

Target Price	US\$ 15.00
Current Price	US\$ 3.72
Upside Potential	303%
Rating	BUY
Risk	Above Average

**Business Update Note**

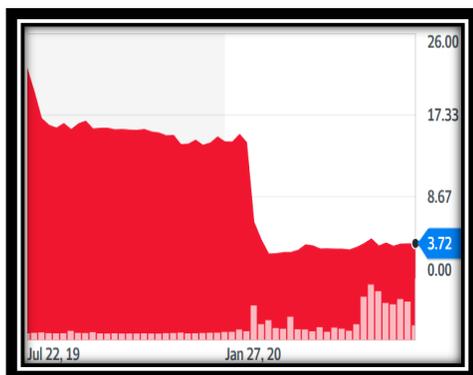
Specialty Pharma

**Euronext Paris Stock Exchange Listing Approved**

The French Autorité des Marchés Financiers has granted visa number 20-352 on its prospectus in respect of its fast path cross-listing of its Class A Ordinary Shares on the Professional Compartment of the Euronext Paris Stock Exchange. The Company has not issued any additional shares in this process, but they will be traded under the Euronext ticker symbol “APM” and ISIN code: KYG6096M1069 and is expected to commence trading on 24<sup>th</sup> July 2020.

Market Cap.	US\$113 mn
Shares Outstanding	30.4 mn
Free Float (FF %)	9.4 mn / 31%
52 Week Range (US\$)	1.66 / 22.59
Hang Seng Index Level	25,700
Insider Holding %	69%

Aptorum Group’s cross-listing on the Euronext Paris Stock Exchange is expected to help in diversifying the company’s investor base and enhance market visibility and global recognition which is aligned with the company’s strategy for the European Union.



Ian Huen, Founder and CEO of Aptorum expressed the following: “Further to our current listing on NASDAQ, we are delighted to announce our further listing on the Euronext Paris markets. Europe, in addition to the United States, continues to be a key market for our company’s future commercialization or development collaboration plans for our portfolio of therapeutics. The European Union has in excess of 440 million in population and healthcare spending amounts and continues to grow. We are confident that the Euronext listing will continue to support the expansion of our footprint, as well as strategically align with our key targeted product markets in the European Union.”

**Stock Upside from Strong Pipeline**

We believe that Aptorum’s projects satisfy large unmet needs in each of their respective therapeutic areas, and Aptorum would have the ability to capture a very significant portion of their target markets if successfully commercialized. We factor in a value of US\$400 million which is 20% of the total DCF value of US\$2 billion (lower estimate) which is attributable to the Aptorum Group from the Smart-ACT platform in 2020. Apart from the newly launched platform, the equity value of the Aptorum Group amounts to US\$676 million. We thus arrive at a combined value for the Smart-ACT platform and existing new drug development business to US\$1076 million for the Aptorum Group. Our DCF value is also supported by our sum-of-the-parts [SOTP] valuation in which we value each of the three lead projects separately, and obtained a value of \$450 million for ALS-4, \$154 million for NLS-1 and \$72 million for ALS-1.

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We have included a very conservative estimate of the expected DCF value from the Smart-ACT platform at the end of the year 2020 in our calculations as we think the Smart-ACT platform can deliver incremental value to the shareholders at a faster pace in comparison to the existing new drug development model of the company. We have added the DCF value from the Smart-ACT platform in lump sum to the total equity value of Aptorum Group and would be in a stage to include revenue, earnings and free cashflow estimates from the Smart-ACT platform in our financial model as we see further progress and implementation going forward. According to the company, the Smart-ACT platform is expected to generate a sum-of-the-parts DCF value in the range of US\$2.2 billion to US\$4.4 billion by the end of 2020 developed from either the commercialization or out licensing monetization strategies.

### **Short Term PT US\$15; 303% Upside**

We maintain a one-year short term PT on Aptorum of US\$15 per share implying an upside of 303% over the current price of US\$3.72 for the stock. We had initiated coverage for Aptorum Group on 24 April 2019 with a target price of US\$25 per share and had revised it upwards to US\$35 per share on account of the expected incremental value from the newly launched Smart-ACT Platform. Interestingly, the stock reached a near-term high of \$33.28 in June 2019, which is consistent with our long-term target price, and we believe helps to reaffirm both our thesis and valuation/target. We continue to maintain our long-term price target at US\$35 per share with a one-year short-term price target of US\$15 per share implying an upside of 303%. The long-term price target partly includes the conservative DCF value from the Smart-ACT Platform. Once the Smart-ACT Platform starts to deliver on the expected lines we will include the complete DCF value and revise the stock price accordingly.

