Clinuvel

Rating: Buy **Risk:** High

Price: AUD 25.74

Price target: AUD 58.40 (previously AUD 32.70)

Reuters: CUV.AX **Bloomberg:** CUV:AU

There is so much more than the FDA approval

Clinuvel reported its H1/2018/19 report (30/06) this week. Revenues (AUD 9.0 million, +27.0% YoY) came in below our expectations despite positive currency effects. Since total expenses (AUD 5.7 million) were below last year's level mainly due to lower costs from general operations, operating profit almost tripled to AUD 3.3 million from AUD 1.2 million in H1/2017/18, and EBIT margin more than doubled to 36.7% from 16.7%.

During the following months we expect a steady positive news flow from Clinuvel. Main topics will be announcements regarding (1) the US Food and Drug Administration's assessment of the risk-benefit profile of Scenesse in the prevention of erythropoietic protoporphyria (EPP) symptoms (to be announced on July 8), followed by submissions of New Drug Applications to authorities in Japan (PDMA) and Australia (TGA); (2) the Phase IIa proof of concept study where patients suffering from orphan disease variegate porphyria (VP) will be treated with Scenesse; (3) progress in the upcoming scientific vitiligo studies which would give Clinuvel access to an untapped market of substantial size; (4) announcements of a third indication, most likely xeroderma pigmentosum (XP), a disease which is defined by extreme sensitivity to sunlight (and therefore similar to EPP); (5) the appeal against the decision of the UK National Institute of Health and Care Excellence (NICE) not to recommend Clinuvel's Scenesse for use by English National Health Service for adult EPP patients (March 14, 2019); (6) inclusion in the ASX 200, the benchmark for Australian equity performance; (7) the potential Nasdaq listing.

Following the strong outperformance of the shares since initiation of our research coverage (+197.6% vs. ASX 200 +1.1% and DAX -13.8%), we have adjusted our valuation methodology. Contrary to our previous method, we have now included additional medical indications, even with the lowest possible penetration rates. We therefore consider our valuation a worst-case scenario. Notwithstanding our rather conservative approach, we calculate a base-case scenario equity value of AUD 2,788.7 million or AUD 58.40 (previous AUD 32.70) per share; a Monte Carlo simulation calculates bear and bull case scenario equity values of AUD 84.80 and AUD 32.10 per share, respectively. In light of an expected 24 months price potential of 126.9%, we reiterate our buy rating for the shares of Clinuvel.

WKN/ISIN: A0JEGY/AU000000CUV3

Indices: ASX300, All Ordinaries Index (XAO)

Transparency level: n/a

Weighted number of shares: 47.7 mn

Market cap: AUD 1,228.7 mn

Daily trading volume: ~90,000 shares

AGM: n/a

AUD mn (06/30)	2017/18	2018/19e	2019/20e	2020/21e
Sales	25.8	51.5	98.6	141.7
EBITDA	12.9	27.2	50.3	71.4
EBIT	12.9	27.2	50.3	71.4
EBT	13.2	28.3	50.9	72.5
EAT	13.5	28.3	50.9	59.3

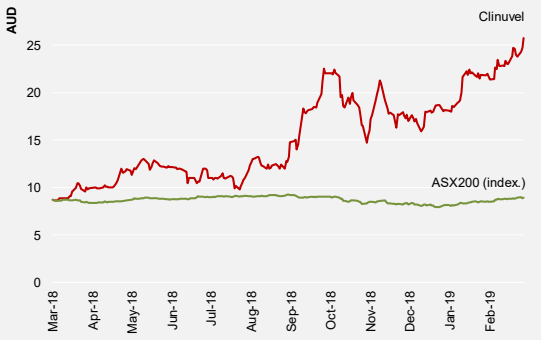
% of sales	2017/18	2018/19e	2019/20e	2020/21e
EBITDA	50.3	52.8	51.0	50.4
EBIT	50.3	52.8	51.0	50.4
EBT	51.2	55.0	51.7	51.2
EAT	52.3	55.0	51.7	41.9

Per share (AUD)	2017/18	2018/19e	2019/20e	2020/21e
EPS	0.28	0.59	1.07	1.24
Dividend	0.00	0.00	0.00	0.00
Book value	0.83	1.43	2.50	3.74
Cash flow	0.24	0.56	0.98	1.16

%	2017/18	2018/19e	2019/20e	2020/21e
Equity ratio	92%	91%	90%	90%
Gearing	-92%	-93%	-92%	-93%

X	2017/18	2018/19e	2019/20e	2020/21e
P/ER	39.1	43.4	24.1	20.7
EV/sales	19.0	22.6	11.3	7.5
EV/EBITDA	37.8	42.9	22.2	14.9
P/BR	13.3	18.0	10.3	6.9

AUD mn	18/19e	19/20e	20/21e
Guidance: Sales	n/a	n/a	n/a -
Guidance: EBIT	n/a	n/a	n/a -



Source: Company data, Sphene Capital forecast

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Clinuvel reported a mixed set of half year figures (30/06) this week. While revenues (AUD 9.0 million, +27.0% YoY) fell short of our expectations, total expenses (AUD 5.7 million) were below last year's level, mainly due to lower costs from general operations. Therefore, operating profit almost tripled to AUD 3.3 million from AUD 1.2 million in H1/2017/18, and EBIT margin more than doubled to 36.7% from 16.7%, both substantially exceeding our estimates.

Overview of H1/2018/19 (July 01-December 31)

While commercial sales of Scenesse implants increased by 32.5% to AUD 7.1 million from AUD 5.3 million in H1/2017/18, sales from special access reimbursement schemes were up 10.3% to AUD 1.9 million from AUD 1.7 million last year. Consolidated revenues increased by 27.0% to AUD 9.0 million from AUD 7.1 million last year. According to the company, both segments were significantly impacted by favourable FX trends.

On the cost side, the development was not as uniform:

- **Expenses from general operations**, the most important cost item (though the last one mentioned in Clinuvel's reporting), decreased by 18.2% to AUD 2.2 million, since last year's items included long-term "business generation incentive" payments of EUR 0.5 million for the Managing Director Wolgen. Excluding these incentive payments, expenses from general operations increased 16.0% according to the company, mainly due to an increase in headcount, higher personnel expenses and legal fees.
- **Clinical, regulatory and commercial overheads**, on the other hand, increased 21.0% to AUD 1.3 million, mainly due to a higher headcount in the product development of Vallaurix to prepare the company for "further business expansion".
- The remaining cost items, namely **costs from drug formulating R&D**, **costs from regulatory and non-clinical**, **business marketing and listing** as well as from **licenses, patents and trademarks** remained flat vis-à-vis H1/2017/18.

With declining expenses, profits almost tripled to AUD 3.3 million from AUD 1.2 million, reflecting an operating margin improvement by 2,000 bps to 36.7%

TABLE 1: H1/2018/19 COMPARED TO H1/2017/18

		H1/2018/19	H1/2017/18	Δ
Revenues	**AUD mn**	**8.981**	**7.070**	**27.0%**
Gross profit	AUD mn	8.981	7.070	27.0%
EBITDA	AUD mn	3.298	1.178	180.1%
EBIT	**AUD mn**	**3.298**	**1.178**	**180.1%**
EBIT margin	%	36.7%	16.7%	+2,000bps
EBT	AUD mn	4.076	1.411	188.8%
Net income	AUD mn	4.076	1.411	188.8%
EPS	**AUD**	**0.09**	**0.03**	**188.8%**

SOURCE: COMPANY DATA, SPHENE CAPITAL

Some remarks about Clinuvel's communication policy …

The management clearly fails to take the justified information needs of its shareholders and the financial community seriously, in our view.

While Clinuvel seems to be making some progress in financial transparency – for example, the company ceased to report "interest income" as revenues, but as "interest revenues" instead, enqueuing the item below the operating line for the first time – what indeed remains disturbing is the lack of willingness to properly inform in Clinuvel's financial reporting. A company with a market cap of AUD 1,228.7 million in which reporting the description of the weakening of the Australian dollar relative to foreign currencies is more space consuming than the explanation why revenues were as they were? A company with an ever-increasing number of past financial reports which download is not possible due to defect internet links?

Or the confusing interim reports Clinuvel likes to disseminate prior to the auditor reviewed financial reports, in which the reader may find useless information regarding quarterly "cash receipts", which according to the company decreased by -37.9% in the recent quarter compared to the previous year. What is even annoying is that the reasons for the decline given by the company, namely "fluctuations in seasonal demand" and a "timing of customer payments", when customers paid earlier than during last year's quarter, are both unsatisfying and even contradictory, in our view. If "more timely" payments by Clinuvel's customers were indeed the case, wouldn't this year's quarterly cash receipts rather be above internal expectations than below?

… and the dividend policy (more from a theoretical perspective)

Clinuvel's Board of Directors declared a dividend of AUD 0.02 for the past fiscal year.

Conventional wisdom says that if a company pays out dividends, management views its growth prospects as limited, and therefore has decided to return cash to shareholders. Even the management of a mature company that believes they will do a better job of increasing the firm value by reinvesting their earnings will choose to retain cash flows. Companies that decide not to pay dividends typically use cash flows generated to start new projects or engage in M&A activities.

Generally speaking, firms that are still growing rapidly will prefer not to pay out dividends, because they prefer to invest as much as possible into future growth. Warren Buffett's Berkshire Hathaway does not pay dividends. Neither do most of those biotech, pharma, or technology growth companies that may also be thinking about the high potential expense of issuing new stock in case cash flows should not be sufficient in the future.

Finally, once a company has decided to start paying dividends, the company is better off to remain a dividend paying entity. To reduce or even eliminate its existing dividend payment will be considered unfavourably by market participants.

Even from an investor's perspective, it is difficult to digest dividends when a company (like Clinuvel) is gifted by EBIT margins of 50.3% (FY 2017/18). The only way a shareholder would be better off is if he were able to re-invest these dividends in companies with even higher ROIs. In contrast to what Clinuvel's Board of Directors might believe, dividends are not the way that high growth companies should reward shareholders for owning the stock. The focus of a Board of Directors should be on an increase of the shareholders wealth – and that is best achieved through capital appreciation, in our view.

1 **The single most relevant question is indeed whether Scenesse will be approved by FDA or not. While statistics may point into the direction that Clinuvel will receive the approval, there remains a significant downside risk – which needs to be calculated: Should FDA disapprove the market entry of Scenesse in the US, an annual sales volume of EUR 311 million would be wiped out for Clinuvel, in our view, assuming a worldwide standardized pricing. This would have significant impact on Clinuvel's share price. PDUFA date has been set by the FDA on July 8, 2019.**

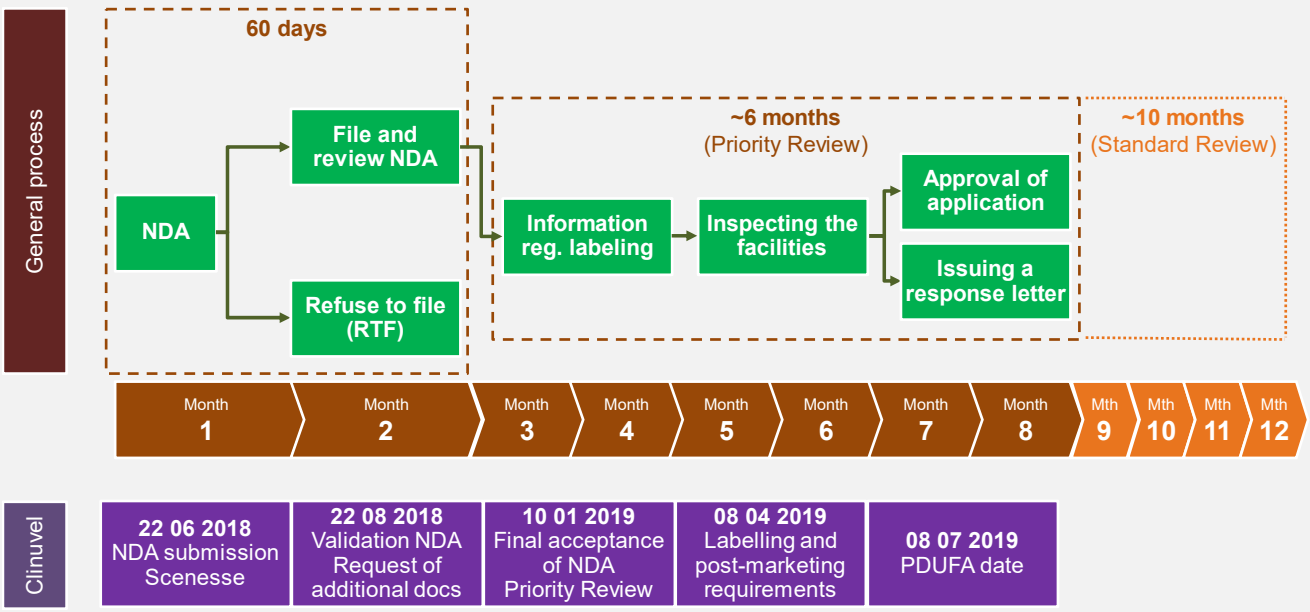
FDA validation period is under way

On June 22, 2018 Clinuvel submitted a New Drug Application (NDA) for Scenesse in the prevention of phototoxicity and anaphylactoid reactions in adult EPP (erythropoietic protoporphyria) patients. With more than 6,700 doses of Scenesse to be evaluated by the FDA, the extent of drug exposure has been relatively large considering EPP still is a rare genetic disorder. Scenesse has been evaluated as a Priority Review, meaning that FDA aims to take action on an application within six months, compared to 10 months under standard review. Despite the reputation to scrutinise innovative technologies to ensure that all aspects of manufacturing are controlled, it became apparent since the filing that no major outstanding issues had been identified which would lead to a RTF (refusal to file), according to the management.

