

co.don AG

Reuters: CNWK.DE

Bloomberg: CNWK:GR

Q1 substantially above last year

Q1/2015 at a glance

In the first quarter 2015, **revenues** increased by 22.2% to EUR 1.3mn from EUR 1.1mn in the same period last year. The operating loss (**EBIT**), including the “strategic” costs incurred in connection with efforts to obtain the central EU-wide approval of the articular cartilage product co.don chondrosphere improved to less than EUR -0.2mn from EUR -0.3mn in Q1/2014.

With negligible amortization expenses, we estimate that **EBITDA** including strategic costs fell only slightly short break even. With strategic licensing costs of approximately EUR 0.3mn (own estimate), co.don should have achieved a profit at **EBITDA level excluding strategic costs** of approximately EUR 0.2mn in the first quarter. With these figures, co.don should be on track to achieve the full-year guidance for a balanced 2015e EBITDA before strategic costs.

No change in our estimates

Since all revenue and profit key data were in line with our expectations, we see no reason to change our forecasts. For the current fiscal year, we expect double-digit revenue growth to EUR 5.4mn (+22.0%). We expect costs incurred in the company's efforts to obtain EU-wide approval to rise again in 2015e; therefore total EBITDA should remain flat despite a substantial improvement in operating EBITDA in 2015e. In 2017e, we expect a marked earnings leap once EU-wide approval has been granted, allowing co.don to become profitable at all earnings levels for the first time in its corporate history.

Confirmation of Buy rating and price target of EUR 4.20

Our price target of EUR 4.20 (base case scenario) has been derived from a three-phase discounted-cash-flow (DCF) model. Main growth assumptions are 40.0% in the detailed-planning phase 2014-18e period, 5.4% in the rough-planning phase, which ends in 2028e, and 0.5% in the terminal value phase. In addition, we expect a gradual increase in EBIT margins from 38.7% in 2018e to 39.7% in 2028e (peak margins). Compared to the last closing price of EUR 2.88 this results in an upside potential of 45.8%. After the good share price performance in the last month, during which the shares appreciated 27.1%, we are therefore confirming our Buy rating.

Weaknesses and risks

There is a risk that **(1)** external capital will have to be raised before the company breaks even, despite cash on hand of EUR 4.1mn (at yearend 2014e); **(2)** EU-wide approval will be delayed further into the future or refused altogether; and **(3)** the envisaged internationalization of business activities cannot be driven forward fast enough.

Rating: Buy Risk: Medium

Price: EUR 2.88

Price target: EUR 4.20

ISIN/WKN: DE000A1K0227 / A1K022

Indices: CDAX, General All-Share

Transparency level: General Standard

Weighted number of shares: 13.7mn

Market cap.: EUR 39.5mn

Daily trading volume: 30,000 shares

AGM: 14 July 2015

EUR mn (31/12)	2013	2014e	2015e	2016e
Revenues	3.6	4.4	5.4	7.4
EBITDA	-2.5	-2.5	-2.6	-0.2
EBIT	-2.7	-2.7	-2.9	-0.5
EBT	-2.7	-2.7	-2.9	-0.5
EAT	-2.7	-2.7	-2.9	-0.5

% of revenues	2013	2014e	2015e	2016e
EBITDA	-68.4%	-55.3%	-48.4%	-3.2%
EBIT	-73.5%	-60.3%	-52.7%	-6.4%
EBT	-74.0%	-60.3%	-52.7%	-6.4%
EAT	-74.1%	-60.5%	-52.9%	-6.6%

Per share (EUR)	2013	2014e	2015e	2016e
EPS	-0.24	-0.20	-0.21	-0.04
Dividend	0.00	0.00	0.00	0.00
BVPS	0.16	0.30	0.09	0.06
CFPS	-0.14	-0.14	-0.18	-0.01

%	2013	2014e	2015e	2016e
Equity ratio	53%	68%	36%	22%
Gearing	-66%	-102%	-108%	-108%

X	2013	2014e	2015e	2016e
P/ER	n/a	n/a	n/a	n/a
EV/sales	5.06	8.20	7.55	5.48
EV/EBITDA	n/a	n/a	n/a	n/a
P/BR	9.4	7.9	30.6	45.7

EUR mn	2014e	2015e
Guidance: Revenues	-	-
Guidance: EBITDA excl.strategic costs	-	>0



SOURCE: COMPANY DATA, SPHENE CAPITAL PROJECTIONS

Peter Thilo Hasler, CEFA

+ 49 (89) 74443558 / +49 (152) 31764553

peter-thilo.hasler@sphene-capital.de

Susanne Hasler, CFA

+ 49 (89) 74443558 / +49 (176) 24605266

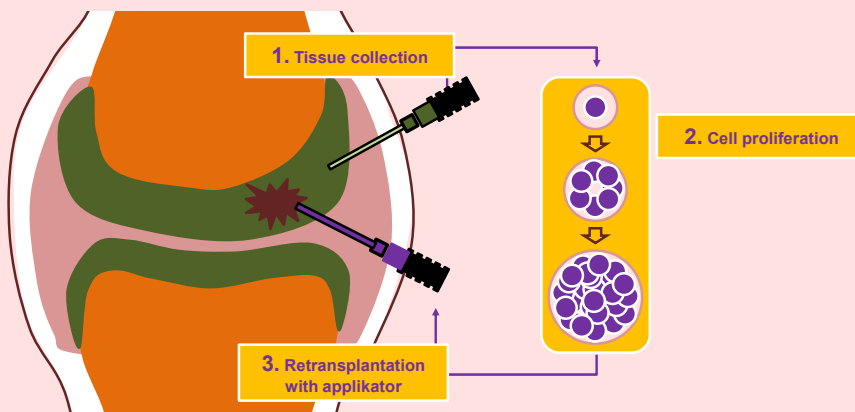
susanne.hasler@sphene-capital.de

Business model: Leading supplier of tissue engineering

Established in 1993, co.don is one of Germany's leading commercial producers of cell and tissue transplants from autologous cells for use in cartilage defects. The company's primary product, co.don chondrosphere, has already been applied successfully to considerably more than 6,000 patients for regeneration and functional restoration after traumatic (e.g. due to sports accidents) and knee-joint cartilage degeneration. Application success has been highly significant. The company's secondary product, co.don chondrotransplant DISC, which has been marketed since 1997, is an autologous spinal-disc cell transplant for biological repair of degenerated spinal discs, e.g. after spinal disc herniation episodes.

The co.don procedure is based on a hybrid carrier matrix. This matrix is of autologous origin and synthesized by the chondrocytes. Together with this carrier matrix, the chondrocytes form a three-dimensional structure, which is the prerequisite for three-dimensional filling of cartilage damage.

FIGURE 1: THREE-STAGE PROCESS OF AUTOLOGOUS CHONDROCYTE TRANSPLANTATION



The principle of autologous chondrocyte transplantation comprises three individual steps carried out within a time interval of several weeks. Chondrocytes isolated from an autologous cartilage biopsy sample are propagated in an in-vitro process and subsequently retransplanted into the cartilage defect.

SOURCE: SPHENE CAPITAL

EU-wide approval as a medicinal product to usher in the next stage

Due to the high strategic expenses incurred in efforts to obtain EU-wide approval of the articular-cartilage product, co.don's cash-burn rate is still very high. Since we expect approval-related costs to decline noticeably in the coming years, however, the current capital base should suffice to weather the two upcoming loss-making years without any further injections of external funds. Following of EU-wide approval in 2017e, an upward trend in product prices and expansion of co.don's international business should, in our opinion, lead to a significant leap in earnings, allowing co.don to generate an operating profit for the first time in its corporate history.