The recent volatility and downside in the stock price is mainly attributed to the global economic downturn caused by the spread of the Covid-19 disease, which has become a global pandemic as declared by the World Health Organization. According to the company, despite the virus situation, the recent development progress and expansion of pipeline continue to operate on a business-as-usual basis and have not been affected by the recent COVID-19 pandemic. With the recent capital infusion completed by the company the fundamentals remain strong and on track to drive growth and create value for shareholders.

### **Smart-ACT Platform - 3 Candidates for COVID-19**

In March 2020 Aptorum had initiated an additional research and development project targeting the coronavirus group and has completed initial screening under the Smart-ACT™ platform, a repurposed and new drug discovery platform, to select, out of more than 2,600 approved small drug molecules, at least 3 potential candidates for further preclinical investigation against the new coronavirus disease, COVID-19. Aptorum Group is collaborating with Toronto based Covar Pharmaceuticals and has also entered into agreement with the University of Hong Kong's Microbiology Department to conduct further preclinical investigation of the selected candidates prior to seeking approval from regulatory agencies to initiate clinical trials on suitable candidates.

In particular, Aptorum Group will focus on investigation of at least three small molecule drugs (collectively “SACT-COV19”), that have shown potential interference against two enzyme targets, namely, 3CL-Protease and RNA dependent RNA Polymerase (“RDRP”), with both playing pivotal roles in COVID-19’s replication cycle. Specifically, 3CL-Protease is believed to mediate viral replication and transcription functions through extensive proteolytic processing, while RDRP is an enzyme that is believed to catalyze the replication of viral RNA from its RNA template. These selected candidates will undergo further preclinical assessment on efficacy against COVID-19. Aptorum Group has filed patent applications on the above candidates.

For the ongoing investigation and preclinical work, Aptorum Group is collaborating with Toronto based Covar Pharmaceuticals and also Aptorum Group has contracted with the University of Hong Kong to conduct this work. Covar Pharmaceutical’s team (comprised of professionals previously from Patheon and Glaxo Wellcome) is highly experienced in drug discovery and development supported by its GMP manufacturing facility. The University of Hong Kong’s Microbiology team was instrumental in the discovery of SARS virus during the 2003 epidemic, as well as currently being actively involved, in their own respective research interests, in developing vaccines for SARS-CoV-2 coronavirus and COVID-19 related monitoring physical device with other third parties.

Aptorum has already announced the commercialization of its dietary supplement for women undergoing menopause and experiencing related symptoms. The supplement is made with the bioactive ingredient extracted Chinese yam powder containing a bioactive ingredient “DOI”, which is Aptorum Group’s non-hormonal approach intended to meet certain growing consumer nutritional trends and concerns. (Details below)

The company has also announced further positive data from its current investigational new drug (IND)-enabling studies for ALS-4, a small drug molecule candidate indicated for the treatment of infections caused by Staphylococcus aureus (or “S. aureus”), including methicillin-resistant Staphylococcus aureus (MRSA, one of the “super-bugs”), based on a novel anti-virulence non-bactericidal approach. Subject to completion of the current studies, Aptorum Group targets to submit IND for ALS-4 in second half of 2020 and commence a phase 1 trial in North America. (Details below)

The company has also announced positive data and development in relation to its repurposed drug candidate, SACT-1, for the treatment of neuroblastoma, a rare type of childhood cancer that develops in infants and young children. (Details below)

### **Commercialization of Dietary Supplement**

Aptorum has announced the commercialization of its dietary supplement for women undergoing menopause and experiencing related symptoms. The supplement is made with extracted Chinese yam powder containing a bioactive ingredient “DOI”, which is Aptorum Group’s non-hormonal approach intended to meet certain growing consumer nutritional trends and concerns.

It is estimated that 1.2 billion women worldwide will be menopausal or postmenopausal by the year 2030. The global woman’s health supplement market for menopausal symptoms is projected to reach over USD\$50bn by 2025 with a CAGR rate of 16.4% (2016-2025). Initially, the supplement will be commercialized and sold in Hong Kong; the Company is seeking regulatory clearance to market the product in other major jurisdictions.

As part of the commercialization, Aptorum Group, through its wholly-owned subsidiary Nativus Life Sciences Limited, entered into a regional distribution agreement with Multipak Limited, a Hong Kong based group that operates household brands, including the Luk Yu tea bag and other health related products.