While there will not be another advisory committee meeting for further review of the product, a Prescription Drug User Fee Act (PDUFA) date has been set by the FDA on July 8, 2019. PDUFA dates are deadlines by which the FDA must review New Drug Applications; they authorize the FDA to collect fees from drug manufacturers to fund the drug approval process. Labelling and post-marketing requirements – if needed – should be communicated to Clinuvel by April 8, 2019.

After several delays in recent years, the FDA filing is one of the first major events in which Clinuvel has kept its word. In our view, this is a sign that the maturity of both the Scenesse product and the organisation has increased significantly over time.

EXHIBIT 1: FDA TIMELINE FOR NEW DRUG APPROVAL



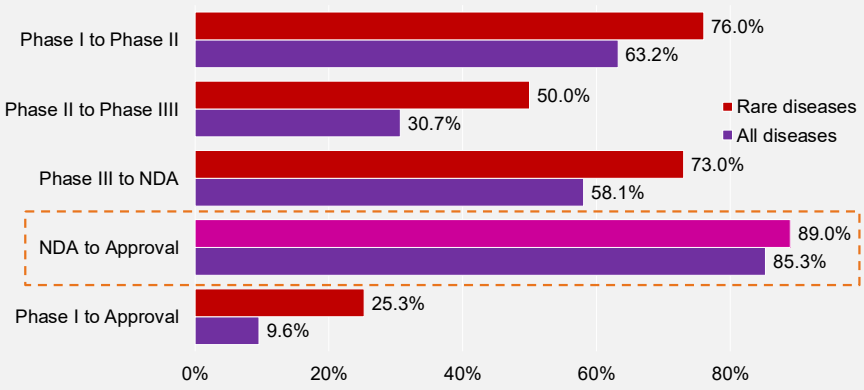
SOURCE: U.S. FOOD & DRUG ADMINISTRATION, SPHENE CAPITAL

Overview of success rates in the FDA approval

What are the chances that Scenesse will be approved by the FDA? In the largest-ever of its kind study, approximately 10,000 “phase transitions” were examined, i. e. an experimental therapy’s progression through three phases of human clinical trials, regulatory filing, and ultimate approval. On average, a drug candidate had 85.3% probability of going from NDA to FDA approval.

Since Clinuvel’s Scenesse has proven that the drug works and that it is safe up to this point, an US approval is a real possibility, in our view.

EXHIBIT 2: PHASE TRANSITION SUCCESS RATES, ALL DISEASES VS. RARE DISEASES



Regarding the US approval of Scenesse, FDA has decided on a priority review. Drugs with priority review tend to have a higher probability of approval than those with standard review. In addition, the FDA has waived an optional Advisory Committee Meeting, which suggests that the FDA has a clear picture of the potentials and risks of Scenesse.

SOURCE: BIOMEDTRACKER, AMPLION, BIOTECHNOLOGY INNOVATION ORGANIZATION

Assessment of global EPP market

The annual costs of Scenesse therapy which has been negotiated with the German government reimbursement body (“GKV-Spitzenverband”) for the treatment of EPP patients depends on annual number of implant injections and range between EUR 56,004 and EUR 84,606 per EPP patient according to company data. Since Clinuvel has adopted a uniform global pricing policy, we expect similar pricing to be negotiated in other countries. Applying the average price of this range on the US market, a total volume of EUR 311.0 million would be eliminated for Scenesse should FDA contrary to our expectations disapprove the market entry of Scenesse in the US.

6 implants per year seem to be necessary for most patients in order to achieve a permanent protection.

TABLE 2: ESTIMATION OF THE GLOBAL EPP MARKET

	Prevalence (# patients)	**Costs per treatment** (EUR)	**Market volume** (EUR mn)
Total EPP market	**6,902**		**483.1**
thereof Europe	1,926	**70,000**	134.8
thereof America	4,443	(average of pricing range, global uniform pricing assumed)	311.0
thereof Asia and Australia	500		35.0
thereof Africa	33		2.3

SOURCE: SPHENE CAPITAL ESTIMATES

2 **Clinuvel announced to conduct a proof of concept study evaluating the effectiveness of Scenesse in variegate porphyria (VP), a genetic disorder with similar symptoms to EPP. With an estimated 11,600 patients worldwide, VP is still categorized an orphan disease. Applying a pricing similar to EPP, global market potential for the treatment of VP could be up to approximately EUR 0.8 bn per year, significantly above EPP's market size.**

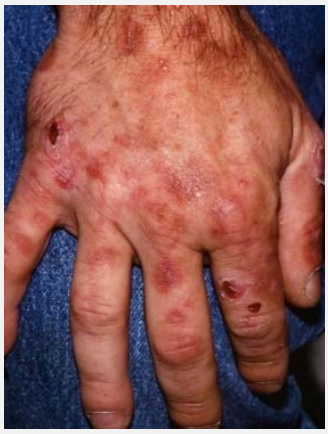
First Variegate Porphyria study announced

Only recently, Clinuvel has announced to conduct a Phase IIa proof of concept study evaluating the effectiveness of Scenesse in variegate porphyria (VP). Like EPP, VP belongs to the group porphyrias, genetic metabolic diseases characterised by specific enzyme deficiencies along the biochemical pathway of haem synthesis. Symptoms are blistering lesions and chronic fragility of sun and light-exposed skin, especially the back of the hands and the face, eventually leading to slowly or not healing wounds. Scars on the face, hands and feet are widely spread.

Like EPP, VP patients experience phototoxicity mainly in spring and summer when the atmospheric intensity of light in the northern hemisphere increases. Similar to EPP, patients lead a life in the dark and need to avoid any mechanical contact with their skin surface.

Variegate porphyria is caused by a mutation in the enzyme protoporphyrinogen oxidase, which is part of the pathway that produces porphyrins and heme. Signs of the disease are blistering skin lesions, which are chronic in many people with variegate porphyria.

EXHIBIT 3: VARIEGATE PORPHYRIA



Acute VP attacks also include diarrhoea, vomiting, and constipation. In severe attacks, patients may experience muscle weakness, anxiety, seizure, and/or hallucinations. Sensitivity to sunlight is common; exposure would cause the skin to discolour, blister, or scar. Exposed skin is easily damaged and fragile.

SOURCE: HEALTHJADE.COM

Assessment of global variegate porphyria market

The reported prevalence per 100,000 inhabitants is up to 1 cases in Europe and 0.5 cases in the US, respectively. In South Africa, however, with a prevalence of 1 in 300, Variegate Porphyria is especially common in individuals from Dutch ancestry. In total, we estimate that a total of 20,800 people could suffer from VP worldwide (compared to 6,902 EPP patients).

Being an orphan disease, there is no standard care for VP symptoms. Should Clinuvel's Scenesse be approved as a treatment, we expect a market potential of up to approximately EUR 0.8 bn per year, also significantly exceeding the market volume we expect from EPP.

TABLE 3: ESTIMATION OF THE GLOBAL VARIEGATE PORPHYRIA MARKET (EXCLUDING MINORS AND ELDERLY PEOPLE)

Number of patients worldwide		**11,600**
Prevalence Europe		1:100,000
Number of patients Europe		~3,500
Prevalence Americas		1:200,000
Number of patients Americas		~1,100
Prevalence RZA (Caucasian only)		1:300
Number of patients RZA		~7,000
Average annual price per treatment	EUR	70,000
Total variegate porphyria market	**EUR mn**	**812,0**

SOURCE: SPHENE CAPITAL ESTIMATES

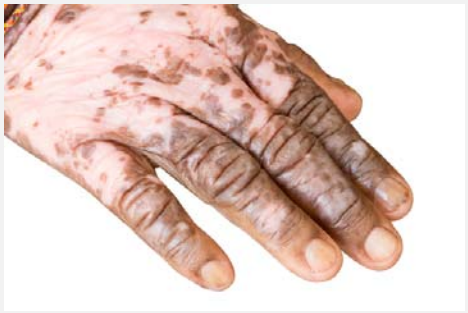
3

Recent scientific findings suggest that a combination drug therapy of Narrowband UVB and Scenesse expressed significantly more (re)pigmentation than a monotherapy NB-UVB without Scenesse. Therefore, Clinuvel's Scenesse could provide a solution to Non-Segmental Vitiligo (NSV), a disfiguring disease affecting up to 135 million people worldwide. While EPP needs to be treated lifelong, we understand Scenesse will be a definitive treatment for vitiligo patients. Assuming costs similar to cosmetic surgery, we calculate a global market potential of up to EUR 34.0 bn, depending on the share of vitiligo patients paying for a treatment. Even in a worst-case scenario, the global vitiligo market should be significantly larger than the market for any orphan disease so far addressed by Clinuvel.

Description of vitiligo

Vitiligo, to some also known as Michael Jackson-disease, is a chronic pigmentation disorder that causes patchy loss of skin colouring (pigmentation). The average age of onset of vitiligo is in the mid-twenties, but it can appear at any age. It tends to progress over time, with larger areas of the skin losing pigment. Some people with vitiligo also have patches of pigment loss affecting the hair on their scalp or body.

EXHIBIT 4: HAND WITH VITILIGO



The disease is characterized by milky white patches due to a loss of functional melanocytes from the epidermis. Vitiligo patients feel distressed and stigmatized by their condition. Several theories have been proposed to explain the etiopathogenesis of vitiligo, but none of the hypotheses explains the entire spectrum of this disorder.

SOURCE: NATIONAL LIBRARY OF MEDICINE (US)

Three vitiligo types, based on the distribution of the lesions

Researchers have identified several forms of vitiligo. Generalized vitiligo (also called non-segmental vitiligo), which is the most common form (~85-90% of all cases),

involves loss of pigment (depigmentation) in patches of skin all over the body. Depigmentation typically occurs on the face, neck, and scalp, and around body openings such as the mouth and genitals. Only of minor importance are unilateral (segmental) and universal type of vitiligo.

Being considered to be an autoimmune disorder, vitiligo occurs when the immune system attacks the body's own pigment cells (melanocytes) in the skin. In contrast to the porphyrias described before, vitiligo does not affect general health or physical functioning.

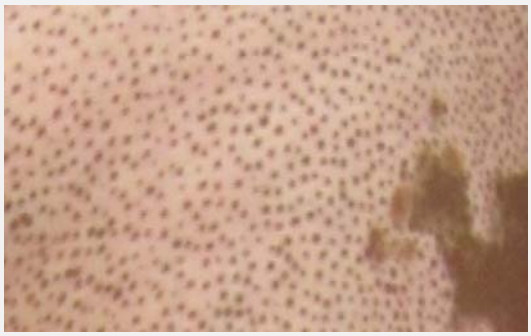
Encouraging news from vitiligo studies

Recent vitiligo studies (North America, Singapore) have shown that a combination drug therapy of Narrowband UVB (311 to 313 nanometres in wavelength) and Scenesse expressed significantly more (re)pigmentation after six months than a monotherapy NB-UVB without Scenesse. By using the Vitiligo Area Scoring Index (VASI) it was also shown that repigmentation occurred rather homogenously over the body surface by using the combination therapy. In addition, patients who had received the combination therapy achieved earlier repigmentation than those on monotherapy.

The evaluations showed a statistically significant improvement in the VASI scores compared to baseline and at subsequent timepoints throughout the study.

Clinuvel has been repeatedly talking about a final cure for vitiligo that could be possible. Phase 2 study results accordingly speak of sustainable re-pigmentation. Whether re-pigmentation will continue forever, however, cannot yet be answered from a scientific point of view.

EXHIBIT 5: FOLLICULAR REPIGMENTATIN IN A VITILIGO PATIENT



The NB-UVB combination treatment with Scenesse leads to a repigmentation of the skin around the hair follicle. After several NB-UVB doses these islands merge to larger patches.

SOURCE: COMPANY DATA

Assessment of the global vitiligo market

The pooled prevalence of vitiligo from 82 population- or community-based studies in the scientific literature was 0.2% and from 22 hospital-based studies was 1.8%. Most people develop the disease under the age of 40, approximately half of them even before their 20th birthday. Male and female are equally affected by the disorder; however, it is more noticeable in people with darker skin; a relatively high prevalence of vitiligo was found in Africa area. Vitiligo may also be hereditary, in that 30% of people with vitiligo have a family member with the disease. Prevalence has maintained at that low level in the last 20 years and it has increased with age gradually.