Profit and loss account, 2005-11

IFRS (31.12.)		2005	2006	2007	2008	2009	2010	2011
Revenues	EUR mn	0.4	0.4	0.5	1.2	1.5	1.8	2.1
YoY	%	-27.8%	0.5%	25.7%	157.4%	27.2%	15.2%	22.4%
Other operating income	EUR mn	0.6	0.1	0.1	0.1	0.1	0.2	0.2
Total output	EUR mn	1.0	0.5	0.6	1.3	1.6	2.0	2.3
YoY	%	n/a	n/a	n/a	n/a	25.7%	20.8%	20.0%
Material costs	EUR mn	-0.2	-0.1	-0.2	-0.8	-0.3	-1.0	-0.7
In % of total output	EUR mn	-17.5%	-14.8%	-28.1%	-63.2%	-19.4%	-51.0%	-28.5%
Costs of goods	EUR mn	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.3
Costs of goods	%	-0.1	0.0	-0.1	-0.6	-0.1	-0.8	-0.3
Gross profit	EUR mn	0.8	0.4	0.4	0.5	1.3	1.0	1.7
YoY	%	n/a	n/a	n/a	n/a	175.6%	-26.5%	74.9%
Personnel costs	EUR mn	-1.4	-1.1	-0.9	-1.0	-1.2	-1.4	-1.7
Wages and salaries	EUR mn	-1.2	-1.0	-0.8	-0.8	-1.1	-1.2	-1.5
Social security	EUR mn	-0.2	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2
In % of total output	%	-143.0%	-209.9%	-148.0%	-74.6%	-74.9%	-70.6%	-71.0%
Other operating expenses	EUR mn	-1.8	-1.1	-1.1	-1.0	-1.0	-1.1	-1.3
In % of total output	%	-179.3%	-205.2%	-187.6%	-80.3%	-64.4%	-58.4%	-56.4%
Other operating earnings	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
In % of total output	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBITDA after strategic costs	EUR mn	-2.4	-1.7	-1.5	-1.5	-1.0	-1.6	-1.3
In % of total output	%	n/a	n/a	n/a	n/a	-58.7%	-80.0%	-55.9%
Depreciation	EUR mn	-0.2	-0.7	-0.2	-0.1	-0.1	-0.1	-0.1
thereof amortisation	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	EUR mn	-2.6	-2.4	-1.7	-1.7	-1.1	-1.7	-1.4
YoY	%	n/a	n/a	n/a	n/a	-35.8%	59.0%	-15.2%
YoY	EUR mn	n/a	n/a	n/a	n/a	0.6	-0.6	0.3
In % of total output	%	n/a	n/a	n/a	n/a	-65.7%	-86.5%	-61.1%
Income from participations	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial result	EUR mn	0.2	0.0	0.1	0.2	0.1	0.0	0.0
Extraordinary items	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	EUR mn	-2.4	-2.3	-1.7	-1.4	-0.9	-1.7	-1.4
YoY	%	n/a	n/a	n/a	n/a	-36.4%	81.7%	-14.4%
In % of total output	%	n/a	n/a	n/a	n/a	-56.8%	-85.4%	-60.9%
Taxes	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
In % of EBT (implied tax rate)	%	0.0%	0.0%	-1.8%	0.0%	0.0%	0.4%	0.0%
Taxes	EUR mn	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Net income	EUR mn	-2.4	-2.3	-1.5	-1.4	-0.9	-1.7	-1.4
In % of total output	%	n/a	n/a	n/a	n/a	-57.0%	-85.7%	-61.1%
Minorities	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nr of shares	mn	5.0	8.0	11.9	11.9	11.9	11.9	13.1
Nr of shares (diluted)	mn	5.0	8.0	11.9	11.9	11.9	11.9	13.1
EPS	EUR	-0.48	-0.29	-0.13	-0.12	-0.08	-0.14	-0.11
EPS (diluted)	EUR	-0.48	-0.29	-0.13	-0.12	-0.08	-0.14	-0.11

SOURCE: COMPANY DATA, SPHENE CAPITAL

Profit and loss account, 2012-18e

IFRS (31.12.)		2012	2013	2014e	2015e	2016e	2017e	2018e
Revenues	EUR mn	2.7	3.6	4.4	5.4	7.4	10.9	17.2
YoY	%	16.3%	34.5%	22.7%	22.0%	36.3%	46.8%	58.1%
Other operating income	EUR mn	1.0	0.5	0.0	0.0	0.0	0.0	0.0
Total output	EUR mn	3.7	4.1	4.5	5.4	7.4	10.9	17.2
YoY	%	0.9%	10.2%	8.8%	21.8%	36.3%	46.8%	58.1%
Material costs	EUR mn	-1.4	-1.4	-1.7	-2.1	-2.1	-2.6	-3.0
In % of total output	EUR mn	-36.8%	-33.0%	-38.6%	-39.3%	-28.6%	-24.4%	-17.7%
Costs of goods	EUR mn	-0.4	-0.5	-0.7	-0.9	-0.9	-1.2	-1.3
Costs of goods	%	-0.9	-0.9	-1.0	-1.2	-1.2	-1.5	-1.8
Gross profit	EUR mn	2.3	2.7	2.7	3.3	5.3	8.2	14.1
YoY	%	1.2%	16.8%	-0.3%	20.4%	60.5%	55.4%	72.0%
Personnel costs	EUR mn	-2.1	-2.8	-3.3	-3.8	-3.6	-3.7	-4.2
Wages and salaries	EUR mn	-1.8	-2.4	-2.9	-3.4	-3.2	-3.3	-3.8
Social security	EUR mn	-0.3	-0.4	-0.4	-0.4	-0.4	-0.4	-0.5
In % of total output	%	-57.0%	-68.1%	-73.3%	-70.0%	-48.7%	-34.3%	-24.6%
Other operating expenses	EUR mn	-2.5	-2.4	-1.9	-2.1	-1.9	-2.5	-3.0
In % of total output	%	-66.5%	-59.3%	-43.3%	-39.1%	-25.9%	-22.9%	-17.7%
Other operating earnings	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
In % of total output	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBITDA after strategic costs	EUR mn	-2.2	-2.5	-2.5	-2.6	-0.2	2.0	6.9
In % of total output	%	-60.3%	-60.5%	-55.2%	-48.4%	-3.2%	18.3%	40.0%
Depreciation	EUR mn	-0.1	-0.2	-0.2	-0.2	-0.2	-0.3	-0.3
thereof amortisation	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	EUR mn	-2.4	-2.7	-2.7	-2.9	-0.5	1.7	6.6
YoY	%	134.5%	11.8%	0.6%	6.7%	-83.4%	-466.2%	279.6%
YoY	EUR mn	-1.4	-0.3	0.0	-0.2	2.4	2.2	4.9
In % of total output	%	-64.1%	-65.0%	-60.2%	-52.7%	-6.4%	16.0%	38.4%
Income from participations	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial result	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Extraordinary items	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	EUR mn	-2.4	-2.7	-2.7	-2.9	-0.5	1.7	6.6
YoY	%	136.2%	12.7%	-0.1%	6.7%	-83.4%	-466.2%	279.6%
In % of total output	%	-64.0%	-65.5%	-60.2%	-52.7%	-6.4%	16.0%	38.4%
Taxes	EUR mn	0.0	0.0	0.0	0.0	0.0	-0.1	-0.7
In % of EBT (implied tax rate)	%	0.0%	0.0%	0.0%	0.0%	0.0%	-5.4%	-10.9%
Taxes	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	EUR mn	-2.4	-2.7	-2.7	-2.9	-0.5	1.6	5.9
In % of total output	%	-64.1%	-65.6%	-60.4%	-52.9%	-6.6%	15.0%	34.2%
Minorities	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nr of shares	mn	10.7	11.1	13.7	13.7	13.7	13.7	13.7
Nr of shares (diluted)	mn	10.7	11.1	13.7	13.7	13.7	13.7	13.7
EPS	EUR	-0.22	-0.24	-0.20	-0.21	-0.04	0.12	0.43
EPS (diluted)	EUR	-0.22	-0.24	-0.20	-0.21	-0.04	0.12	0.43

