



AURGALYS

## Gour Medical, improved comfort for ageing pets

### Company value: €16.1M

Gour Medical is a company that develops and markets products aimed at veterinary medicine. The Swiss company works in the «Pet Business» sector, and specialises in the ageing pet segment. It currently has 4 different products available. Its most advanced product, targeted for benign ophthalmological treatment, is scheduled for OTC (Over The Counter) sale as of the 3rd quarter of 2017. The 3 other products are currently being developed for dogs, with one of them scheduled for launch in the 2nd quarter of 2018. These products aim to treat pathologies including anxiety, arthritis, atopic dermatitis, and to help improve animal well-being. The pet product market is booming, with average growth estimated between 2 and 5% since 2010. This rate should remain steady thanks to emerging countries. The worldwide animal health market had an estimated worth of 100 billion dollars at the end of 2013, and close to 65% of the market is focused in Europe and North America (Source: Ersinnovation), which points to high potential for emerging products in this sector. Considering all this information, we value Gour Medical at €16.1M (Company Value).

#### **Senior pets, a major market opportunity**

Senior pets represent a major market opportunity, for two reasons: 1/ Ageing of the population, humans and animals alike. This ageing of the population, made possible thanks to increasingly efficient treatment options, combined with a quality of life that is favorable to an extended lifespan, has created a need to keep pets in good health so they can accompany you through life for longer. 2/ Healthcare options, specific to animals, that are multiplying and have thus doubled life expectancy for animals over the last thirty years (Source: FACCO). Pets are living longer, and the «senior» bracket is thus ever-growing. Given that ageing pets represent the most medicated segment of the population (pathologies linked to old age, sedentary lifestyle, etc.), positioning within it presents a huge interest in a growing market. Veterinary expenses are said to have increased by +72% over the last decade (Source: Ersinnovation).

#### **A wide and diverse range of products to help improve animal comfort**

With a view to meeting various needs in terms of animal health, Gour Medical positions itself in the «ageing animal» segment, and has developed a diverse portfolio of products. The products it offers aim to treat minor disorders - essentially related to ageing - as well as arthritis that reduces animal mobility and increases strenuous living conditions, and atopic dermatitis that is extremely disabling and quite unpleasant visually. This last market, not restricted to senior



animals, represents a major stake as there are currently no efficient treatments that are easily administered and act both preventively and curatively. The last two products aim to improve comfort for ageing animals, who sometimes face imbalances leading to behavioral disorders (Gour 713), dry eyes or increased sensitivity to eye infections (ophthalmological range).

**Renowned partners in support of Gour Medical's strategy**

Gour Medical was able to surround itself with partners, who are well-established in the veterinary sector, for the development and marketing of several of its products. The company signed an agreement with Medicom for its ophthalmological range of products, an agreement with Actelion for its Gour 713 product used for anxiety issues, an agreement with Solmic Research for its Gour 153 product used for treating pain and arthritis, and lastly an agreement with Idexx for its product against dermatological allergies. The company's ability to achieve partnerships shows Gour Medical's knowledge of the sector in which it deals, both in terms of high-potential product sourcing, and with a view to interesting renowned partners and signing agreements with them.

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	1.	2.	3.	4.	5.	6.	7.
	Yes	No	No	No	Yes	No	No

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# 1. Gour Medical: know-how at the service of animal health

## 1.1. A business model based on optimization

Gour Medical's business model is based on the sourcing and license acquisition of products or molecules that can be applied in the veterinary sector. The company works to develop its products and sell them to vets through specialized distributors. Gour Medical intends to develop other distribution channels, but for the time being is focusing on sales to vets, who are still the favored intermediary for pet owners who wish to ensure their animal's well-being and health.

*“Repositioning human drugs for animal health”*

One of the company's strategies also consists in repositioning products drawn from human health and adapting them to the animal sector. This is the case for its ophthalmological range, which has already been marketed for humans. Furthermore, Gour Medical has acquired exclusive human and animal rights for its Gour 713 product from Actelion, who has already completed Phase I in humans.

This business model presents competitive advantages within a pharmaceutical industry that is constantly evolving in terms of animal health, namely:

- higher availability for program development given budget restrictions, making it possible to consider faster action compared to large companies who are required to prioritize their programs and therefore put some of them to the side
- being able to pinpoint high-potential programs for a small company, that major pharmaceutical companies prefer to outsource with licenses
- focusing purely on development, without dedicating any resources or time to research which requires huge means, namely time
- a partnership with distributors for the sales aspect, thus limiting risks relating to marketing thanks to a well-established network and substantial sales forces that are external to the biotech.

*“A business model with lower risks”*

In short, this business model has the advantage of being low-risk, compared to a company that internalises all value chain activities. Furthermore, Gour Medical positions itself as a catalyst that optimises value creation for the products it develops, by playing an essential coordination role throughout all value chain stages. As such, and by collaborating with specialists in each key stage, Gour Medical ensures development and product sale progress, and is able to adapt its partnerships to its needs, both in terms of skills and efficiency/efficacy. Lastly, negotiating margins for each of its providers has given Gour Medical a major value creation lever, and the company intends to develop that aspect.

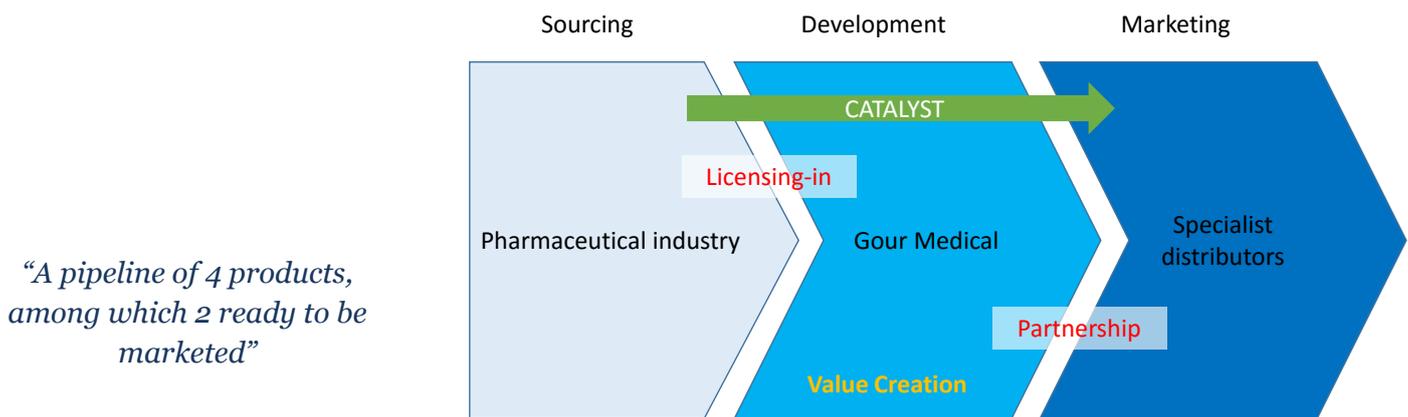


Figure 1. Gour Medical's business model (Source: Gour Medical and Aurgalys)

## 1.2. A diversified product portfolio

The Gour Medical company boasts a diversified product portfolio. Indeed, the four products that currently make up its pipeline target different therapeutic areas and are at different development stages, thus guaranteeing the company both minimal risk and an incremental development plan. The company can thus hope to benefit from profits generated by products ready to be marketed, to strengthen its resources in preparation for upstream products requiring clinical development.

Gour Medical is strategically positioned within the ageing pet sector, and its current products essentially aim to improve the animals' comfort levels. Indeed, among all the products in its portfolio, three of them aim to improve animal well-being - with the treatment for atopic dermatitis designed to reduce and even treat this dermatological allergic condition, which, although not fatal, has a bigadverse impact on animals' lives.

### **Gour Ophthalmolmo** : indication/therapeutic area: ophthalmology

- wipes and eye drops, OTC status

Gour Medical offers an ophthalmological range consisting of cleansing wipes and eye drops. This innovative offer - already available for humans - aims to offer owners a solution for their animals' eye comfort. This offer is all the more suitable for ageing animals, as they present with increased sensitivity to eye infections, and also often suffer from dry eyes. These products present two advantages: the absence of preservatives in the product, thus guaranteeing safety and minimizing allergy risks for the animal, and the product's various formats - wipes and multi-dose drops - thus meeting pragmatic treatment needs.

### **Gour 153** : indication/therapeutic area: pain killer with a focus on arthritis

- liquid formula to be added to food, nutraceutical category

Gour 153 is a product made using cannabidiol (CBD), one of the main cannabinoids. CBD is already recognized for its sedative effects in animals, and is used in several types of medication for various indications. Gour Medical developed this product to treat chronic pain in animals, in particular arthritis that affects a large number of animals, especially in older generations. The advantage of the Gour 153 technology is that it fights pain efficiently without creating a dependency.

**Gour 713 : indication/therapeutic area: anxiety and well-being**

- neuromodulator in pill form, drug status

Gour 713 is a drug candidate aiming to treat behavioral disorders in animals, in certain predefined situations (travelling, separation, moving, etc.) or as part of natural changes linked to ageing.

This product has proven its efficiency to induce sleep in dogs thereby reducing anxiety during transport. As the effect is dose-dependent, Gour Medical is able to treat behavioral disorders using small doses that act on anxiety or stress thanks to the product’s soothing effect.

**Gour 419 : indication/therapeutic area: dermatological allergies with a focus on atopic dermatitis**

- anti-allergy pills, drug status

Gour 419 is an anti-IgE monoclonal antibody, aiming to fight against the allergens that cause atopic dermatitis. The main treatments currently available consist in treating the infections using long-term and surface treatment, but very few act directly on the cause of the problem to eradicate or prevent the effects. This was Gour 419’s main aim, by acting on IgE immunoglobulins that cause the allergy in the first place and result in the appearance of the atopic dermatitis. This approach should enable an efficient medium- to long-term response thanks to its anti-allergy action.

*“Two molecules with high potential: a neuromodulator and an immunosuppressor”*

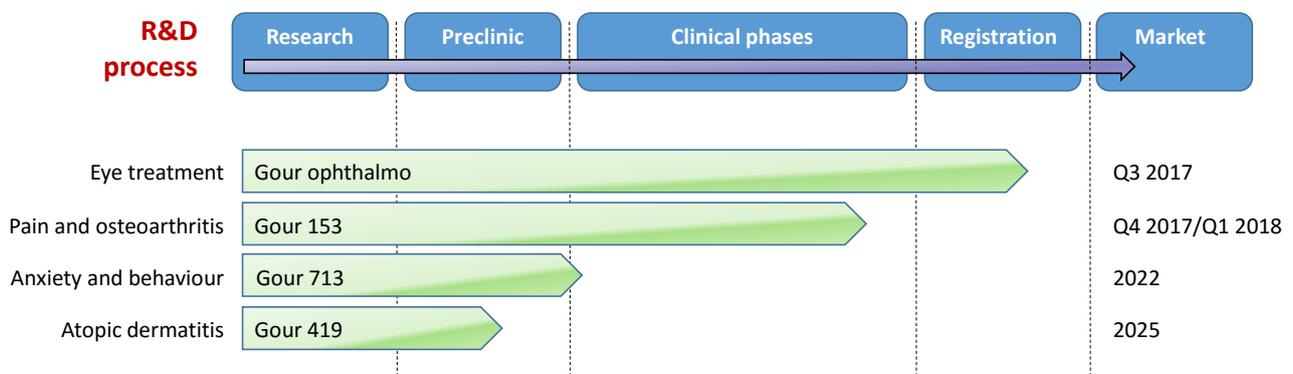


Figure 2. Gour Medical’s product portfolio (Source: Gour Medical and Aurgalys)

*“A young company which already concluded 4 licenses with renowned companies from human and animal health”*

### 1.3. Company background

**2014** : Le Gour Medical SA company was founded in 2014 and works in the veterinary biomedical sector. The company is based in Switzerland, and its strategy consists, amongst other things, in drawing on human research and applying it to medical solutions for treating pets.

**2015** : Since its creation, Gour Medical has already signed several partnership agreements throughout the course of 2015 with renowned companies and laboratories, for the development and marketing of various treatment products for animals. It decided to position itself in an original and high-value segment: ageing pets (agreements concluded with Actelion, Solmic Research GmbH, Medicom Healthcare Limited and Idexx Laboratories).