In total, between 15 and 135 million individuals could suffer from vitiligo worldwide. While EPP needs to be treated lifelong, we understand Scenesse will be a definitive treatment for vitiligo patients. After an estimated 6 to 10 injections (depending on the

severity and extent of depigmentation), vitiligo might be cured according to company information. Assuming costs per treatment of EUR 5,000 per patient (i.e. the price of a typical cosmetics surgery), we calculate a global market potential between EUR 0.8 and 34.0 bn, depending on the share of vitiligo patients to be treated.

TABLE 4: ESTIMATION OF THE GLOBAL VITILIGO MARKET

		Low-end	High-end
Prevalence	%	0.2%	1.8%
Number of patients worldwide	mn	15.1	135.9
Share of treatment		1.0%	5.0%
Costs per treatment	EUR	5,000.00	
Total vitiligo market	**EUR mn**	**755.0**	**33,975.0**

SOURCE: US CENSUS BUREAU, SPHENE CAPITAL ESTIMATES

4 **Clinuvel repeatedly announced to actively pursue additional opportunities for the further use of Scenesse in relevant indications of unmet clinical need beyond porphyrias. Pending sign-off from university centres on protocols, budgets, and ethic committee submissions, further details will be disclosed by the company. In our view, this third indication is most likely to be xeroderma pigmentosum. Xeroderma pigmentosum (XP) is a rare skin condition that causes extreme sensitivity to ultraviolet (UV) rays from sunlight and a substantially increased incidence of skin cancers. This condition mostly affects the eyes and areas of skin exposed to the sun, in some cases also the nervous system.**

Causes of Xeroderma pigmentosum

Xeroderma pigmentosum, which is commonly known as XP, is a rare, genetic disorder which is inherited as an autosomal recessive pattern that is caused by a defect in mechanisms that repair DNA mutations (such as those caused by ultraviolet light) and is characterized by the development of pigment abnormalities in areas exposed to the sun.

Patients with XP typically have dry skin (xeroderma) and skin colouring (pigmentation). This combination of features gives the condition its name: xeroderma pigmentosum.

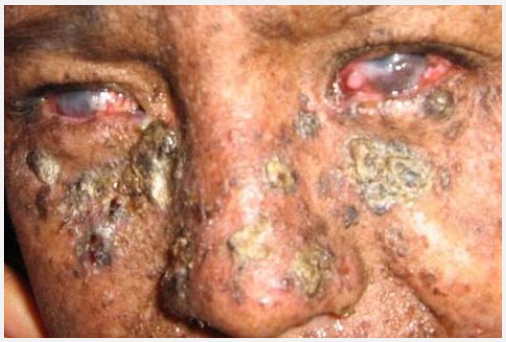
Being a genetic disease, xeroderma pigmentosum (literally “dry pigmented skin”) is caused by mutations in genes that are involved in repairing damaged DNA. While normal cells are able to fix DNA damage before it may cause problems, people with xeroderma pigmentosum do not have this genetic code and DNA damage is not repaired. With an increasing number of abnormalities in DNA, cells malfunction and eventually die or grow too fast and in an uncontrolled way (i.e. become cancerous).

Description of XP

First signs of XP usually appear in early childhood. XP is defined by extreme sensitivity to sunlight. After having spent just a few minutes in the sun, children develop a severe sunburn that can last for weeks. This condition mostly affects the eyes and areas of skin exposed to the sun. Some affected individuals also have problems involving the nervous system leading even to intellectual deficiencies.

Affected individuals are particularly susceptible to developing actinic keratoses and squamous and basal cell carcinomas of the tip of the tongue due to a defect in or lack of nucleotide excision repair.

EXHIBIT 6: XERODERMA PIGMENTOSUM



The picture left shows an eight-year-old girl from Guatemala with xeroderma pigmentosum. Ocular abnormalities are almost as common as the cutaneous abnormalities, but they are limited to the anterior, UV-exposed structures of the eye.

SOURCE: JAMES HALPERN, BRYAN HOPPING AND JOSHUA M BROSTOFF: PHOTOSENSITIVITY, CORNEAL SCARRING AND DEVELOPMENTAL DELAY: XERODERMA PIGMENTOSUM IN A TROPICAL COUNTRY. IN: CASES JOURNAL 2008, 1:254 DOI:10.1186/1757-1626-1-254

Epidemiology

Like EPP, xeroderma pigmentosum is a rare disease that has been found in all continents and across all racial groups. According to the US National Center for Biotechnology Information (NCBI), XP affects about 1 in 2,300,000 live births in Europe, 1 in 250,000 people in the US, and 1 in 20,000 in Japan. The disease is also common in North Africa and the Middle East.

In total, we estimate that approximately 7,764 individuals suffer from XP in Europe, the US, and Japan. Should Clinuvel's Scenesse be approved as a treatment, we expect a market potential of up to approximately EUR 558.7 million per year, about the size of the market volume we expect from EPP.

TABLE 5: ESTIMATION OF THE GLOBAL XERODERMA PIGMENTOSUM MARKET (BASED ON THE TOTAL POPULATION)

Number of patients worldwide		**7,981**
Prevalence Europe		1:2,300,000
Number of patients Europe		221
Prevalence Americas		1:250,000
Number of patients Americas		1,458
Prevalence Japan		1:20,000
Number of patients Japan		6,302
Average annual price per treatment	EUR	70,000
Total xeroderma pigmentosum market	**EUR mn**	**558.7**

SOURCE: SPHENE CAPITAL ESTIMATES

5 **Last year, Clinuvel appealed against a decision by NICE's Highly Specialized Technologies committee to maintain its December 2017 recommendation that Clinuvel's EPP drug Scenesse should not be funded under the NHS for treating patients with EPP. According to the statements by Clinuvel and organizations representing EPP patients, both EMA and NICE have seemingly failed to acknowledge the evidence provided in patient testimonies and by expert physicians on the clinical benefits of Scenesse. D-day will be March 14, 2019.**

NICE appeal

On May 23, 2018, the National Institute of Health and Care Excellence (NICE) maintained its position not to recommend Scenesse for reimbursement in the UK since it did not meet its health-economic criteria for reimbursement under the British National Health Service (NHS).

Clinuvel appealed against this decision. The findings of the Appeal Panel of the National Institute of Health and Care Excellence (NICE) could indicate that the Highly Specialised Technology (HST) evaluation of Scenesse failed to discharge some of its functions properly. The Appeal Hearing, that was requested by Clinuvel and three organisations representing EPP patients and physicians, was held in London on 30 July 2018.

On March 14, 2019, the next NICE Committee meeting is supposed to reconsider the approval of Scenesse.

Assessment of the British EPP market that Clinuvel may loose

With 389 patients in the UK, we calculate an annual market volume of EUR 27.2 million for the treatment of British EPP patients to be eliminated should NICE disapprove the reimbursement of Scenesse in UK.

TABLE 6: ESTIMATION OF THE BRITISH EPP MARKET

	Prevalence (reported)	Costs per treatment (EUR)	Annual market volume (EUR mn)
Total European EPP market size	**1,926**	**70,000**	**134.8**
thereof GRB	389		27.2
in % of European market	20.2%		20.2%

SOURCE: SPHENE CAPITAL ESTIMATES

Norwegian Medicines Agency declined reimbursement

Compared to the UK, only of minor importance is that the Norwegian Medicines Agency has considered that cost effectiveness to not be documented for Scenesse and declined reimbursement of treatment. In total, 47 patients will be affected by the decision, representing an annual market volume of up to EUR 3.3 million, in our view.

Since the assessment of Scenesse by the Norwegian Medicines Agency is based on the same measures as used by the NICE in UK, a potential success of the appeal in the UK might also lead to an appeal of the Norway decision by Clinuvel, in our view.

TABLE 7: ESTIMATION OF THE NORWEGIAN EPP MARKET

	Prevalence (reported)	Costs per treatment (EUR)	Annual market volume (EUR mn)
Total European EPP market	**1,926**	**70,000**	**134.8**
thereof NOR	47		3.3
in % of European market	2.4%		2.4%

SOURCE: SPHENE CAPITAL ESTIMATES

Potential ASX 200 inclusion and Nasdaq listing

With a current market cap of AUD 1,228.7 million, Clinuvel seems to be a candidate for an inclusion in the S&P/ASX 200 index. The S&P/ASX 200 is Australia's leading equity benchmark, containing the top 200 ASX listed companies by way of free float-adjusted market capitalisation. The index accounts for approximately 86% of the Australian equity market.

Apart from the reputation building, that comes with the inclusion, Clinuvel will be added to several index funds, generating additional interest from institutional investors. The next rebalancing announcement will be on March 8, 2019.

After years of abstinence from investor relations activities, Clinuvel recently showed increased activities in the US. Of special interest was the presentation to the Nasdaq Virtual Investor Conference last September which triggered rumours regarding a full Nasdaq listing.

Being a niche specialist for the treatment of severe genetic and skin disorders, Clinuvel is on its way to a multi-product company in a huge and untapped market, in which Clinuvel has a patent protected monopolistic position, in our view. We have reflected this unique market position in our valuation methodology: a standardized three-stage discounted cash flow (DCF) entity model which, as in our view, best reflects the long-term growth opportunities of the company. Contrary to our previous method, however, we have now included additional medical indications, even with the lowest possible penetration rates. We therefore consider our valuation a worst-case scenario. Notwithstanding our conservative approach, we calculate a base-case scenario equity value of AUD 2,788.7 million or AUD 58.40 (previous AUD 32.70) per share; a Monte Carlo simulation calculates bear and bull case scenario equity values of AUD 84.80 and AUD 31.10 per share, respectively.

Valuation methodology overview

A long-term DCF model should best reflect the rewards of a patent protected market.

Our valuation method for Clinuvel is a three-phase and fully integrated discounted cash flow (DCF) model. As it is typical for the industry, Clinuvel's business model is characterized by relatively low capital intensity. Capital requirements for investments in tangible fixed assets have been limited in the last few years, and working capital is negligible, too. The funding of further growth will thus not require high net capital expenditures, according to our estimates. Therefore, a high cash conversion rate can, in principle, be deduced from Clinuvel's business model, once market entry has been achieved.

In conjunction with our growth-scenario assumptions, a standardized three-phase DCF model with a long-term orientation is therefore the most suitable valuation approach for Clinuvel, in our view.

Basic assumptions of the DCF model

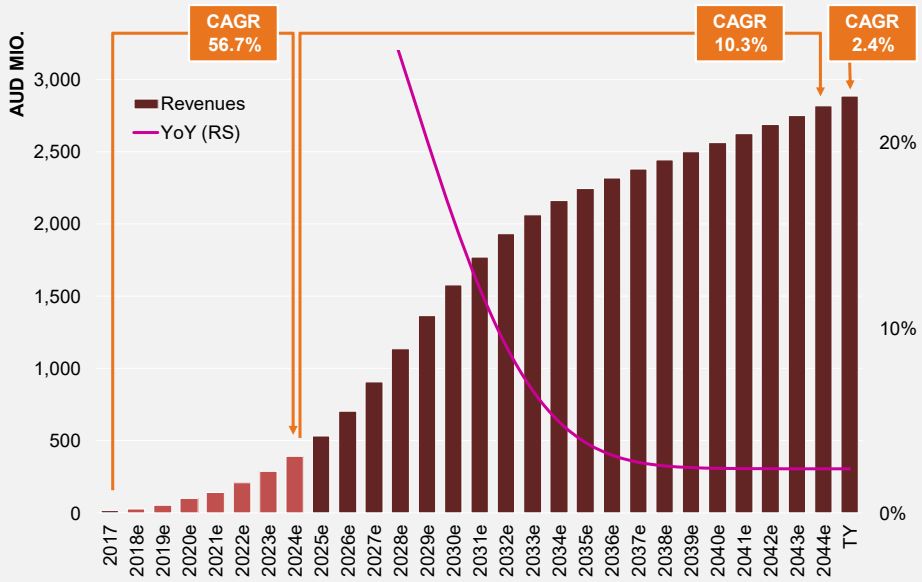
In our standardized three-stage DCF model, we have used detailed income-statement and balance-sheet projections for Clinuvel for the first "detailed planning phase" through 2023/24e. During this period, revenues are expected to grow by an annual average rate of 56.7% (CAGR 2017/18e-23/24e).

The model is based on our detailed income-statement and balance-sheet projections for the period through 2023/24e. This is followed by a second rough-planning phase ending in 2043/44e.

This high growth period is followed by a second "rough-planning phase" ending in the fiscal year 2043/44e. The reader should note that since we have included further medicinal indications like vitiligo, XP, and VP, we have extended the rough planning phase by ten years compared to our previous model. During this phase, we have assumed average annual growth rates of 10.3%.

Our growth forecast in the terminal value is 2.4%, which is equivalent with the quasi risk-free interest rates, represented by 10-year Australian sovereign bonds.