SOURCE: COMPANY DATA, SPHENE CAPITAL PROJECTIONS

Balance sheet, 2005-11

IFRS (31.12.)		2005	2006	2007	2008	2009	2010	2011
ASSETS								
Non-current assets	EUR mn	1.1	0.9	0.9	1.1	1.0	0.9	0.8
Intangible assets	EUR mn	0.0	0.1	0.0	0.2	0.3	0.2	0.2
Property, plant & equipment	EUR mn	1.1	0.9	0.9	0.9	0.8	0.7	0.7
thereof property and buildings	EUR mn	0.8	0.7	0.7	0.6	0.6	0.5	0.5
thereof machines	EUR mn	0.1	0.0	0.1	0.1	0.1	0.0	0.1
thereof equipment	EUR mn	0.2	0.1	0.1	0.2	0.1	0.1	0.1
thereof advances	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shares in affiliated companies	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current assets	EUR mn	3.0	5.4	4.3	3.1	2.0	2.1	2.1
Inventory	EUR mn	0.0	0.0	0.0	0.0	0.0	0.1	0.1
in % of gross revenues	d	9.4%	3.7%	2.4%	1.9%	2.2%	2.7%	3.6%
Trade receivables	EUR mn	0.1	0.1	0.2	0.1	0.2	0.2	0.2
DSO	d	92	55	55	30	40	36	39
Other receivables	EUR mn	0.0	0.2	0.1	0.1	0.1	0.1	0.4
Paid advances	EUR mn	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Securities	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash & cash equivalents	EUR mn	2.8	5.1	3.9	2.8	1.6	1.7	1.3
Deferred items	EUR mn	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Total assets	EUR mn	4.1	6.4	5.3	4.2	3.0	3.1	3.0
LIABILITIES AND EQUITY								
Total shareholder's equity	EUR mn	3.5	5.9	4.4	3.5	1.8	2.4	2.5
Equity ratio	%	85.2%	92.4%	84.7%	84.4%	61.1%	78.7%	83.2%
Issued capital	EUR mn	8.0	11.9	11.9	11.9	11.9	13.1	7.1
Capital reserves	EUR mn	21.2	21.2	21.2	21.2	21.2	22.0	0.0
Retained earnings	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency adjustments	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit carried forward	EUR mn	-25.7	-27.2	-28.7	-29.6	-31.3	-32.7	-4.6
Profit/Loss of period	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tax reserves	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	EUR mn	0.4	0.4	0.7	0.5	1.0	0.4	0.3
Non-current liabilities	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bank debt	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other current liabilities	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	EUR mn	0.2	0.1	0.1	0.1	0.2	0.3	0.2
Bank debt	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade payables	EUR mn	0.1	0.0	0.0	0.0	0.1	0.2	0.2
in % of revenues	d	23.5%	7.7%	3.5%	1.9%	4.5%	8.7%	6.9%
Trade payables	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other current liabilities	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other current liabilities	EUR mn	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Liabilities to subsidiaries	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities to close parties	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provisions	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred items	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total liabilities	EUR mn	4.1	6.4	5.3	4.2	3.0	3.1	3.0
SOURCE: COMPANY DATA, SPHENE CAPITAL								

Balance sheet, 2012-18e

IFRS (31.12.)		2012	2013	2014e	2015e	2016e	2017e	2018e
ASSETS								
Non-current assets	EUR mn	0.8	1.1	1.0	1.1	1.2	1.3	1.3
Intangible assets	EUR mn	0.1	0.2	0.2	0.3	0.3	0.3	0.3
Property, plant & equipment	EUR mn	0.6	0.9	0.8	0.9	0.9	0.9	1.0
thereof property and buildings	EUR mn	0.4	0.4	0.3	0.4	0.4	0.4	0.4
thereof machines	EUR mn	0.1	0.2	0.2	0.2	0.2	0.2	0.2
thereof equipment	EUR mn	0.2	0.3	0.3	0.3	0.3	0.4	0.4
thereof advances	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shares in affiliated companies	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current assets	EUR mn	4.3	2.2	4.9	2.3	2.1	4.4	10.7
Inventory	EUR mn	0.1	0.1	0.1	0.1	0.2	0.3	0.4
in % of gross revenues	d	2.8%	2.4%	2.5%	2.6%	2.8%	3.0%	2.3%
Trade receivables	EUR mn	0.6	0.5	0.6	0.8	1.1	1.8	2.1
DSO	d	86	48	49	51	55	60	44
Other receivables	EUR mn	0.8	0.5	0.0	0.0	0.0	0.0	0.0
Paid advances	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Securities	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash & cash equivalents	EUR mn	2.8	1.2	4.2	1.3	0.8	2.3	8.1
Deferred items	EUR mn	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total assets	EUR mn	5.2	3.4	6.0	3.4	3.4	5.8	12.1
LIABILITIES AND EQUITY								
Total shareholder's equity	EUR mn	4.0	1.8	4.1	1.2	0.7	2.4	8.2
Equity ratio	%	77.5%	52.7%	67.9%	35.6%	21.8%	41.1%	68.2%
Issued capital	EUR mn	10.7	11.1	13.7	13.7	13.7	13.7	13.7
Capital reserves	EUR mn	0.4	0.4	2.8	2.8	2.8	2.8	2.8
Retained earnings	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency adjustments	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit carried forward	EUR mn	-7.0	-9.7	-12.4	-15.2	-15.7	-14.1	-8.2
Profit/Loss of period	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tax reserves	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	EUR mn	0.7	1.0	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	EUR mn	0.0	0.0	1.2	1.4	1.5	1.7	1.8
Bank debt	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other current liabilities	EUR mn	0.0	0.0	1.2	1.4	1.5	1.7	1.8
Current liabilities	EUR mn	0.4	0.6	0.7	0.8	1.2	1.7	2.0
Bank debt	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade payables	EUR mn	0.4	0.4	0.5	0.6	0.9	1.5	1.7
in % of revenues	d	13.1%	11.9%	11.3%	11.8%	12.5%	13.8%	10.2%
Trade payables	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other current liabilities	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other current liabilities	EUR mn	0.1	0.2	0.2	0.2	0.2	0.3	0.3
Liabilities to subsidiaries	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities to close parties	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provisions	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred items	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total liabilities	EUR mn	5.2	3.4	6.0	3.4	3.4	5.8	12.1
SOURCE: COMPANY DATA, SPHENE CAPITAL PROJECTIONS								

Normalized balance sheet, 2005-11

IFRS (31.12.)		2005	2006	2007	2008	2009	2010	2011
ASSETS								
Non-current assets	%	27%	15%	18%	27%	34%	30%	28%
Intangible assets	%	1%	1%	1%	5%	8%	8%	6%
Property, plant & equipment	%	26%	14%	18%	21%	25%	22%	22%
thereof property and buildings	%	19%	12%	13%	15%	19%	17%	15%
thereof machines	%	2%	0%	2%	1%	2%	2%	2%
thereof equipment	%	5%	2%	2%	4%	4%	4%	5%
thereof advances	%	0%	0%	0%	0%	0%	0%	0%
thereof advances	%	0%	0%	0%	0%	0%	0%	0%
Shares in affiliated companies	%	0%	0%	0%	0%	0%	0%	0%
Current assets	%	72%	85%	81%	73%	66%	68%	70%
Inventory	%	1%	0%	1%	1%	1%	2%	3%
Trade receivables	%	2%	1%	3%	3%	6%	7%	8%
Other receivables	%	1%	3%	3%	3%	3%	2%	13%
Paid advances	%	0%	0%	0%	0%	2%	0%	1%
Securities	%	0%	0%	0%	0%	0%	0%	0%
Cash & cash equivalents	%	68%	80%	75%	66%	53%	57%	45%
Deferred items	%	0%	0%	0%	0%	0%	2%	2%
Total assets	%	100%	100%	100%	100%	100%	100%	100%
LIABILITIES AND EQUITY								
Total shareholder's equity	%	85%	92%	85%	84%	61%	79%	83%
Issued capital	%	196%	187%	227%	286%	395%	428%	238%
Capital reserves	%	519%	332%	403%	507%	701%	716%	0%
Retained earnings	%	0%	0%	0%	0%	0%	0%	0%
Currency adjustments	%	0%	0%	0%	0%	0%	0%	0%
Profit carried forward	%	-630%	-427%	-546%	-709%	-1035%	-1066%	-155%
Profit/Loss of period	%	0%	0%	0%	0%	0%	0%	0%
Minorities	%	0%	0%	0%	0%	0%	0%	0%
Tax reserves	%	0%	0%	0%	0%	0%	0%	0%
Other provisions	%	10%	6%	13%	13%	33%	12%	9%
Non-current liabilities	%	0%	0%	0%	0%	0%	0%	0%
Bank debt	%	0%	0%	0%	0%	0%	0%	0%
Other current liabilities	%	0%	0%	0%	0%	0%	0%	0%
Current liabilities	%	5%	1%	2%	3%	5%	9%	8%
Bank debt	%	0%	0%	0%	0%	0%	0%	0%
Trade payables	%	2%	1%	1%	1%	3%	6%	5%
Trade payables	%	0%	0%	0%	0%	0%	0%	0%
Other current liabilities	%	0%	0%	0%	0%	0%	0%	0%
Other current liabilities	%	3%	1%	1%	2%	3%	3%	2%
Liabilities to subsidiaries	%	0%	0%	0%	0%	0%	0%	0%
Liabilities to close parties	%	0%	0%	0%	0%	0%	0%	0%
Provisions	%	0%	0%	0%	0%	0%	0%	0%
Deferred items	%	0%	0%	0%	0%	0%	0%	0%
Total liabilities	%	100%	100%	100%	100%	100%	100%	100%
SOURCE: COMPANY DATA, SPHENE CAPITAL								