Through Multipak, Aptorum Group will be able to increase the accessibility of the product to a large consumer base regionally. The production of Aptorum Group’s *dioscorea opposita* bioactive nutraceutical tablets has commenced production in Canada and will soon be marketed under the brand name NativusWell™.

Nativus’s NativusWell™ tablets are natural, non-hormonal supplements containing DOI. The yam powder with DOI utilizes a non-hormonal approach that is intended to boost the general wellness of women undergoing menopause. Third party scientific studies indicate that DOI, the naturally occurring bioactive ingredient in Chinese yam, appears to stimulate estradiol biosynthesis, induce estradiol and progesterone secretion and increase bone density, thereby potentially counteracting the progression of osteoporosis, one of the common symptoms associated with menopause.

### **ALS-4 IND Submission in 2H2020**

During 2019, ALS-4, the drug candidate for the treatment of infections caused by *Staphylococcus aureus* including methicillin-resistant *Staphylococcus aureus* (MRSA), has made good progress and has already entered the IND-enabling studies stage. The first series of GLP toxicology study has been completed and the company plans to target the related IND submission in the second half of 2020 and commence a phase 1 trial in North America. The global market size of *Staphylococcus aureus* infections including MRSA in 2016 was USD2.97 billion and the expected global market size by 2025 will be USD3.91 billion.

### **SACT-1 for Neuroblastoma: IND Submission in 2H2020**

Aptorum has announced positive data and development in relation to its repurposed drug candidate, SACT-1, for the treatment of neuroblastoma, a rare type of childhood cancer that develops in infants and young children. Subject to completion of current validation studies, Aptorum Group plans to leverage the 505(b) (2) pathway and submit an IND with the FDA for SACT-1 in H2 2020. SACT-1 is the first repurposed drug candidate to be developed under the Smart-ACT™ drug discovery platform, which employs a systematic approach to identify, repurpose and develop existing approved drugs against a currently identified universe of 7000+ (and increasing) orphan diseases.

Aptorum has established a new subsidiary, Smart Pharma, which operates its novel computational repurposed drug discovery, modelling and validation platform, i.e. the Smart-ACT platform. Abbreviated for Accelerated Commercialization of Therapeutics, Smart-ACT encompasses state-of-the-art technology to perform systematic screening and repurposing of approved drug molecules against thoughtfully selected therapeutic targets. The Smart-ACT platform for drug repurposing is a strategy to identify new indications, at a relatively low cost, for approved or investigational drugs that are outside the scope of the original medical uses. This helps in targeting a greater number of diseases and bringing the repurposed drug to the market at a much faster rate (approximately 3 to 8 years) than traditional drug development which takes anywhere between 10 to 17 years. Thus the drug repurposing approach appears to be attractive due to its superior risk management, smaller capital investment and quicker financial return.

The Smart-ACT platform specifically comprises of a network of modules and processes that simulate the effectiveness of drug molecules against diseases for outcome prediction and selection. The Smart-ACT platform will initially focus on the screening and repurposing of drug molecules for orphan diseases and diseases with other rare unmet medical needs. Under the Smart-ACT platform, computational screening has been completed for 1,615 marketed drugs against 3 therapeutic target proteins which are related to poor prognosis of neuroblastoma (NB). Neuroblastoma is a type of cancer that forms in certain types of nerve tissue and most frequently in the adrenal glands as well as spine, chest, abdomen or neck. According to the Smart Pharma Group, the platform expects to successfully identify drug target pairs in the range of 500 to 1,000 per year, out of which 50% would be selected for further validation and testing. Smart Pharma has already filed patent applications related to the above repurposed drug candidates for the treatment of NB. The selected candidates under the SACT-1 program are currently being investigated and undergoing preclinical development. The global Neuroblastoma is anticipated to hold a market value of US\$2.60 billion in 2017 and is expected to grow at a CAGR of 3.7% during the forecast period to reach US\$3.23 billion in 2023.

Smart Pharma expects to target 5 – 10 new drug candidates per annum of which potentially 3-10 (subject to validation, FDA consent, etc.) may be ready to enter clinical phase for immediate trials and/or out-licensing purposes. APM would then engage with third party collaborators or licensors worldwide to co-develop all their new drug discoveries to fulfil unmet medical needs. Also, on approval from the US Food and Drug Administration [FDA], a 7-year of marketing exclusivity will be granted which makes it an attractive proposition for the Aptorum Group as well. The global market for drug repurposing was US\$24.4 billion in 2015 and is expected to reach US\$31.3 billion in 2020.

