

# new generation product launch

06 | 2020

—  
product launch strategy  
▪  
new PharmaLinea products



# event overview.

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## 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

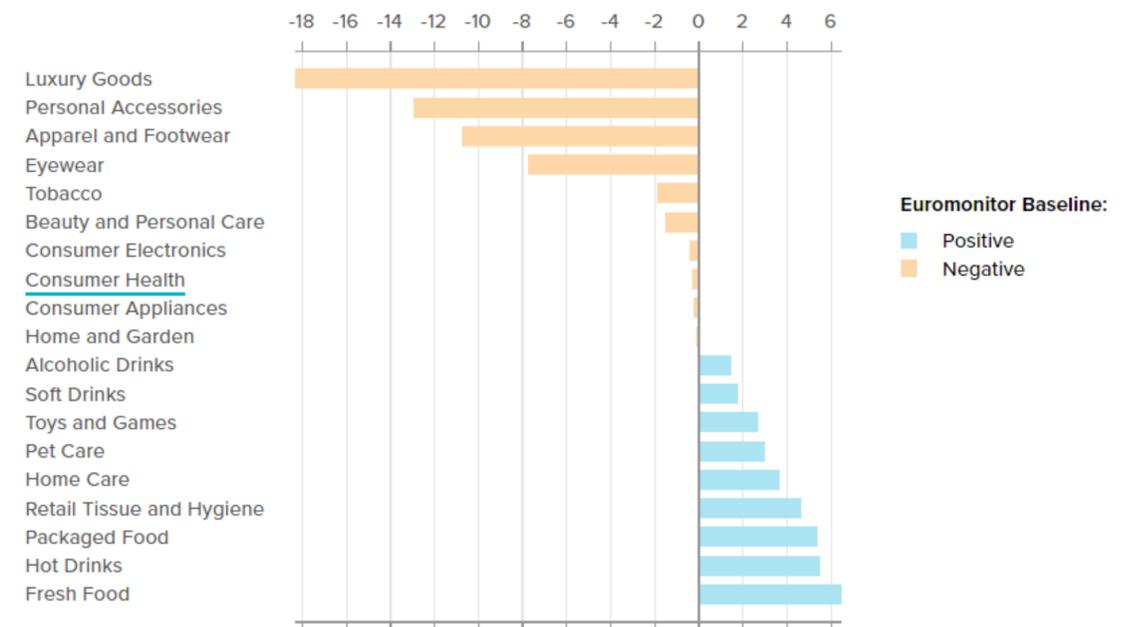
- **use chat function** to type questions at any time during the presentations
- **raise your hand and join us live** via your microphone to directly ask questions – after the presentation



# economic outlook.

- **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

**WORLD BASELINE SCENARIO FORECAST** | Estimated probability: 38-48%  
Industry Level Retail Sales 2019-2020, % growth, 2019 constant prices, fixed year exchange rate



source: Euromonitor industry estimates

Last updated on May 11, 2020

# post-2008 cases.

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- **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.

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## 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 efficient 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.**

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# 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.

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- **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

# a closer look.

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**Qspine** (63 mg)



**target group**

adults

**recommended dosage**

1 capsule/day

**no. of dosages**

30

# Qspine.

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- **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.



