new generation product launch

06 | 2020

product launch strategy

new PharmaLinea products
event overview.

agenda

- **new product launch strategy in time of economic crisis**  
  Blaž Gorjup - Chairman & Founder

- **launch of new PharmaLinea products**  
  Maja Orešnik - Science & Research Director

two ways to interact

- **use chat function** to type questions at any time during the presentations

- **raise your hand and join us live** via your microphone to directly ask questions – after the presentation
the pandemic’s effects are substantial: the global economy is projected to recover for the next 2 years.

food supplements are in one of the less affected groups of industries - consumer health.

our industry was one of the few to grow during the post-2008 financial crisis.

even in a 10% market drop there is still 90% left - it is up to brands to adapt.
post-2008 cases.

- 2 cases of challengers in 2 European food supplement markets

- they launched and promoted new supplement products while competitors were in a defensive mode

- case 1 (our partners): launched our iron supplement and achieved 1,5 mio € turnover in the first year and became the leader in the segment

- case 2 (unrelated brand): also launched a premium iron supplement and grew from 14% market share in 2008 to 50% in 2012

1,5 million turnover in the first year of product launch
post-2008 cases.

common characteristics of the 2 cases

- **addressing a serious health issue**, essential to general wellbeing
- **product benefits felt here and now** - better taste and absence of common side effects
- **clear product differentiation** from competitors in the market
- **clinically supported** & positioned in the premium price segment
new product launch strategies.

consumer habits

- “best”, “local”, or “cheapest” - the three categories consumers choose, even more so in economic crises
- immediate validation of consumers’ investment becomes more important - felt effects and advantages
- more consideration & research of the product’s scientific background by a certain segment
- expenditure optimization - cutting non-essential products from the budget
new product launch strategies.

**product categories**

- **serious health issues** essential to general wellbeing - as opposed to “nice to have” products

- “pain killers” more than “vitamins” - acute and efficacious rather than preventive and potentially working

- **examples of indications**: iron deficiency, immunity, prenatal, stress, pain relief, urinary tract, diabetes, cardiovascular health, gastric discomfort, etc.
proactive or passive strategy - both is better than none at all.
new PharmaLinea products

pain | stress | iron
your back pain capsules

Proprietary complex targeting neuronal damage and pain relief. Effect confirmed by users.
market insights.

- **Low back pain** is a leading cause of disability worldwide and an essential health issue.
- **The second most frequent symptom-related reason for physician visits after the common cold.**
- **5-10% of patients** develop persistent back pain.
- **More than 80% of population** will experience low back pain once in their life.
- **The pain management drugs market** is estimated to reach 71 million EUR by 2023, registering a CAGR of 4% during 2017-2023.
flaws & opportunities.

- Analgesic drugs are often unable to provide effective relief for neuropathic pain and may lead to dependence.

- Growing demand for food supplement alternatives that can be taken long-term and do not cause side effects or addiction.

- 68% growth of web searches for “pain supplement” was recorded in the past 5 years.

- Available supplements are mostly herbal commodities without a scientific background or proven safety, targeted only at symptom relief.
your back pain capsules.

- **ahead of competition**: targeting neuronal damage - the underlying cause of neuropathic pain - instead of only symptom relief.

- **best-in-class ingredient**: based on Qspine - a proprietary complex and result of extensive R&D.

- **delivering value**: highly efficient - confirmed by great user feedback from the market.
Qspine (63 mg)

target group

adults

recommended dosage

1 capsule/day

no. of dosages

30

a closer look.
Qspine.

- **proprietary complex**, the result of extensive in-house R&D

- **neuro-regenerative** and pain-relieving formulation

- **promotes neural tissue growth** for multiple health benefits

- **significant clinical improvement in pain** and associated symptoms after supplementation

- **helps with stimulation** of synthesis of nerve cell membranes and myelin sheath

**synergistic complex**
for pain reduction and neuroprotection
case study.

market territory
a market in the European Union

target group
adults

result
the market’s response has resulted in investing together with our partners in an additional clinical trial on the product, starting in Q3 2020

marketing approach
- extensive sampling campaign - 20,000 pieces
- strong medical detailing using dedicated materials and branded prescription pads with images of the product, enabling recognition on the shelf
- supporting multi-channel ATL campaigns, reaching consumers through various touchpoints
- investment into premium look and video materials

key positioning points
- a synergistic complex, addressing the root cause of back pain instead of only symptom relief
- contributes to normal functioning of the peripheral nervous system
- can be co-positioned with analgesic drugs to complement their pain-relieving function by targeting neuronal damage
your stress line

Highly clinically substantiated and targeted support during acute or chronic stress.
market insights.

- **work pressure, busy schedule**, and unhealthy lifestyle are all sources of stress that are growing

- **59% of consumers globally** say they suffer from stress and 30% say it’s most of the time

- **25% of sick days in Europe** are stress-related

- **the pandemic and economic crisis** are expected to accelerate growth of the mood/relaxing supplements market - already worth 1,3 billion EUR in 2019

- **stress and burn-out** are increasingly recognized by health institutions (e.g. WHO), opening the market to brands based on medical detailing
flaws & opportunities.