With the launch of this platform, Aptorum would be able to deliver incremental value for its shareholders in addition to its existing new drug development business. Aptorum's primary business projects are currently in the pre-clinical stage of development and the company expects to be able to submit applications of at least one of its lead projects for Investigational New Drug [IND] to the FDA or other regulatory agencies by 2020 or 2021.

#### **Product Commercialization Or Out-Licensing**

The Smart Pharma Group would be in a position to either commercialize the identified repurposed drugs in collaboration with various manufacturing, contract research organizations, and distribution partners or acquire intellectual property rights so it would be out-licensed to third party licensees to derive monetary value in the form of upfront, milestone payments, sublicensing fees and royalties.

#### **Drug Pipeline is Expanding**

Apart from the main drug candidates the company plans to investigate and develop other possible candidates across the 3 main pillars of the company's business model, namely the Clave Life Sciences series, Smart-ACT Platform series and Acticule series. CLS-2 and CLS-3 in the Clave Life Sciences series are yet to be disclosed by the company along with SACT-2 and SACT-3 in Smart-ACT Platform. In the other category there are candidates such as VLS-2 and SPLS-1 which cater to Alzheimer's & Parkinson's and Liver Cancer respectively. SLS-1 caters to Robotic Catheter Platform for intra-operative guided cardiac catheterization. The company has not yet disclosed any further information about the above candidates and platforms but would do so going forward. The new drug candidates would eventually add incremental value to the company depending on the timeline of commercialization.

### **US\$10 Million Registered Direct Offering Successful**

Aptorum this year issued 1,351,350 Class A ordinary shares at price of US\$7.40 per share. The investors also received accompanying warrants to purchase 1,351,350 of its Class A ordinary shares at an exercise price of US\$7.40 per share. The warrants expire seven years from the date of issuance. Participation in the offering includes approximately US\$6 million from unaffiliated institutional investors and US\$4 million from Jurchen Investment Corporation, the largest shareholder of Aptorum Group, which is wholly owned by Ian Huen, the Chief Executive Officer and Executive Director of Aptorum Group.

The company received gross proceeds of US\$10 million from the offering, before deducting underwriting discounts and offering expenses. It intends to use the net proceeds from the offering primarily to fund the continued research and development of their leading therapeutic candidates (including SACT-1 and ALS-4) into their respective clinical phases and also to expand their discovery and development pipeline of the Smart-ACT™ orphan diseases platform, as well as for working capital, and for general corporate purposes. A portion of the net proceeds maybe used to acquire or invest in technologies, products and/or businesses that the company believes will enhance the enterprise value.

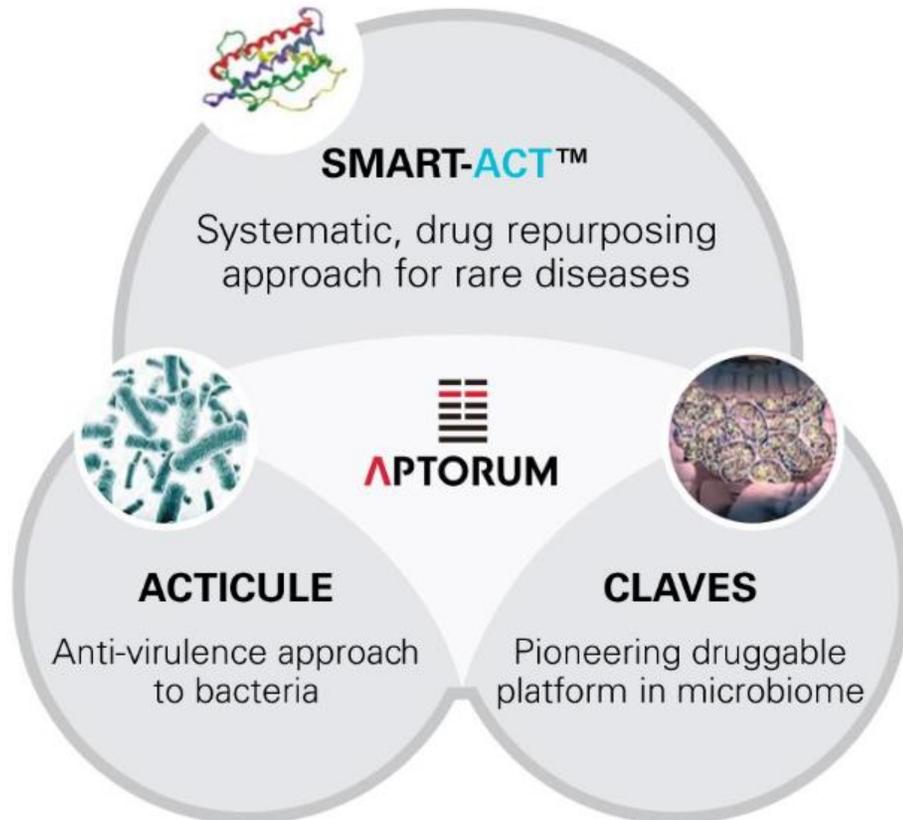
### **Start-ups in the Healthcare and Life Sciences Sector**