EXHIBIT 7:REVENUES AND REVENUE GROWTH



We expect a continuation of the most recent strong growth trend in the years 2018/19e-23/24e and forecast an increase in revenues to AUD 393.4 mn (2023/24e). After 2023/24e, we model the so called "rough planning phase" of our three-stage discounted cashflow model, which ends in 2043/44e. During this period, we have modelled an average annual revenue growth rate of 10.3% (CAGR 2023/24e-43/44e). Our growth forecast in the terminal value is 2.4%, which is equivalent with the quasi risk-free interest rates in Australia (represented by 10+ year sovereign bonds).

SOURCE: SPHENE CAPITAL FORECAST

Our DCF model is based on the following assumptions:

- Pre-tax operating margins: In the years of the detailed as well as rough planning phase after-tax operating margins should remain rather stable at the levels the company has achieved even today;

- For the terminal value phase, we have assumed pre-tax operating margins of 50.0% which is the current average pre-tax operating margin of global pharmaceutical drug manufacturers;

- Marginal tax rates are expected to be 30.5% over the whole forecast period which is the actual marginal tax rate for Australian companies;

- Average free cash flow (FCF) growth rate during the terminal phase is expected to be 2.4%, which corresponds to the quasi risk-free interest rate of 10-year Australian sovereign bonds, which represent an appropriate benchmark for risk-free growth in our view;

- Being a debt free company, only rough assumptions about the likely risk premium for financial debt can be made. We expect a corporate credit rating of BB. To be on the conservative side, we expect debt risk premiums of about 4.0% in current depressed credit markets;

- Applying a recovery rate of 50%, we calculate an average annual probability of default of currently 7.3% for the terminal value (which we consider a very conservative approach);

- We expect a steadily declining asset turnover, enabling Clinuvel to generate revenue growth with lower capex needs in the future;

- We calculate a fundamental beta of 1.4, which is derived from the following assumptions:

TABLE 8: DERIVATION OF FUNDAMENTAL BETA, 2018/19E-2020/21E

Degree of diversification	0.10
Competitive intensity	0.00
Business model maturity	0.00
Regulatory risks	0.10
Financial risks	0.10
Earnings forecast risks	0.10
Liquidity premium for pre-IPO valuation	0.00
Market beta	1.00
Fundamental beta	**1.40**

SOURCE: SPHENE CAPITAL FORECAST

- Current **weighted average cost of capital (WACC)** are composed of the risk-free interest rate of currently 2.4%, determined from the yield on long-term (10+ year) Australian government bonds and an implicit risk premium for the overall market of currently 8.0% (geometric mean). Finally, we assume that Clinuvel is targeting equity and debt capital structure of ~85%/15% representing the current debt to capital ratios of global pharmaceutical drug manufacturers. In total the weighted average costs of capital in the beginning of our detailed planning phase (2018/19e-19/20e) are expected to be approximately 13.4% (for details see the following table 9).

TABLE 9: WACC, 2018/19E-21/22E		
Cost of Equity	**%**	**13.6%**
Risk free rate 10-year Australian government bond	%	2.4%
Beta		1.40
Risk premium	%	8.0%
Small caps premium	**%**	**1.0%**
Management premium	%	1.0%
Liquidity premium	%	0.0%
Private company premium	%	0.0%
Target equity structure	%	85.0%
Weighted costs of equity	**%**	**12.4%**
Cost of debt	**%**	**6.4%**
Risk free rate 10-year Australian government bond	%	2.4%
Risk premium liabilities	%	4.0%
Tax rate	%	0.0%
Cost of debt after tax	%	15.0%
Weighted costs of debt	**%**	**1.0%**
WACC based on target values	**%**	**13.4%**

SOURCE: SPHENE CAPITAL FORECAST

- In our model, Clinuvel will have **WACC in the terminal value**, which do not differ from those of other mature companies. Accordingly, we assume a decrease of WACC from 13.4% to 7.4% in the terminal stage, representing an equity risk premium of 500 bps.

Our base-case scenario indicates an equity value of AUD 58.40 per share

We calculate an enterprise value of AUD 2,788.7 million. In these computations, 22.6% of our enterprise value calculation is derived from the terminal value, 9.7% from cash flows generated in the detailed planning phase 2018/19e-23/24e and 67.7% from cash flows generated in the subsequent rough planning phase 2023/24e-43/44e.

TABLE 10: DCF VALUATION: SUMMARY OF OUR FINDINGS

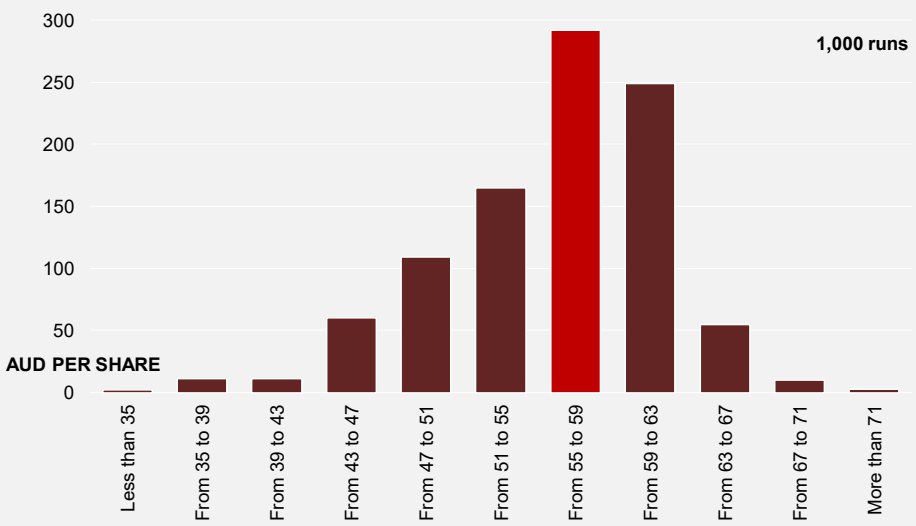
Insolvency rate in terminal value	%	7.3%
Terminal Cost of capital	%	7.4%
Present value of Terminal value	AUD mn	622.1
in % of Enterprise Value	%	22.6%
Present value of FCFF during detailed planning phase	AUD mn	267.8
in % of Enterprise Value	%	9.7%
Present value of FCFF during rough planning phase	AUD mn	1.862.6
in % of Enterprise Value	%	67.7%
Enterprise Value	**AUD mn**	**2.752.5**
Financial debt	AUD mn	0.0
Excess cash	AUD mn	36.2
Value of equity	**AUD mn**	**2,788.7**
Number of shares	mn	47.7
Estimated value per share	**AUD**	**58.40**

SOURCE: SPHENE CAPITAL FORECAST

Advanced scenario analysis through Monte Carlo simulation

In Figure 8 below, the limits for the growth rate and EBIT margin in terminal value were further extended and a total of 1,000 combinations of the two parameters were tested and evaluated.

EXHIBIT 8: MONTE CARLO SIMULATION (1,000 RUNS)



The scenario analysis is based on the assumptions underlying the model, with deviations in the average annual growth rate during the rough planning phase and in the terminal value.

The histogram shows a left-skewed, right-steep histogram with a mode between AUD 55 and AUD 59 per share.

SOURCE: SPHENE CAPITAL FORECAST

Confirmation of our buy rating

It can be seen that equity values of less than AUD 1,531.8 million or more than AUD 4,046.5 million or less than AUD 32.10 and more than AUD 84.80 per share cannot be achieved by combining the two variable growth rates and EBIT margin in terminal value, given our assumption regarding revenue growth and terminal value EBIT margins.

Against the background of our expected price potential of 126.9%, we confirm our buy rating for Clinuvel shares.

Multiples in achieving our price target

On the basis of our financial projections and the base case scenario of AUD 58.40 per share, which we have calculated, Clinuvel shares would be valued with the following multiples:

TABLE 11: VALUATION MULTIPLES OF CLINUVEL-SHARES

		Valuation at current share price			Valuation at price target		
		2018/19e	2019/20e	2020/21e	2018/19e	2019/20e	2020/21e
P/ER	x	43.4x	24.1x	20.7x	98.4x	54.7x	47.0x
EV/sales	x	22.6x	11.3x	7.5x	52.9x	27.2x	18.5x
EV/EBITDA	x	42.9x	22.2x	14.9x	100.2x	53.2x	36.7x
P/BR	x	18.0x	10.3x	6.9x	40.8x	23.4x	15.6x

SOURCE: SPHENE CAPITAL FORECAST

Catalysts for our price target

Catalysts for achieving our price target

In our view, the most important catalysts for Clinuvel's stock performance in the coming months are: **(1)** statements on the current status of FDA approval, **(2)** statements on the status of the clinical trials for the vitiligo product, **(3)** a further year-on-year earnings improvement in 2018/19e; **(4)** news about progress regarding a potential treatment of xeroderma pigmentosum (XP); **(5)** news about the progress of the proof of concept study for variegate porphyria (VP); **(6)** statements on the company's willingness to interact with its shareholders.

Weaknesses and risks

Risks to achieving our price target

We see the following risks for our valuation findings: **(1)** Management considers shareholders are only one group among many stakeholders and obviously does not seem to be interested in taking their information needs seriously (among many other examples for this view there is an increasing number of substantial download links in the investor relations' section of the website that do not work); **(2)** With an attitude to not disclose revenues or earnings in the reporting for the first and third quarter, the company's disclosing policy does not meet with international standards, in our view; **(3)** Approval procedures seem to be more time consuming than usual, since many payors have been unaware of the need to treat EPP patients due to the rarity of the disease; **(4)** Since Clinuvel has restricted the product's availability only to those expert centres who have worked with EPP patients, long-term growth could be endangered; **(5)** Should the FDA reject Scenesse as an EPP treatment in the US, approximately two thirds of the EPP revenue and profit potential would be wiped out, which would imply a substantial downside to our price target; **(6)** Any safety concerns about the use of Scenesse to treat EPP

could delay extension of the product to other applications, or might in a worst case scenario even lead to a distribution halt; **(7)** Turning Clinuvel from a research driven company into a commercial global entity entails certain organizational risks, which could endanger the profitability of the company and therefore our price target; **(8)** Growth from vitiligo might not materialize as expected, because injections may not respond properly to the local spots of non-pigmented skin properly; **(9)** Clinuvel might not be able to handle the complexity of organizational growth and could fail to manage the high-resource R&D and study work necessary for future applications; **(10)** Should the government shutdown reoccur, the FDA could face financing problems, which might impact the review processes of the agency, causing significant delays to Clinuvel's drug application.

Australia-based Clinuvel Pharmaceuticals (Clinuvel) is a biopharmaceutical company developing the photoprotective pharmaceutical drug afamelanotide, a first-in-class dermatological drug that activates the production of melanin, the skin's natural defence against ultraviolet (UV) light, to protect patients from several sun-related diseases. Until now, Clinuvel focuses on the prophylactic treatment of erythropoietic protoporphyria (EPP), a rare and debilitating and antisocial disease that causes acute photosensitivity of the skin. Following the successful launch of the EPP treatment, Clinuvel is now focussing on introducing a Scenesse variant for children, as well as expanding its activities to additional medical indications such as the treatment of vitiligo, a pigmentation disorder, to some also known as Michael Jackson disease, to xeroderma pigmentosum, a skin condition that causes extreme sensitivity to ultraviolet (UV) rays from sunlight and a substantially increased incidence of skin cancer, and to variegate porphyria, a genetic disorder with similar symptoms to EPP.

In 2014, Clinuvel has obtained EMA (European Medicines Agency) authorisation under exceptional circumstances for the marketing of Scenesse in the EU. A gradual roll-out per country is being pursued. In Germany, therapy costs between EUR 56,000 and EUR 84,600 per EPP patient were negotiated with the German government reimbursement body. Since Clinuvel has adopted a uniform global pricing policy, similar pricing should be negotiated in other countries, in our view.

Key product Scenesse

Clinuvel's lead compound, afamelanotide, is a proprietary first-in-class photo-protective drug. Distributed under the brand name "Scenesse", afamelanotide is a synthetic analogue of the natural peptide hormone Alpha-Melanocyte Stimulating Hormone, short Alpha-MSH or α-MSH. Normally, α-MSH is a naturally occurring hormone which is released by skin cells in response to the stimulation by ultraviolet radiation (UVR) following exposure to sunlight or artificial sources of UV. Despite its very short half-life of only a few seconds in the blood stream, α-MSH stimulates other skin cells (melanocytes) and activates the production of melanin, a dark brown pigment, which provides skin with colour and protection from UV/light. Therefore, melanin is known for its photoprotective effect. People with a melanin disorder, however, fail to produce an adequate rate and quality of melanin, which constitutes the photoprotective pigmentation of skin and hence protects against UVA and UVB.

Scenesse differs from α-MSH in that it is 10-1,000 times more potent and has a half-life of 30 minutes instead of seconds. The drug is even enhanced by Clinuvel's patented controlled release delivery mechanism which involves injecting an implant about the size of a grain of rice under the skin. This mechanism doubles melanin density levels and reduces side effects compared to daily liquid injections of afamelanotide.