**2016** : In 2016, it launched a request to be listed on Alternext.

### 1.4. Management

The Gour Medical company is governed by a highly ambitious management team, supported by experts in animal health with a background in the veterinary industry. The strength and specificity of this management system is great skill complementarity, with profiles that boast expertise at all value chain stages. Therefore, with a restrained yet highly experienced team in Gour Medical's business field, the company intends to optimise resources by speeding up the value chain in line with the defined business model.

#### **Serge Goldner, Managing Director**

Serge Goldner has founded and managed several international companies in the field of Life Sciences and new technologies. He has over 15 years of experience in entrepreneurship, as well as in sales development and corporate finance. Prior to founding GOUR Medical in 2014, Serge was the CFO for Immune Pharmaceuticals, a biotechnologies company listed on the Nasdaq stock market (NASDAQ: IMNP). Before that, he founded and was the deputy director of Cukierman & Co Life Sciences, a Euro-Israeli leader in corporate finance. Serge graduated from The Hebrew University of Jerusalem with a Bachelor of Political Science and International Relations.

#### **Christian Bourgeois, Director of Operations**

Christian Bourgeois has long and sound managerial experience, gleaned from several international companies. Before joining GOUR Medical, Christian was in charge of the French market for Ceva Santé Animale between 2011 and 2016. During this period, he was also a member of the Board and Vice-President of the SIMV (French union for the veterinary drug industry). Self-taught, he held several management positions

between 2001 and 2011 within the animal health division of the Pfizer group, as Director of the Pets department, Director of the Ruminants department and Director of Customer Services. Christian was faced with three mergers and acquisitions during those last few years. He was in charge of integrating his teams in their various activities, whilst creating a new mindset each time based on the team and their desire to succeed. His leadership skills also led him to oversee European product launch projects, whilst continuing to assume his role as Managing Director.

### **Marie Bénédicte Charpentier, Director of Business Strategies and Development**

Marie Bénédicte Charpentier has over 30 years of experience in marketing and strategic planning, 13 of which were spent in large pharmaceutical and animal health groups. Between 2007 and 2016, she was the International Marketing Director in the Pets departments of Vetoquinol SA, the world leader in animal health. She was responsible for the company's sales strategy and launched several product ranges worldwide. From 2003 to 2007 she directed the Pets departments of Novartis Santé Animale (animal health). Prior to that, Marie Bénédicte held various high-responsibility marketing positions in several multinationals including Nestlé, Friskies-Gourmet, Danone and Quakers. Marie Bénédicte has a Master's degree in Economy and Finance from Science Po in Paris, specialised in marketing.

*“A top management with a strong track record in Gour Medical's targeted sector”*

### **Dr Eva Bleul, Director of Regulatory Affairs**

Dr Eva Bleul is specialized in regulatory affairs for veterinary health, and counts close to 20 years of experience in high-responsibility roles within leading companies in the sector. Prior to joining GOUR Medical, she was the Director for Regulatory Affairs for Europe, the Middle East and Africa at Elanco (Basel, Switzerland), a subsidiary of the Eli Lilly group. Between 2002 and 2014, she held several managerial functions, then became the Director of Regulatory Affairs at Novartis Animal Health (Basel, Switzerland). Eva Bleul graduated from the Justus-Liebig University in Giessen (Germany), with a PhD in Veterinary Medicine.

### **Jean Steffan, Director of Pharmaceutical Development**

Drawing on a very long career in drug development for the veterinary sector, Jean Steffan worked as International Project Manager from 1999 to 2013. He directed the development of important dermatological products for animals on a worldwide scale, such as Atopica (cyclosporin) or Osurnia (ear infections in dogs), now marketed all over the world. He was named «Leading Scientist» in 2004 by Novartis - a distinction reserved to high-level scientists that contributed to the company in an essential way. His expertise lies essentially in clinical development, but his role as project manager also opened him up to conversing with different kinds of specialists involved in all drug development stages, including production, formulation, pharmacology, toxicology and regulatory affairs. Jean has

been involved in various areas of veterinary medicine through the course of the many projects he worked on: proficiency in bovine and ovine reproduction, antibiotherapy, behavioral disorders in pets, parasitology and dermatology. Jean is an Agronomy Engineer (1976), and graduated from the National Agronomics Institute of Paris Grignon.

### 1.5. Capital structure

At the time of this report, capital structure is broken down as follows :

Preoperational capital breakdown		
Capital breakdown per shareholder	Number of shares	% of capital
Founders	2,682,306	94.78
Initial investors	108,855	3.85
Investors 1	38,839	1.37
<b>TOTAL</b>	<b>2,830,000</b>	<b>100.00%</b>

## 2. Animal health, a booming economic stronghold

The veterinary health industry encompasses all sorts of activities, ranging from research and development to manufacture and product distribution. It is a compound market on several fronts (segments, animal targets, pet owner profiles, etc.), which has greatly evolved over the last few years, mostly due to a consolidation of all involved stakeholders, making it an oligopoly. Animal health has also changed due to a notable growth in the market, with an increase in pet ownership and pet and livestock life expectancy.

All these elements put together mean that the veterinary sector has become an added-value market within the more general health market. Indeed, this sector's special features provide substantial advantages compared with the human health sector, which is more restrictive when it comes to regulatory aspects and more demanding in terms of proof of efficiency.

Excluding these competitive aspects within the general health market, the veterinary sector represents a huge opportunity and is a major economic stake, as proven by growth of over 5% since 2010 despite the worldwide recession (Source: Ersinnovation).

### 2.1. Changes and growth in a compound market

The veterinary market is a vast sector made up of several sub-sectors whose end goals are extremely different. As such, it is a complex market, that needs to be both defined and marked out so as to understand its various stakes. Thus, a majority of the market is aimed at livestock, representing the main driver for growth in the overall veterinary market, i.e.

*“A growing market, over 5% since 2010, with an estimated worth of 100 billion \$ at the end of 2013”*

*“Pets represent 40%, and animal health 11% of the veterinary market”*

*“The budget allocated to animal health has increased over the last 10 years”*

55%. Pets represent the other share of the market, i.e. 40%, whereas the horse segment represents only 5% of the overall market. Given the vast number of species and their specificities, the veterinary market diversity creates a number of opportunities. The segmentation of the veterinary market can also take other parameters into account. The animal health market that interests us here - and that represents 11% of the expenses dedicated to animals - rubs shoulders/overlaps with other wide-scope segments such as feed (75% of expenses) and pet accessories, amongst others.

The overall animal health market had an estimated worth of 100 billion dollars at the end of 2013, and displays an average growth rate of 5% since 2010, which should remain stable in the years to come (Source: Ersinnovation). The animal health sector is booming but it has changed a great deal over the last decades, and has seen its growth shoot upwards thanks to several factors. As detailed in the graph below (Figure 3), the consumption of veterinary services by households has significantly increased over the years, and the budget allocated to these expenses has increased in an even more pronounced manner. This is proof of a change in animal status for owners, who are more and more prone to spending money on veterinary care and on high-quality services.

**Household consumption of veterinary services**

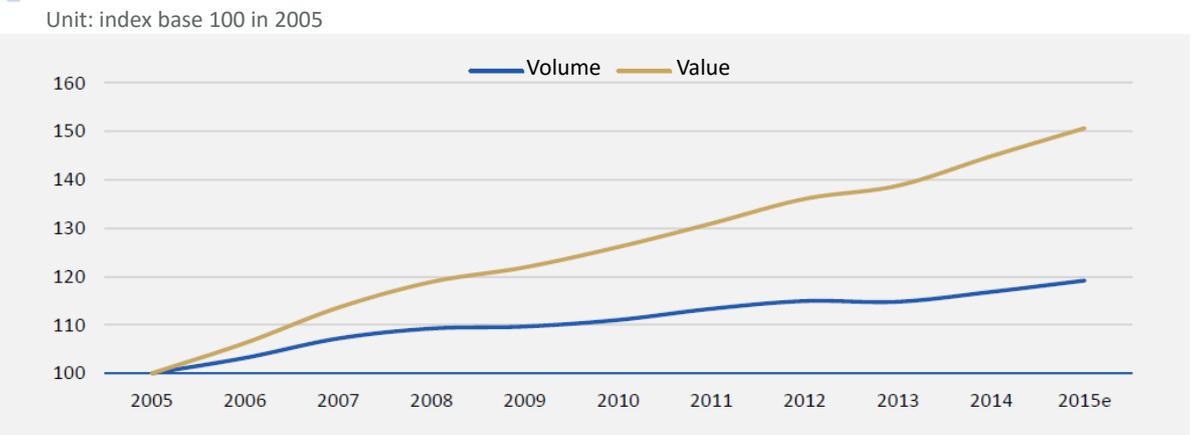


Figure 3. Changes in veterinary service consumption (Source: Xerfi)

The animal health sector is boosted by several factors, one of the major growth factors being an increasing life expectancy for pets. This phenomenon is due in part to improved nutrition, but also to the availability of cutting edge healthcare, enabling owners to better care for their pets according to their pathologies and needs. Furthermore, this extended life expectancy is due to a real desire from owners to take care of their animal friends and keep them healthy for as long as possible. The transfer in perception of the pet’s place in society - which used to be a useful «element» and is now increasingly considered a family «member» - contributes to this growth. Until not so long ago, most of the veterinary market was fo-

cused on the «Petfood» segment, which, although it has remained the leading segment, has seen others emerge: the pharmaceutical segment, as well as the healthcare, comfort and hygiene segments. The two graphs below show the emergence of the animal health sector, with a clear increase in turnover for animal health industries between 2002 and 2008, then between 2010 and 2015; the market slowed down in 2009 due to the effects of the global financial crisis.

Comment: the difference between the two graphs originates from the fact that Figure 4 represents the turnover in nominal growth - i.e. the absolute value without considering inflation or any other factors that could bias the turnover's absolute variation.

*“Animal health revenues doubled between 2000 and 2010”*

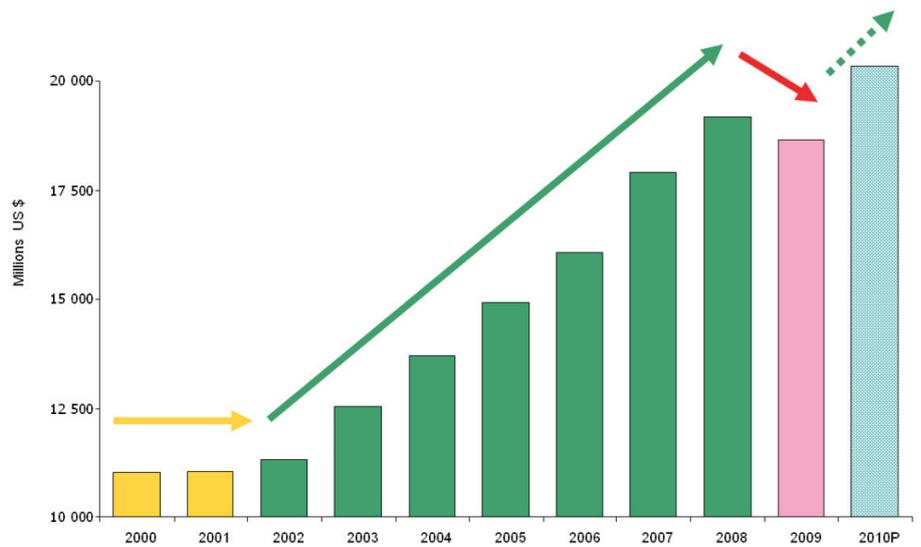


Figure 4. Growth of the world veterinary drug market from 2000 to 2010 (Source: Vetnosis)

