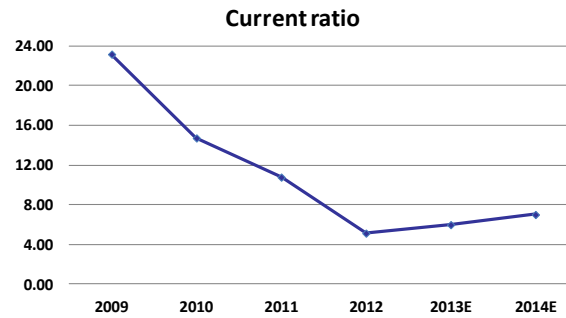
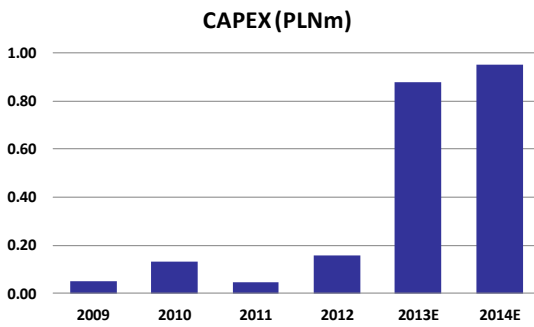
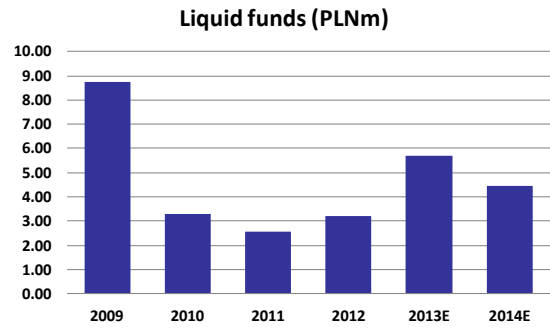
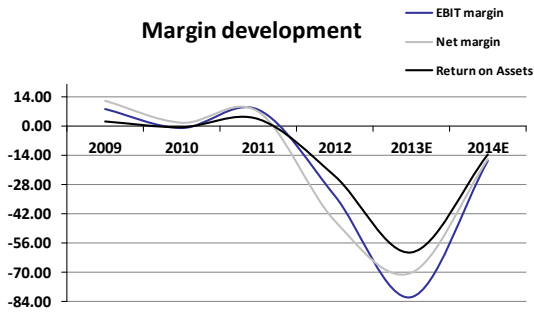
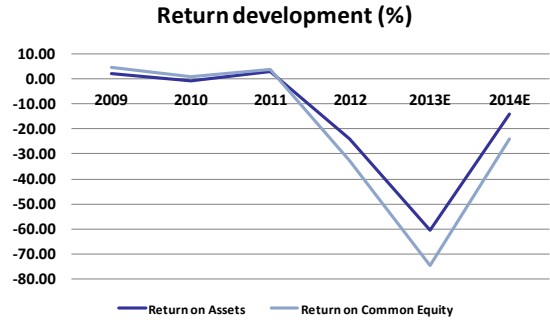
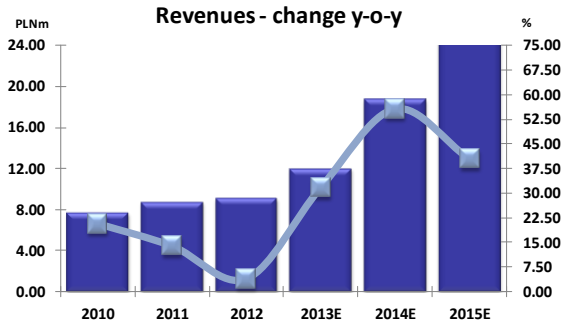
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\*2009-11: Results only contain single-company data (dermocosmetics, dietary supplements); 2012: consolidated, unaudited results; 2013E-2014E: consolidated results of the Pharmena Group, thus activities of Pharmena S.A. relating to dermocosmetics and dietary supplements as well as subsidiary Cortria Corporation in the US

## 11 Ratios

Fiscal year	2009	2010	2011	2012	2013E	2014E	2015E	2016E
Gross margin	68.38%	66.53%	66.45%	67.00%	68.50%	71.00%	74.00%	74.00%
EBITDA margin	10.17%	0.69%	9.32%	-31.96%	-80.60%	-15.20%	9.40%	15.90%
EBIT margin	8.22%	-0.87%	7.92%	-33.36%	-82.00%	-16.60%	8.00%	14.50%
Net margin	12.09%	1.61%	6.94%	-45.27%	-70.12%	-15.74%	4.91%	10.68%
Return on equity (ROE)	4.83%	0.77%	3.76%	-32.55%	-74.52%	-24.12%	11.35%	28.33%
Return on assets (ROA)	1.96%	-0.78%	3.11%	-24.11%	-60.69%	-13.84%	8.87%	18.78%
Return on capital employed (ROCE)	2.57%	-0.27%	3.34%	-37.41%	-58.17%	-15.04%	9.59%	20.32%
Net debt (PLNm)	-8.72	-3.18	-2.42	-3.07	-5.55	1.67	5.06	7.12
Net gearing	-54.00%	-19.98%	-14.71%	-34.32%	-40.52%	15.58%	42.00%	44.43%
Equity ratio	94.53%	94.57%	91.15%	85.74%	88.04%	55.41%	56.69%	60.87%
Current ratio	14.73	10.79	5.14	6.00	7.02	5.75	4.52	4.02
Quick ratio	13.49	8.35	4.04	4.69	5.70	4.42	3.18	2.67
Net interest cover	-1.19	0.26	-10.32	-4.36	-17.94	-5.87	4.13	11.02
Net debt/EBITDA	-13.44	-59.96	-2.96	1.05	0.57	-0.59	2.04	1.20
Tangible BVPS	2.58	2.54	2.63	1.27	1.56	1.22	1.37	1.82
Capex/Sales	-0.78%	-1.69%	-0.50%	-1.72%	-7.29%	-5.07%	-4.21%	-2.06%
Working capital/Sales	48.39%	57.51%	50.37%	55.91%	55.43%	54.74%	53.92%	53.69%
EV/Sales	9.40	7.78	6.83	6.57	4.98	3.20	2.28	1.61
EV/EBITDA	92.41	1131.67	73.31	-20.55	-6.18	-21.06	24.22	10.13
EV/EBIT	114.31	-895.36	86.30	-19.69	-6.08	-19.28	28.47	11.11
P/Tangible BVPS	2.88	2.93	2.83	5.86	4.78	6.09	5.44	4.09
P/E	60.39	376.58	76.51	-12.68	-7.77	-22.22	50.67	16.48
P/FCF	-25.92	-12.98	-97.83	-13.36	-6.12	-9.07	-19.36	-31.83

Source: Company information, Dr. Kalliwoda Research GmbH



Source: Company information, Dr. Kalliwoda Research GmbH

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