Overview of the development pipeline

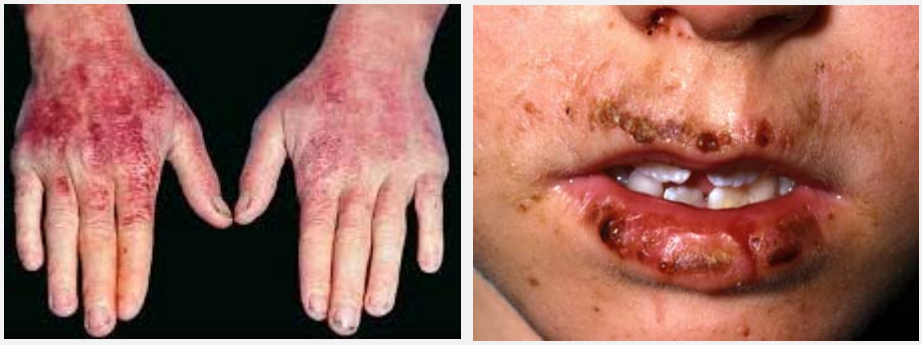
Scenesse is the only approved drug for treating a rare genetic disease called erythropoietic protoporphyria (EPP). Since product launch, more than 6,700 doses of the drug were delivered in clinical trials and post approval for the EPP treatment. Approximately 95% of patients treated with Scenesse continue treatment beyond the first year. The pipeline includes the following products:

- Clinuvel's development pipeline includes a paediatric (i.e. for children) formulation of Scenesse for EPP.
- The second indication where Scenesse may be applied to is vitiligo. To date, Clinuvel has undertaken several clinical studies of Scenesse in vitiligo. The first was an open-label study conducted in the US where Scenesse plus UVB therapy was compared with UVB therapy alone. Of 54 patients enrolled, 41 patients completed

the study. The extent of repigmentation in those receiving Scenesse was significantly greater than observed in the control group. A second double-blind (meaning that neither the patients nor those running the trial know which patients are receiving the drug) study was initiated in May 2014. Promising preliminary results were released in December 2015 for the seven patients who had completed the study up to that point, with an additional patient withdrawing consent. Another Phase II study was published in December, where the results showed that the combination therapy was clinically effective in achieving repigmentation in patients with vitiligo.

- Clinuvel repeatedly announced to actively pursue additional opportunities for the further use of Scenesse in relevant indications of unmet clinical need beyond porphyrias. This third indication could be xeroderma pigmentosum (XP), a rare skin condition that causes extreme sensitivity to ultraviolet (UV) rays from sunlight and a substantially increased incidence of skin cancers. This condition mostly affects the eyes and areas of skin exposed to the sun, in some cases also the nervous system.
- In addition, Clinuvel has announced to conduct a Phase IIa proof of concept study evaluating the effectiveness of Scenesse in variegate porphyria (VP), a genetic disorder with similar symptoms to EPP and with an estimated 11,600 patients worldwide still categorized an orphan disease.
- There have been ongoing discussions about a topical solutions (i. e. without injection) of Scenesse, which would be effective in protecting against hypersensitivity to the sunburn spectrum of light.
- In connection with the topical skin care market, Clinuvel announced concrete plans to launch a non-pharmaceutical product line under private label in Europe and Asia. These dermatological products should be complementary to Scenesse.

EXHIBIT 9: CHRONIC SKIN LESIONS OF EPP PATIENTS FOLLOWING SUN EXPOSURE



SOURCE: FITZPATRICK'S COLOR ATLAS AND SYNOPSIS OF CLINICAL DERMATOLOGY, DERMOCARE LABORATORIES

Regulatory timeline

In 2010, afamelanotide was added to the list of drugs reimbursable by the Italian National Health System for the treatment of EPP. In 2012, two Swiss insurers agreed to reimburse the drug too. In 2014, Clinuvel received full European approval for the prevention of phototoxicity in adult patients with EPP in Europe following the longest ever regulatory review by the European Medicines Authority (EMA). In June 2016, the first EPP patients received the drug under the approval.

In 2008, Scenesse was granted orphan drug designation by the US Food and Drug Administration (FDA), a New Drug Application (NDA) was submitted to the FDA in June 2018.

Profit and loss account, 2010/11-2016/17

AUSTRALIAN GAAP (12/31)		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Revenues	**AUD mn**	**2.3**	**1.3**	**2.0**	**2.5**	**3.3**	**6.4**	**17.0**
YoY	%	23%	-43%	52%	29%	29%	97%	165%
Material expenses	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
in % of total net sales	%	0%	0%	0%	0%	0%	0%	0%
Gross profit	**AUD mn**	**2.3**	**1.3**	**2.0**	**2.5**	**3.3**	**6.4**	**17.0**
in % of total net sales	%	100%	100%	100%	100%	100%	100%	100%
Expenses	**AUD mn**	**-13.6**	**-11.0**	**-9.6**	**-8.5**	**-14.1**	**-10.3**	**-10.0**
in % of total net sales	%	-597%	-850%	-491%	-336%	-433%	-161%	-59%
Clinical development	AUD mn	-2.6	-1.8	-1.4	-0.7	-0.2	-0.1	-0.1
Drug formulating R&D	AUD mn	-2.5	-1.0	-0.9	-0.6	-0.5	-1.0	-0.9
Regulatory and non-clinical	AUD mn	-0.8	-0.5	-0.5	-0.3	-0.7	-1.0	-1.0
Clinical, regulatory and commercial overhead	AUD mn	-2.1	-2.1	-1.7	-1.7	-1.3	-1.6	-2.1
Business marketing and listing	AUD mn	-0.6	-0.8	-0.6	-0.5	-0.8	-0.8	-0.8
Licenses patents and trademarks	AUD mn	-0.1	-0.1	-0.2	-0.2	-0.2	-0.3	-0.2
General operations	AUD mn	-4.8	-4.7	-4.4	-4.5	-10.5	-5.6	-4.9
Other operating income	AUD mn	0.0	0.0	0.9	0.5	0.5	0.8	0.2
in % of total net sales	%	0%	0%	48%	18%	14%	12%	1%
Other expenses	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	**AUD mn**	**-11.3**	**-9.7**	**-6.7**	**-5.5**	**-10.4**	**-3.1**	**7.2**
in % of total net sales	%	-497%	-750%	-344%	-217%	-319%	-49%	42%
YoY	%	5%	-14%	-30%	-19%	89%	-70%	-329%
Depreciation and amortisation	AUD mn	-0.1	-0.1	-0.1	0.0	0.0	0.0	-0.1
in % of total net sales	%	-4%	-5%	-3%	-1%	-1%	0%	0%
EBIT	**AUD mn**	**-11.4**	**-9.8**	**-6.8**	**-5.5**	**-10.4**	**-3.2**	**7.1**
in % of total net sales	%	-501%	-755%	-346%	-219%	-319%	-49%	42%
YoY	%	-1%	-14%	-30%	-19%	88%	-70%	-326%
Interest income	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest costs	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	**AUD mn**	**-11.4**	**-9.8**	**-6.8**	**-5.5**	**-10.4**	**-3.2**	**7.1**
in % of total net sales	%	-501%	-755%	-346%	-219%	-319%	-49%	42%
Income taxes	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other taxes	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
in % of EBT	%	0%	0%	0%	0%	0%	0%	0%
Tax loss carry forward	AUD mn	0.0	0.0	0.0	0.0	0.0	129.2	121.1
Net income after taxes	**AUD mn**	**-11.4**	**-9.8**	**-6.8**	**-5.5**	**-10.4**	**-3.2**	**7.1**
in % of total net sales	%	-501%	-755%	-346%	-219%	-319%	-49%	42%
YoY	%	-1%	-14%	-30%	-19%	88%	-70%	-326%
Minorities	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	-0.1
Net income after minorities	USD Mio.	-11.4	-9.8	-6.8	-5.5	-10.4	-3.1	7.0
Number of shares	1,000	30.4	30.8	35.3	38.7	43.4	45.3	47.7
Earnings per share (basic)	**AUD**	**-0.38**	**-0.32**	**-0.19**	**-0.14**	**-0.24**	**-0.07**	**0.15**

SOURCE: COMPANY DATA, SPHENE CAPITAL

Profit and loss account, 2017/18-2023/24e

AUSTRALIAN GAAP (12/31)		2017/18	2018/19e	2019/20e	2020/21e	2021/22e	2022/23e	2023/24e
Revenues	**AUD mn**	**25.8**	**51.5**	**98.6**	**141.7**	**210.5**	**288.2**	**393.4**
YoY	%	52%	100%	91%	44%	49%	37%	37%
Material expenses	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
in % of total net sales	%	0%	0%	0%	0%	0%	0%	0%
Gross profit	**AUD mn**	**25.8**	**51.5**	**98.6**	**141.7**	**210.5**	**288.2**	**393.4**
in % of total net sales	%	100%	100%	100%	100%	100%	100%	100%
Expenses	**AUD mn**	**-13.3**	**-24.8**	**-48.9**	**-71.0**	**-106.5**	**-147.2**	**-202.9**
in % of total net sales	%	-52%	-48%	-50%	-50%	-51%	-51%	-52%
Clinical development	AUD mn	-0.1	-0.1	-0.3	-0.4	-0.6	-0.9	-1.2
Drug formulating R&D	AUD mn	-1.7	-4.4	-9.6	-13.9	-20.8	-28.8	-39.7
Regulatory and non-clinical	AUD mn	-1.6	-2.4	-4.4	-6.3	-9.5	-13.1	-18.1
Clinical, regulatory and commercial overhead	AUD mn	-2.6	-5.0	-9.3	-13.5	-20.2	-27.9	-38.5
Business marketing and listing	AUD mn	-1.1	-1.9	-3.2	-4.6	-7.0	-9.6	-13.3
Licenses patents and trademarks	AUD mn	-0.5	-1.0	-2.2	-3.2	-4.8	-6.7	-9.2
General operations	AUD mn	-5.7	-10.1	-20.0	-29.0	-43.5	-60.2	-83.0
Other operating income	AUD mn	0.5	0.5	0.6	0.6	0.7	0.8	0.9
in % of total net sales	%	2%	1%	1%	0%	0%	0%	0%
Other expenses	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	**AUD mn**	**12.9**	**27.2**	**50.3**	**71.4**	**104.8**	**141.8**	**191.3**
in % of total net sales	%	50%	53%	51%	50%	50%	49%	49%
YoY	%	81%	110%	85%	42%	47%	35%	35%
Depreciation and amortisation	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
in % of total net sales	%	0%	0%	0%	0%	0%	0%	0%
EBIT	**AUD mn**	**12.9**	**27.2**	**50.3**	**71.4**	**104.8**	**141.8**	**191.3**
in % of total net sales	%	50%	53%	51%	50%	50%	49%	49%
YoY	%	82%	110%	85%	42%	47%	35%	35%
Interest income	AUD mn	0.2	1.1	0.6	1.1	1.7	2.3	3.3
Interest costs	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	**AUD mn**	**13.2**	**28.3**	**50.9**	**72.5**	**106.4**	**144.1**	**194.6**
in % of total net sales	%	51%	55%	52%	51%	51%	50%	49%
Income taxes	AUD mn	0.3	0.0	0.0	-13.2	-31.9	-43.2	-58.4
Other taxes	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
in % of EBT	%	2%	0%	0%	-18%	-30%	-30%	-30%
Tax loss carry forward	AUD mn	107.9	79.6	28.6	0.0	0.0	0.0	0.0
Net income after taxes	**AUD mn**	**13.5**	**28.3**	**50.9**	**59.3**	**74.5**	**100.9**	**136.2**
in % of total net sales	%	52%	55%	52%	42%	35%	35%	35%
YoY	%	89%	111%	80%	16%	26%	35%	35%
Minorities	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income after minorities	USD Mio.	13.5	28.3	50.9	59.3	74.5	100.9	136.2
Number of shares	1,000	47.7	47.7	47.7	47.7	47.7	47.7	47.7
Earnings per share (basic)	**AUD**	**0.28**	**0.59**	**1.07**	**1.24**	**1.56**	**2.11**	**2.85**

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

Segments, 2010/11-2016/17

AUSTRALIAN GAAP (12/31)		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Total revenues	**AUD mn**	**2.3**	**1.3**	**2.0**	**2.5**	**3.3**	**6.4**	**17.0**
Revenues from EPP	AUD mn	2.3	1.3	2.0	2.5	3.3	6.4	17.0
Revenues from Vitiligo	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenues from VP	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenues from XP	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
YoY	**%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**164.6%**
Revenues from EPP	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	164.6%
Revenues from Vitiligo	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	n/a
Revenues from VP	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	n/a
Revenues from XP	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	n/a
Share	**%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**100.0%**
Revenues from EPP	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Revenues from Vitiligo	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Revenues from VP	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Revenues from XP	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