**■ Turnover for veterinary drug manufacturers (Xerfi panel)**

Unit: value index base 100 in 2007

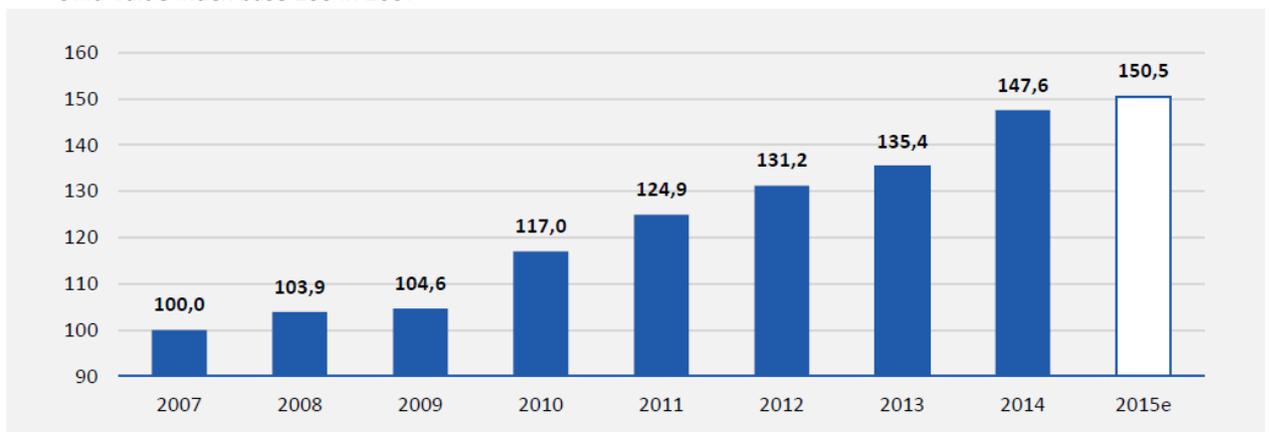


Figure 5. Evolution in turnover for the veterinary drug industry (Source: Xerfi)

The other major growth factor for the veterinary sector comes from emerging countries. Due to industrialization and the increase in purcha-

*“The United States and Europe hold 65% of the market”*

sing power, accompanied by an improvement in living conditions, pet ownership is strongly increasing in these areas of the world. Now, more than 65% of the animal health market is focused on Europe and North America (with France alone representing 24% of the European market), clearly indicating a high growth potential for emerging countries. Asia, and in particular China and Japan, as well as South America, are important markets that should be considered as target areas by companies that are working or wish to start up activity in the animal health sector. Gour Medical is already positioned in the most important markets, i.e. Europe and the United States, and is considering branching out to the Asian market in the medium-term.

**World market breakdown per geographic area**

Unit: % share of the global market in value

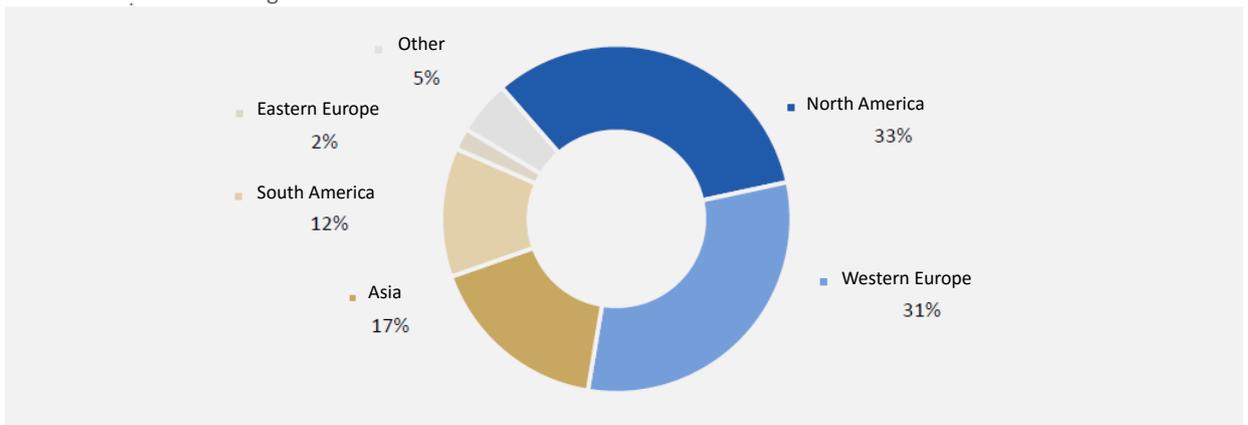


Figure 6. Geographic distribution of the world animal health market (Source: Xerfi)

The animal health market is therefore a strongly-growing sector, boosted by various factors that are either branch-specific (change in the animal’s place in society) and more general (ageing of the population and increase in world demography that calls for more animals).

It is a compound market that can be divided into several levels:

Animal health segments	
Equipment and services	Drugs
Veterinary services	Diagnostics equipment and other devices
Animal category	Therapeutic class
Pets	Vaccines
Livestock	Anti-parasitics
Horses	Insecticides
	Antibiotics
	Other therapies
Pets	Other
Cats and dogs	Nutraceuticals/functional feed
Horses	Comfort products
Other	

Table 1. Animal health segmentation (In red: Gour Medical’s positioning) (Source: Aurgalys)

*“A market dominated by metaphylactics, creating growth and development opportunities in niche sectors”*

Of the four segments that make up this market (equipment and services, veterinary services, drugs, diagnostics equipment and other devices), drugs represent a market share of \$23 billion or 23% as of 2013. For this reason, this segment has attracted a number of major pharmaceutical laboratories. Market distribution according to therapeutic class reveals a predominance of infectious disease prevention via the use of vaccines and metaphylactic measures (20% for vaccines, 17% for anti-parasitics, 12% for insecticides), compared with the use of curative treatments (18% for antibiotics, 9% for topical products) (Source: Ersinnovation).

The segment that excludes preventive treatments, antibiotics and topical treatments represented 23% of turnover for pharmaceutical companies in 2013 in the therapeutic branch. So this data shows there is a growth potential in niche branches such as nutraceuticals or more specific therapies such as immunotherapy (Gour 419) and pain treatment (Gour 513), in which large pharmaceutical groups are positioning themselves more and more. These branches represent major stakes for company renewal and opportunities for new markets and in fact, these little-investigated niche branches are where real opportunities lie, and newcomers such as Gour Medical can distinguish themselves thanks to them.

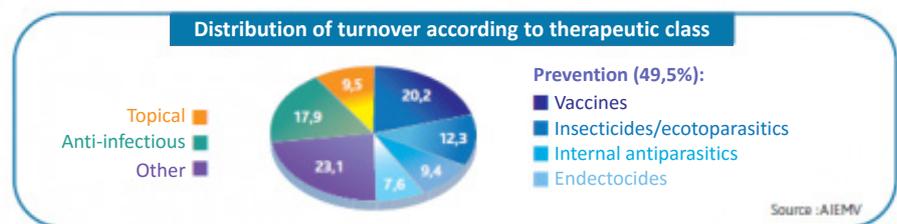


Figure 7. Distribution of turnover according to therapeutic class (Source: AIEMV)

## 2.2. The veterinary industry: few stakeholders, but giants within the sector

The animal health market, just like the human health one, is characterized by the presence of major long-standing and well-established groups. Actually, a number of these animal health companies are subsidiaries of large pharmaceutical groups, that made the most of growth in the veterinary market to position themselves based on their blockbuster record in human health activities. A new landscape seems to be in the making, with changes in strategy for these major groups who are either trying to relinquish their Animal Health divisions, or aiming to strengthen them. This is how things have tended to evolve, with a series of operations that have consolidated all market stakeholders. The market is now dominated by a handful of well-established contenders, with or without any distinguishing features. Amongst them are major health heavyweights, as well as pure players who have succeeded as leaders dedicated to animal health. Graph 8 shows the strategic groups that represent the sector's most im-

portant stakeholders, according to turnover and level of specialization. On the one hand we have subsidiaries of large pharmaceutical groups (Boehringer Ingelheim GmbH, Novartis Animal Health Inc., Elanco Products Company, Bayer AG and Merial Ltd., Merck & Co. Inc.), and on the other we have pure players who became specialists within the veterinary sector (Zoetis Inc, Virbac SA, Vetoquinol, and Ceva Santé Animale). Figure 9 lists the most important stakeholders within the sector, according to turnover and market shares. Note that consolidation was furthered with the agreement between Merial and Boehringer Ingelheim GmbH (\*\*), as well as the agreement between Virbac and Novartis (\*), who conceded its two anti-parasitic products within the framework of its merger with the Animal Health division of Eli Lilly, Elanco.

*“A sector driven by major pharmaceutical groups and implanted pure players”*

■ Main stakeholders on the French and world veterinary product market

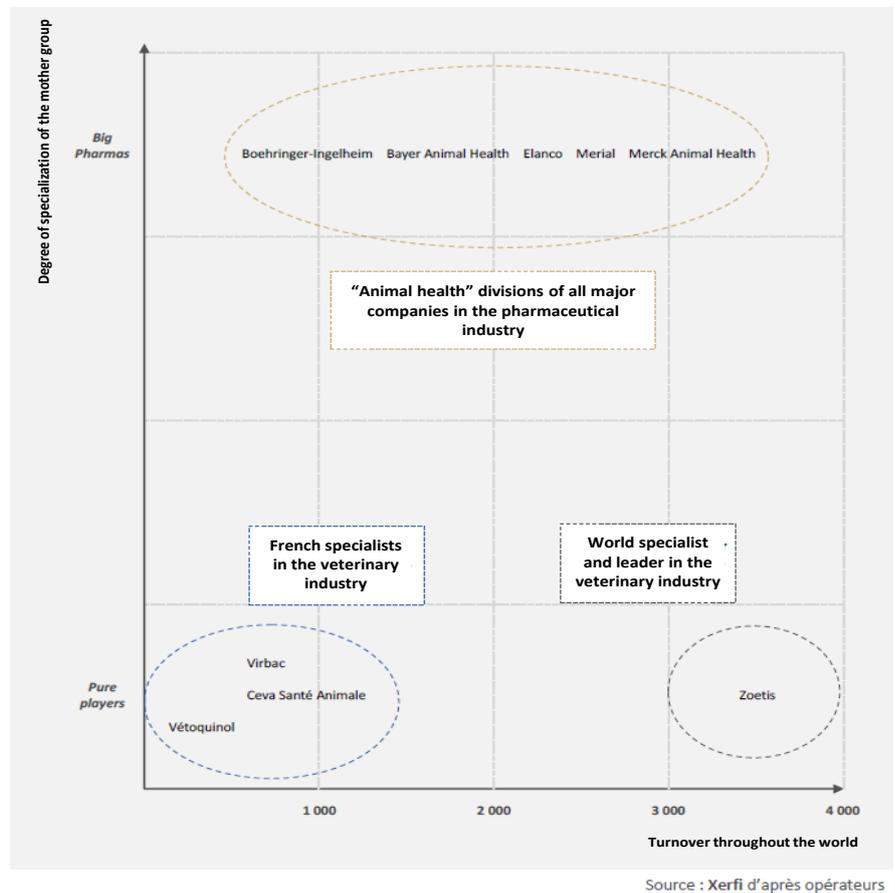


Figure 8. Strategic stakeholder groups in animal health (Source: Xerfi)

■ Worldwide classification of veterinary laboratories according to turnover in the sector

Rank	Operator	Country of origin	Turnover (2014)	Market shares
1	Zoetis	United-States	3 606,6 M€	19,9%
2	Elanco / Novartis Animal Health (*)	United-States United-States	1 768,7 M€ 884,9 M€	14,7%
3	Merck Animal Health (MSD Animal Health)	United-States	2 603,4 M€	14,4%
4	Merial (**)	France	2 076 M€	11,5%
5	Bayer Animal Health	Germany	1 318 M€	7,3%
6	Boehringer Ingelheim (**)	Germany	1 130 M€	6,2%
7	Virbac	France	773,1 M€	4,3%
8	Ceva Santé Animale	France	765,3 M€	4,2%
9	Vétoquinol	France	315,3 M€	1,7%

*“An oligopolistic market in consolidation through M&A and partnerships”*

Figure 9. World leaders present in the animal health sector (Source: Xerfi)

As we can see, the animal health sector is driven by very few stakeholders and different profiles, making this sector an oligopoly. Each has its own strategy, which governs its actions within the sector. Figure 10, drawn up by PwC, shows the sector according to four dominating strategies:

- Leaders in innovation
- Leaders in innovation and market shares
- Potential leaders
- Leaders in market shares

*“Opportunities for new entrants in niches markets”*

Depending on the strengths and leading skills of each stakeholder, each one fits into one of the four worldwide strategies. Each category is defined by value-creating factors that align the strategy with corporate objectives, as per the company’s profile. Therefore, a new company that wishes to integrate itself into the sector as a newcomer must distinguish itself through a strategy focusing on innovation, and must therefore ensure it has a continuous consolidation policy for its product portfolio, regular updates of its R&D plans so it remains cutting-edge, and boast a clear strategy for the future marketing of its products currently being developed. It is precisely within this niche and strategy that Gour Medical has established itself, standing out thanks to its innovation and partnership policies regarding product distribution. Moreover, it was consolidated through experienced animal health management, to ensure an optimal development plan and development strategy, thanks to sourcing focused

on topical and upcoming concerns in the animal health market.