## 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

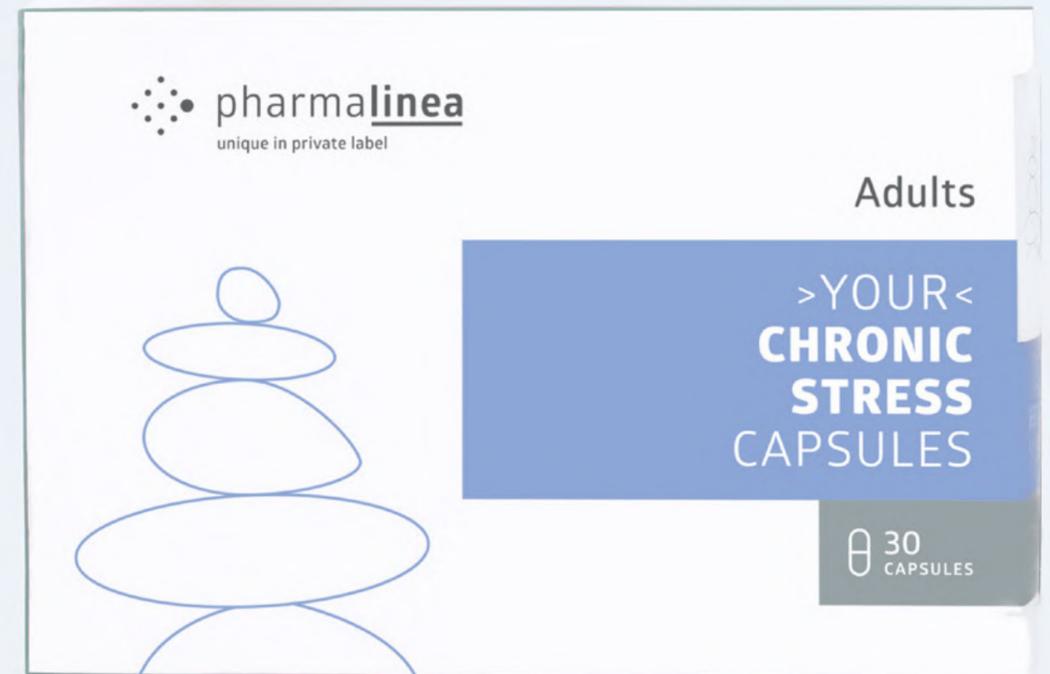
- extensive sampling campaign - 20.000 pieces
- strong medical detailing using dedicated materials and branded prescription pads with images of the product, enabling recognition on the shelf
- supporting multi-channel ATL campaigns, reaching consumers through various touchpoints
- investment into premium 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.

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- **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

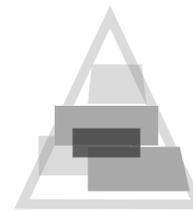


# >your< stress line.



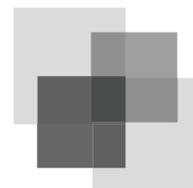
## ahead of competition

highly clinically supported and specifically targeted products



## outstanding composition

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

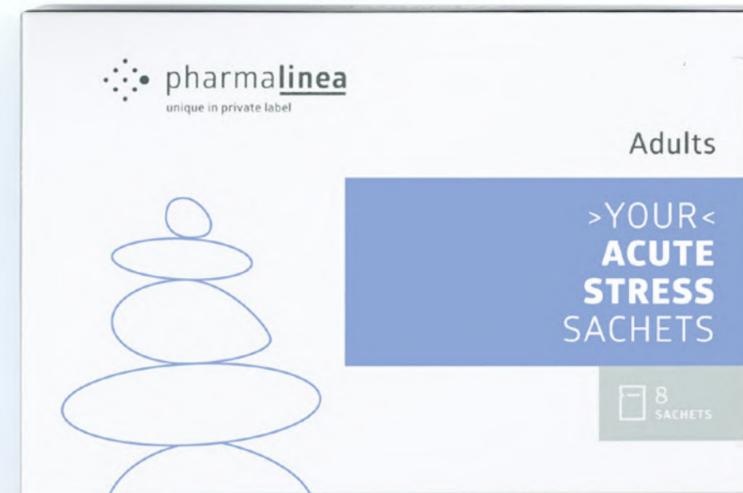


## complete approach

developed to relieve symptoms, improve stress response, and address physiological consequences of stress

# line overview.

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**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.**



**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.**

# >your< chronic stress capsules

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

**Qsens** (125 mg)

**Qstress** (250 mg)

**Qfolate** (200 mcg  
bioavailable folate)

Vitamin B6 (1,4 mg)

Vitamin B12 (2,5 mcg)