Aptorum, Aeneas Capital Limited and Accelerate Technologies Pte Ltd, the enterprise office of the Agency for Science, Technology and Research (A\*STAR), has a contribution agreement to co-create local deep tech start-ups in the healthcare and life sciences sector. Through this agreement, Aptorum Group and Accelerate intend to jointly create up to 20 deep tech ventures in Singapore over the next five years. These enterprises will leverage technologies co-developed by ASTAR research institutes and Aptorum Group. The parties agreed to contribute up to an aggregate of \$90 million in cash or in-kind contributions to create these ventures.

Price Chart



# Aptorum's 3 Core Pillars



- Aptorum's 3 core pillars of therapeutic discovery and development, focused on novel therapeutics for unmet medical needs
- Ever expanding universe of proprietary intellectual property in relation to our pipeline products

→ Lead Projects → Other Candidates → Non-therapeutics Candidates

Projects	Indication	Computational discovery	In vitro validation	Existing PhI/II clinical safety data	In vivo validation	IND preparation & submission	PhI/III with limited population	
<b>SACT's series</b>								
<b>SACT-1</b>	Neuroblastoma	→						
<b>SACT-2</b>	To be disclosed	→						
<b>SACT-3</b>	To be disclosed	→						
<b>SACT-COV19</b>	Coronavirus Disease 2019 (COVID-19)	→						

Projects	Candidate / Modality	Indication	Development Stage					
			Target Identification & Selection	Lead Discovery	Lead Optimization	IND-Enabling	Phase 1	Phase 2
<b>Articule's Series</b>								
<b>ALS-4</b>	Small molecule	Treatment of bacterial infections caused by Staphylococcus aureus including MRSA	→					
<b>ALS-1</b>	Small molecule	Treatment of viral infections caused by Influenza virus A	→					
<b>ALS-2</b>	Small molecule	Treatment of bacterial infections caused by Staphylococcus aureus including MRSA	→					
<b>ALS-3</b>	Small molecule	Reviving existing antibiotics to overcome drug Resistance	→					
<b>Claves' Series</b>								
<b>CLS-1</b>	Macromolecule	Treatment of Obesity	→					
<b>CLS-2</b>	To be disclosed	To be disclosed	→					
<b>CLS-3</b>	To be disclosed	To be disclosed	→					
<b>Nativus' Series</b>								
<b>NLS-1</b>	Small molecule	Treatment of Endometriosis	→					
<b>Scipro's Series</b>								
<b>SPLS-1</b>	83b-1 Novel Quinoline erivative	Treatment of Liver Cancer	→					
<b>Videns' Series</b>								
<b>VLS-1</b>	Curcumin-MNP (Medical Imaging Agent for MRI Diagnosis)	Diagnosis of Alzheimer's Disease	→					
<b>VLS-2</b>	MITA	Treatment of Alzheimer's & Parkinson's Disease	→					
<b>VLS-4</b>	Imaging Agent for MRI Diagnosis	Diagnosis of Alzheimer's Disease	→					

Program	Modality	Indication	Formulation	Commercialisation
<b>DOI (NLS-2)</b>	Supplement	Menopausal symptoms	→	

Projects	Candidate / Modality	Indication	Development Stage				
			Lab-based Phantom Trial	Animal Trial	IDE Application Approval	Safety/ Feasibility Clinical Study	Pivotal Clinical Study
<b>Signate's Series</b>							
<b>SLS-1</b>	Robotic Catheter Platform for Intra-operative MRI-Guided Cardiac Catheterization	Heart Rhythm Disorders by Cardiac Electrophysiology Intervention	→				

