

Initiating Coverage

BUY

Target price: EUR 2.68

Industry: Biotechnology
 Country: Germany
 ISIN: DE0006577109
 Reuters: NN6G.H
 Bloomberg: NN6:GR
 Website: www.nanorepro.de

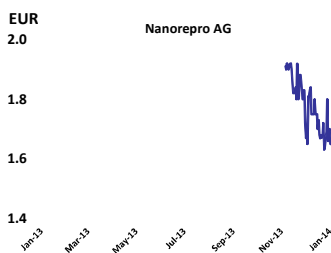
Last price	1.60	Low	High
Price 52 weeks:	1.60		2.00
Market cap (EURm)			4.66
Number of shares (m)			2.91

Shareholder structure

Dr. Olaf Stiller	9.20%
AME Project GmbH	9.20%
Nicolas Combé	4.50%
Michael Tillmann	2.00%
Free float	75.10%

Performance

4 weeks	-11.96%
13 weeks	-22.92%
26 weeks	n.a.
52 weeks	n.a.
YTD	-15.43%



Analysts:

Dr. Norbert Kalliwoda
 Phone: +49 69 97 20 58 53
 Email: nk@kalliwoda.com

NanoRepro AG

A successful business model driven by high market potential

- NanoRepro is a German company, engaged in the production and sales of rapid diagnostic tests. The company offers its products for domestic and professional use, receiving for all the products CE and TUV approval. Since the company was founded, NanoRepro has invested heavily in research and development cooperating with renowned institutions such as the Fraunhofer Institute (IBMT), and developing recently 13 innovative products as, several products are additionally in the pipeline, as well as the planned launch of a HIV rapid test.
- According to Lacuna, the worldwide diagnostic market worth was EUR 46bn in 2011, with a worth of EUR 11bn for the specific medical rapid test sub-market. In this contest, NanoRepro has developed an international distribution structure with 45% of its products sales in Germany, and with cooperation in some high potential underdeveloped countries as Kuwait 15% and Angola 12%. A strict cooperation with AME international GmbH will expand company distribution in Asia, Africa and Southeast Europe.
- NanoRepro revenues reached EUR1.03m +24.16% y-o-y at the end of 2012. The substantial growth y-o-y resulted from new clients and the expansion in foreign country. On the level of EBIT (EUR -586K) and net loss (EUR -588K), the Company reported a limited loss but with a better performance respect the precedent years. In the same period, NanoRepro balance sheet showed a level of cash of EUR +58K, with a level of short term bank debt of EUR 76K.
- Due the specific knowledge developed, a successful online marketing strategy and its international distribution, in our view NanoRepro's products have an enormous market potential. We initiate coverage NanoRepro AG with a 12-month PT of EUR 2.68 and a Buy rating. In our opinion company sales will grow in the next years, particularly in foreign, international markets.

Key Facts

EURm	2009	2010	2011	2012	2013E	2014E	2015E
Net sales	0.23	0.31	0.83	0.94	1.19	1.62	2.32
EBITDA	-0.42	-0.57	-1.78	-0.50	-0.05	0.18	0.32
EBIT	-0.43	-0.59	-1.81	-0.59	-0.10	0.15	0.28
Net income	-0.44	-0.65	-1.82	-0.59	-0.10	0.10	0.19
EPS	-0.15	-0.22	-0.63	-0.20	-0.04	0.04	0.07
BVPS	0.07	0.54	0.29	0.30	0.26	0.30	0.36
RoE	-199.59%	-73.13%	-150.10%	-68.48%	-12.63%	12.81%	20.23%
EBIT margin	15.35%	17.56%	20.43%	20.96%	21.62%	23.12%	123.12%
P/E	-11.88x	-8.08x	-2.88x	-8.89x	-51.15x	50.38x	26.94x
P/BVPS	25.75x	3.34x	6.10x	6.08x	6.89x	6.06x	4.95x
EV/EBITDA	-13.13x	-9.53x	-3.07x	-10.92x	-108.58x	30.58x	17.07x

Source: Dr. Kalliwoda Research GmbH, 2014

Content

1	Company profile	3
2	Swot	3
3	Valuation	4
a.	DCF-model.....	4
b.	Peer Group Analysis	5
4	Financial results and outlook	6
a.	Revenues and Balance sheet	6
c.	Outlook.....	8
5	Business description	10
7	Clients	11
8	Management	12
9	Financials	13
a.	Profit and loss statement.....	13
b.	Balance sheet.....	14
c.	Cash flow statement	15
8	Contact	16

1. Company profile

NanoRepro AG, based in Marburg an der Lahn operates as a rapid diagnostic manufacturer (self-diagnostics) primarily in the family planning and health care. The company has 15 employees, which all reside in Marburg. NanoRepro AG has online shops in addition to the wholesale and retail distribution channels for direct sales. The listed company is concentrating on the rapid growing market, which is dominated by the increasing health consciousness of the population and will become more and more important in the coming years.



2. SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> - With 13 rapid-tests in their portfolio NanoRepro AG is able to cover most fields of home self-diagnostics, such as: Family planning, health care, allergies and infectious diseases. - NanoRepro AG is expected to sell the HIV-rapid-test HIV-QUICK soon. This could generate a lot of sales (1.5m€ in 2014) especially in Africa, where NanoRepro is already experienced. - The online shops like www.zuhausestest.de have a great potential to sell directly to the end consumer and avoiding a long distribution chain. Also cross sells could be generated. - Corporations with the Fraunhofer Institut as well as the Berlin Charité guarantee a good research & development base. - Constant increase in revenue during the last years (an average of 126% y-o-y from 2008-2012). 	<ul style="list-style-type: none"> - NanoRepro AG needs higher sales to finance the concern of their business, increase in capital stock by EUR 807.500,00 in November 2013 cannot finance big investments and financing with liabilities is difficult for NanoRepro. - The products are not fully protected by licences. - The company depends on distribution partners outside of Germany, is not an autonomous actor in the World Market. - The market of rapid diagnostic-tests is price driven, because of many competitors.
Opportunities	Threats
<ul style="list-style-type: none"> - More and more people are facing allergies, so that every third person in Germany is affected and 60-80% of these people are having more than one allergy. In the market of allergy rapid-test is still an unused potential. - Women are getting pregnant in average at the age of 29 these days, Men's fertility has decreased significantly after 1949; Both factors lead to the point, that a pregnancy has to be planned more intensively. - Health consciousness in the population is growing and health care becomes more important. 	<ul style="list-style-type: none"> - Products for the health industry are highly controlled and restricted by the government, admission procedures are long and not always successful. - Research and development is really expensive and needs strong partners, such as hospitals or public institutions. - Removal of practice fee in Germany led to losses in sale of rapid self-test products, people went to the doctor instead of doing a self-test - Health industry is mainly controlled by some big players with huge resources in human capital, technical assets and financial means.

Source: Dr. Kalliwoda Research GmbH, 2014

3. Valuation

In order to account for current market valuations, we have valued NanoRepro AG by using a weighted average of our DCF model (70%) and peer group (30%). Our 12-months price target for the stock is equals to €2.68.

a. DCF-model

Discounted Cash Flow Model								
in EURk	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E
Net sales	1.62	2.32	3.18	4.02	4.87	5.32	5.75	6.20
(y-o-y change)	36.4%	42.8%	37.5%	14.0%	7.2%	9.1%	8.1%	7.8%
EBIT	0.15	0.28	0.41	0.58	0.69	0.72	0.74	0.75
(EBIT margin)	9.3%	12.1%	12.8%	14.4%	14.1%	13.6%	12.9%	12.1%
NOPLAT	0.11	0.20	0.29	0.40	0.48	0.51	0.52	0.53
+ Depreciation	0.03	0.04	0.05	0.07	0.08	0.09	0.10	0.11
= Net operating cash flow	0.13	0.24	0.34	0.47	0.56	0.60	0.62	0.63
- Total investments (Capex and WC)	-0.26	-0.41	-0.43	-0.50	-0.51	-0.29	-0.28	-0.29
Capital expenditure	-0.03	-0.03	-0.03	-0.03	-0.03	-0.03	-0.03	-0.03
Working capital	-0.23	-0.38	-0.40	-0.47	-0.48	-0.26	-0.25	-0.26
= Free cash flow (FCF)	-0.13	-0.17	-0.09	-0.02	0.05	0.31	0.34	0.34
PV of FCFs	-0.12	-0.15	-0.07	-0.02	0.03	0.19	0.19	0.17
PV of FCFs in explicit period	0.42							
PV of FCFs in terminal period	8.28							
Enterprise value (EV)	8.69							
+ Net cash / - net debt	-0.22							
+ Investments / - Minorities	0.00							
Shareholder value	8.47							
Number of shares outstanding (m)	2.91							
WACC	8.9%							
Equity costs	9.7%							
Debt costs before tax	8.0%							
Tax rate	30.0%							
Debt costs after tax	5.6%							
Equity share	80.0%							
Debt share	20.0%							
Fair value per share in € (today)	2.91							
Fair value per share in € (in 12 months)	3.17							

Sensitivity analysis	Terminal EBIT margin						
	9.1%	10.1%	11.1%	12.1%	13.1%	14.1%	15.1%
5.9%	-8.16	-9.74	-11.33	-12.91	-14.50	-16.08	-17.67
6.9%	17.90	21.30	24.70	28.10	31.50	34.91	38.31
7.9%	3.87	4.59	5.32	6.04	6.76	7.48	8.21
8.9%	2.04	2.42	2.79	3.17	3.55	3.92	4.30
9.9%	1.32	1.56	1.81	2.05	2.29	2.53	2.77
10.9%	0.94	1.11	1.28	1.45	1.62	1.79	1.96