## target group

adults

## recommended dosage

1 capsule/day

## no. of dosages

30

# Qsens.

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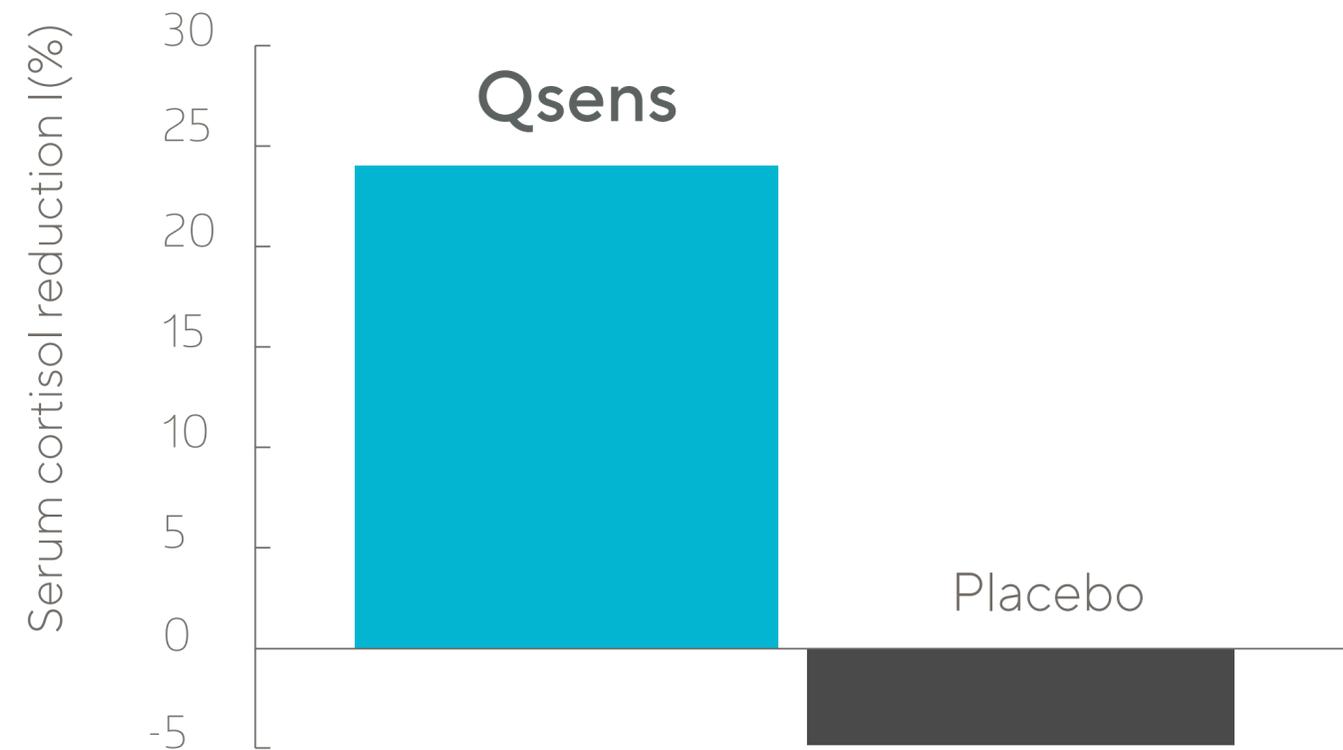
- **patented, standardized**, and one of the most clinically supported extracts with adaptogenic properties
- **improves resistance to stress** and helps balance & revitalize the body
- **clinically proven** to reduce stress-related blood cortisol levels
- **clinically proven** to improve strength and 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

# Qsens.

- 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.