SOURCE: COMPANY DATA, SPHENE CAPITAL

Segments, 2017/18-2023/24e

AUSTRALIAN GAAP (12/31)		2017/18	2018/19e	2019/20e	2020/21e	2021/22e	2022/23e	2023/24e
Total revenues	**AUD mn**	**25.8**	**51.4**	**98.5**	**141.7**	**210.5**	**288.2**	**393.4**
Revenues from EPP	AUD mn	25.8	51.4	98.5	141.6	190.4	238.4	291.2
Revenues from Vitiligo	AUD mn	0.0	0.0	0.0	0.0	7.2	14.4	35.9
Revenues from VP	AUD mn	0.0	0.0	0.0	0.0	12.9	26.5	39.7
Revenues from XP	AUD mn	0.0	0.0	0.0	0.0	0.0	8.9	26.6
YoY	**%**	**51.6%**	**99.7%**	**91.6%**	**43.8%**	**48.6%**	**36.9%**	**36.5%**
Revenues from EPP	%	51.6%	99.7%	91.6%	43.8%	34.4%	25.2%	22.1%
Revenues from Vitiligo	%	n/a	n/a	n/a	n/a	n/a	100.0%	150.0%
Revenues from VP	%	n/a	n/a	n/a	n/a	n/a	105.6%	50.0%
Revenues from XP	%	n/a	n/a	n/a	n/a	n/a	n/a	200.0%
Share	**%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Revenues from EPP	%	100.0%	100.0%	100.0%	100.0%	90.5%	82.8%	74.0%
Revenues from Vitiligo	%	0.0%	0.0%	0.0%	0.0%	3.4%	5.0%	9.1%
Revenues from VP	%	0.0%	0.0%	0.0%	0.0%	6.1%	9.2%	10.1%
Revenues from XP	%	0.0%	0.0%	0.0%	0.0%	0.0%	3.1%	6.8%

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

Balance sheet (Assets), 2010/11-2016/17

AUSTRALIAN GAAP (12/31)		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
ASSETS								
Long-term assets	**AUD mn**	**5.6**	**0.6**	**0.1**	**0.1**	**0.1**	**0.2**	**0.1**
Intangible assets	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	AUD mn	0.2	0.2	0.1	0.1	0.1	0.2	0.1
Participations	AUD mn	5.3	0.5	0.0	0.0	0.0	0.0	0.0
Deferred taxes	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-financial assets	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables to participations	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pre-paid accounts	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short-term assets	**AUD mn**	**14.6**	**15.4**	**15.7**	**17.0**	**13.6**	**20.0**	**28.5**
Inventories	AUD mn	0.0	0.0	0.0	0.0	0.8	1.1	1.2
DIO	d	0.0	0.0	0.0	0.0	92.4	60.7	26.3
Receivables and other assets	AUD mn	1.0	1.0	1.7	1.6	2.0	4.8	3.2
DSO	d	154.0	280.2	319.6	225.9	216.5	270.5	68.7
Receivables from participations	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables from not paid in capital	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other short-term assets	AUD mn	1.5	1.6	1.4	0.8	0.2	0.2	0.2
Cash	AUD mn	12.2	12.7	12.6	14.6	10.6	13.8	23.8
thereof collateralized	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accrued income	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity not covered by assets	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total assets	**AUD mn**	**20.2**	**16.0**	**15.8**	**17.2**	**13.6**	**20.1**	**28.6**

SOURCE: COMPANY DATA, SPHENE CAPITAL

Balance sheet (Assets), 2017/18-2023/24e

AUSTRALIAN GAAP (12/31)		2017/18	2018/19e	2019/20e	2020/21e	2021/22e	2022/23e	2023/24e
ASSETS								
Long-term assets	**AUD mn**	**0.6**	**0.3**	**0.6**	**0.9**	**1.4**	**1.9**	**2.6**
Intangible assets	AUD mn	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	AUD mn	0.2	0.3	0.6	0.9	1.4	1.9	2.6
Participations	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred taxes	AUD mn	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Other non-financial assets	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables to participations	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pre-paid accounts	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short-term assets	**AUD mn**	**42.3**	**74.9**	**131.9**	**196.8**	**280.1**	**390.9**	**540.6**
Inventories	AUD mn	0.6	1.3	2.5	3.5	5.2	7.2	9.8
DIO	d	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Receivables and other assets	AUD mn	5.1	10.2	19.5	28.0	41.6	57.0	77.8
DSO	d	71.2	71.2	71.2	71.2	71.2	71.2	71.2
Receivables from participations	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables from not paid in capital	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other short-term assets	AUD mn	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Cash	AUD mn	36.2	63.5	110.0	165.3	233.3	326.8	453.1
thereof collateralized	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accrued income	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity not covered by assets	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total assets	**AUD mn**	**42.9**	**75.3**	**132.6**	**197.7**	**281.5**	**392.8**	**543.2**

SOURCE: COMPANY DATA. SPHENE CAPITAL FORECAST

Balance sheet (Liabilities). 2010/11-2016/17

AUSTRALIAN GAAP (12/31)		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
LIABILITIES AND EQUITY								
Equity	**AUD mn**	**16.4**	**13.6**	**13.8**	**15.4**	**11.2**	**17.8**	**25.4**
Equity ratio	%	81%	85%	88%	90%	82%	89%	89%
Subscribed capital	AUD mn	113.3	119.3	126.7	133.6	138.5	146.8	148.4
Capital reserve	AUD mn	3.2	1.8	1.3	1.4	2.7	4.1	2.8
Retained earnings	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/Loss	AUD mn	-100.1	-107.5	-114.1	-119.6	-129.9	-133.1	-125.8
Minorities	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Not paid in capital	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Special item	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pension reserves	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other reserves	AUD mn	0.3	0.3	0.5	0.6	0.6	0.7	0.9
Total liabilities	**AUD mn**	**3.4**	**2.1**	**1.5**	**1.1**	**1.9**	**1.6**	**2.3**
Bonds	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade payables	AUD mn	3.4	2.1	1.5	1.1	1.9	1.6	2.3
Days	d	543	579	266	157	205	88	49
Other liabilities	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities to minorities	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accrued expenses	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total liabilities	**AUD mn**	**20.2**	**16.0**	**15.8**	**17.2**	**13.6**	**20.1**	**28.6**

SOURCE: COMPANY DATA. SPHENE CAPITAL

Balance sheet (Liabilities). 2017/18-2023/24e

AUSTRALIAN GAAP (12/31)		2017/18	2018/19e	2019/20e	2020/21e	2021/22e	2022/23e	2023/24e
LIABILITIES AND EQUITY								
Equity	**AUD mn**	**39.4**	**68.3**	**119.3**	**178.6**	**253.1**	**354.0**	**490.2**
Equity ratio	%	92%	91%	90%	90%	90%	90%	90%
Subscribed capital	AUD mn	148.6	149.0	149.0	149.0	149.0	149.0	149.0
Capital reserve	AUD mn	3.5	3.7	3.7	3.7	3.7	3.7	3.7
Retained earnings	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/Loss	AUD mn	-112.7	-84.4	-33.4	25.9	100.4	201.3	337.5
Minorities	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Not paid in capital	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special item	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pension reserves	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other reserves	AUD mn	1.0	1.9	3.7	5.3	7.9	10.9	14.8
Total liabilities	**AUD mn**	**2.5**	**5.0**	**9.6**	**13.8**	**20.4**	**28.0**	**38.2**
Bonds	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade payables	AUD mn	2.5	5.0	9.6	13.8	20.4	28.0	38.2
Days	d	35	35	35	35	35	35	35
Other liabilities	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities to minorities	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accrued expenses	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total liabilities	**AUD mn**	**42.9**	**75.3**	**132.6**	**197.7**	**281.5**	**392.8**	**543.2**

SOURCE: COMPANY DATA. SPHENE CAPITAL FORECAST

Balance sheet (Assets. normalized). 2010/11-2016/17

AUSTRALIAN GAAP (12/31)		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
ASSETS								
Long-term assets	**%**	**27.5%**	**4.0%**	**0.9%**	**0.7%**	**0.5%**	**0.8%**	**0.5%**
Intangible assets	%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Property. plant and equipment	%	1.1%	1.1%	0.9%	0.7%	0.5%	0.8%	0.5%
Participations	%	26.4%	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred taxes	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other non-financial assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Receivables to participations	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Pre-paid accounts	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Short-term assets	**%**	**72.5%**	**96.0%**	**99.1%**	**99.3%**	**99.5%**	**99.2%**	**99.5%**
Inventories	%	0.0%	0.0%	0.0%	0.0%	6.1%	5.4%	4.3%
Receivables and other assets	%	4.8%	6.3%	11.0%	9.2%	14.4%	24.0%	11.3%
Receivables from participations	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Receivables from not paid in capital	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other short-term assets	%	7.2%	10.2%	8.6%	4.8%	1.5%	1.1%	0.8%
Cash	%	60.4%	79.5%	79.5%	85.3%	77.5%	68.7%	83.0%
thereof collateralized	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accrued income	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Equity not covered by assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total assets	**%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

SOURCE: COMPANY DATA. SPHENE CAPITAL

Balance sheet (Assets. normalized). 2017/18-2023/24e

AUSTRALIAN GAAP (12/31)		2017/18	2018/19e	2019/20e	2020/21e	2021/22e	2022/23e	2023/24e
ASSETS								
Long-term assets	**%**	**1.5%**	**0.4%**	**0.5%**	**0.5%**	**0.5%**	**0.5%**	**0.5%**
Intangible assets	%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Property. plant and equipment	%	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%
Participations	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred taxes	%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other non-financial assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Receivables to participations	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Pre-paid accounts	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Short-term assets	**%**	**98.5%**	**99.6%**	**99.5%**	**99.5%**	**99.5%**	**99.5%**	**99.5%**
Inventories	%	1.5%	1.7%	1.9%	1.8%	1.9%	1.8%	1.8%
Receivables and other assets	%	11.9%	13.5%	14.7%	14.2%	14.8%	14.5%	14.3%
Receivables from participations	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Receivables from not paid in capital	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other short-term assets	%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash	%	84.4%	84.4%	83.0%	83.6%	82.9%	83.2%	83.4%
thereof collateralized	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accrued income	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Equity not covered by assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total assets	**%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

SOURCE: COMPANY DATA. SPHENE CAPITAL FORECAST

Balance sheet (Liabilities. normalized). 2010/11-2016/17

AUSTRALIAN GAAP (12/31)		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
LIABILITIES AND EQUITY								
Equity	**%**	**81.4%**	**85.3%**	**87.5%**	**89.9%**	**82.1%**	**88.6%**	**88.9%**
Subscribed capital	%	562.0%	746.0%	801.2%	778.7%	1014.9%	728.8%	518.8%
Capital reserve	%	15.9%	11.4%	7.9%	8.4%	19.8%	20.3%	9.9%
Retained earnings	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit/Loss	%	-496.6%	-672.1%	-721.6%	-697.1%	-952.4%	-660.7%	-439.9%
Minorities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Not paid in capital	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Minorities	%	0.0%	0.0%	0.0%	0.0%	-0.1%	0.2%	0.2%
Special item	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Pension reserves	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other reserves	%	1.6%	1.7%	3.3%	3.6%	4.2%	3.6%	3.0%
Total liabilities	**%**	**17.0%**	**13.0%**	**9.2%**	**6.4%**	**13.6%**	**7.8%**	**8.0%**
Bonds	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial liabilities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Trade payables	%	17.0%	13.0%	9.2%	6.4%	13.6%	7.8%	8.0%
Other liabilities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liabilities to minorities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accrued expenses	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total liabilities	**%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

SOURCE: COMPANY DATA. SPHENE CAPITAL

Balance sheet (Liabilities. normalized). 2017/18-2023/24e

AUSTRALIAN GAAP (12/31)		2017/18	2018/19e	2019/20e	2020/21e	2021/22e	2022/23e	2023/24e
LIABILITIES AND EQUITY								
Equity	**%**	**91.9%**	**90.8%**	**90.0%**	**90.3%**	**89.9%**	**90.1%**	**90.2%**
Subscribed capital	%	346.4%	197.9%	112.4%	75.3%	52.9%	37.9%	27.4%
Capital reserve	%	8.1%	4.9%	2.8%	1.9%	1.3%	0.9%	0.7%
Retained earnings	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit/Loss	%	-262.6%	-112.0%	-25.2%	13.1%	35.7%	51.2%	62.1%
Minorities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Not paid in capital	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Minorities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Special item	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Pension reserves	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other reserves	%	2.3%	2.6%	2.8%	2.7%	2.8%	2.8%	2.7%
Total liabilities	**%**	**5.8%**	**6.6%**	**7.2%**	**7.0%**	**7.3%**	**7.1%**	**7.0%**
Bonds	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial liabilities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Trade payables	%	5.8%	6.6%	7.2%	7.0%	7.3%	7.1%	7.0%
Other liabilities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liabilities to minorities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accrued expenses	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total liabilities	**%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