Figure 25. PwC Animal Health Strategy Framework and Playbook

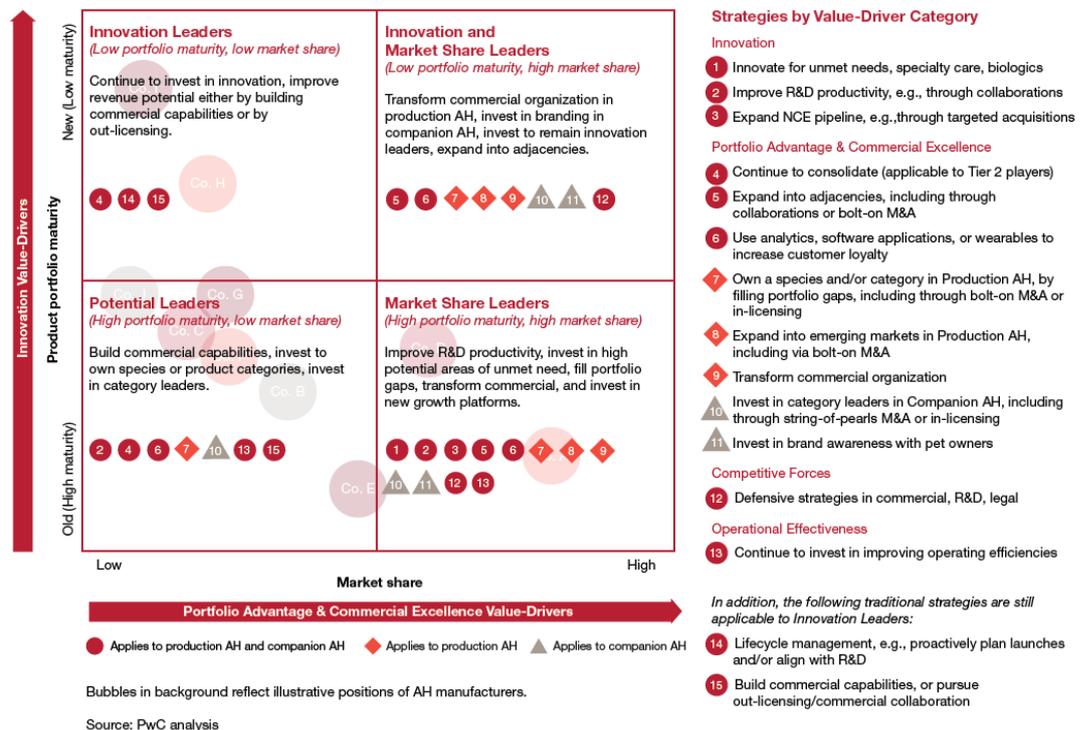


Figure 10. Profiles and Strategies for animal health stakeholders (Source: PwC)

*“A competition driven by M&A and partnerships between strong industry players and emerging biotechs”*

There are other stakeholders who distinguish themselves thanks to their innovative activities and are increasing their market shares, such as Aratana Therapeutics. There are others of the same ilk. Throughout the course of 2014, the race to innovation was extremely fast-paced. Whereas the 10 leading companies in animal health attempted to replenish their product portfolios, start-ups within the biotechnologies sector came closer and closer to marketing their products. Over previous decades, blockbuster drugs were the strongholds for «Big Pharma» companies. However, these giants’ bandwidth is gradually decreasing and the patent protection of their blockbuster drugs expiring, biotechs are now introducing themselves as a new source of innovation. It would therefore not be surprising to see one or several of these major groups emerge in the sector, and approach one or several biotechs who currently develop drugs for pets - such as Aratana Therapeutics, Kindred Biosciences, VetDC, Jaguar santé animale, Parnell, Arche de la santé animale or even CanFel Therapeutics. All are feasible targets. Nonetheless, if no acquisition operations are concluded, the distribution phase will no doubt be where partnerships are created (like for Virbac and Nexvet), and where competition could become vital.

### 2.3. A sector with strong competitive advantages in the health industry

As previously stated, the animal health industry presents substantial advantages compared to the human health sector. Indeed, the sector has intrinsic strong points, enabling it to be known as an «attractive» sector in terms of opportunities, within the general health sector. We drew up a SWOT analysis, highlighting all these strengths, as well as the weaknesses that make this sector potentially more difficult to analyze than the human health one. In addition, we saw that the animal health sector was a compound market, with a dominant feature focusing on agri-foods. Therefore, the sector's therapeutic class is dominated by preventive treatments such as vaccines and anti-parasitics used in livestock health. Moreover, it is a market in which the target population - i.e. the animal owners - are hard to understand and access, for several reasons: their relationships with animals can be radically different with varying degrees of proximity, they have extremely different needs depending on whether they own pets or livestock, and the channel for captivating this population has not been clearly identified. This is the reason why most stakeholders within the sector reach out to the last link in the chain, i.e. vets and veterinary clinics - who then relay the products and services to the end customers (animal owners) through their double role of prescriber and dispenser. Lastly, this weak point becomes a strong point in the sense that the end target for most distributors are indeed vets, who are concentrated in tightly-knit networks that can be easily identified and therefore appealed to.

*“A sector with significant advantages over human health”*

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>- Short development lead times</li> <li>- Moderate costs</li> <li>- Large margins</li> <li>- Strong growth potential</li> <li>- Few stakeholders in the sector (oligopoly)</li> <li>- Not as many generics as on the human health market</li> <li>- A concentrated market (USA and EU)</li> </ul>	<ul style="list-style-type: none"> <li>- A compound market</li> <li>- A dominant feature focused on the agri-foods sector</li> <li>- A target population that is not easy to broach directly</li> </ul>
Opportunities	Risks
<ul style="list-style-type: none"> <li>- A market that is being consolidated hence the niche opportunities</li> <li>- Unmet medical needs</li> <li>- Ageing population</li> <li>- Extended lifespan for pets</li> </ul>	<ul style="list-style-type: none"> <li>- Major stakeholders well-established on the market</li> <li>- Barrier at first if there is no innovation or strong differentiation</li> </ul>

Table 2. SWOT of animal health vs. human health (Source: Aurgalys)

The other strong points recognised within the animal health sector are development lead times and costs, which are much lower than in human health. R&D models are known to be more comprehensible and less risky. Similarly, this sector is considered more promising as margins are generally higher for pharmaceutical companies, making it a less risky sector from a financial aspect, particularly in terms of revenue sources that can be extremely diverse. Lastly, growth has been increasing over the

last few decades like never before, leading us to believe that development within the sector will be high in the long-term, with market shares up for grabs.

**Figure 4: Factors Driving Private Equity Interest in AH**

*(statements are phrased relative to human pharmaceuticals)*



Figure 11. Key success factors within the animal health sector (Source: PwC)

## 2.4. Ageing animals: several unmet needs

The increase in growth in the animal health sector is boosted by several factors, the increase in pet life expectancy. Indeed, average life expectancy for pets has almost tripled over the last thirty years. According to Yves Bodet, General Representative of the FACCO association (union for the manufacturers of pet food) in France: “In 1982, the average life expectancy for a cat was 6.2 years, 9.2 years in 1996, and 11.1 years in 2005. As for dogs, they lived on average 9.5 years in 1982, 11.6 years in 1996 and 11.9 years in 2005”. This phenomenon brought to light a new market with new needs: pathologies linked to ageing. Actors that were historically established in the sector obviously developed solutions to meet these needs, but no company had ever devoted its activity entirely to senior pets, until now. Gour Medical therefore identified that niche and positioned itself strategically. Indeed, this target represents a number of advantages in the health sector, the first being that this part of the population - even though it is limited in numbers - is huge in terms of market opportunity as it corresponds to the most medicated bracket. So focusing on a reduced population that represents an important share in terms of turnover is a high-growth strategy, especially as demographics show a trend in continued animal population ageing.

These emergent age-related pathologies only have very few solutions nowadays, given their recent occurrence. Medical needs are therefore still unmet, regarding pathologies such as arthritis or pain management. This is also the case for more serious pathologies such as heart conditions, urinary disorders, oncology or degenerative diseases. Major innovation efforts are thus still required for these serious pathologies with negative

*“Ageing animals, a growing population with unmet medical needs”*

*“Ageing-related diseases represent a significant growth opportunity in animal health”*

*“Older animals, the most medicalized animal population”*

repercussions on ageing animals. Similarly, this population requires special care, relating to sense degeneration - especially eyesight - or linked to metabolic or hormonal disorders which can induce substantial changes in mood and behavior.

In terms of target population, cats and dogs considered as senior represent 30% of the total cat and dog population in Europe and the United States, i.e. 75 million of the total 255 million animals (AVMA). Even though we do not have the exact figures, we can still claim that the turnover potentially generated by these seniors could be between 30 and 50% of total revenue in the therapeutic domain - as this population is the most medicated and likely to require care.

	All animals		
M (million)	Dogs	Cats	Total
Europe	46	53	99
United States	91	65	156
<b>Total</b>	<b>137</b>	<b>118</b>	<b>255</b>

	Senior animals		
M (million)	Dogs	Cats	Total
Europe	15	18	33
United States	27	15	42
<b>Total</b>	<b>42</b>	<b>33</b>	<b>75</b>

Table 3. Demography of target pets for Gour Medical, including the «senior» share (Source : American Pet Products, Statista and AVMA)

### 3. Gour Medical products

#### 3.1. Gour Ophtalmo: a range focusing on eye comfort

Gour Medical concluded an exclusive distribution agreement with Medicom Healthcare for the use in animals of the Lumecare range, which is a product range for eye comfort in humans. This was an innovative offer, that met pet owner needs in terms of eye care for their animals; and the product is available in various formats: wipes, bottle and doses for single use. The advantage of this product is that it does not contain any preservatives, thus ensuring a relatively high safety profile. The product's profile does not make it a drug, so it could be sold over the counter in addition to being offered by vets.

This range meets comfort and animal care needs following minor disorders such as dry eyes or benign infections, or preventively for more severe pathologies or infections such as cataract, conjunctivitis, cornea ulcers, glaucoma, detached retinas or keratoconjunctivitis sicca. To assess the market, we considered the United States and Europe as target regions, and a 6/1,000 incidence of minor eye disorders (VetCompass) in the general cat and dog population. Based on this hypothesis, the number of cases registered in the target countries would be about 2 million cats and dogs who suffer from an eye disorder every year. As part of our

*“A range of products for eye comfort and minor eye disorders”*

market penetration hypotheses, and given the innovative presentation of the product available in various formats making usage easier, we issued the hypothesis that the ophthalmological range could collect up to 15% of the market share. We estimated product pricing according to similar product offers, and applied different prices in different areas of the world. As shown in Table 5, we estimated an average budget of €20 in Europe and €30 in the USA through the course of a year.

*“Eye products: peak sales that could reach €3M in 2022”*

Ophthalmology	Target (Million)	Market Penetration	Animals treated (M)	Public price (€)	Peak Sales (€M)
Europe	0,6	15%	0,09	20,00	0,9
USA/Canada	0,9	15%	0,14	30,00	2,1
<b>Total</b>	<b>2</b>	<b>15%</b>	<b>0,23</b>		<b>3,0</b>

Table 4. Target population and sales peak in the ophthalmological range (Source: Aurgalys)

	Competitors	Price
Eyelid wipes (x20) (x40)	Oropharma Eye Clean	6,20 €
	Beaphar	6,20 €
Eye drops	Ocryl soin	8,50 €
	VT Phak gouttes oculaires	9,50 €
Lubricant	Ocry-gel soin	8,50 €
	Twelve collyre	11,30 €

Table 5. Price of products for eye comfort (Source: lafermedesanimaux.com)

Based on these hypotheses, sales in the ophthalmological range could reach €3M in target regions. Sales estimations are presented in Table 6, considering that we would need 5 to 6 years before reaching a peak in sales, and that the product would be marketed from the 3rd quarter of 2017 in the United States and Europe. The company still needs to conduct safety tests to certify its use in the range of animals; the only requirement prior to market authorization.