Normalized balance sheet, 2012-18e

IFRS (31.12.)		2012	2013	2014e	2015e	2016e	2017e	2018e
ASSETS								
Non-current assets	%	15%	33%	17%	32%	35%	22%	11%
Intangible assets	%	3%	7%	4%	7%	8%	5%	3%
Property, plant & equipment	%	12%	26%	14%	25%	27%	16%	8%
thereof property and buildings	%	8%	11%	6%	10%	11%	7%	3%
thereof machines	%	1%	6%	3%	6%	6%	4%	2%
thereof equipment	%	3%	10%	5%	9%	10%	6%	3%
thereof advances	%	0%	0%	0%	0%	0%	0%	0%
thereof advances	%	0%	0%	0%	0%	0%	0%	0%
Shares in affiliated companies	%	0%	0%	0%	0%	0%	0%	0%
Current assets	%	84%	65%	82%	66%	63%	77%	88%
Inventory	%	1%	3%	2%	4%	6%	6%	3%
Trade receivables	%	12%	14%	10%	22%	33%	31%	17%
Other receivables	%	15%	13%	0%	0%	0%	0%	0%
Paid advances	%	0%	0%	0%	1%	1%	0%	0%
Securities	%	0%	0%	0%	0%	0%	0%	0%
Cash & cash equivalents	%	55%	35%	69%	39%	24%	39%	67%
Deferred items	%	1%	2%	1%	2%	2%	1%	1%
Total assets	%	100%	100%	100%	100%	100%	100%	100%
LIABILITIES AND EQUITY								
Total shareholder's equity	%	78%	53%	68%	36%	22%	41%	68%
Issued capital	%	206%	323%	228%	399%	404%	238%	114%
Capital reserves	%	7%	12%	46%	80%	81%	48%	23%
Retained earnings	%	0%	0%	0%	0%	0%	0%	0%
Currency adjustments	%	0%	0%	0%	0%	0%	0%	0%
Profit carried forward	%	-136%	-282%	-206%	-444%	-463%	-244%	-68%
Profit/Loss of period	%	0%	0%	0%	0%	0%	0%	0%
Minorities	%	0%	0%	0%	0%	0%	0%	0%
Tax reserves	%	0%	0%	0%	0%	0%	0%	0%
Other provisions	%	14%	29%	0%	0%	0%	0%	0%
Non-current liabilities	%	0%	0%	21%	40%	44%	29%	15%
Bank debt	%	0%	0%	0%	0%	0%	0%	0%
Other current liabilities	%	0%	0%	21%	40%	44%	29%	15%
Current liabilities	%	9%	18%	11%	25%	34%	30%	17%
Bank debt	%	0%	0%	0%	0%	0%	0%	0%
Trade payables	%	7%	13%	8%	19%	27%	26%	14%
Trade payables	%	0%	0%	0%	0%	0%	0%	0%
Other current liabilities	%	0%	0%	0%	0%	0%	0%	0%
Other current liabilities	%	2%	5%	3%	6%	7%	4%	2%
Liabilities to subsidiaries	%	0%	0%	0%	0%	0%	0%	0%
Liabilities to close parties	%	0%	0%	0%	0%	0%	0%	0%
Provisions	%	0%	0%	0%	0%	0%	0%	0%
Deferred items	%	0%	0%	0%	0%	0%	0%	0%
Total liabilities	%	100%	100%	100%	100%	100%	100%	100%
SOURCE: COMPANY DATA, SPHENE CAPITAL PROJECTIONS								

Cashflow statement, 2005-11

IFRS (31.12.)		2005	2006	2007	2008	2009	2010	2011
Net income	EUR mn	-2.3	-1.5	-1.4	-0.9	-1.7	-1.4	-1.0
Depreciation & Amortisation	EUR mn	0.7	0.2	0.1	0.1	0.1	0.1	0.2
Income from sale of assets	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ inventory	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ trade receivables	EUR mn	-0.1	0.0	-0.1	0.1	-0.1	0.0	0.0
Δ other receivables	EUR mn	1.1	-0.2	0.1	0.0	0.0	0.0	-0.3
Δ deferred tax assets	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ provisions	EUR mn	0.1	0.0	0.3	-0.2	0.5	-0.6	-0.1
Δ other short-term provisions	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ trade payables	EUR mn	0.0	-0.1	0.0	0.0	0.0	0.1	0.0
Δ deferred liabilities	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency adjustments	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operational adjustments	EUR mn	-1.0	0.0	0.0	0.0	-0.2	0.0	0.0
Operating cash flow	EUR mn	-1.6	-1.5	-1.0	-0.9	-1.2	-1.8	-1.4
Investments in financial assets	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investments in intangible assets	EUR mn	-0.7	-0.2	-0.1	-0.3	-0.2	-0.1	-0.1
Investments in tangible assets	EUR mn	0.6	0.2	0.0	0.0	0.1	0.1	0.0
Other operational adjustments	EUR mn	0.0	0.0	0.0	-0.1	0.0	0.0	0.0
Cash flow from investing	EUR mn	0.0	0.0	-0.2	-0.3	-0.1	0.0	-0.1
Free cash flow	EUR mn	-1.6	-1.6	-1.2	-1.3	-1.3	-1.9	-1.5
Δ Capital stock	EUR mn	3.0	3.9	0.0	0.0	0.0	1.2	-6.0
Δ Capital reserves	EUR mn	0.3	0.0	0.0	0.0	0.0	0.8	-22.0
Δ Bank debt	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operational adjustments	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less prior-year dividend	EUR mn	1.0	0.0	0.0	0.1	0.1	0.0	29.1
Financing cash flow	EUR mn	4.3	3.9	0.0	0.1	0.1	2.0	1.1
Net cash inflow	EUR mn	2.7	2.4	-1.2	-1.2	-1.2	0.1	-0.4
Currency adjustments	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash opening balance	EUR mn	0.1	2.8	5.1	3.9	2.8	1.6	1.7
Net cash closing balance	EUR mn	2.8	5.1	3.9	2.8	1.6	1.7	1.3
SOURCE: COMPANY DATA, SPHENE CAPITAL								