- powerful OTC or Rx drugs can have negative side effects and are stigmatized in certain regions
- rising consumer demand for alternatives: 49% growth in web searches for “stress supplement” in the past 4 years
- low-quality supplements relying on marketing power are predominant
- most products contain repetitive commodity herbals (melissa, lavender, chamomile), lacking clinical proof
- the market presents an opportunity for brands based on clinical support and promotion through healthcare professionals
your stress line.

- **ahead of competition**
  - highly clinically supported and specifically targeted products

- **outstanding composition**
  - formulated with several leading branded ingredients - a clear step ahead of herbal commodities

- **complete approach**
  - developed to relieve symptoms, improve stress response, and address physiological consequences of stress
dosage (1 capsule):
Qsens (125 mg)
Qstress (250 mg)
Qfolate (200 mcg bioavailable folate)
Vitamin B6 (1.4 mg)
Vitamin B12 (2.5 mcg)

Science-based complete approach to chronic stress.

dosage (1 sachet):
Qsens (250 mg)
Qfolate (200 mcg bioavailable folate)
QvitD3V (600 IU vitamin D3)
L-theanine (200 mg)
Magnesium (200 mg)
Choline (100 mg)
Vitamin B6 (1.4 mg)
Vitamin B12 (2.5 mcg)

Multiple clinically supported modes of action addressing acute stress.

line overview.
**Qsens** (125 mg)

**Qstress** (250 mg)

**Qfolate** (200 mcg bioavailable folate)

Vitamin B6 (1,4 mg)

Vitamin B12 (2,5 mcg)

>your< chronic stress capsules

strengthening the body’s stress defense and addressing physiological consequences of extended periods of stress

<table>
<thead>
<tr>
<th>target group</th>
<th>adults</th>
</tr>
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<tbody>
<tr>
<td>recommended dosage</td>
<td>1 capsule/day</td>
</tr>
<tr>
<td>no. of dosages</td>
<td>30</td>
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</tbody>
</table>
Qsens.

- patented, standardized, and one of the most clinically supported extracts with adaptogenic properties
- improves resistance to stress and helps balance & revitalize the body
- clinically proven to reduce stress-related blood cortisol levels
- clinically proven to improve strength and performance while also helping alleviate fatigue
- a safe and natural ingredient

24% reduction in serum cortisol by Qsens compared to 4% increase in placebo group
supplementation with Qsens was shown to **reduce stress-related serum cortisol levels by 24%**, compared to 4% increase in placebo group.

**Effect of Qsens on serum cortisol levels**
Qstress.

- patented and standardized super-antioxidant with proven benefits for cardiovascular health

- rich source of vitamin C, exhibits powerful antioxidant activity, and is also a known adaptogen

- clinically proven to benefit endothelial function and inhibit platelet aggregation, reducing cardiovascular risk factors

- improves biomarkers of oxidative stress and inflammation (decreases hsCRP levels)

- increases glutathione, the most potent antioxidant in the body

- long-term protection from the harmful effects of chronic stress in the human body

24% increased GSH levels by Qstress over 12 weeks of supplementation, compared to 2% in placebo group
Qstress increased the level of powerful antioxidant glutathione (GSH) by 24% over 12 weeks of supplementation, compared to 2% in the placebo group.
Qfolate.

- **active form of folate**, (6S)-5-MTHF, naturally present in the body

- **highly bioavailable** and safe at higher dosages, unlike ordinary folic acid

- **clinically proven** to be more bioavailable than any other folate form

- **a clinical study showed** the effect of Qfolate on reducing homocysteine levels, lowering the risk of negative health outcomes

- **insufficient folate status** can lead to decreased neurotransmitter levels, contributing to disease progress of mood disorders like anxiety

3.1x **higher peak of active folate plasma level**

by Qfolate compared to folic acid
Qfolate showed a 3.1 times higher peak of active folate plasma levels, when compared to folic acid.
1 sachet includes:

- **Qsens** (250 mg)
- **Qfolate** (200 mcg bioavailable folate)
- **QvitD3V** (600 IU Vitamin D3)
- L-theanine (200 mg)
- Choline (100 mg)
- Magnesium (200 mg)
- Vitamin B6 (1,4 mg)
- Vitamin B12 (2,5 mcg)

**target group**

- adults

**recommended dosage**

- 1 sachet /day

**no. of dosages**

- 8

stress symptom relief, stress response improvement, and support of the nervous system during periods of increased stress.
QvitD3V.