SOURCE: COMPANY DATA. SPHENE CAPITAL FORECAST

Cash flow statement. 2010/11-2016/17

AUSTRALIAN GAAP (12/31)		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Net income	AUD mn	-11.4	-9.8	-6.8	-5.5	-10.4	-3.2	7.1
Depreciations	AUD mn	0.1	0.1	0.1	0.0	0.0	0.0	0.1
Write-ups on fixed assets	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Inventory	AUD mn	0.0	0.0	0.0	0.0	-0.8	-0.2	-0.2
Δ Trade receivables	AUD mn	-0.6	0.0	-0.7	0.2	-0.4	-2.9	1.6
Δ Other receivables	AUD mn	0.3	-0.2	0.3	0.5	0.6	0.0	0.0
Δ Deferred taxes (assets)	AUD mn	7.6	0.0	0.0	0.0	0.0	0.0	0.0
Δ Provisions	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Other provisions	AUD mn	0.0	0.0	0.2	0.1	0.0	0.2	0.1
Δ Short term provisions	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Payables	AUD mn	0.6	-1.4	-0.6	-0.3	0.8	-0.3	0.7
Δ Other debt	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Special item	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Deferred taxes (liabilities)	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency adjustments	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other adjustments	AUD mn	-6.2	1.3	0.7	0.2	5.7	1.4	0.5
Operating cash flow	**AUD mn**	**-9.5**	**-10.0**	**-6.9**	**-4.8**	**-4.5**	**-5.0**	**9.9**
YoY	%	-19%	6%	-31%	-30%	-6%	11%	-297%
Disbursements for purchases of fixed assets	AUD mn	-5.3	4.9	0.5	0.0	0.0	0.0	0.0
Payments for investments in intangibles	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payments for investments in tangibles	AUD mn	0.0	0.0	0.0	0.0	0.0	-0.1	0.0
Other adjustments	AUD mn	7.8	-0.1	0.0	0.0	0.0	0.0	0.0
Investing cash flow	**AUD mn**	**2.5**	**4.8**	**0.4**	**0.0**	**0.0**	**-0.1**	**-0.1**
YoY	%	-74%	88%	-91%	-101%	208%	817%	-31%
Free cash flow	**AUD mn**	**-6.9**	**-5.2**	**-6.5**	**-4.8**	**-4.5**	**-5.1**	**9.8**
YoY	%	224%	-25%	23%	-25%	-6%	13%	-292%
Δ Share capital	AUD mn	0.1	6.0	7.4	6.9	4.9	8.3	1.6
Δ Capital reserves	AUD mn	1.0	-1.4	-0.6	0.2	1.3	1.4	-1.3
Δ Bank debt	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Bonds	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Other financial debt	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outflow for dividends	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other adjustments	AUD mn	-1.2	1.2	-0.5	-0.2	-5.9	-1.3	-0.3
Financing cash flow	**AUD mn**	**0.0**	**5.8**	**6.3**	**6.9**	**0.2**	**8.4**	**0.1**
Change in cash	**AUD mn**	**-6.9**	**0.5**	**-0.2**	**2.1**	**-4.3**	**3.3**	**9.9**
Currency adjustments	AUD mn	-0.3	0.0	0.0	0.0	0.3	0.0	0.0
Cash at beginning of period	AUD mn	19.4	12.2	12.7	12.6	14.6	10.6	13.8
Cash at end of period	**AUD mn**	**12.2**	**12.7**	**12.6**	**14.6**	**10.6**	**13.8**	**23.8**

SOURCE: COMPANY DATA. SPHENE CAPITAL

Cash flow statement. 2017/18-2023/24e

AUSTRALIAN GAAP (12/31)		2017/18	2018/19e	2019/20e	2020/21e	2021/22e	2022/23e	2023/24e
Net income	AUD mn	13.5	28.3	50.9	59.3	74.5	100.9	136.2
Depreciations	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Write-ups on fixed assets	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Inventory	AUD mn	0.6	-0.6	-1.2	-1.1	-1.7	-1.9	-2.6
Δ Trade receivables	AUD mn	-1.9	-5.1	-9.3	-8.5	-13.6	-15.3	-20.8
Δ Other receivables	AUD mn	-0.1	0.3	0.0	0.0	0.0	0.0	0.0
Δ Deferred taxes (assets)	AUD mn	-0.3	0.3	0.0	0.0	0.0	0.0	0.0
Δ Provisions	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Other provisions	AUD mn	0.1	1.0	1.8	1.6	2.6	2.9	4.0
Δ Short term provisions	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Payables	AUD mn	0.2	2.5	4.6	4.2	6.7	7.5	10.2
Δ Other debt	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Special item	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Deferred taxes (liabilities)	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency adjustments	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other adjustments	AUD mn	-0.5	0.0	0.0	0.0	0.0	0.0	0.0
Operating cash flow	**AUD mn**	**11.7**	**26.7**	**46.8**	**55.6**	**68.5**	**94.0**	**127.0**
YoY	%	20%	124%	75%	19%	23%	37%	35%
Disbursements for purchases of fixed assets	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payments for investments in intangibles	AUD mn	-0.2	0.2	0.0	0.0	0.0	0.0	0.0
Payments for investments in tangibles	AUD mn	0.0	-0.2	-0.3	-0.3	-0.5	-0.5	-0.7
Other adjustments	AUD mn	-0.7	0.0	0.0	0.0	0.0	0.0	0.0
Investing cash flow	**AUD mn**	**-0.9**	**0.0**	**-0.3**	**-0.3**	**-0.5**	**-0.5**	**-0.7**
YoY	%	1295%	-102%	-1998%	-8%	60%	13%	36%
Free cash flow	**AUD mn**	**10.8**	**26.7**	**46.5**	**55.3**	**68.0**	**93.5**	**126.3**
YoY	%	9%	148%	74%	19%	23%	38%	35%
Δ Share capital	AUD mn	0.2	0.4	0.0	0.0	0.0	0.0	0.0
Δ Capital reserves	AUD mn	0.7	0.2	0.0	0.0	0.0	0.0	0.0
Δ Bank debt	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Bonds	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Other financial debt	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outflow for dividends	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other adjustments	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financing cash flow	**AUD mn**	**0.9**	**0.6**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Change in cash	**AUD mn**	**11.6**	**27.3**	**46.5**	**55.3**	**68.0**	**93.5**	**126.3**
Currency adjustments	AUD mn	0.8	0.0	0.0	0.0	0.0	0.0	0.0
Cash at beginning of period	AUD mn	23.8	36.2	63.5	110.0	165.3	233.3	326.8
Cash at end of period	**AUD mn**	**36.2**	**63.5**	**110.0**	**165.3**	**233.3**	**326.8**	**453.1**

SOURCE: COMPANY DATA. SPHENE CAPITAL FORECAST

One view I. 2010/11-2016/17

AUSTRALIAN GAAP (12/31)		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Key data								
Sales	AUD mn	2.276	1.294	1.963	2.527	3.260	6.420	16.985
Gross profit	AUD mn	2.276	1.294	1.963	2.527	3.260	6.420	16.985
EBITDA	AUD mn	-11.317	-9.705	-6.745	-5.488	-10.388	-3.128	7.167
EBIT	AUD mn	-11.409	-9.767	-6.803	-5.526	-10.414	-3.154	7.114
EBT	AUD mn	-11.409	-9.767	-6.803	-5.526	-10.414	-3.154	7.114
Net income	AUD mn	-11.409	-9.767	-6.803	-5.526	-10.414	-3.154	7.114
Nr. of employees		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Per share data								
Price high	EUR	2.55	2.30	2.73	2.10	5.10	5.00	9.19
Price low	EUR	1.63	1.41	1.50	0.92	1.30	2.50	4.10
Price average/last	EUR	2.03	1.68	1.92	1.57	3.27	3.30	6.65
Price average/last	EUR	1.66	1.59	1.97	1.70	2.84	4.32	6.98
EPS	EUR	-0.38	-0.32	-0.19	-0.14	-0.24	-0.07	0.15
BVPS	EUR	0.54	0.44	0.39	0.40	0.26	0.39	0.53
CFPS	EUR	-0.31	-0.33	-0.20	-0.12	-0.10	-0.11	0.21
Dividend	EUR	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Price target	EUR							
Performance to price target	%							
Profitability ratios (based on sales)								
EBITDA margin	%	-497.2%	-750.0%	-343.5%	-217.2%	-318.6%	-48.7%	42.2%
EBIT margin	%	-501.3%	-754.8%	-346.5%	-218.7%	-319.5%	-49.1%	41.9%
Pretax margin	%	-501.3%	-754.8%	-346.5%	-218.7%	-319.5%	-49.1%	41.9%
Net margin	%	-501.3%	-754.8%	-346.5%	-218.7%	-319.5%	-49.1%	41.9%
FCF margin	%	-305.0%	-404.0%	-328.8%	-190.5%	-139.3%	-80.0%	58.0%
ROE	%	-69.5%	-71.6%	-49.2%	-35.8%	-92.9%	-17.7%	28.0%
NWC/Sales	%	-108.2%	-82.9%	14.8%	19.0%	28.7%	67.5%	12.9%
Revenues per head	AUDk	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EBIT per head	AUDk	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Capex/Sales	%	0.7%	-2.1%	-1.3%	-0.2%	0.6%	-1.9%	-0.2%
Growth ratios								
Sales	%	23.3%	-43.1%	51.7%	28.7%	29.0%	96.9%	164.6%
Gross profit	%	23.3%	-43.1%	51.7%	28.7%	29.0%	96.9%	164.6%
EBITDA	%	4.7%	-14.2%	-30.5%	-18.6%	89.3%	-69.9%	-329.1%
EBIT	%	-1.0%	-14.4%	-30.4%	-18.8%	88.5%	-69.7%	-325.6%
EBT	%	-1.0%	-14.4%	-30.4%	-18.8%	88.5%	-69.7%	-325.6%
Net income	%	-1.0%	-14.4%	-30.4%	-18.8%	88.5%	-69.7%	-325.6%
EPS	%	888.8%	-15.5%	-39.3%	-25.9%	67.9%	-71.3%	-314.5%
CFPS	%	703.9%	4.3%	-40.1%	-36.4%	-16.0%	6.5%	-287.0%

SOURCE: COMPANY DATA. SPHENE CAPITAL

One view I. 2017/18-2023/24e

AUSTRALIAN GAAP (12/31)		2017/18	2018/19e	2019/20e	2020/21e	2021/22e	2022/23e	2023/24e
Key data								
Sales	AUD mn	25.750	51.505	98.600	141.720	210.517	288.153	393.411
Gross profit	AUD mn	25.750	51.505	98.600	141.720	210.517	288.153	393.411
EBITDA	AUD mn	12.942	27.191	50.307	71.406	104.767	141.756	191.321
EBIT	AUD mn	12.942	27.191	50.307	71.406	104.767	141.756	191.321
EBT	AUD mn	13.175	28.330	50.944	72.509	106.422	144.091	194.592
Net income	AUD mn	13.457	28.330	50.944	59.346	74.496	100.864	136.214
Nr. of employees		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Per share data								
Price high	EUR	13.00	25.74					
Price low	EUR	6.13	9.82					
Price average/last	EUR	8.75	17.47					
Price average/last	EUR	11.01	25.74	25.74	25.74	25.74	25.74	25.74
EPS	EUR	0.28	0.59	1.07	1.24	1.56	2.11	2.85
BVPS	EUR	0.83	1.43	2.50	3.74	5.30	7.42	10.27
CFPS	EUR	0.24	0.56	0.98	1.16	1.43	1.97	2.66
Dividend	EUR	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Price target	EUR							**58.40**
Performance to price target	%							**126.9%**
Profitability ratios (based on sales)								
EBITDA margin	%	50.3%	52.8%	51.0%	50.4%	49.8%	49.2%	48.6%
EBIT margin	%	50.3%	52.8%	51.0%	50.4%	49.8%	49.2%	48.6%
Pretax margin	%	51.2%	55.0%	51.7%	51.2%	50.6%	50.0%	49.5%
Net margin	%	52.3%	55.0%	51.7%	41.9%	35.4%	35.0%	34.6%
FCF margin	%	41.8%	51.8%	47.2%	39.0%	32.3%	32.5%	32.1%
ROE	%	34.1%	41.5%	42.7%	33.2%	29.4%	28.5%	27.8%
NWC/Sales	%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%
Revenues per head	AUDk	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EBIT per head	AUDk	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Capex/Sales	%	-0.1%	-0.3%	-0.3%	-0.2%	-0.2%	-0.2%	-0.2%
Growth ratios								
Sales	%	51.6%	100.0%	91.4%	43.7%	48.5%	36.9%	36.5%
Gross profit	%	51.6%	100.0%	91.4%	43.7%	48.5%	36.9%	36.5%
EBITDA	%	80.6%	110.1%	85.0%	41.9%	46.7%	35.3%	35.0%
EBIT	%	81.9%	110.1%	85.0%	41.9%	46.7%	35.3%	35.0%
EBT	%	85.2%	115.0%	79.8%	42.3%	46.8%	35.4%	35.0%
Net income	%	89.1%	110.5%	79.8%	16.5%	25.5%	35.4%	35.0%
EPS	%	90.7%	110.5%	79.8%	16.5%	25.5%	35.4%	35.0%
CFPS	%	17.7%	128.1%	75.5%	18.7%	23.2%	37.4%	35.0%