Gour Ophtalmo	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>Europe</b>												
Animals treated (K)	594	612	630	649	669	689	709	731	752	775	798	822
Market Penetration	0%	1%	1%	3%	6%	9%	12%	14%	14%	15%	15%	15%
<b>Sales Europe (€M)</b>	<b>0,0</b>	<b>0,0</b>	<b>0,1</b>	<b>0,2</b>	<b>0,4</b>	<b>0,6</b>	<b>0,8</b>	<b>1,0</b>	<b>1,1</b>	<b>1,1</b>	<b>1,2</b>	<b>1,2</b>
<b>USA</b>												
Animals treated (K)	936	964	993	1 023	1 053	1 085	1 118	1 151	1 186	1 221	1 258	1 296
Market Penetration	0%	1%	1%	3%	6%	9%	12%	14%	14%	15%	15%	15%
<b>Sales US/Canada (€M)</b>	<b>0,0</b>	<b>0,1</b>	<b>0,2</b>	<b>0,5</b>	<b>0,9</b>	<b>1,5</b>	<b>2,0</b>	<b>2,3</b>	<b>2,6</b>	<b>2,7</b>	<b>2,8</b>	<b>2,9</b>
<b>Total Sales (€M)</b>	<b>0,0</b>	<b>0,1</b>	<b>0,3</b>	<b>0,7</b>	<b>1,3</b>	<b>2,1</b>	<b>2,8</b>	<b>3,3</b>	<b>3,6</b>	<b>3,8</b>	<b>4,0</b>	<b>4,1</b>
Gour Ophtalmo	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
<b>Europe</b>												
Animals treated (K)	847	872	898	925	953	982	1 011	1 042	1 073	1 105	1 138	1 172
Market Penetration	15%	15%	15%	15%	15%	15%	15%	15%	10%	7%	5%	4%
<b>Sales Europe (€M)</b>	<b>1,3</b>	<b>1,3</b>	<b>1,3</b>	<b>1,4</b>	<b>1,4</b>	<b>1,5</b>	<b>1,5</b>	<b>1,6</b>	<b>1,1</b>	<b>0,8</b>	<b>0,6</b>	<b>0,4</b>
<b>USA</b>												
Animals treated (K)	1 335	1 375	1 416	1 458	1 502	1 547	1 593	1 641	1 691	1 741	1 793	1 847
Market Penetration	15%	15%	15%	15%	15%	15%	15%	15%	10%	7%	5%	4%
<b>Sales US/Canada (€M)</b>	<b>3,0</b>	<b>3,1</b>	<b>3,2</b>	<b>3,3</b>	<b>3,4</b>	<b>3,5</b>	<b>3,6</b>	<b>3,7</b>	<b>2,7</b>	<b>1,9</b>	<b>1,4</b>	<b>1,0</b>
<b>Total Sales (€M)</b>	<b>4,3</b>	<b>4,4</b>	<b>4,5</b>	<b>4,7</b>	<b>4,8</b>	<b>5,0</b>	<b>5,1</b>	<b>5,3</b>	<b>3,8</b>	<b>2,7</b>	<b>2,0</b>	<b>1,4</b>

Table 6. Sales estimates for the ophthalmological range (Source: Aurgalys estimations)

### 3.2. Gour 153: cannabidiol for improved pain management

*“Nutraceuticals to treat pain associated with osteoarthritis affecting 70% of older animals”*

Gour Medical concluded an exclusive worldwide agreement with Solmic Research GmbH for the use of Gour 153 (made using cannabidiol) in animals, for all indications. This innovative offers meets pet owners’ needs regarding pain treatment, for chronic pathologies and disorders. Gour 153 is a product made using cannabidiol (CBD), one of the main cannabinoids. CBD is already recognized for its sedative effects in animals, and is used in several types of medication for various indications. Gour Medical developed this product to treat chronic pain in animals, in particular arthritis that affects a large number of animals, especially in older generations. The advantage of the Gour 153 technology is that it fights pain efficiently without creating a dependency.

Currently, pain linked to chronic pathologies and disorders are mainly treated with non-steroidal anti-inflammatories, which unfortunately cause fairly complicated side effects. The treatment goal is to relieve pain, as arthritis does not disappear. The treatment generally offered by vets consists in reducing physical activity to relieve joints, and the administration of anti-inflammatory drugs. Vets may also offer joint cartilage protectors, that have a beneficial effect and can sometimes allow for reduced anti-inflammatory administration. Surgery is offered as a last-resort solution. A diet-based treatment is also possible, thanks to food items that help relieve joints and improve mobility in arthritic dogs and cats. There are no real options for preventing arthritis when it is caused by ageing. Older dogs and cats often move around less and gain weight, which increases the risk of arthritis. We can therefore associate a special diet to medical arthritis treatment, so fragile joints are not required to bear excess weight.

*“A product based on cannabidiol, a substance known for its sedative effects without addiction”*

For all these reasons combined, the market is still waiting for solutions that can guarantee high efficiency levels and close to no adverse effects, especially as it is for use in the medium- to long-term. Gour 153 could correspond to this profile, thanks to its pure CBD-based formulation, with a relatively low THC (tetrahydrocannabinol) rate, making it indeed possible to avoid the psycho-active effects that lead to dependency. Gour Medical plans to offer the product in a liquid formulation, to be added to food. This form allows both for precise doses and simple administration as it is taken during meals, made even easier by appetite-enhancing flavoring. Gour Medical is the only company as of yet to offer a product in liquid form, as competing products are essentially in pill form and are harder to administer to animals.

This product meets needs for various pathologies, including arthritis, which remains a major problem in ageing cats and dogs. To assess the market, we considered the United States and Europe as target regions, and a 65 to 70% incidence of arthritis (Impellizeri et al.) in the senior cat and dog population. Based on this hypothesis, the number of cases registered in the target countries would be about 45 million cats and dogs who developed arthritic disorders. Given the silent and non-alarming aspect of the pathology in most cases (only advanced stages lead to

limping or joint blockage), we consider that only 10% of animals truly suffering from arthritis are treated by their owners, bringing the target population to 450,000 cases in the considered regions. As part of our market penetration hypotheses, and given the innovative presentation of the product available making usage easier (added to food with an appetite-enhancing formula), we issued the hypothesis that Gour 153 could collect up to 10% of the market. We estimated product pricing according to similar product offers for the same indication, and applied different prices in different areas of the world. As shown in Table 7, we estimated an average budget of €40 in Europe and €50 in the USA.

*“Cannabidiol for osteoarthritis: peak sales of €10M in 2023”*

Osteoarthritis	Prevalence (M)	Market Penetration	Animals under treatment	Animals treated (M)	Public price (€)	Peak Sales (€M)
Europe	22,5	10%	10%	0,22	40,00	4,5
USA/Canada	22,9	10%	10%	0,23	50,00	5,7
<b>Total</b>	<b>45</b>	<b>10%</b>	<b>10%</b>	<b>0,45</b>		<b>10,2</b>

Table 7. Target population and sales peak for Gour 153 (Source: Aurgalys)

	Competitors	Groups	Price
Tablets x60	LYPROFLEX	Pfizer	34,75 €
Tablets x30	FLEXADIN	Vetoquinol	25,40 €
Tablets x30	SERAQUIN	Boehringer	27,50 €

Table 8. Product prices for pain and arthritis treatment (Source: Polytrans.fr)

Based on these hypotheses, sales of Gour 153 could reach €10M in target regions. Sales estimations are presented in Table 9, considering that we would need 5 to 6 years before reaching a peak in sales, that there are currently efficient solutions available despite them leading to disabling side effects, and that the product would be marketed from mid-2018 in the United States and Europe. Gour Medical must finalise its product formulation, in terms of appetite-enhancement, and must conduct efficiency tests; these will be the last steps before marketing authorisation.

Gour 153	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>Europe</b>												
Animals treated (K)	2 248	2 316	2 385	2 457	2 530	2 606	2 684	2 765	2 848	2 933	3 021	3 112
Market Penetration	0%	0%	0%	1%	3%	5%	7%	9%	10%	10%	10%	10%
<b>Sales Europe (€M)</b>	<b>0,0</b>	<b>0,0</b>	<b>0,2</b>	<b>0,5</b>	<b>1,3</b>	<b>2,6</b>	<b>4,0</b>	<b>4,9</b>	<b>5,5</b>	<b>5,8</b>	<b>6,0</b>	<b>6,2</b>
<b>USA</b>												
Animals treated (K)	2 289	2 357	2 428	2 501	2 576	2 653	2 733	2 815	2 899	2 986	3 076	3 168
Market Penetration	0%	0%	0%	1%	3%	5%	7%	9%	10%	10%	10%	10%
<b>Sales US/Canada (€M)</b>	<b>0,0</b>	<b>0,0</b>	<b>0,2</b>	<b>0,7</b>	<b>1,7</b>	<b>3,3</b>	<b>5,1</b>	<b>6,3</b>	<b>7,0</b>	<b>7,4</b>	<b>7,7</b>	<b>7,9</b>
<b>Total Sales (€M)</b>	<b>0,0</b>	<b>0,0</b>	<b>0,4</b>	<b>1,2</b>	<b>3,0</b>	<b>5,9</b>	<b>9,1</b>	<b>11,2</b>	<b>12,4</b>	<b>13,1</b>	<b>13,7</b>	<b>14,1</b>
Gour 153	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
<b>Europe</b>												
Animals treated (K)	3 205	3 301	3 400	3 502	3 608	3 716	3 827	3 942	4 060	4 182	4 308	4 437
Market Penetration	10%	10%	10%	10%	10%	10%	10%	10%	8%	6%	5%	4%
<b>Sales Europe (€M)</b>	<b>6,4</b>	<b>6,6</b>	<b>6,8</b>	<b>7,0</b>	<b>7,2</b>	<b>7,4</b>	<b>7,7</b>	<b>7,9</b>	<b>6,5</b>	<b>5,4</b>	<b>4,4</b>	<b>3,6</b>
<b>USA</b>												
Animals treated (K)	3 263	3 361	3 462	3 566	3 673	3 783	3 896	4 013	4 134	4 258	4 385	4 517
Market Penetration	10%	10%	10%	10%	10%	10%	10%	10%	8%	6%	5%	4%
<b>Sales US/Canada (€M)</b>	<b>8,2</b>	<b>8,4</b>	<b>8,7</b>	<b>8,9</b>	<b>9,2</b>	<b>9,5</b>	<b>9,7</b>	<b>10,0</b>	<b>8,3</b>	<b>6,8</b>	<b>5,6</b>	<b>4,6</b>
<b>Total Sales (€M)</b>	<b>14,6</b>	<b>15,0</b>	<b>15,5</b>	<b>15,9</b>	<b>16,4</b>	<b>16,9</b>	<b>17,4</b>	<b>17,9</b>	<b>14,8</b>	<b>12,2</b>	<b>10,0</b>	<b>8,3</b>

Table 9. Sales estimates for Gour 153 (Source: Aurgalys estimations)

### 3.3. Gour 713: a neuromodulator for treating behavioral disorders

Gour Medical concluded an exclusive worldwide agreement with Actelion for the use of Gour 713 in animals and humans. This includes all indications. Gour 713 is an orexin-receptor antagonist. Orexin is an exciter neurotransmitter, involved in appetite and wakefulness stimulation, and for narcolepsy. An antagonist for this protein therefore goes against orexin effects, concerning wakefulness. Therefore, Gour 713 aims to treat anxiety and stressful conditions in animals. Nonetheless, Gour Medical reserves the possibility to authorize the product for human use, once initial concept and efficiency proof has been shown in animals. This type of agreement with a partner specialized in human health would be an opportunity to create a significant upside for Gour Medical and its valuation.