<b>Income Statement (\$ million)</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
<b>Revenue</b>	-	0.4	0.5	0.7	1.2	1.5	1.9	1,317.0
<i>y/y</i>			40%	35%	60%	30%	30%	67549%
COGS	-	-0.3	-0.8	-0.5	-0.6	-0.6	-0.7	-0.6
<i>as a % of sales</i>	-	83%	148%	66%	53%	42%	34%	0%
Development expenses	-2.6	-3.1	-6.9	-7.9	-7.4	-23.4	-18.0	-13.8
Selling, General & Admin Expense	-2.9	-6.7	-10.8	-10.4	-9.6	-7.6	-4.7	-4.8
Other Operating expenses	-0.3	-0.6	-0.2	-0.6	-0.7	-0.7	-0.8	-0.9
<b>Operating Income</b>	<b>-5.7</b>	<b>-10.3</b>	<b>-18.2</b>	<b>-18.6</b>	<b>-17.1</b>	<b>-31.0</b>	<b>-22.2</b>	<b>1297.0</b>
<i>y/y</i>		-81%	-76%	-2%	8%	-81%	28%	5943%
Interest Expense	-	-4.5	-3.7	-1.1	-3.6	-3.6	-3.6	-3.6
Other recurring (expenses)/income	3.1	-0.3	1.8	-	-	-	-	-
<b>Pretax Income (reported)</b>	<b>-2.6</b>	<b>-15.1</b>	<b>-20.1</b>	<b>-19.7</b>	<b>-20.7</b>	<b>-34.6</b>	<b>-25.8</b>	<b>1293.4</b>
<i>y/y</i>		-491%	-33%	2%	-5%	-67%	25%	5114%
<b>Pretax Income (adjusted)</b>	<b>-2.6</b>	<b>-15.1</b>	<b>-20.1</b>	<b>-19.7</b>	<b>-20.7</b>	<b>-34.6</b>	<b>-25.8</b>	<b>1293.4</b>
<i>y/y</i>		-491%	-33%	2%	-5%	-67%	25%	5114%
- Income Tax Expense	-	-	-	-	-	-	-	-
<i>effective tax rate (%)</i>	-	-	-	-	-	-	-	-
- Minority Interests	0.0	-0.3	-1.4	-1.4	-1.4	-1.4	-1.4	-1.4
<b>Income Before XO Items</b>	<b>-2.5</b>	<b>-14.8</b>	<b>-18.7</b>	<b>-21.2</b>	<b>-22.1</b>	<b>-36.0</b>	<b>-27.2</b>	<b>1292.0</b>
<i>y/y</i>		-482%	-26%	-13%	-5%	-63%	24%	4845%
- Extraordinary Loss Net of Tax	-	-	-	-	-	-	-	-
<b>Net Income attributable to Aptorum Group Limited (reported)</b>	<b>-2.5</b>	<b>-14.8</b>	<b>-18.7</b>	<b>-21.2</b>	<b>-22.1</b>	<b>-36.0</b>	<b>-27.2</b>	<b>1292.0</b>
<i>y/y</i>		482%	26%	13%	5%	63%	-24%	4645%
Exceptional (L)G	-	-	-	-	-	-	-	-
<b>Net Income attributable to Aptorum Group Limited (adjusted)</b>	<b>-2.5</b>	<b>-14.8</b>	<b>-18.7</b>	<b>-21.2</b>	<b>-22.1</b>	<b>-36.0</b>	<b>-27.2</b>	<b>1292.0</b>
<i>y/y</i>		-482%	-26%	-13%	-5%	-63%	24%	4845%
Basic EPS (reported)	-0.09	-0.53	-0.64	-0.70	-0.72	-1.15	-0.85	40.47
Basic EPS (adjusted)	-0.09	-0.53	-0.64	-0.70	-0.72	-1.15	-0.85	40.47
Basic Weighted Avg Shares	27.0	27.9	29.0	30.4	30.9	31.3	31.9	31.9
<b>Diluted EPS (reported)</b>	<b>-0.09</b>	<b>-0.53</b>	<b>-0.64</b>	<b>-0.70</b>	<b>-0.72</b>	<b>-1.15</b>	<b>-0.85</b>	<b>40.47</b>
<b>Diluted EPS (adjusted)</b>	<b>-0.09</b>	<b>-0.53</b>	<b>-0.64</b>	<b>-0.70</b>	<b>-0.72</b>	<b>-1.15</b>	<b>-0.85</b>	<b>40.47</b>
Diluted Weighted Avg Shares	27.0	27.9	29.0	30.4	30.9	31.3	31.9	31.9