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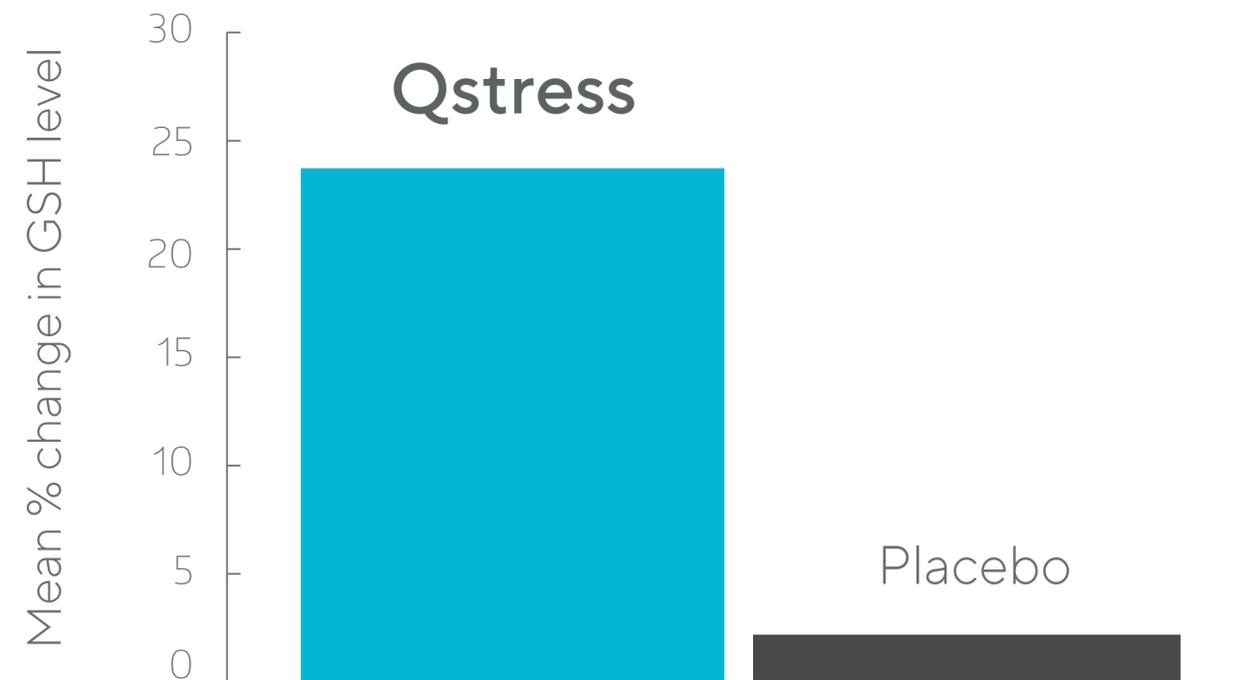
- **patented and standardized super-antioxidant** with proven benefits for cardiovascular health
- **rich source of vitamin C**, exhibits powerful antioxidant activity, and is also a known adaptogen
- **clinically proven to benefit endothelial function** and inhibit platelet aggregation, reducing cardiovascular 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.