*“Treat anxiety and behavior disorders associated with ageing, motion sickness and separation”*

Actelion has already conducted trials with this antagonist, and has proven the product's efficacy in inducing sleep in dogs. Based on these first results, Gour Medical wishes to develop the product so it can treat any conditions that require calming, either for specific situations or due to chronic behavioral disorders. Gour 713 presents as a tranquilliser or sedative - depending on the dose (the effect is dose-dependent) - to treat anxiety linked to transport or separation, or to treat a change in behavior related to chronic mood disorders, that affect certain ageing animals.

Currently, behavioral disorders in animals are mostly treated with drugs that unfortunately - just like in humans - create a state of dependency and serious side effects. Another possible solution is to use nutraceuticals or pheromones, which, even though they only show few side effects, have not proven to be as effective. For all these reasons, the market is still waiting for solutions that can guarantee high efficacy levels and close to zero adverse effects, especially as it is for use in the medium- to long-term, such as in chronic cases. Gour 713 could correspond to this profile, because it is a neuromodulator that acts on wakefulness, with a satisfactory safety profile as shown by initial testing.

*“An exclusive worldwide license for man and animal health”*

This product meets market needs in the management of behavioral disorders affecting certain animals in stressful situations, or those undergoing age-related changes. To assess the market, we considered the United States and Europe as target regions, and a 50% incidence of anxiety disorders (J Fatjó et al.) in the senior cat and dog population. Based on this hypothesis, the number of cases registered in the target countries would be about 34 million senior cats and dogs who show obvious behavioral disorders (stress or depression). Given the non-vital aspect of these disorders, but their necessity in specific situations such as transport or separation, we consider that 20% of animals could be treated by their owners, bringing the target population to 1 million in the considered regions. Given the first signs of efficacy, the dose-dependent effect of the drug, and the unmet medical need for pets, we hypothesized

that Gour 713 could claim up to 15% of the market. Market adoption by vets is necessary since the prescription of human drugs to pets is difficult in small animals, especially because of overdosing and addiction risks. We estimated product pricing according to similar product offers for the same indication, and applied different prices in different areas of the world. As shown in Table 10, we estimated an average yearly budget of €25 in Europe and €30 in the USA.

*“Anxiety/Behavior: peak sales of €14M in 2027”*

Anxiety/ Behaviour	Prevalence (M)	Market Penetration	Animals under treatment	Animals treated (M)	Public price (€)	Peak Sales (€M)
Europe	16,6	15%	20%	0,50	25,00	6,2
USA/Canada	17,0	15%	20%	0,51	30,00	7,7
<b>Total</b>	<b>34</b>	<b>15%</b>	<b>20%</b>	<b>1</b>		<b>13,9</b>

Table 10. Target population and sales peak for Gour 713 (Source: Aurgalys)

	Competitors	Groups	Price
Tablets x30	ANXITANE	Virbac	17,05 €
Tablets x30	ZYKENE 225mg	Vétoquinol	23,04 €
Tablets x30	ANANXIVIA	Isovia	5,80 €
Tablets x30	WAMINE IMMUNOSTRESS	Wamine	12,20 €
Tablets x36	PROTEOSTRESS	Wamine	5,80 €
pheromone	FELIWAY DIFFUSEUR	Ceva	20,59 €

Table 11. Product prices for the treatment of behavioral disorders and anxiety (Source:-Vetostore.fr)

Based on these hypotheses, sales of Gour 713 could reach €14M in target regions. Sales estimations are presented in Table 12, considering that we would need 4 to 5 years before reaching a peak in sales, that there are currently efficient solutions available despite them leading to disabling side effects, and that the product would be marketed from 2022 in the United States and Europe. Before launching the product, Gour Medical needs to finalize its efficiency tests in animals, as well as the clinical trials.

Gour 713	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>Europe</b>												
Animals treated (K)	3 320	3 420	3 522	3 628	3 737	3 849	3 964	4 083	4 206	4 332	4 462	4 596
Market Penetration	0%	0%	0%	0%	0%	0%	0%	1%	3%	8%	12%	14%
<b>Sales Europe (€M)</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,1</b>	<b>0,3</b>	<b>1,3</b>	<b>4,1</b>	<b>6,9</b>	<b>8,3</b>
<b>USA</b>												
Animals treated (K)	3 426	3 529	3 635	3 744	3 856	3 972	4 091	4 214	4 340	4 470	4 604	4 742
Market Penetration	0%	0%	0%	0%	0%	0%	0%	0%	1%	2%	5%	10%
<b>Sales US/Canada (€M)</b>	<b>0,0</b>	<b>0,1</b>	<b>0,4</b>	<b>1,3</b>	<b>3,6</b>	<b>7,0</b>						
<b>Total Sales (€M)</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,1</b>	<b>0,4</b>	<b>1,7</b>	<b>5,4</b>	<b>10,5</b>	<b>15,2</b>
Gour 713	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
<b>Europe</b>												
Animals treated (K)	4 734	4 876	5 022	5 172	5 328	5 487	5 652	5 822	5 996	6 176	6 361	6 552
Market Penetration	15%	15%	15%	15%	15%	15%	15%	15%	15%	10%	7%	5%
<b>Sales Europe (€M)</b>	<b>8,8</b>	<b>9,1</b>	<b>9,4</b>	<b>9,7</b>	<b>10,0</b>	<b>10,3</b>	<b>10,6</b>	<b>10,9</b>	<b>11,2</b>	<b>8,1</b>	<b>5,8</b>	<b>4,2</b>
<b>USA</b>												
Animals treated (K)	4 885	5 031	5 182	5 338	5 498	5 663	5 833	6 008	6 188	6 373	6 565	6 762
Market Penetration	13%	14%	15%	15%	15%	15%	15%	15%	15%	7%	4%	2%
<b>Sales US/Canada (€M)</b>	<b>9,6</b>	<b>10,9</b>	<b>11,5</b>	<b>12,0</b>	<b>12,4</b>	<b>12,7</b>	<b>13,1</b>	<b>13,5</b>	<b>13,9</b>	<b>7,2</b>	<b>3,7</b>	<b>1,9</b>
<b>Total Sales (€M)</b>	<b>18,4</b>	<b>20,0</b>	<b>20,9</b>	<b>21,7</b>	<b>22,3</b>	<b>23,0</b>	<b>23,7</b>	<b>24,4</b>	<b>25,2</b>	<b>15,3</b>	<b>9,5</b>	<b>6,1</b>

Table 12. Sales estimates for Gour 713 (Source: Aurgalys estimations)

### 3.4. Gour 419 : immunotherapy for fighting against atopic dermatitis

*“A monoclonal antibody to treat atopic dermatitis which affects 1 animal out of 8”*

Gour Medical concluded an exclusive agreement with the Indexx laboratory for the use in animals of an anti-IgE antibody, prescribed for the treatment of allergies, for all indications in animals. As such, Gour Medical has an extremely high-potential drug candidate, providing access to anti-IgE antibody therapy, which nowadays holds an important place in the animal health market. It is an innovative offer that meets treatment needs for allergy-based pathologies, atopic dermatitis which, not fatal, is terribly disabling and quite unpleasant visually. Gour 419 is a monoclonal antibody, giving the company access to the immunotherapy market, currently known as a “hot topic” market given the high revenue possibilities and its efficiency in treating pathologies relating to the immune system. Gour Medical is already at the cutting edge of R&D as it positions itself on a market where large animal health players are already present. However, research has yet to deliver its promises in the field of animal immunotherapy.

*“A disabling disease with few practical, long-term and effective solutions”*

Atopic dermatitis is a hypersensitive skin reaction to environmental allergens. It is a common cause of allergic skin outbreaks in small animals. It is a chronic inflammatory skin disease, and is in fact the second most widespread skin allergy disease in dogs. These allergic reactions can be caused by normally inoffensive substances such as grass, mould spores, dust mites and other environmental allergens. Dogs normally show signs of the disease between 3 months and 6 years of age, although atopic dermatitis can remain hidden for the first few months and only appear clinically after several years. This pathology is more frequent in dogs than in cats, but the latter are not spared entirely. Atopic dermatitis develops in a complex manner. In dogs, it is a genetic and hereditary disease; some species are more likely to develop the pathology than others.

From a molecular point of view, atopic dermatitis is characterized by a hypersensitive reaction caused by IgE agents, and supposedly percutaneous exposure to allergens which could be another important element of the pathogenesis; it leads to imbalanced cytokines and a T-cell mediation response involved in the inflammatory process. It can present in acute form, with brutal yet temporary symptoms, or in chronic form which must be treated in the long-term or even for life. This complexity makes it difficult to treat.

Currently, atopic dermatitis is essentially treated using a combination of long-term and topical treatments:

- corticosteroid-based anti-inflammatory drugs to control the allergic reaction, or immuno-modulators (essentially cyclosporin),
- shampoos to soothe skin irritations and reduce itching

There are no treatments that act on the cause, only the symptoms. This shortcoming provides a high stakes opportunity. Indeed, vets and owners expect a real solution that can meet the constraints of this pathology, which is extremely strenuous on animals (itching, loss of hair, skin irritation, purulence, ear infections, etc.), and quite unpleasant visually. Immunotherapy seems to be the most suitable solution, as it would be both specific - it would target the cause of the allergy, i.e. the IgE agents, and would therefore be highly efficacious (as it acts on the cause instead of the symptoms) - and with very few side effects (as immunotherapy is more specific than other systemic treatments). Therefore, Gour Medical is already positioned and in the race, with a potential blockbuster product for animal health - provided that Gour 419 is authorized and shows high efficacy, before any other competitors also working on immunotherapy in the treatment of atopic dermatitis.

This product meets needs for atopic dermatitis, which remains a major problem in cats and dogs of all ages. To assess the market, we considered the United States and Europe as target regions, and a 16% incidence of atopic dermatitis (SkinVetClinic) in the overall cat and dog population (1 out of 8 animals experience atopic dermatitis at least once). Based on this hypothesis, the number of cases registered in the target countries would be about 41 million cats and dogs who developed atopic dermatitis. Given how silent the pathology remains the first year, and as this pathology is more unpleasant visually and strenuous than truly disabling, we consider that only 1 out of 8 animals will be treated by their owner using immunotherapy (the proportion treated by other types of medication remains larger), bringing the target population to 800,000 in the considered regions. As part of our market penetration hypotheses, and given the real benefits this immunotherapy-based treatment could provide, we issued the hypothesis that Gour 419 could collect up to 15% of the market. We estimated product pricing according to similar product offers for the same indication, and applied different prices in different areas of the world. As shown in Table 13, we estimated an average yearly budget of €135 in Europe and €150 in the USA.

*“Atopic dermatitis: peak sales of €55M in 2029”*

Atopic dermatitis	Prevalence (M)	Market Penetration	Animals under treatment	Animals treated (M)	Public price (€)	Peak Sales (€M)
Europe	15,8	15%	13%	0,30	135,00	20,0
USA/Canada	25,0	15%	13%	0,47	150,00	35,1
<b>Total</b>	<b>41</b>	<b>15%</b>		<b>0,8</b>		<b>55,1</b>

Table 13. Target population and sales peak for Gour 419 (Source: Aurgalys)

	Competitors	Groups	Price
Tablets x28	Apoquel	Zoetis	84,00 €
Tablets x28	Atopica	Elanco	187 €
spray 75ml	Cortavance	Virbac	25,90 €

Table 14. Product prices for atopic dermatitis treatment (Source: Medicanimal.fr)

Based on these hypotheses, sales of Gour 419 could reach €55M in target regions. Sales estimations are presented in Table 15, considering that we would need 4 to 5 years before reaching a peak in sales, that there are currently partially efficient solutions available despite them being widely used as standard first-line treatments, and that the product would only be marketed from 2025 in the United States and Europe. Gour Medical must finalize its proof of concept and clinical trials to validate the therapy being developed.