\*All numbers are adjusted for probability of success

Balance Sheet (US\$ million)	2017	2018	2019	2020E	2021E	2022E	2023E	2024E
<b>Assets</b>								
+ Cash & Near Cash Items	16.73	26.11	5.29	3.47	23.56	4.00	0.35	1,294.00
+ Short-Term Investments	3.07	1.13	1.27	1.27	1.27	1.27	1.27	1.27
+ Accounts & Notes Receivable	-	0.00	0.04	0.06	0.09	0.12	0.16	0.18
+ Inventories	-	0.03	0.03	0.16	0.20	0.21	0.22	0.20
+ Other Current Assets	0.48	1.45	1.40	1.40	1.40	1.40	1.40	1.40
<b>Total Current Assets</b>	<b>20.28</b>	<b>28.72</b>	<b>8.03</b>	<b>6.36</b>	<b>26.52</b>	<b>7.00</b>	<b>3.40</b>	<b>1,297.05</b>
+ Long-Term Investments	7.40	7.09	7.11	0.29	0.29	0.29	0.29	0.29
+ Gross Fixed Assets	0.35	4.76	8.67	10.03	10.74	11.28	11.68	11.98
- Accumulated Depreciation	0.00	-0.50	-1.58	-2.48	-3.02	-3.58	-4.17	-4.77
+ Net Fixed Assets	0.35	4.26	7.09	7.54	7.72	7.69	7.51	7.21
+ Other Long-Term Assets	2.06	3.59	0.41	7.22	7.22	7.22	7.22	7.22
+ Goodwill & other Intangible Assets	1.47	1.41	1.31	1.31	1.31	1.31	1.31	1.31
<b>Total Long-Term Assets</b>	<b>11.28</b>	<b>16.35</b>	<b>15.92</b>	<b>16.37</b>	<b>16.55</b>	<b>16.52</b>	<b>16.34</b>	<b>16.04</b>
<b>Total Assets</b>	<b>31.56</b>	<b>45.07</b>	<b>23.95</b>	<b>22.73</b>	<b>43.07</b>	<b>23.52</b>	<b>19.73</b>	<b>1,313.09</b>
<b>Liabilities &amp; Shareholders' Equity</b>								
+ Accounts Payable	0.65	1.25	2.59	0.18	0.23	0.24	0.24	0.23
+ Short-Term Borrowings	0.48	10.15	0.05	11.00	11.00	11.00	11.00	11.00
+ Other Short-Term Liabilities	0.20	0.79	0.04	0.04	0.04	0.04	0.04	0.04
<b>Total Current Liabilities</b>	<b>1.33</b>	<b>12.18</b>	<b>2.67</b>	<b>11.22</b>	<b>11.27</b>	<b>11.28</b>	<b>11.29</b>	<b>11.27</b>
+ Long-Term Borrowings	-	0.14	0.10	-	25.00	25.00	25.00	25.00
+ Other Long-Term Liabilities	-	-	6.33	6.40	6.40	6.40	6.40	6.40
<b>Total Liabilities</b>	<b>1.33</b>	<b>12.33</b>	<b>9.10</b>	<b>17.62</b>	<b>42.67</b>	<b>42.68</b>	<b>42.69</b>	<b>42.67</b>
+ Total Preferred Equity	-	-	-	-	-	-	-	-
+ Share Capital & APIC	33.2	52.0	53.9	63.9	79.9	94.9	116.9	116.9
+ Retained Earnings & Other Equity	-2.92	-18.86	-37.56	-58.74	-80.88	-116.87	-144.10	1147.85
<b>Total Shareholders' Equity</b>	<b>30.24</b>	<b>33.11</b>	<b>16.36</b>	<b>5.18</b>	<b>-0.96</b>	<b>-21.95</b>	<b>-27.17</b>	<b>1264.78</b>
+ Minority Interest	-0.01	-0.37	-1.51	-0.08	1.35	2.78	4.21	5.64
<b>Total Liabilities &amp; Equity</b>	<b>31.56</b>	<b>45.07</b>	<b>23.95</b>	<b>22.72</b>	<b>43.06</b>	<b>23.51</b>	<b>19.72</b>	<b>1313.09</b>