SOURCE: COMPANY DATA. SPHENE CAPITAL FORECAST

One view II. 2010/11-2016/17

AUSTRALIAN GAAP (12/31)		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Balance sheet ratios								
Fixed assets	AUD mn	5.6	0.6	0.1	0.1	0.1	0.2	0.1
Financial assets	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current assets	AUD mn	14.6	15.4	15.7	17.0	13.6	20.0	28.5
Equity	AUD mn	16.4	13.6	13.8	15.4	11.2	17.8	25.4
Liabilities	AUD mn	3.4	2.1	1.5	1.1	1.9	1.6	2.3
Equity ratio	%	81.4%	85.3%	87.5%	89.9%	82.1%	88.6%	88.9%
Gearing	%	-74.2%	-93.3%	-90.8%	-94.8%	-94.4%	-77.6%	-93.4%
Working Capital	AUD mn	-2.5	-1.1	0.3	0.5	0.9	4.3	2.2
Asset Turnover	x	0.1	0.1	0.1	0.1	0.2	0.3	0.6
EBITDA-ICR	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Enterprise Value								
Nr. of shares	1.000	30.4	30.8	35.3	38.7	43.4	45.3	47.7
Market cap. high	AUD mn	77.4	70.7	96.4	81.3	221.2	226.4	438.1
Market cap. low	AUD mn	49.5	43.4	52.9	35.6	56.4	113.2	195.4
Market cap. average	AUD mn	61.6	51.7	67.8	60.8	141.8	149.4	317.0
Market cap. last	AUD mn	50.4	48.9	69.5	65.8	123.2	195.6	332.7
Net debt	AUD mn	-12.2	-12.7	-12.6	-14.6	-10.6	-13.8	-23.8
Pension reserves	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non operating financial assets	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Enterprise Value high	AUD mn	65.2	58.0	83.8	66.6	210.6	212.6	414.3
Enterprise Value low	AUD mn	37.3	30.7	40.4	21.0	45.8	99.4	171.7
Enterprise Value average	AUD mn	49.5	39.0	55.2	46.1	131.3	135.6	293.3
Enterprise Value last	AUD mn	38.2	36.2	57.0	51.2	112.6	181.8	309.0
Valuation ratios								
EV/sales high	x	28.67	44.84	42.67	26.38	64.61	33.11	24.39
EV/sales low	x	16.39	23.69	20.56	8.30	14.05	15.48	10.11
EV/sales average	x	21.73	30.11	28.11	18.26	40.26	21.12	17.27
EV/sales last	x	16.79	27.97	29.01	20.25	34.54	28.32	18.19
EV/EBITDA high	x	n/a	n/a	n/a	n/a	n/a	n/a	57.8
EV/EBITDA low	x	n/a	n/a	n/a	n/a	n/a	n/a	24.0
EV/EBITDA average	x	n/a	n/a	n/a	n/a	n/a	n/a	40.9
EV/EBITDA last	x	n/a	n/a	n/a	n/a	n/a	n/a	43.1
EV/EBIT high	x	n/a	n/a	n/a	n/a	n/a	n/a	58.2
EV/EBIT low	x	n/a	n/a	n/a	n/a	n/a	n/a	24.1
EV/EBIT average	x	n/a	n/a	n/a	n/a	n/a	n/a	41.2
EV/EBIT last	x	n/a	n/a	n/a	n/a	n/a	n/a	43.4
P/E high	x	n/a	n/a	n/a	n/a	n/a	n/a	62.2
P/E low	x	n/a	n/a	n/a	n/a	n/a	n/a	27.7
P/E average	x	n/a	n/a	n/a	n/a	n/a	n/a	45.0
P/E last	x	n/a	n/a	n/a	n/a	n/a	n/a	47.2

SOURCE: COMPANY DATA. SPHENE CAPITAL

One view II. 2017/18-2023/24e

AUSTRALIAN GAAP (12/31)		2017/18	2018/19e	2019/20e	2020/21e	2021/22e	2022/23e	2023/24e
Balance sheet ratios								
Fixed assets	AUD mn	0.6	0.3	0.6	0.9	1.4	1.9	2.6
Financial assets	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current assets	AUD mn	42.3	74.9	131.9	196.8	280.1	390.9	540.6
Equity	AUD mn	39.4	68.3	119.3	178.6	253.1	354.0	490.2
Liabilities	AUD mn	2.5	5.0	9.6	13.8	20.4	28.0	38.2
Equity ratio	%	91.9%	90.8%	90.0%	90.3%	89.9%	90.1%	90.2%
Gearing	%	-91.8%	-93.2%	-92.2%	-92.5%	-92.2%	-92.3%	-92.4%
Working Capital	AUD mn	3.2	6.5	12.4	17.8	26.4	36.2	49.4
Asset Turnover	x	0.6	0.7	0.7	0.7	0.7	0.7	0.7
EBITDA-ICR	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Enterprise Value								
Nr. of shares	1.000	47.7	47.7	47.7	47.7	47.7	47.7	47.7
Market cap. high	AUD mn	620.6	1.228.7					
Market cap. low	AUD mn	292.6	468.8					
Market cap. average	AUD mn	417.7	833.9					
Market cap. last	AUD mn	525.6	1.228.7	1.228.7	1.228.7	1.228.7	1.228.7	1.228.7
Net debt	AUD mn	-36.2	-63.5	-110.0	-165.3	-233.3	-326.8	-453.1
Pension reserves	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non operating financial assets	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Enterprise Value high	AUD mn	584.4	1.165.0					
Enterprise Value low	AUD mn	256.4	405.0					
Enterprise Value average	AUD mn	381.5	770.2					
Enterprise Value last	AUD mn	489.4	1.165.2	1.118.7	1.063.4	995.4	901.9	775.6
Valuation ratios								
EV/sales high	x	22.69	22.62					
EV/sales low	x	9.96	7.87					
EV/sales average	x	14.81	14.96					
EV/sales last	x	19.00	22.62	11.35	7.50	4.73	3.13	1.97
EV/EBITDA high	x	45.2	42.9					
EV/EBITDA low	x	19.8	14.9					
EV/EBITDA average	x	29.5	28.3					
EV/EBITDA last	x	37.8	42.9	22.2	14.9	9.5	6.4	4.1
EV/EBIT high	x	45.2	42.9					
EV/EBIT low	x	19.8	14.9					
EV/EBIT average	x	29.5	28.3					
EV/EBIT last	x	37.8	42.9	22.2	14.9	9.5	6.4	4.1
P/E high	x	46.1	43.4					
P/E low	x	21.7	16.5					
P/E average	x	31.0	29.4					
P/E last	x	39.1	43.4	24.1	20.7	16.5	12.2	9.0

SOURCE: COMPANY DATA. SPHENE CAPITAL FORECAST

Prevalence EPP

Prevalence (EPP). worldwide. reported	**6.902**
Europe	**1.926**
GER	400
AUT	40
SUI	65
FRA	300
GBR	389
IRE	12
ITA	120
Benelux	241
DEN	135
SWE	51
NOR	47
ESP	26
POR	100
Other territories in Europe	0
America	**4.443**
USA	4.300
CDN	125
BRZ	18
Other territories in the Americas	0
Asia and Australia	**500**
JPN	136
AUS	364
Other territories in Australasia	0
Africa	**33**
RZA	33
Other territories in Africa	0

SOURCE: SPHENE CAPITAL ESTIMATES

Discounted cash flow valuation

AUSTRALIAN GAAP (12/31)		2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e
Revenues	**AUD mn**	**51.5**	**98.6**	**141.7**	**210.5**	**288.2**	**393.4**	**531.7**	**704.8**	**908.7**	**1.132.9**	**1.362.0**	**1.579.3**	**1.771.2**	**1.931.2**	**2.059.5**	**2.161.4**
YoY	%	100.0%	91.4%	43.7%	48.5%	36.9%	36.5%	35.2%	32.5%	28.9%	24.7%	20.2%	15.9%	12.2%	9.0%	6.6%	4.9%
EBIT	**AUD mn**	**27.2**	**50.3**	**71.4**	**104.8**	**141.8**	**191.3**	**259.0**	**343.9**	**444.1**	**554.6**	**667.8**	**775.6**	**871.3**	**951.5**	**1.016.4**	**1.068.4**
EBIT margin	%	52.8%	51.0%	50.4%	49.8%	49.2%	48.6%	48.7%	48.8%	48.9%	49.0%	49.0%	49.1%	49.2%	49.3%	49.4%	49.4%
Taxes	AUD mn	0.0	0.0	-13.2	-31.9	-43.2	-58.4	-79.0	-104.9	-135.5	-169.2	-203.8	-236.7	-265.8	-290.3	-310.1	-326.0
Tax ratio (τ)	%	0.0%	0.0%	18.4%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%
Adjusted EBIT(1-τ)	AUD mn	**27.2**	**50.3**	**58.2**	**72.8**	**98.5**	**132.9**	**180.0**	**239.0**	**308.6**	**385.4**	**464.1**	**538.9**	**605.4**	**661.2**	**706.3**	**742.4**
Reinvestments	AUD mn	-3.2	-6.2	-5.7	-9.1	-10.3	-13.9	-36.8	-59.9	-93.8	-138.0	-185.5	-222.2	-234.0	-218.6	-187.1	-153.3
FCFF	AUD mn	**24.0**	**44.1**	**52.6**	**63.8**	**88.3**	**119.0**	**143.2**	**179.1**	**214.8**	**247.3**	**278.5**	**316.8**	**371.5**	**442.6**	**519.2**	**589.1**
WACC	%	13.4%	13.4%	13.2%	12.4%	12.4%	12.4%	12.2%	11.9%	11.7%	11.4%	11.2%	10.9%	10.7%	10.4%	10.2%	9.9%
Discount rate	%	100.0%	88.2%	77.9%	69.3%	61.7%	54.9%	48.9%	43.7%	39.2%	35.2%	31.6%	28.5%	25.8%	23.3%	21.2%	19.3%
Present value of FCFF	**AUD mn**	**24.0**	**38.9**	**40.9**	**44.2**	**54.4**	**65.3**	**70.1**	**78.3**	**84.1**	**86.9**	**88.1**	**90.3**	**95.7**	**103.3**	**110.0**	**113.6**

		2035e	2036e	2037e	2038e	2039e	2040e	2041e	2042e	2043e	2044e	TY
Revenues	**AUD mn**	**2.244.1**	**2.314.6**	**2.378.4**	**2.439.2**	**2.499.2**	**2.559.8**	**2.621.4**	**2.684.4**	**2.748.8**	**2.814.8**	**2.882.4**
YoY	%	3.8%	3.1%	2.8%	2.6%	2.5%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
EBIT	**AUD mn**	**1.111.1**	**1.147.8**	**1.181.4**	**1.213.5**	**1.245.4**	**1.277.6**	**1.310.5**	**1.344.1**	**1.378.6**	**1.413.9**	**1.441.2**
EBIT margin	%	49.5%	49.6%	49.7%	49.8%	49.8%	49.9%	50.0%	50.1%	50.2%	50.2%	50.0%
Taxes	AUD mn	-339.0	-350.2	-360.5	-370.3	-380.0	-389.8	-399.9	-410.1	-420.6	-431.4	-439.7
Tax ratio (τ)	%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%
Adjusted EBIT(1-τ)	AUD mn	**772.1**	**797.6**	**820.9**	**843.3**	**865.4**	**887.8**	**910.6**	**934.0**	**957.9**	**982.5**	**1.001.4**
Reinvestments	AUD mn	-126.2	-108.2	-98.1	-93.5	-92.4	-93.1	-94.8	-96.9	-99.1	-101.5	-31.5
FCFF	AUD mn	**645.8**	**689.4**	**722.8**	**749.7**	**773.0**	**794.6**	**815.8**	**837.1**	**858.8**	**881.0**	**969.9**
WACC	%	9.7%	9.4%	9.2%	8.9%	8.7%	8.4%	8.2%	7.9%	7.7%	7.4%	
Discount rate	%	17.6%	16.1%	14.7%	13.5%	12.4%	11.5%	10.6%	9.8%	9.1%	8.5%	
Present value of FCFF	**AUD mn**	**113.6**	**110.8**	**106.5**	**101.4**	**96.2**	**91.2**	**86.6**	**82.4**	**78.5**	**75.0**	

SOURCE: SPHENE CAPITAL FORECAST

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07 09 2018/15:00 h	AUD 32.70/AUD 15.38	Buy. 24 months	-
25 06 2018/18:05 h	AUD 31.70/AUD 11.97	Buy. 24 months	-
30 01 2018/09:30 h	AUD 31.70/AUD 8.65	Buy. 12 months	-

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