<b>Gour 419</b>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>Europe</b>												
Animals treated (K)	1 980	2 039	2 101	2 164	2 229	2 295	2 364	2 435	2 508	2 583	2 661	2 741
Market Penetration	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	3%
<b>Sales Europe (€M)</b>	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,2	1,1	4,7
<b>USA</b>												
Animals treated (K)	3 120	3 214	3 310	3 409	3 512	3 617	3 725	3 837	3 952	4 071	4 193	4 319
Market Penetration	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	2%
<b>Sales US/Canada (€M)</b>	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,5	1,9	6,3
<b>Total Sales (€M)</b>	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,7	3,0	11,0
<b>Gour 419</b>	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
<b>Europe</b>												
Animals treated (K)	2 823	2 908	2 995	3 085	3 177	3 273	3 371	3 472	3 576	3 683	3 794	3 908
Market Penetration	8%	12%	14%	15%	15%	15%	15%	15%	15%	15%	10%	7%
<b>Sales Europe (€M)</b>	14,3	24,4	29,1	31,0	32,1	33,1	34,1	35,2	36,2	37,3	26,9	19,4
<b>USA</b>												
Animals treated (K)	4 448	4 582	4 719	4 861	5 007	5 157	5 312	5 471	5 635	5 804	5 978	6 158
Market Penetration	5%	10%	13%	14%	15%	15%	15%	15%	15%	15%	7%	4%
<b>Sales US/Canada (€M)</b>	17,3	33,7	46,2	52,5	55,7	57,8	59,7	61,5	63,4	65,3	33,6	17,3
<b>Total Sales (€M)</b>	31,6	58,1	75,3	83,5	87,8	90,9	93,8	96,7	99,6	102,6	60,5	36,7

Table 15. estimates for Gour 419 (Source: Aurgalys estimations)

### 3.5. Gour Medical's competitive advantages

In its business model, Gour Medical boasts competitive advantages and a strategy that distinguishes it from other competitors in the animal health sector. We have drawn up a SWOT of the company, highlighting its strong points within its working environment. The most distinguishing points are developed below.

The company also presents some weaknesses, but they are not considered critical. They include:

- dependency on partners, a business model that shows an outsourcing of all development, production and distribution activities. However, the presence of many stakeholders/providers on the market which can easily be replaced does not make this dependency critical as it is not exclusive to one partner in particular in terms of skills (fairly common skill-set).
- a restrained management team that limits the decision-making circuit and allows for more efficiency and speed when making strategic decisions. This being said, the departure of one of the members of this team - made up of experts in their respective fields - could weaken the company given the skill loss associated with this member. Nonetheless, Gour Medical has the qualities and arguments required

to reinforce the management with its necessary skills and know-how.

- we have here a new company that wishes to integrate itself in a mature market. Competition is quite high given the presence of large groups that have been working in a sector they know well for many years. Yet the weak point of these large groups is precisely their loss of momentum in terms of innovation, whereas it is a real strong point for Gour Medical. The young company offers innovative products in its field, and positions itself on strong markets given the lack of efficient solutions, as is the case for Gour 153 and 419 in the treatment of disabling pathologies such as arthritis and atopic dermatitis.

In addition, Gour Medical also has the advantage of being bestowed with lots of assets, it is capable of distinguishing itself within the animal health landscape and boasts an original and sustainable position. These strong points are developed in the section below.

*“A young company with strong assets to stand out in the animal health sector”*

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>- Diversified portfolio</li> <li>- A risk-free and optimised business model</li> <li>- An identified and restrained target customer base</li> <li>- Original positioning</li> <li>- Innovative and high-potential products</li> </ul>	<ul style="list-style-type: none"> <li>- Dependency on partners</li> <li>- A restrained team with limited skill recurrence</li> <li>- A company in a mature market</li> <li>- Limited financial resources</li> </ul>
Opportunities	Risks
<ul style="list-style-type: none"> <li>- Growing market</li> <li>- Increasing pet ownership</li> <li>- Pet ageing</li> <li>- Increase in animal care needs</li> <li>- Emerging countries</li> </ul>	<ul style="list-style-type: none"> <li>- Large-scale and historically-positioned stakeholders</li> <li>- The development of innovative and high-risk products</li> </ul>

Table 16. SWOT of Gour Medical vs. animal health (Source: Aurgalys)

### 3.5.1. Original positioning

Gour Medical is strategically positioned within the sparingly-represented segment of ageing pets. Although there are existing products aimed at this particular population, no company has ever dedicated itself entirely to it. This positioning should enable Gour Medical to gain higher visibility among ageing pet owners, especially as this population is the most medicated given the number of age-related pathologies. This clear positioning should also enable Gour Medical to establish strong credibility among vets - the first prescribers and dispensers - who are taking more and more interest in this animal population as they represent a large part of their revenue. More and more veterinary clinics offers complete “shake up” programs for senior animals, to identify pathologies that the animals could develop and thus treat them as early as possible. This new and increasingly developed approach is perfectly in line with Gour Medical’s positioning, who dedicates its business to this population of pets. This unique and original positioning is strategic, given the evolution of this pet population - in terms of epidemiology as stated in the previous report.

*“Gour Medical, a company exclusively dedicated to ageing pets”*

Therefore, animal population ageing and the growing need for owners to take care of their cats and dogs is an opportunity for Gour Medical to grow even more.

### 3.5.2. Simplified administration modes for improved compliance

Although studies show a rising interest in owners regarding the well-being of their pets, treatment compliance in the medium- to long-term is still a challenge. The first barrier remains the constraining aspect of treatments, which most owners consider hard to stick to in the long-term. The multiple doses required and/or the effort in delivering the medications often leads pet owners to stop treatment before the recommended end date. Even for chronic treatments, it has been statistically documented that treatment rarely exceeds 2 months. This can be explained by several factors:

- the constraining aspect of the treatment on the medium- to long-term
- the “immediate” efficacy of the treatment that makes owners think they do not need to carry on any longer: “the animal seems better, so they must be cured”
- the “slow” efficacy of other products (long-term treatments) that make owners think the treatment is not efficient as the effects are not immediate and cannot be seen straight away, which makes them stop it too early.
- the cost that can be perceived as excessive for chronic treatments

*“Easy to use products for the welfare of animals”*

For all these reasons, administration mode and treatment recurrence have become critical and major points in the manufacture of veterinary products. This is precisely why Gour Medical wishes to offer products that are easy to use, such as:

- eye wipes and single-dose drops, which are easier to use than compress applications or bottles,
- nutraceuticals to be added to food, which are much easier to administer than pills. Gour Medical is indeed working on the formulation of Gour 153, aiming to change the taste to make it more appetizing, which should make administration even easier for the animal,
- medication with spaced-out doses. Gour Medical wishes to develop therapies whose recurrence does not exceed once daily, or even weekly dose. For chronic treatments such as those for atopic dermatitis or arthritis, the availability of a treatment that requires just one daily dose would provide more comfort for owners who would become more compliant.

Gour Medical’s positioning as a company that offers solutions for pet comfort and well-being of course requires an improvement in compliance and thus innovation in terms of administration modes. Making owner’s involvement in their pet’s health care as easy as possible, is a distinguishing factor that could be the key to success for Gour Medical.

### 3.5.3. A mixed, diversified and risk-free portfolio

Although Gour Medical is working in an extremely competitive market place alongside historical giants already established in the sector, the young company has substantial assets, including its product portfolio that is both mixed and diversified, thus creating a risk-free pipeline.

Its portfolio is mixed in that it includes both products that are ready to be marketed - and thus likely to generate revenue very quickly (as soon as 2017) - and more upstream products for major indications. This mixed profile, with a developing “biotech” section and a marketed “pharma” section constitutes an incredible advantage compared to its competitors, who only have products currently being developed.

In addition, the portfolio is diversified as it includes 4 different products:

- they all concern different indications, so there is less risk for developing this portfolio because there is no interdependency between the products,
- they all belong to different segments: comfort products, nutraceuticals, therapeutic products, etc. This multi-segment positioning extends the company’s opportunities to other distribution channels, as well as different targets with varying needs and requirements,
- they are all at different stages of development, which reduces risk compared to a single-product company. Furthermore, a “staircase” portfolio boasts the added advantage of having back-ups in case one program fails. The other programs will help compensate the loss in activity and resources.
- two are close to being marketed, making it possible to consider revenue for 2017 and thus the resources that could significantly contribute to developing more upstream products, as well as the company’s sourcing activities.

*“A well-balanced pipeline with 4 products in different indications, therapeutic class, and stage development”*

Given its portfolio’s features, Gour Medical presents itself as a risk-free company compared to others who wish to introduce themselves in the animal health market with a unique product or products that are only in the development stage.

### 3.5.4. Medium-term development perspectives

Gour Medical has an original and very clear positioning: its target is ageing pets, and offers comfort and care products that meet the requirements of this particular population. That being said, the company is not ruling out the possibility of diversifying its activities in the medium term to reinforce its strategy and presence in the animal health market. In addition, Gour Medical intends to implement 5 strategic development points within the next few years:

*“A company with an already defined medium-term development strategy”*

- Diversifying distribution channels. Today, the company wishes to market its products through vets, who are the main prescribers of drugs and pet products. Nonetheless, once this network has been acquired, Gour Medical will not rule out exploiting other distribution channels such as drug and nutraceutical dispensaries, as well as large retailers and e-commerce for OTC products that do not require a medical prescription.
- Positioning itself in new animal segments. Currently, Gour Medical directs its offer exclusively towards cats and dogs, but the company intends to extend its target, towards horses. Moreover, Gour Medical currently has products in its pipeline that are able to meet young and ageing animal needs, such as Gour 419 for atopic dermatitis that affects animals of all ages, and Gour 713 for treating animals with travel sickness.
- Winning over new markets. Gour Medical intends to extend its target territories, to Asia - where China and Japan represent important estimated markets reaching close to 17% of the world market.
- Widening the company’s product portfolio, with new acquisitions and licenses for instance. Gour Medical, whose business model is based primarily on high-potential product sourcing, is considering pursuing its observation strategy so as to implement its new product pipeline (either ones being developed or ready to be marketed). The company is also open to partnerships and to the medium-term acquisition of a company whose products would complement its own portfolio and in line with its development strategy.
- Reinforcing product adoption. Gour Medical is considering completing its products by developing services or devices sold alongside its standard range to improve usage. Owners could therefore make the most of a comprehensive offer for each available product.

Therefore, Gour Medical boasts considerable assets in its business model and is considering a medium-term development strategy that goes hand in hand with its target market and its evolutions, giving it a distinguishing position in the field of animal health.

## 4. Company value

### 4.1. Hypotheses

We assessed Gour Medical’s value using the DCF method (Discount Cash Flow). Our assessment is based on the market and price of each potential drug and product. These estimates are calculated in consideration of epidemiological data and the price of drugs already available in the veterinary market. Our hypotheses integrate success

rates for different clinical stages, so as to consider the risks associated with clinical development. Furthermore, the cash flow estimated for the period running from 2016 to 2035 has been updated to 12.5%, given the company's mixed profile: its portfolio includes products both ready for marketing and still being developed. Based on these hypotheses, we estimate that Gour 153 has a 90% chance of reaching the market, Gour 713 has a 50% chance of reaching the market, and Gour 419 has a 35% chance of reaching the market.

<b>Gour 713</b>		<b>Success Rates</b>		<b>Likelihood to be in</b>	
POC	92%	POC	100%		
Clinical studies	60%	Clinical studies	51%		
Regulatory	90%	Regulatory	55%		
Market	100%	Market	50%		

<b>Gour 419</b>		<b>Success Rates</b>		<b>Likelihood to be in</b>	
POC	92%	POC	100%		
Clinical studies	42%	Clinical studies	44%		
Regulatory	90%	Regulatory	39%		
Market	100%	Market	35%		

Table 17. Success rate for clinical trials (Source: adapted from Keagan, Di Masio)

We based our assessment on the 4 programs currently being developed by the company. As part of this model, we estimated the value of all products in each of their target indications, for ageing cats and dogs. Depending on how well Gour Medical's various programs progress, and on the company's new potential acquisitions, we will adjust our valuation model accordingly to take into account the company's new scope, if necessary. Other factors could also create value for Gour Medical, its exclusive rights for the development of Gour 713 as a human health product. The data collected in animal health as part of product development in cats and dogs will become preliminary data that could be of high interest to a partner in their research for human applications. Therefore, the trials conducted in animal health will save a great deal of time in the trials aiming to approve human application of the product. This type of license would be a significant upside in company valuation.