Cashflow statement, 2012-18e

IFRS (31.12.)		2012	2013	2014e	2015e	2016e	2017e	2018e
Net income	EUR mn	-2.4	-2.7	-2.7	-2.9	-0.5	1.6	5.9
Depreciation & Amortisation	EUR mn	0.1	0.2	0.2	0.2	0.2	0.3	0.3
Income from sale of assets	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ inventory	EUR mn	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1
Δ trade receivables	EUR mn	-0.4	0.2	-0.1	-0.2	-0.3	-0.7	-0.3
Δ other receivables	EUR mn	-0.4	0.3	0.5	0.0	0.0	0.0	0.0
Δ deferred tax assets	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ provisions	EUR mn	0.4	0.3	-1.0	0.0	0.0	0.0	0.0
Δ other short-term provisions	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ trade payables	EUR mn	0.2	0.2	1.3	0.3	0.4	0.7	0.4
Δ deferred liabilities	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency adjustments	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operational adjustments	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating cash flow	EUR mn	-2.3	-1.6	-1.9	-2.6	-0.2	1.8	6.2
Investments in financial assets	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investments in intangible assets	EUR mn	-0.1	-0.3	-0.2	-0.3	-0.3	-0.3	-0.3
Investments in tangible assets	EUR mn	0.0	-0.3	0.1	0.0	0.0	0.0	0.0
Other operational adjustments	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing	EUR mn	-0.1	-0.6	-0.1	-0.3	-0.3	-0.3	-0.3
Free cash flow	EUR mn	-2.4	-2.1	-2.0	-2.9	-0.5	1.5	5.9
Δ Capital stock	EUR mn	3.6	0.4	2.6	0.0	0.0	0.0	0.0
Δ Capital reserves	EUR mn	0.4	0.0	2.4	0.0	0.0	0.0	0.0
Δ Bank debt	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operational adjustments	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less prior-year dividend	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financing cash flow	EUR mn	3.9	0.5	5.0	0.0	0.0	0.0	0.0
Net cash inflow	EUR mn	1.5	-1.6	3.0	-2.9	-0.5	1.5	5.9
Currency adjustments	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash opening balance	EUR mn	1.3	2.8	1.2	4.2	1.3	0.8	2.3
Net cash closing balance	EUR mn	2.8	1.2	4.2	1.3	0.8	2.3	8.1
SOURCE: COMPANY DATA, SPHENE CAPITAL PROJECTIONS								

Segments, 2005-11

IFRS (31.12.)		2005	2006	2007	2008	2009	2010	2011
Number of transplants		93	140	434	549	620	762	849
thereof Germany		72	101	236	346	471	636	805
thereof International		21	39	198	203	149	126	44
YoY	%	47.6%	50.5%	210.0%	26.5%	12.9%	22.9%	11.4%
thereof Germany	%	35.8%	40.3%	133.7%	46.6%	36.1%	35.0%	26.6%
thereof International	%	110.0%	85.7%	407.7%	2.5%	-26.6%	-15.4%	-65.1%
Number of transplants		93	140	434	549	620	762	849
thereof co.don chondrosphere		79	110	367	480	539	694	807
thereof co.don chondrotransplant DISC		6	21	52	56	81	68	42
thereof co.don osteotransplant DENT		8	9	15	12	0	0	0
thereof others		0	0	0	1	0	0	0
Regions								
Gross sales	EUR mn	0.4	0.5	1.2	1.5	1.8	2.1	2.3
Germany	EUR mn	0.3	0.3	0.7	0.9	1.2	1.7	2.1
International	EUR mn	0.1	0.1	0.5	0.6	0.5	0.5	0.2
YoY	%	n/a	n/a	n/a	27.2%	15.2%	22.4%	8.0%
Germany	%	n/a	n/a	n/a	35.8%	32.1%	34.9%	28.3%
International	%	n/a	n/a	n/a	15.4%	-11.8%	-7.5%	-63.0%
as of total sales	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Germany	%	69.5%	72.0%	57.6%	61.5%	70.5%	77.7%	92.4%
International	%	30.5%	28.0%	42.4%	38.5%	29.5%	22.3%	7.6%
Revenues per transplant	EUR	3,978	3,321	2,758	2,772	2,827	2,815	2,728
thereof Germany	EUR	3,569	3,317	2,919	2,705	2,624	2,621	2,657
thereof International	EUR	5,381	3,333	2,566	2,887	3,470	3,794	4,023
YoY	%	-31.9%	-16.5%	-17.0%	0.5%	2.0%	-0.4%	-3.1%
thereof Germany	%	-37.8%	-7.1%	-12.0%	-7.3%	-3.0%	-0.1%	1.4%
thereof International	%	-15.9%	-38.1%	-23.0%	12.5%	20.2%	9.3%	6.0%
Employees		17	16	20	28	30	35	39
Germany		17	16	20	28	30	35	39
thereof admission and R&D		16	15	18	26	28	33	37
thereof technical		n/a	n/a	n/a	n/a	n/a	n/a	n/a
thereof sales and administration		n/a	n/a	n/a	n/a	n/a	n/a	n/a
thereof board members		1	1	2	2	2	2	2
thereof others		n/a	n/a	n/a	n/a	n/a	n/a	n/a
SOURCE: COMPANY DATA, SPHENE CAPITAL								

Segments, 2012-18e

IFRS (31.12.)		2012	2013	2014e	2015e	2016e	2017e	2018e
Number of transplants		950	1.085	1.222	1.450	1.700	2.100	2.800
thereof Germany		920	1.083	1.220	1.440	1.680	1.850	2.200
thereof International		30	2	2	10	20	250	600
YoY	%	11.9%	14.2%	12.6%	18.7%	17.2%	23.5%	33.3%
thereof Germany	%	14.3%	17.7%	12.7%	18.0%	16.7%	10.1%	18.9%
thereof International	%	-31.8%	-93.3%	0.0%	400.0%	100.0%	1150.0%	140.0%
Number of transplants		950	1.085	1.222	1.450	1.700	2.100	2.800
thereof co.don chondrosphere		906	1.045	1.165	1.389	1.637	1.965	2.641
thereof co.don chondrotransplant DISC		44	40	57	61	63	135	159
thereof co.don osteotransplant DENT		0	0	0	0	0	0	0
thereof others		0	0	0	0	0	0	0
Regions								
Gross sales	EUR mn	2.7	3.6	4.4	5.4	7.4	10.9	17.2
Germany	EUR mn	2.6	3.6	4.4	5.4	7.2	9.4	12.7
International	EUR mn	0.1	0.0	0.0	0.1	0.2	1.5	4.5
YoY	%	16.3%	34.5%	22.7%	22.0%	36.3%	46.8%	58.1%
Germany	%	21.1%	39.5%	22.7%	20.8%	35.3%	29.2%	35.4%
International	%	-41.8%	-90.3%	30.0%	438.5%	114.3%	900.0%	200.0%
as of total sales	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Germany	%	96.2%	99.7%	99.7%	98.7%	98.0%	86.2%	73.8%
International	%	3.8%	0.3%	0.3%	1.3%	2.0%	13.8%	26.2%
Revenues per transplant	EUR	2.835	3.338	3.637	3.740	4.349	5.170	6.131
thereof Germany	EUR	2.815	3.335	3.632	3.717	4.311	5.058	5.758
thereof International	EUR	3.433	5.000	6.500	7.000	7.500	6.000	7.500
YoY	%	3.9%	17.8%	8.9%	2.8%	16.3%	18.9%	18.6%
thereof Germany	%	5.9%	18.5%	8.9%	2.3%	16.0%	17.3%	13.8%
thereof International	%	-14.7%	45.6%	30.0%	7.7%	7.1%	-20.0%	25.0%
Employees		45	52	63	64	70	75	80
Germany		45	52	63	64	70	75	80
thereof admission and R&D		11	13	14	13	13	11	9
thereof technical		23	26	30	32	35	42	46
thereof sales and administration		9	11	17	17	20	20	23
thereof board members		2	2	2	2	2	2	2
thereof others		0	0	0	0	0	0	0
SOURCE: COMPANY DATA, SPHENE CAPITAL PROJECTIONS								