- vegan vitamin D3, produced from algae
- 100% sustainable and traceable end-to-end supply chain process
- highest quality and purity
- the process ensures zero residual pesticides or other contaminants
- vitamin D3 is crucial for the regulation of several stress response proteins, modulation of inflammation, and normal functioning of the immune system

100% vegan vitamin D3, produced from algae from a sustainable and traceable end-to-end supply chain
>your<
iron
line

New launches of a leading iron supplements line with awarded taste and an ongoing clinical trial.
>your< iron line.

**supported by doctors**
Superior microencapsulated iron source enables proven higher bioavailability and stability, convincing professionals.

**users see the difference**
Great reviews of the positive change and absence of typical side effects.

**market-leading products**
First position in several very different markets. Awarded taste of liquids and ongoing clinical trial.
Through successful launches in what is now already 17 countries worldwide, your iron line products have shown to solve consumer needs in very different markets.
ongoing clinical trial.

**the process**
- **the clinical trial on our liquid iron** includes only healthy children with low iron stores
- **our strict standards** extended the process of recruitment to over 3 years
- **thousands of families had to be invited** to be able to obtain a significant number of subjects
- **special measures were taken** to enable safe continuation during the pandemic
ongoing clinical trial.

current status

- the trial is now entering its final stages
- over 90 children have been successfully recruited
- publication in a scientific journal is planned in 2020

gold standards

- double-blind
- placebo-controlled
- randomized
- multi-centric
- strict inclusion criteria - not performed on anemic subjects
- relevant number of subjects
- supervised by leading independent experts
new launches.
<table>
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<tr>
<th>Target Group</th>
<th>Recommended Dosage</th>
<th>No. of Dosages</th>
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</thead>
<tbody>
<tr>
<td>Adults</td>
<td>1 capsule/day</td>
<td>30</td>
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**Qfer (30 mg Iron)**

**Vitamin C (60 mg)**
<table>
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<tr>
<th>target group</th>
<th>adults</th>
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<tbody>
<tr>
<td>recommended dosage</td>
<td>4 sprays/day</td>
</tr>
<tr>
<td>no. of dosages</td>
<td>30</td>
</tr>
</tbody>
</table>

1 dosage includes:

Qfer (14 mg Iron)
line overview.

**>

**>your< iron spray dosage (6 sprays):
Qfer (7 mg Iron)
Convenient solution in spray form for children.

**>your< iron syrup dosage (5 ml):
Qfer (14 mg Iron)
Vitamin B12 (1,25 mcg)
Vitamin B6 (0,7 mg)
Market-leading solution for children.

**>your< iron syrup dosage (5 ml):
Qfer (14 mg Iron)
Vitamin B12 (1,25 mcg)
Vitamin B6 (0,7 mg)
Adult liquid product with awarded taste.

**>your< iron forte spray dosage (4 sprays):
Qfer (14 mg Iron)
New product for adults.

**>your< iron forte capsules dosage (1 capsule):
Qfer (30 mg Iron)
Vitamin C (60 mg)
New product with higher iron content.

**>your< iron capsules dosage (1 capsule):
Qfer (15 mg Iron)
Vitamin C (60 mg)
Market leader in several markets.

**>your< iron forte liquid dosage (5 ml):
Qfer (35 mg Iron)
Vitamin B12 (1,25 mcg)
Vitamin B6 (0,7 mg)
Adult liquid product with awarded taste.

**>your< iron only drops dosage (28 drops):
Qfer (14 mg Iron)
Preservative-free drops for the most delicate young users.

**>your< iron liquid sachets dosage (1 sachet):
Qfer (30 mg Iron)
High iron content in on-the-go liquid form.
Qfer.

- **unique delivery** system improves iron absorption
- **high tolerability** results in long-term compliance
- **greatly reduced** metallic taste
- **significantly diminished typical side effects** such as nausea, vomiting, heartburn, diarrhea...
- **manufactured** in the European Union
- **extensive R&D background**

2.7x **improved absorption** of Qfer compared to iron sulfate over 12 hours
Qfer’s iron absorption is 4.7 times higher in comparison with Iron fumarate.
iron deficiency self-test device.

Veri-Q Hb Mate hemoglobin monitoring system

- a powerful tool for increasing consumer trust, acquisition, and retention - especially relevant in the coming times

- giving consumers an immediate and quantitative confirmation of their need or of product efficacy

- accurate, convenient, and affordable device with multiple possible applications
iron deficiency self-test device.

- measures hemoglobin, the most reliable and established indicator of blood iron levels
- shows results digitally within 2 seconds, in any value within the measuring range - enables tracking a subject’s progress
- easy to use for professionals and consumers
- accuracy of ± 5% confirmed by in-house testing
iron deficiency self-test device.

- **multiple possible applications**

  - **given out to doctors and pharmacies** to perform free promotional testing
  - **sold directly to consumers** in bundles or multipacks with iron supplement products
  - **organized promotional measurements** at congresses, events, shopping centers
  - **combination with an app** following results, offering online advice, and easy reordering
it doesn’t end here.

we are available for questions regarding our products addressing pain, stress, iron deficiency & other indications.