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



**Effect of Qstress**  
on GSH level

# Qfolate.

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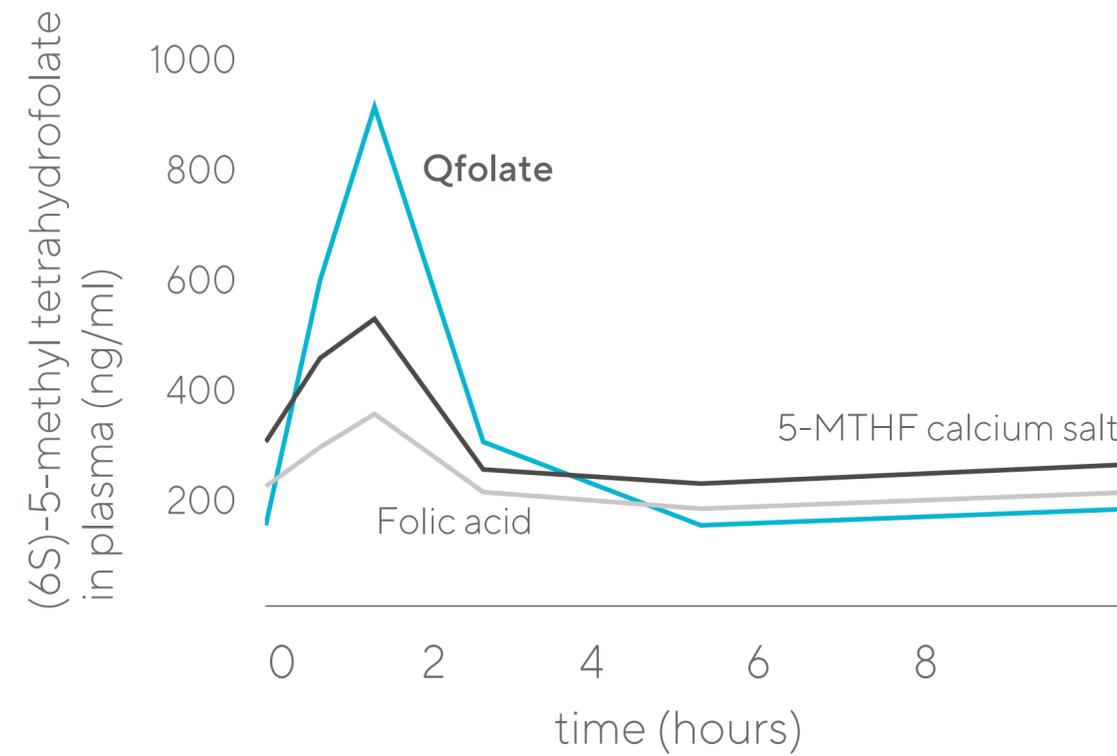
- **active form of folate**, (6S)-5-MTHF, naturally present in the body
- **highly bioavailable** and safe at higher dosages, unlike ordinary folic acid
- **clinically proven** to be more bioavailable than any other folate form
- **a clinical study showed** the effect of Qfolate on reducing homocysteine 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.

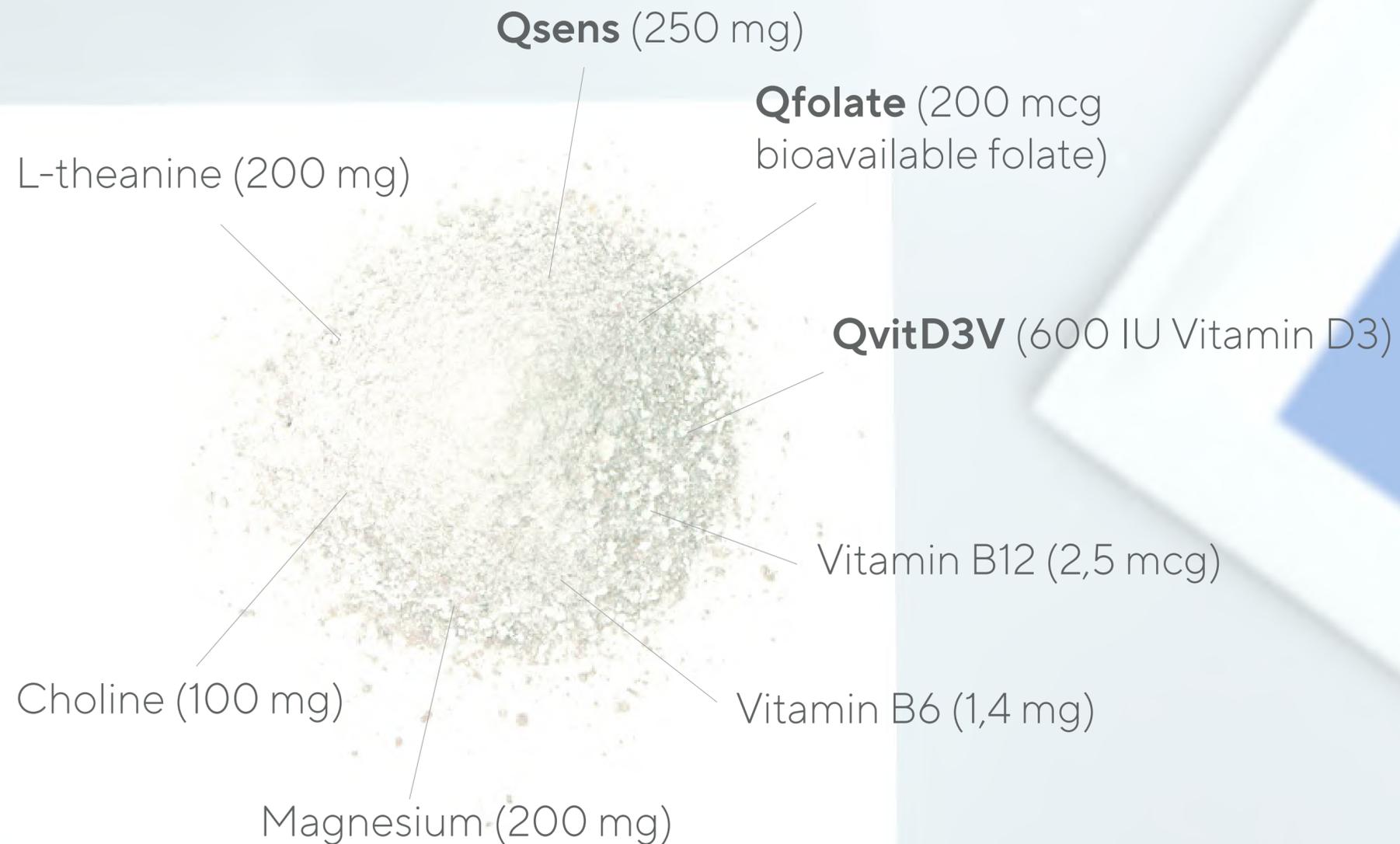
- Qfolate showed a **3,1 times higher peak of active folate plasma levels**, when compared to folic acid