One view I, 2005-11

IFRS (31.12.)		2005	2006	2007	2008	2009	2010	2011
Key data								
Sales	EUR mn	0.4	0.5	1.2	1.5	1.8	2.1	2.3
Gross profit	EUR mn	0.4	0.4	0.5	1.3	1.0	1.7	2.3
EBITDA	EUR mn	-1.7	-1.5	-1.5	-1.0	-1.6	-1.3	-0.9
EBIT	EUR mn	-2.4	-1.7	-1.7	-1.1	-1.7	-1.4	-1.0
EBT	EUR mn	-2.3	-1.7	-1.4	-0.9	-1.7	-1.4	-1.0
Net income	EUR mn	-2.3	-1.5	-1.4	-0.9	-1.7	-1.4	-1.0
Nr. of employees		17	16	20	28	30	35	39
Per share data								
Price high	EUR	14.34	7.19	4.43	2.51	1.47	2.95	2.45
Price low	EUR	0.99	3.86	1.97	1.04	0.71	0.78	0.72
Price average/last	EUR	4.42	5.16	3.20	1.78	1.07	1.91	1.43
Price average/last	EUR	5.94	4.47	2.10	1.23	1.04	2.25	0.87
EPS	EUR	-0.29	-0.13	-0.12	-0.08	-0.14	-0.11	-0.14
BVPS	EUR	0.43	0.49	0.37	0.30	0.15	0.18	0.35
CFPS	EUR	-0.20	-0.13	-0.09	-0.08	-0.10	-0.14	-0.20
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 revenues)								
EBITDA margin	%	-459.7%	-329.5%	-127.1%	-62.4%	-89.3%	-61.1%	-37.1%
EBIT margin	%	-637.1%	-374.2%	-138.5%	-69.9%	-96.5%	-66.9%	-43.8%
Pretax margin	%	-632.9%	-362.6%	-120.9%	-60.4%	-95.3%	-66.7%	-43.5%
Net margin	%	-631.6%	-326.2%	-120.6%	-60.6%	-95.7%	-66.8%	-43.5%
FCF margin	%	-433.2%	-341.1%	-100.6%	-84.0%	-72.6%	-86.8%	-63.9%
ROE	%	-67.3%	-25.7%	-32.5%	-26.2%	-90.8%	-59.3%	-40.7%
NWC/Sales	%	n/a	n/a	n/a	n/a	9.0%	4.6%	8.0%
Revenues per head	EURk	22	29	60	54	58.4	61.3	59.4
EBIT per head	EURk	-138.7	-108.8	-82.9	-38.0	-56.4	-41.0	-26.0
Capex/Sales	%	-175.6%	-41.1%	4.0%	-3.2%	-5.9%	-4.1%	-1.1%
	%	484.3%	573.2%	207.8%	358.2%	165.4%	240.1%	298.6%
Growth ratios								
Sales	%	0.5%	25.7%	157.4%	27.2%	15.2%	22.4%	8.0%
Gross profit	%	-46.0%	-4.8%	13.3%	175.6%	-26.5%	74.9%	38.2%
EBITDA	%	-28.1%	-9.9%	-0.7%	-37.6%	64.8%	-16.3%	-34.5%
EBIT	%	-9.4%	-26.2%	-4.7%	-35.8%	59.0%	-15.2%	-29.3%
EBT	%	-1.7%	-28.0%	-14.2%	-36.4%	81.7%	-14.4%	-29.6%
Net income	%	-2.6%	-35.1%	-4.8%	-36.1%	81.7%	-14.6%	-29.6%
EPS	%	-39.1%	-56.5%	-4.8%	-36.1%	81.7%	-22.3%	30.1%
CFPS	%	-51.6%	-33.9%	-33.8%	-8.8%	29.8%	37.8%	40.5%
SOURCE: COMPANY DATA, SPHENE CAPITAL								

One view I, 2012-18e

IFRS (31.12.)		2012	2013	2014e	2015e	2016e	2017e	2018e
Key data								
Sales	EUR mn	2.7	3.6	4.4	5.4	7.4	10.9	17.2
Gross profit	EUR mn	2.3	2.7	2.7	3.3	5.3	8.2	14.1
EBITDA	EUR mn	-2.2	-2.5	-2.5	-2.6	-0.2	2.0	6.9
EBIT	EUR mn	-2.4	-2.7	-2.7	-2.9	-0.5	1.7	6.6
EBT	EUR mn	-2.4	-2.7	-2.7	-2.9	-0.5	1.7	6.6
Net income	EUR mn	-2.4	-2.7	-2.7	-2.9	-0.5	1.6	5.9
Nr. of employees		45	52	63	64	70	75	80
Per share data								
Price high	EUR	1.38	1.66	3.82	2.58			
Price low	EUR	0.72	0.70	1.16	2.05			
Price average/last	EUR	1.02	0.95	2.47	2.32			
Price average/last	EUR	0.93	1.54	2.35	2.88	2.88	2.88	2.88
EPS	EUR	-0.22	-0.24	-0.20	-0.21	-0.04	0.12	0.43
BVPS	EUR	0.38	0.16	0.30	0.09	0.06	0.18	0.61
CFPS	EUR	-0.22	-0.14	-0.14	-0.18	-0.01	0.13	0.45
Dividend	EUR	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Price target	EUR							4.20
Performance to price target	%							45.8%
Profitability ratios (based on revenues)								
EBITDA margin	%	-83.1%	-68.4%	-55.3%	-48.4%	-3.2%	18.3%	40.0%
EBIT margin	%	-88.4%	-73.5%	-60.3%	-52.7%	-6.4%	16.0%	38.4%
Pretax margin	%	-88.3%	-74.0%	-60.3%	-52.7%	-6.4%	16.0%	38.4%
Net margin	%	-88.4%	-74.1%	-60.5%	-52.9%	-6.6%	15.0%	34.2%
FCF margin	%	-89.5%	-58.7%	-44.7%	-52.6%	-7.2%	13.6%	34.1%
ROE	%	-59.4%	-148.0%	-65.7%	-233.9%	-65.6%	68.8%	71.2%
NWC/Sales	%	13.9%	4.0%	4.8%	5.1%	5.4%	5.9%	4.4%
Revenues per head	EURk	59.8	69.7	70.5	84.7	105.6	144.8	214.6
EBIT per head	EURk	-52.9	-51.2	-42.5	-44.6	-6.8	23.2	82.4
Capex/Sales	%	-0.8%	7.6%	-2.0%	0.8%	0.6%	0.4%	0.3%
	%	450.4%	260.6%	370.4%	208.6%	242.8%	436.1%	993.4%
Growth ratios								
Sales	%	16.3%	34.5%	22.7%	22.0%	36.3%	46.8%	58.1%
Gross profit	%	1.2%	16.8%	-0.3%	20.4%	60.5%	55.4%	72.0%
EBITDA	%	160.8%	10.6%	-0.7%	6.8%	-91.1%	n/a	244.6%
EBIT	%	134.5%	11.8%	0.6%	6.7%	-83.4%	n/a	279.6%
EBT	%	136.2%	12.7%	-0.1%	6.7%	-83.4%	n/a	279.6%
Net income	%	136.1%	12.7%	0.1%	6.7%	-83.1%	n/a	259.6%
EPS	%	57.4%	8.2%	-19.0%	6.7%	-83.1%	n/a	259.6%
CFPS	%	11.4%	-35.7%	-3.5%	37.2%	-91.5%	n/a	243.5%
SOURCE: COMPANY DATA, SPHENE CAPITAL PROJECTIONS								

One view II, 2005-11

IFRS (31.12.)		2005	2006	2007	2008	2009	2010	2011
Balance sheet ratios								
Fixed assets	EUR mn	1.1	0.9	0.9	1.1	1.0	0.9	0.8
Current assets	EUR mn	3.0	5.4	4.3	3.1	2.0	2.1	2.1
Equity	EUR mn	3.5	5.9	4.4	3.5	1.8	2.4	2.5
Liabilities	EUR mn	0.6	0.5	0.8	0.7	1.2	0.7	0.5
Equity ratio	%	85.2%	92.4%	84.7%	84.4%	61.1%	78.7%	83.2%
Gearing	%	-79.9%	-87.0%	-88.1%	-78.3%	-86.7%	-72.0%	-53.7%
Working Capital	EUR mn	0.2	0.1	0.3	0.2	0.2	0.1	0.2
	x	0.1	0.1	0.2	0.4	0.6	0.7	0.8
Enterprise Value								
Nr. of shares	1,000	8,014	11,949	11,949	11,949	11,949	13,144	7,109
Market cap.	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Market cap.	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Market cap.	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Market cap.	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt	EUR mn	-2.8	-5.1	-3.9	-2.8	-1.6	-1.7	-1.3
Pension reserves	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Excess Cash	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EV high	EUR mn	-2.8	-5.1	-3.9	-2.8	-1.6	-1.7	-1.3
EV low	EUR mn	2.8	5.1	3.9	2.7	1.6	1.7	1.3
EV average	EUR mn	2.8	5.1	3.9	2.7	1.6	1.7	1.3
Enterprise Value	EUR mn	2.8	5.1	3.9	2.7	1.6	1.7	1.3
Valuation ratios								
EV/sales high	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/sales low	x	7.50	11.02	3.28	1.80	0.91	0.81	0.58
EV/sales average	x	7.50	11.02	3.28	1.80	0.91	0.81	0.58
EV/sales	x	7.50	11.02	3.28	1.80	0.91	0.81	0.58
EV/EBITDA high	x	n/a	n/a	n/a	n/a	1.0	1.3	1.6
EV/EBITDA low	x	-1.63	-3.35	-2.58	-2.89	n/a	n/a	n/a
EV/EBITDA average	x	-1.63	-3.35	-2.58	-2.89	n/a	n/a	n/a
EV/EBITDA	x	-1.63	-3.35	-2.58	-2.89	n/a	n/a	n/a
EV/EBIT high	x	1.2	2.9	2.4	2.6	0.9	1.2	1.3
EV/EBIT low	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBIT average	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBIT	x	-1.18	-2.95	-2.36	-2.58	n/a	n/a	n/a
P/E high	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/E low	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/E average	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/E	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/BV last	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
FCF yield	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dividend-yield	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cash flow								
Cash flow from Operations	EUR mn	-1.6	-1.5	-1.0	-0.9	-1.2	-1.8	-1.4
Cash flow from Investments	EUR mn	0.0	0.0	-0.2	-0.3	-0.1	0.0	-0.1
Free Cash flow	EUR mn	-1.6	-1.6	-1.2	-1.3	-1.3	-1.9	-1.5
Cash flow from Financing	EUR mn	4.3	3.9	0.0	0.1	0.1	2.0	1.1
SOURCE: COMPANY DATA, SPHENE CAPITAL								