Cash Flow (\$ million)	2017	2018	2019	2020E	2021E	2022E	2023E	2024E
+ Net Income	-2.56	-15.13	-20.12	-21.18	-22.14	-35.99	-27.23	1291.95
+ Depreciation & Amortization	0.06	0.68	1.30	0.50	0.54	0.56	0.58	0.60
+ Other Non-Cash Adjustments	-3.08	4.81	4.22	1.43	1.43	1.43	1.43	1.43
+ Changes in Working Capital	-0.20	-0.39	1.22	-2.55	-0.03	-0.03	-0.04	-0.03
<b>Cash From Operating Activities</b>	<b>-5.78</b>	<b>-10.03</b>	<b>-13.38</b>	<b>-21.79</b>	<b>-20.20</b>	<b>-34.02</b>	<b>-25.25</b>	<b>1293.95</b>
+ Disposal of Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
+ Capital Expenditures	-3.06	-6.06	-0.91	-0.95	-0.71	-0.54	-0.40	-0.30
+ Increase in Investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
+ Decrease in Investments	16.05	0.00	1.00	0.00	0.00	0.00	0.00	0.00
+ Other Investing Activities	-0.19	0.00	-0.20	0.00	0.00	0.00	0.00	0.00
<b>Cash From Investing Activities</b>	<b>12.80</b>	<b>-6.06</b>	<b>-0.11</b>	<b>-0.95</b>	<b>-0.71</b>	<b>-0.54</b>	<b>-0.40</b>	<b>-0.30</b>
+ Dividends Paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
+ Change in Short-Term Borrowings	0.48	14.96	-0.05	10.95	0.00	0.00	0.00	0.00
+ Increase in Long-Term Borrowing	0.00	0.00	6.33	-0.10	25.00	0.00	0.00	0.00
+ Decrease in Long-term Borrowing	0.00	0.00	-13.60	0.00	0.00	0.00	0.00	0.00
+ Increase in Capital Stocks	8.60	10.52	0.00	10.00	16.00	15.00	22.00	0.00
+ Decrease in Capital Stocks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
+ Other Financing Activities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Cash from Financing Activities</b>	<b>9.08</b>	<b>25.48</b>	<b>-7.32</b>	<b>20.86</b>	<b>41.00</b>	<b>15.00</b>	<b>22.00</b>	<b>0.00</b>
<b>Effect of Exchange Rate Changes</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Changes in Cash</b>	<b>16.10</b>	<b>9.38</b>	<b>-20.81</b>	<b>-1.89</b>	<b>20.08</b>	<b>-19.56</b>	<b>-3.65</b>	<b>1293.65</b>
Opening cash	0.62	16.73	26.11	5.36	3.47	23.56	4.00	0.35
Closing cash	16.73	26.11	5.36	3.47	23.56	4.00	0.35	1294.00

DCF model	2017	2018	2019	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
(in \$ million)														
EBIT	-5.7	-10.3	-18.2	-18.6	-17.1	-31.0	-22.2	1,297.0	217.4	3.9	5.5	5.7	7.5	9.7
% growth		81%	76%	2%	-8%	81%	-28%	-5943%	-83%	-98%	43%	3%	31%	29%
Taxes @	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.0%	7.0%	10.0%	12.0%
EBIAT	-5.7	-10.3	-18.2	-18.6	-17.1	-31.0	-22.2	1,297.0	217.4	3.9	5.3	5.3	6.8	8.5
% growth		81%	76%	4%	5%	4%	4%	4%	4%	4%	4%	4%	4%	4%
+ D&A	0.1	0.7	1.3	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7
- Capital expenditures	-3.1	-6.1	-0.9	-1.0	-0.7	-0.5	-0.4	-0.3	-0.3	-0.3	-0.3	-0.4	-0.4	-0.4
- Change in net WC	-0.2	-0.4	1.2	-2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Free Cash Flow to Firm</b>	<b>-8.9</b>	<b>-16.1</b>	<b>-16.6</b>	<b>-21.6</b>	<b>-17.3</b>	<b>-31.0</b>	<b>-22.1</b>	<b>1,297.3</b>	<b>217.7</b>	<b>4.1</b>	<b>5.6</b>	<b>5.6</b>	<b>7.0</b>	<b>8.8</b>
FCY y/y growth		81%	3%	30%	-20%	79%	-29%	-5983%	-83%	-98%	35%	0%	26%	25%

#### Total Market Value

Terminal Growth	Cost of capital				
	10.0%	11.0%	12.0%	13.0%	14.0%
3.0%	805	734	673	620	573
3.3%	808	736	675	621	574
3.5%	811	738	676	622	574
3.8%	815	740	677	623	575
4.0%	817	742	678	623	575

WACC		12.0%
PV of Free Cash Flow		627
PV of Terminal Value		39
Add: Net Cash		9
Total Equity Value + Value of Smart ACT Platform		676+400=1076
Shares outstanding		30.4
<b>DCF value</b>		<b>35</b>

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