

## Market Launch, Medical Product

(Medical Product, Risk Class I)



Option A      Interim financing:  
                          EUR 2 - 3 million  
 Option B      Sale 100%:  
                          EUR > 6 million

<b>The market</b>	Deodorants / Antiperspirants	While deodorants with antibacterial scents prevent bodily odor and are directed at the mass market and being worked on by large multi-nationals, antiperspirants focus on a small submarket that prevents the production of perspiration. Individual providers try to establish mixed products that extend across markets.
	3 - 10 % of the population	The market for highly effective antiperspirants is a niche market. On the one hand, it focuses on the 3% of the population that sweats due to illness (hyperhidrosis), and on the other hand on those 10% who state that they sweat profusely. This niche is being serviced by a number of smaller providers, also by our client.
	Potential in Europa 70 million people EUR 4.2 - 5.6 billion p.a.	With more than 700 million residents in Europe, a potential of 70 million users who sweat profusely arises. At an average retail price of EUR 20 - for a highly effective product - and an annual consumption of 3-4 products per person per year, the annual market volume is EUR 4.2 - 5.6 billion.
<b>Articles available to date</b>	Aluminum salt as active substance	Aluminum salt, which closes off the sweat glands, is used for antiperspirants and, in part – although in a much reduced dosage – is also reliably used as active substance in mixed products.
	Critical media voices	In media, the uptake of aluminum salts via nutrition or the skin has been associated now and again with cancer. Even though scientific evidence of detrimental transdermal uptake is absent, many consumers are sensitive to the issue and also seek aluminum-free products as cosmetics. Also on the deodorant market, products are increasingly referred to in advertising as aluminum-free.
<b>New product</b>	Newly developed Patented Without aluminum salts Market introduction	The entirely newly developed and internationally patented medical product in risk class 1, which completely avoids aluminum salt and targets the market for highly effective antiperspirants, has been – due to limited resources - cautiously introduced into the of market by our client.
	Reduction in sweat production	Research has been underway for years for a replacement substance for aluminum salt. To date, no resulting market-ready products have arisen.
	European lab as the developer	The lab that developed the “new product“ resolutely followed a new approach. It focused research to quiet sweat glands, not close them.

Granting exclusive sales rights The same laboratory already has developed other successful, diverse products. It consistently obtains the patents and control over production for all developments, but grants respective marketing, distribution and sales rights to third parties. They build on strong sales partners and they focus as scientists and researchers.

Market approval at hand The “new product” is currently the first and only with proven properties tested in practice. All tests and market approvals (Class 1) are available in Europe, Switzerland and other countries.

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**Client**

AG in Switzerland  
Market-experienced  
Own products/brand

Our client, a Swiss AG/Ltd company, has been active for years in the production and sales of antiperspirants and supplemental products in the area of perspiring (third-party products/ trade). The client has its own, recognized brand and has a product portfolio built up in direct sales to consumers via the internet and in trade with dermatologists, pharmacies and its own national representatives.

Exclusive sales rights for the "new product"

The client has been able to acquire the long-term sales rights for the “new product” in Europe. He is free to introduce it under its own, brand and to advertise it. It could, with appropriate resources, also secure further sales rights for supplemental countries.

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**Strategy:**

Market potential requires additional resources

The client alone cannot manage a serious market launch of such an innovative product with its existing resources. The owner and management see two primary options:

**Option A**

Intermediate financing  
*(debt financing)*

Financing the company by private PE-investor with a loan/convertible bond to reach a turnover volume that will arouse the interests of leading cosmetic manufacturers. Full payback within in 2-3 years. A backing on the Board of Directors would be appreciated.

**Option B**

Sale  
> EUR 6 million

Sale to a medium-size company with internationally operating distribution and strong relationships with pharmacies, medical and cosmetic products in Europe. The valuation of the client for a sale of the AG would have to be derived based on the expected cash flow over the next few years.

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**Opportunities and risks**

Opportunity:

- + First mover product
- + Sellers market
- + Online Marketing

Engagement in a niche market that promises a turnover of EUR 420 – 560 million p.a. alone in Europe at only a modest market share of 10%. The “new product” without the critical active substance of aluminum salt will advertise itself to the parties concerned in short order. The risks in this established market appear limited. The demand seems evident.

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**Further procedure**

NDA  
Pitch  
LOI  
Signing & Closing

Non-Disclosure-Agreement  
Presentation, Negotiations  
Letter-of-Intent  
Contract concluded and implemented

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**Contact**

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