One view II, 2012-18e

IFRS (31.12.)		2012	2013	2014e	2015e	2016e	2017e	2018e
Balance sheet ratios								
Fixed assets	EUR mn	0.8	1.1	1.0	1.1	1.2	1.3	1.3
Current assets	EUR mn	4.4	2.3	4.9	2.2	2.0	4.3	10.3
Equity	EUR mn	4.0	1.8	4.0	1.1	0.6	2.3	8.2
Liabilities	EUR mn	1.2	1.6	1.9	2.2	2.6	3.2	3.5
Equity ratio	%	77.5%	52.7%	67.9%	35.6%	21.8%	41.1%	68.2%
Gearing	%	-70.8%	-66.3%	-102.2%	-108.5%	-108.1%	-96.0%	-98.8%
Working Capital	EUR mn	0.4	0.1	0.2	0.2	0.3	0.5	0.5
	x	0.5	1.1	0.7	1.6	2.3	2.0	1.5
Enterprise Value								
Nr. of shares	1,000	10.663	11.108	13.722	13.722	13.722	13.722	13.722
Market cap.	EUR mn	14.7	18.4	52.4	35.4			
Market cap.	EUR mn	7.7	7.8	15.9	28.1			
Market cap.	EUR mn	10.9	10.6	33.9	31.8			
Market cap.	EUR mn	9.9	17.1	32.2	39.5	39.5	39.5	39.5
Net debt	EUR mn	-2.8	-1.2	-4.2	-1.4	-0.9	-2.4	-8.3
Pension reserves	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Excess Cash	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EV high	EUR mn	11.9	17.2	48.2	34.0			
EV low	EUR mn	10.5	9.0	20.1	29.5			
EV average	EUR mn	13.7	11.8	38.1	33.2			
Enterprise Value	EUR mn	12.8	18.3	36.4	40.9	40.4	42.0	47.8
Valuation ratios								
EV/sales high	x	4.41	4.76	10.85	6.27	n/a	n/a	n/a
EV/sales low	x	3.90	2.48	4.52	5.45	n/a	n/a	n/a
EV/sales average	x	5.09	3.25	8.57	6.13	n/a	n/a	n/a
EV/sales	x	4.74	5.06	8.20	7.55	5.48	3.87	2.80
EV/EBITDA high	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBITDA low	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBITDA average	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBITDA	x	n/a	n/a	n/a	n/a	n/a	20.7	6.9
EV/EBIT high	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBIT low	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBIT average	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBIT	x	n/a	n/a	n/a	n/a	n/a	23.7	7.2
P/E high	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/E low	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/E average	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/E	x	n/a	n/a	n/a	n/a	n/a	23.8	6.7
P/BV last	x	2.5	9.4	7.9	30.6	45.7	15.6	4.7
FCF yield	%	-24.3%	-12.4%	-6.2%	-7.1%	-1.2%	3.8%	14.9%
Dividend-yield	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash flow								
Cash flow from Operations	EUR mn	-2.3	-1.6	-1.9	-2.6	-0.2	1.9	6.3
Cash flow from Investments	EUR mn	-0.1	-0.6	-0.1	-0.3	-0.3	-0.3	-0.3
Free Cash flow	EUR mn	-2.4	-2.1	-2.0	-2.9	-0.5	1.6	5.9
Cash flow from Financing	EUR mn	3.9	0.5	5.0	0.0	0.0	0.0	0.0
SOURCE: COMPANY DATA, SPHENE CAPITAL PROJECTIONS								

DCF model

		2015e	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	TV
Revenues	EUR mn	5.4	7.4	10.9	17.2	22.5	25.8	27.3	27.9	28.2	28.3	28.5	28.6	28.7	28.9	29.0
YoY	%	22.0%	36.2%	46.6%	57.9%	31.4%	14.8%	6.0%	2.2%	0.9%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%
EBIT	EUR mn	-2.8	-0.4	1.8	6.6	8.7	10.0	10.7	10.9	11.0	11.1	11.2	11.3	11.4	11.5	5.8
EBIT margin	%	-51.4%	-5.7%	16.4%	38.7%	38.8%	38.9%	39.0%	39.1%	39.2%	39.3%	39.4%	39.5%	39.6%	39.7%	20.0%
Tax	EUR mn	0.0	0.0	-0.1	-0.7	-1.5	-1.7	-1.9	-3.5	-3.5	-3.6	-3.6	-3.6	-3.6	-3.7	-1.9
Tax ratio (τ)	%	0.0%	0.0%	-32.0%	-32.0%	-32.0%	-32.0%	-32.0%	-32.0%	-32.0%	-32.0%	-32.0%	-32.0%	-32.0%	-32.0%	-32.0%
EBIT(1-τ)	EUR mn	-2.8	-0.4	1.7	5.9	7.2	8.3	8.8	7.4	7.5	7.6	7.6	7.7	7.7	7.8	3.9
Capex	EUR mn	-0.3	-0.3	-0.3	-0.3	-0.5	-0.6	-0.6	-0.5	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	-0.4
FCFF	EUR mn	-3.1	-0.7	1.3	5.6	6.7	7.7	8.2	7.0	7.2	7.4	7.5	7.5	7.6	7.6	3.6
WACC	%	10.2%	10.2%	10.2%	10.2%	9.8%	9.3%	8.9%	8.5%	8.1%	7.6%	7.2%	6.8%	6.4%	5.9%	5.5%
Discount ratio	%	100.0%	90.8%	82.4%	74.7%	68.1%	62.3%	57.2%	52.7%	48.8%	45.3%	42.3%	39.6%	37.2%	35.1%	
PV FCFF	EUR mn	-3.1	-0.8	1.1	4.2	4.6	4.8	4.7	3.7	3.5	3.3	3.2	3.0	2.8	2.7	
Terminal Cash flow	EUR mn	3.6														
Terminal Cost of Capital	%	0.0														
Insolvency risk in TV	%	3.0%														
Terminal Value	EUR mn	43.5														
PV (Terminal Value)	EUR mn	15.3														
PV (CF next 10 years)	EUR mn	37.6														
Total present value	EUR mn	52.9														
									Long-term annual growth rates							
									EUR	-0.4%	-0.1%	0.2%	0.5%	0.8%	1.1%	1.4%
									17%	4.00	4.00	4.00	4.10	4.10	4.10	4.10
									18%	4.10	4.10	4.10	4.10	4.10	4.20	4.10
									19%	4.10	4.10	4.20	4.20	4.20	4.20	4.20
									20%	4.20	4.20	4.20	4.20	4.30	4.30	4.20
									21%	4.20	4.30	4.30	4.30	4.30	4.30	4.30
									22%	4.30	4.30	4.30	4.40	4.40	4.40	4.30
									23%	4.30	4.40	4.40	4.40	4.40	4.40	4.40
Financial debt	EUR mn	0.0														
Cash	EUR mn	4.2														
Value of equity	EUR mn	57.0														
Number of shares	EUR mn	13.7														
Value per share	EUR mn	4.20														