**Bioavailability of Qfolate**  
compared to 5-MTHF calcium salt  
and folic acid

# >your< acute stress sachets

1 sachet includes:



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

## target group

adults

## recommended dosage

1 sachet /day

## no. of dosages

8

# QvitD3V.

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- **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.

# scope.

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.

north america

europa

cis

asia

middle east

**+35** SKUs

**17** 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.

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## 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

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- 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.



# >your< iron forte capsules.

**Qfer** (30 mg Iron)

Vitamin C (60 mg)



**target group**

adults

**recommended dosage**

1 capsule/day

**no. of dosages**

30

# >your< iron forte spray.

1 dosage includes:

**Qfer** (14 mg Iron)



**target group**

adults

**recommended dosage**

4 sprays/day

**no. of dosages**

30

# line overview.

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

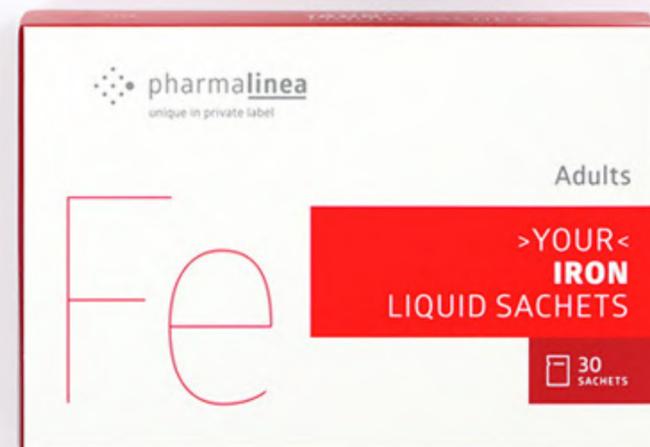
**>your< iron spray**  
dosage (6 sprays):  
Qfer (7 mg Iron)  
Convenient solution in spray form for children.



**>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 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 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.