**Next steps:**

- S1-2017:** Launch of clinical trials for Gour 713  
POC for Gour 419
- Q3-2017:** Marketing of the ophthalmological range
- Q2-2018:** Marketing of Gour 153  
Launch of clinical trials for Gour 419

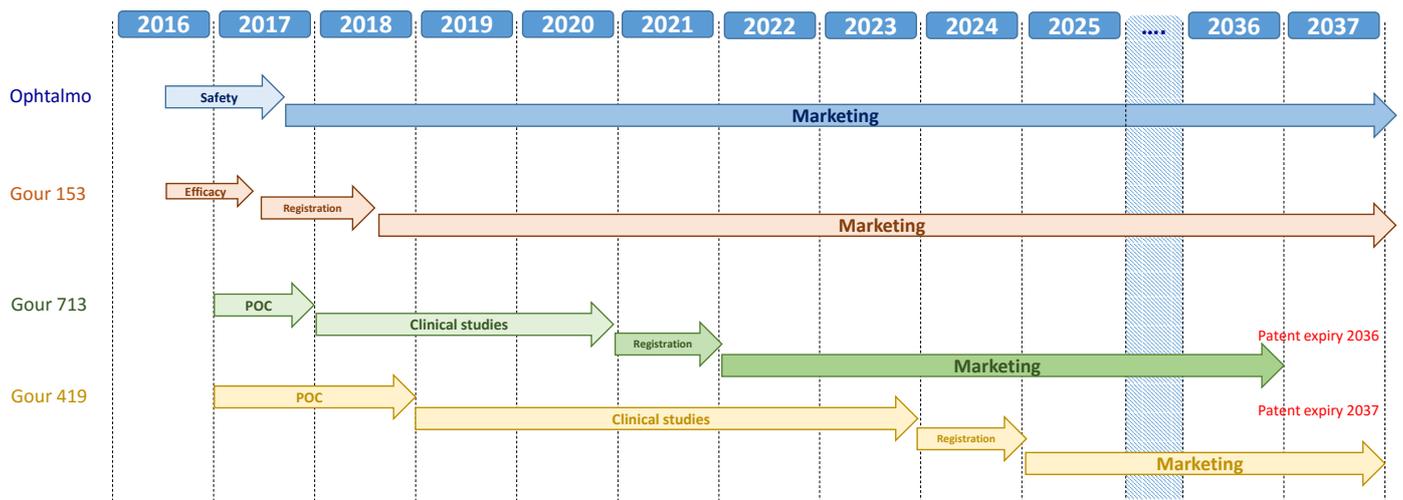


Figure 12. Gour Medical R&D Timeline (Source: Aurgalys)

## 4.2. Valuation of the Gour Medical company

After having considered these hypotheses, our valuation for Gour Medical amounts to 16.1M€ (Company Value), corresponding to the value of all 4 products currently included in the company's portfolio. We have estimated that safety tests for the ophthalmological range would be finished by early 2017, and that the product would become available for sale from the 3rd quarter of 2017. Our estimates have concluded that Gour 153's efficiency test would be finished during the 2nd half of 2017, and the product could thus be marketed during the 2nd quarter of 2018. Lastly, for the two remaining products currently being developed clinically, market appearance will be longer given their progress in the targeted indications. As such, Gour 713 is estimated to be 5 years away from marketing, i.e. possibly in 2022, and Gour 419 is estimated to be 8 years away from marketing, i.e. a possible product launch for 2025. The company is considering developing its products alone, and will then conclude distribution agreements with various partners according to the end product and targeted indication. Target territories are Europe and the United States, representing 2/3 of the worldwide market, and the company's positioning includes ageing pets - initially cats and dogs. Nevertheless, for some of its products - such as the ophthalmological range and the anti-IgE antibodies - medical and care requirements correspond to a larger portion of the animal population (not restricted to ageing animals). For these reasons, the company is not ruling out extending its offer to the entire animal population, to meet market requests - which would thus lead to much higher revenue for these two products in particular.

	Launch	Off Patent	Success rate	DCF (€M)
Gour Ophthalmo	2017		100%	
Gour 153	2018		90%	
Gour 713	2022	2036	50%	
Gour 419	2025	2037	35%	
<b>Total</b>				<b>16,1</b>

Table 18. Valuation of Gour Medical (Company value) (Source: Aurgalys)

As part of our valuation process, we drew up a license model that includes a 5% fee on sales to be paid back to license owners under contract for products currently being developed (Gour 713 and Gour 419). For Gour 713, we also integrated milestones to be paid to Actelion according to different key stages to be reached, which we estimated to amount to €5M. With a 100% chance of reaching the market for the ophthalmological range, 90% for Gour 153, 50% for Gour 713 and 35% for Gour 419, our valuation for the entire product portfolio - using the DCF method - amounts to €16,1M.

€M	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Gour Ophthalmo	0,0	0,1	0,2	0,4	0,7	1,1	1,5	1,8	1,9	2,1
Gour 153	0,0	0,0	0,2	0,6	1,4	2,8	4,3	5,4	6,0	6,3
Gour 713	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,1	0,4	1,4
Gour 419	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,1
<b>Total Sales</b>	<b>0,0</b>	<b>0,1</b>	<b>0,4</b>	<b>0,9</b>	<b>2,1</b>	<b>4,0</b>	<b>5,9</b>	<b>7,3</b>	<b>8,3</b>	<b>9,9</b>
Milestones	0,0	0,7	0,0	0,6	0,0	0,5	0,0	0,5	0,0	0,5
Royalties (5%)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,1	0,2	0,3
Costs Development	0,6	1,4	1,1	2,3	2,1	1,3	1,1	0,8	0,5	0,3
<b>Total Costs</b>	<b>0,6</b>	<b>2,1</b>	<b>1,1</b>	<b>2,9</b>	<b>2,1</b>	<b>1,8</b>	<b>1,1</b>	<b>1,4</b>	<b>0,6</b>	<b>1,1</b>
<b>EBITDA</b>	<b>0,0</b>	<b>0,1</b>	<b>0,2</b>	<b>0,2</b>	<b>0,2</b>	<b>0,2</b>	<b>0,2</b>	<b>0,3</b>	<b>0,3</b>	<b>0,3</b>
<b>Tax (20%)</b>	<b>0,0</b>	<b>-0,1</b>	<b>-0,3</b>	<b>-0,4</b>						
<b>Gour Medical CF</b>	<b>-0,6</b>	<b>-2,5</b>	<b>-2,2</b>	<b>-3,0</b>	<b>-2,3</b>	<b>-1,3</b>	<b>-0,3</b>	<b>0,1</b>	<b>0,6</b>	<b>0,7</b>

€M	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Gour Ophthalmo	2,1	2,2	2,3	2,3	2,4	2,5	2,6	2,6	2,7	2,8
Gour 153	6,6	6,8	7,0	7,2	7,4	7,6	7,9	8,1	8,3	8,6
Gour 713	2,6	3,7	4,4	4,7	4,9	5,1	5,3	5,4	5,6	5,8
Gour 419	0,6	2,1	5,9	10,9	14,1	15,6	16,4	17,0	17,6	18,1
<b>Total Sales</b>	<b>11,9</b>	<b>14,7</b>	<b>19,6</b>	<b>25,2</b>	<b>28,9</b>	<b>30,9</b>	<b>32,2</b>	<b>33,2</b>	<b>34,2</b>	<b>35,3</b>
Milestones	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Royalties (5%)	0,5	0,8	1,0	1,0	1,1	1,1	1,2	1,2	1,2	0,0
Costs Development	0,4	0,5	0,8	1,1	1,2	1,3	1,4	1,4	1,5	1,5
<b>Total Costs</b>	<b>0,9</b>	<b>1,3</b>	<b>1,7</b>	<b>2,1</b>	<b>2,3</b>	<b>2,4</b>	<b>2,5</b>	<b>2,6</b>	<b>2,7</b>	<b>1,5</b>
<b>EBITDA</b>	<b>0,3</b>	<b>0,3</b>	<b>0,3</b>	<b>0,3</b>	<b>0,4</b>	<b>0,4</b>	<b>0,4</b>	<b>0,4</b>	<b>0,4</b>	<b>0,0</b>
<b>Tax (20%)</b>	<b>-0,6</b>	<b>-0,6</b>	<b>-1,1</b>	<b>-1,5</b>	<b>-1,8</b>	<b>-1,9</b>	<b>-2,0</b>	<b>-2,1</b>	<b>-2,1</b>	<b>-2,2</b>
<b>Gour Medical CF</b>	<b>0,9</b>	<b>0,8</b>	<b>1,3</b>	<b>1,6</b>	<b>1,7</b>	<b>1,7</b>	<b>1,5</b>	<b>1,4</b>	<b>1,3</b>	<b>1,2</b>

Table 19. Gour Medical's cash flow forecast (Source: Aurgalys)

## 5. Financial Data

<b>Assets (M€)</b>	<b>2014</b>	<b>2015</b>	<b>2016e</b>	<b>2017e</b>	<b>2018e</b>	<b>2019e</b>
Fixed Assets	0,0	0,0	0,0	0,1	0,2	0,2
Inventory	0,0	0,0	0,0	0,0	0,0	0,0
Account Receivable	0,0	0,0	0,0	0,0	0,1	0,2
Cash and Cash equivalents	0,5	0,2	2,3	0,5	9,5	7,0
<b>Total Assets</b>	<b>0,5</b>	<b>0,2</b>	<b>2,3</b>	<b>0,6</b>	<b>9,7</b>	<b>7,4</b>

<b>Liabilities (M€)</b>	<b>2014</b>	<b>2015</b>	<b>2016e</b>	<b>2017e</b>	<b>2018e</b>	<b>2019e</b>
<b>Equity</b>	<b>0,0</b>	<b>-0,3</b>	<b>1,8</b>	<b>0,0</b>	<b>8,7</b>	<b>5,6</b>
Loans and financial debts	0,5	0,5	0,5	0,5	0,5	0,5
Accounts payable	0,0	0,0	0,0	0,0	0,1	0,3
Social security and tax payable	0,0	0,0	0,0	0,1	0,1	0,1
Various liabilities	0,0	0,0	0,0	0,0	0,3	0,9
<b>Total Liabilities</b>	<b>0,5</b>	<b>0,2</b>	<b>2,3</b>	<b>0,6</b>	<b>9,7</b>	<b>7,4</b>

<b>Profit &amp; Loss accounts (M€)</b>	<b>2014</b>	<b>2015</b>	<b>2016e</b>	<b>2017e</b>	<b>2018e</b>	<b>2019e</b>
Revenues	0,0	0,0	0,0	0,1	0,4	1,0
Other products	0,0	0,0	0,0	0,0	0,0	0,0
<b>EBITDA</b>	<b>-0,1</b>	<b>-0,3</b>	<b>-0,9</b>	<b>-1,6</b>	<b>-1,1</b>	<b>-2,9</b>
<b>EBIT</b>	<b>-0,1</b>	<b>-0,3</b>	<b>-0,9</b>	<b>-1,8</b>	<b>-1,3</b>	<b>-3,1</b>
<b>Net profit/loss</b>	<b>-0,1</b>	<b>-0,3</b>	<b>-0,9</b>	<b>-1,8</b>	<b>-1,3</b>	<b>-3,1</b>

<b>Cash Flow (M€)</b>	<b>2014</b>	<b>2015</b>	<b>2016e</b>	<b>2017e</b>	<b>2018e</b>	<b>2019e</b>
<b>Net profit/loss</b>	<b>-0,1</b>	<b>-0,3</b>	<b>-0,9</b>	<b>-1,8</b>	<b>-1,3</b>	<b>-3,1</b>
Cash from operating activities	-0,1	-0,2	-1,0	-1,6	-1,0	-2,7
Cash from investing activities	0,0	0,1	0,0	0,0	0,0	0,0
Cash from financing activities	0,0	0,0	2,7	0,0	10,1	0,1
<b>Change in Cash</b>	<b>-0,1</b>	<b>-0,1</b>	<b>1,8</b>	<b>-1,5</b>	<b>9,1</b>	<b>-2,5</b>

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## Aurgalys

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