SOURCE: SPHENE CAPITAL PROJECTIONS

This publication is issued by

Sphene capital

Großhesseloher Strasse 15c - 81479 Munich - Germany - Phone +49 (89) 7444 3558 Fax +49 (89) 7444 3445

Disclaimer

This publication is issued by Sphene Capital GmbH and is for distribution in the Federal Republic of Germany only to persons who purchase or sell transferable securities for their own account or for the account of others in the context of their trade, profession or occupation. This publication is for the use of the addressees only. It may not be copied to or distributed to any other person in whole or in part without the written consent of Sphene Capital GmbH. This publication is provided for general information purposes only and is furnished to you on a confidential basis. Any investment possibilities discussed in this publication may not be suitable for certain investors depending on their specific investment target or time horizon or in the context of their overall financial situation. It cannot be a substitute for obtaining independent advice. Please contact your bank's investment advisor.

The distribution of this publication in certain jurisdictions may be restricted by law and persons into whose possession this publication comes should inform themselves about, and observe such restrictions. In the United Kingdom this publication or a copy of it is being distributed only to, and is directed at (a) persons who have professional experience in matters relating to investments falling within article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (the "Order") or (b) high network entities falling within article 49(2) (A) to (D) of the Order, and other persons to whom it may be lawfully be communicated, falling within article 49(1) of the Order (all such persons together referred to as "Relevant Persons"). Any person who is not a Relevant Person should not act or rely on this publication or any of its contents.

This publication does not constitute a solicitation to buy or an offer to sell any securities and shall not be construed as constituting an offer to enter into a consulting agreement. Neither this publication nor any part of it establishes a basis for any agreement or other obligations of any kind. Sphene Capital GmbH and its subsidiaries/affiliates do not accept any responsibility for liabilities arising from the publication and/or use of this publication or its contents. Neither Sphene Capital GmbH nor its subsidiaries/affiliates guarantee the accuracy or completeness of information used for this publication and nothing in this publication shall be construed to be a representation of such a guarantee. Used information has not independently been verified. Any opinions expressed reflect the current judgment of the analyst who prepared this publication in conjunction with his/her occupational activity and may be changed pursuant to future events and developments. Views expressed do not necessarily reflect the opinion of Sphene Capital GmbH or any of its subsidiaries/affiliates. **Sphene Capital GmbH reserves the right to change the views expressed in this publication at any time and without advance notice.** Sphene Capital GmbH may have issued other publications that are inconsistent with and reach different conclusions from the information presented in this publication. Those publications may reflect the different assumptions, views and analytical methods of the analysts who prepared them. Past performance should not be taken as an indication or guarantee for further performance, and no representation or warranty, expressed or implied, is made regarding future performance.

This publication is being distributed by electronic and ordinary mail to professional investors, who are expected to make their own investment decisions without undue reliance on this publication.

All share prices mentioned in this publication are closing prices of the XETRA Electronic Trading System, or where unavailable local stock exchange, as of the trading day preceding the day of the publication.

Investment Recommendations (12 months investment period)

Buy: We expect a stock to rise by at least 10%.
Hold: We expect a stock to move within 10% of the benchmark.
Sell: We expect a stock to fall by at least 10% and underperform the benchmark.

Risk Assessment (12 months investment period)

Estimated probability that the result of the analyzed company differs from our forecast earnings by more than 20% due to company-or market-specific reasons:

Risk	Estimated probability
Very high	>80%
High	50-80%
Medium	20-50%
Low	<20%

Statements according to Section 34b of the German Securities Trading Act and Ordinance on the Analysis of Financial Instruments

Section 34b of the German Securities Trading Act in combination with the Ordinance on the Analysis of Financial Instruments requires a company preparing a securities analysis to point out potential conflicts of interest with respect to the issuer that is the subject of the analysis. A conflict of interest is presumed to exist, in particular, if a company is preparing a securities analysis.

- ★ holds a more than 5% interest in the capital stock of the issuer that is the subject of the analysis,
- ★ has been a member of a syndicate that has underwritten the issuer's securities in the previous 12 months,
- ★ is serving as a liquidity provider for the issuer's securities on the basis of an existing designated sponsorship contract,
- ★ has been providing investment banking services for the issuer analyzed during the last 12 months for which a compensation has been or will be paid,
- ★ is party to an agreement with the issuer that is the subject of the analysis relating to the production of the recommendation,
- ★ or any of its affiliates are regularly trading securities issued by the issuer analyzed or securities based on these issues,
- ★ or the analyst covering the issue has other significant financial interests with respect to the issuer that is the subject of this analysis, for example holding a seat on the company's boards.

Sphene Capital GmbH uses the following keys:

- Key 1:** The analyzed company actively provided information material for preparation of this publication.
- Key 2:** This publication has been customized to the issuer and has been modified afterwards before publication. Thereby the analyzed company has not been provided with a publication or draft of publication which provided for an investment recommendation.
- Key 3:** The analyzed company owns more than 5% of the capital stock of Sphene Capital GmbH and/or a company affiliated with Sphene Capital GmbH.
- Key 4:** Sphene Capital GmbH and/or a company affiliated with it and/or the analyst having prepared this publication owns more than 5% of the capital stock of the analyzed company.
- Key 5:** Sphene Capital GmbH and/or a company affiliated with it and/or the author of this publication acquired shares of the analyzed company free of charge or for a consideration below the stated target price and before the shares' public offering.
- Key 6:** Sphene Capital GmbH and/or a company affiliated with it serve as a liquidity provider for the issuer's shares on the basis of an existing market maker or liquidity provider contract.
- Key 7:** Sphene Capital GmbH and/or a company affiliated with it and/or a related person/related company and/or the author of this publication was subject to an agreement on services in connection with investment banking transactions with the analyzed company in the last 12 months or within the same period received consideration on basis of such an agreement.
- Key 8:** Sphene Capital GmbH and/or a company affiliated with it have concluded an agreement on the preparation of this publication with the analyzed company. Sphene Capital GmbH has received an advanced flat fee that corresponds with usual market practices.

Key 9: Sphene Capital GmbH and/or a company affiliated with it receive commission earnings arising from commercial activities from the analyzed company.

Key 10: A member of the managing board of Sphene Capital GmbH and/or the author of this publication is member of the supervisory board of the analyzed company.

Investment Recommendations (12 months period):

Date:	Price target:	Rating:	Conflict of Interest (key)
13/04/2015	EUR 4.20	Buy	1; 2
13/03/2015	EUR 4.20	Buy	1; 2
10/02/2015	EUR 4.20	Buy	1; 2; 8

An overview on the allocation of Sphene Capital's investment recommendations is available under <http://www.sphene-capital.de>.

Statements according to Section 34b of the German Securities Trading Act and Ordinance on the Analysis of Financial Instruments

Sources of information:

This publication is based on information obtained from carefully selected public sources, especially suppliers of financial data, the publications of the analyzed company and other publicly available media.

Rating principles/Methodology/Risks

For the preparation of the publication, company-specific methods from the fundamental stock analysis were used, such as quantitative statistical methods and models, and practices used in technical analysis (inter alia, historical valuation models, net asset value models or sum-of-the-parts valuation models, discounted cash flow models, economic profit models, multiplier models or peer-group comparisons). Valuation models are dependent on macroeconomic factors such as currencies, interest rates, commodities and on assumptions about the economy. In addition to that, market sentiment and political developments may impact the valuation of companies.

Selected approaches are also based on expectations, which may change depending on the industry-specific developments without warning. Consequently, recommendations and price targets based on these models may change accordingly. Investment recommendations cover a period of twelve months and may be subject to market conditions. The expected price developments can be achieved faster or slower, or be revised upwards or downwards.

Analyst certification:

The author(s) of this publication certify that their views about the companies and their securities discussed in this report are accurately expressed and that they have not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this publication.