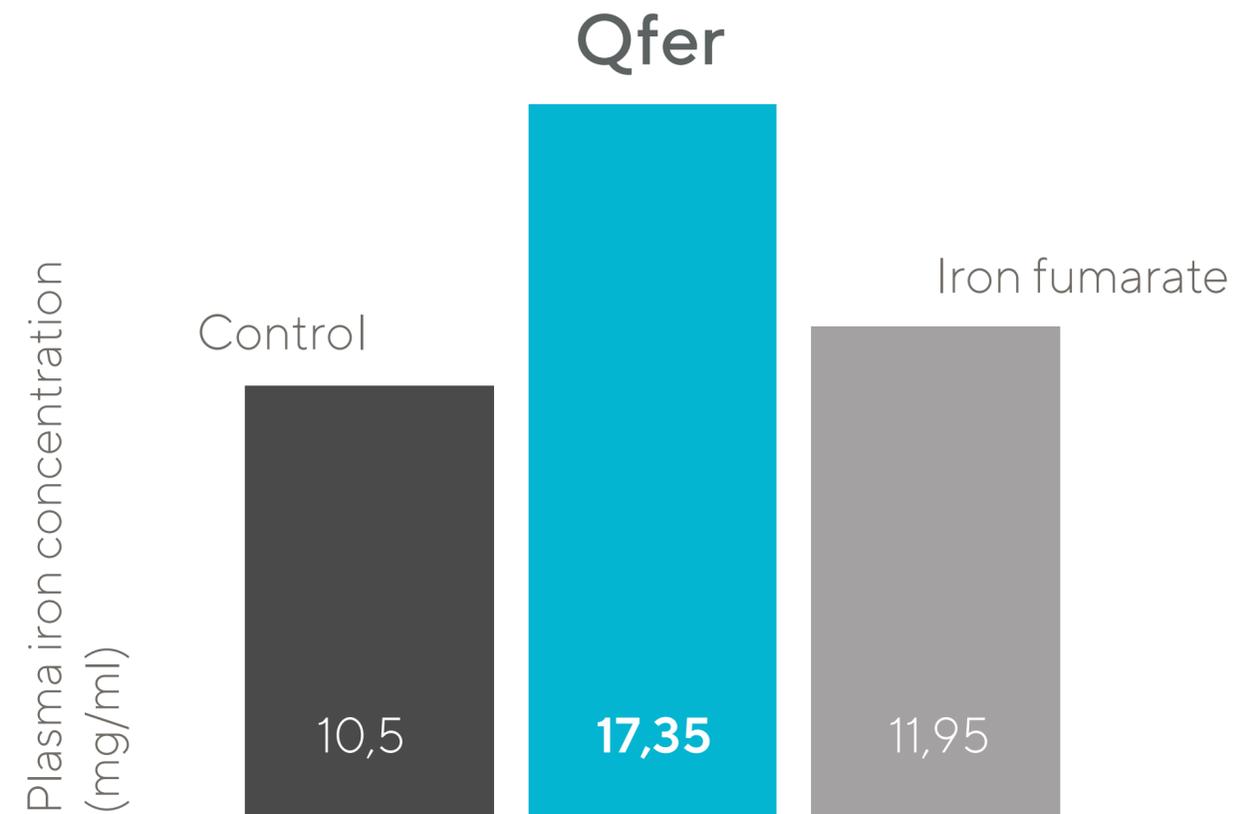
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- **unique delivery** system improves iron absorption
- **high tolerability** results in long-term compliance
- **greatly reduced** metallic taste
- **significantly diminished typical side effects** such as nausea, vomiting, heartburn, diarrhea...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

**2,7x** improved  
absorption  
of Qfer compared to iron sulfate over 12 hours

# Qfer.

- Qfer's iron absorption is **4,7 times higher** in comparison with Iron fumarate

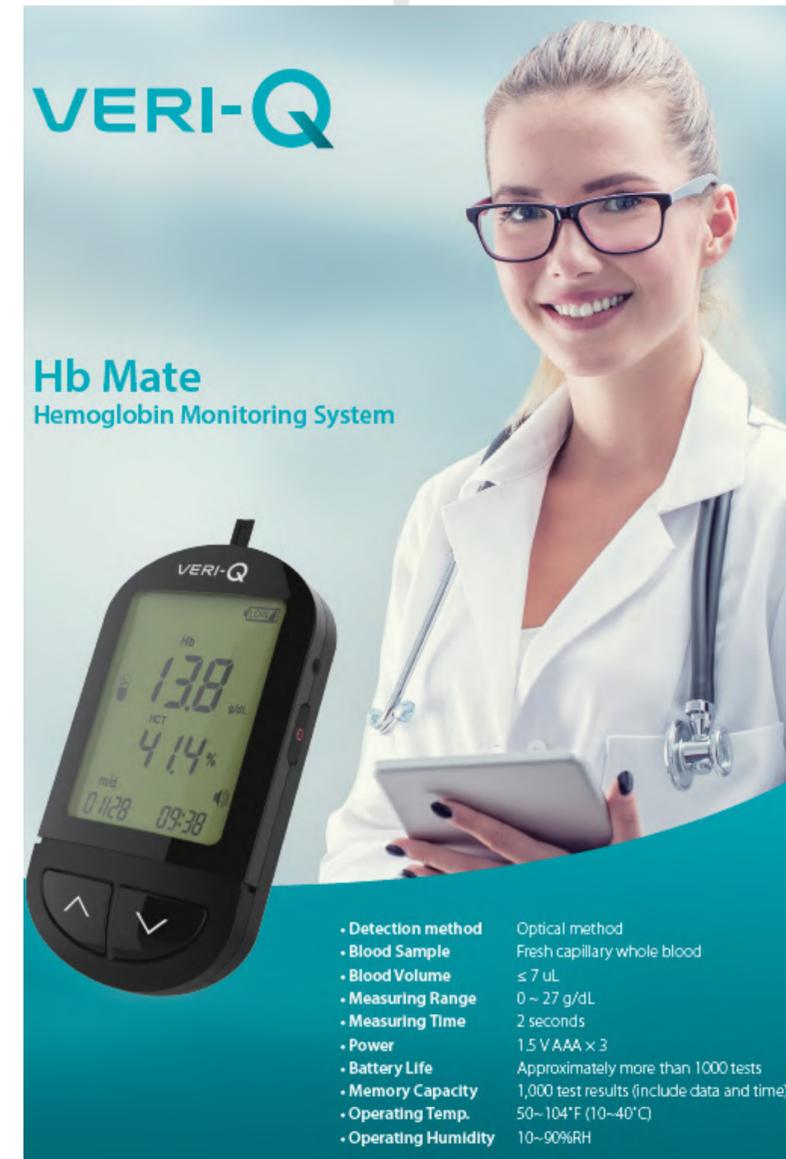


**Effect of different iron sources**  
on plasma iron concentration

# 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



VERI-Q

Hb Mate  
Hemoglobin Monitoring System

VERI-Q

Hb 13.8 g/dL  
HCT 41.4%  
mid 0 11:28 09:38

|                      |  |
|----------------------|--|
| • Detection method   | Optical method                             |
| • Blood Sample       | Fresh capillary whole blood                |
| • Blood Volume       | ≤ 7 uL                                     |
| • Measuring Range    | 0 ~ 27 g/dL                                |
| • Measuring Time     | 2 seconds                                  |
| • Power              | 1.5 V AAA × 3                              |
| • Battery Life       | Approximately more than 1000 tests         |
| • Memory Capacity    | 1,000 test results (include data and time) |
| • Operating Temp.    | 50~104°F (10~40°C)                         |
| • Operating Humidity | 10~90%RH                                   |

# iron deficiency self-test device.

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- **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  $\pm 5\%$  confirmed** by in-house testing



# iron deficiency self-test device.

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## 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.

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