Source: Dr. Kalliwoda Research GmbH, 2014

b. Peer Group Analysis

We have additionally conducted a plausibility check of the valuation, which was derived by our DCF model. The application of a relative valuation method is based on the idea that comparable companies have similar market values. Hence, mainly listed companies are chosen, which offer similar products, or have a comparable business model. An analysis of financial figures provides an estimation to which degree the company's valuation stems from a low comparability with its peer group or an under- or overvaluation.

The input data of the peers stem from the information provider Thomson Reuters. The forward-looking financial data of the peer group represent the mean average of all analyst 'estimates, which are available on ThomsonReutersKnowledge. We have used the book value in order to approximate the market value of financial liabilities.

Peer Group Multiples		Enterprise Value Multiples				Equity Value Multiples				
Peers	EV / Sales		EV / EBITDA		EV / EBIT		Price / Eps		Price / Bvps	
	FY2013	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013	FY2014
Mewis Medical Solutions AG	1,5	1,7	3,8	3,4	5,1	5,0	6,3	6,4	1,0	0,8
Biotest AG	3,1	2,8	22,3	18,1	28,8	23,0	21,4	18,7	n.a.	n.a.
Evotec AC	7,2	6,3	54,3	41,5	102,0	68,1	97,1	62,5	2,9	2,8
NanoRepro AG	3,9	2,8	neg.	25,8	neg.	30,5	neg.	41,0	6,3	5,5
Median	3,5	2,8	22,3	21,9	28,8	26,8	21,4	29,8	2,9	2,8
Mean	3,9	3,4	26,8	22,2	45,3	31,7	41,6	32,1	3,4	3,0
Peer Benchmark	3,5	2,8	22,3	21,9	28,8	26,8	21,4	29,8	2,9	2,8
Discount (-)/Premium (+)	11%	1%	n.a.	17%	n.a.	14%	n.a.	37%	118%	94%
Valuation										
Peer Benchmark	3,5	2,8	22,3	21,9	28,8	26,8	21,4	29,8	2,9	2,8
NanoRepro AG financials	1,2	1,7	-0,1	0,2	-0,1	0,2	0,0	0,0	0,3	0,3
Implied Enterprise Value	4,3	4,7	-1,1	4,1	-2,0	4,2				
+ Cash and Cash Equivalents	0,1	0,1	0,1	0,1	0,1	0,1				
- Financial Debt	0,1	0,1	0,1	0,1	0,1	0,1				
- Pension Liabilities	0,0	0,0	0,0	0,0	0,0	0,0				
- Minority Interest	0,0	0,0	0,0	0,0	0,0	0,0				
- Preferred Equity	0,0	0,0	0,0	0,0	0,0	0,0				
+ Change in Equity Capital	0,0	0,0	0,0	0,0	0,0	0,0				
Implied Equity Value	4,3	4,7	-1,2	4,1	-3,0	4,2				
Number of Shares	2,9	2,9	2,9	2,9	2,9	2,9				
Implied fair value per share	1,5	1,6	-0,4	1,4	-1,0	1,4	-0,9	1,2	0,8	0,8
Weights	0%	50%	0%	0%	0%	50%	0%	50%	0%	50%
Results	1,53						1,02			
Weights	0%	25%	0%	0%	0%	25%	0%	25%	0%	25%
Fair Value Implied by Both Peer Multiples:						1,28 EUR				
Premium (Discount) to Peer Benchmark: 20 %										
Fair Value per Share 1,53 EUR										

Source: Dr. Kalliwoda Research GmbH, 2014

Based on our peer multiples, the implied fair value equals €1.53 per share.

4. Financial results and outlook

Revenues and Balance Sheet

NanoRepro revenues increased by +24.16% y-o-y to EUR1.03m in fiscal year 2012, because the more intensive international distribution and an expansion of the product line as well as promotional activities. The Company has also increased its online presence with the new online sales portal zuhausetest.

Results for 2012 compared to previous year

Fiscal year 2012 compared to the previous year			
in EURm	2012	2011	change (%)
Revenues	1.03	0.83	24.2%
EBITDA	-0.50	-1.78	-71.9%
EBITDA margin	-48.4%	-213.7%	
EBIT	-0.59	-1.78	-67.1%
EBIT margin	-56.7%	-213.8%	
Net income	-0.59	-1.79	-67.2%
Net margin	-57.0%	-215.6%	

Source: Company, Dr. Kalliwoda Research GmbH, 2014

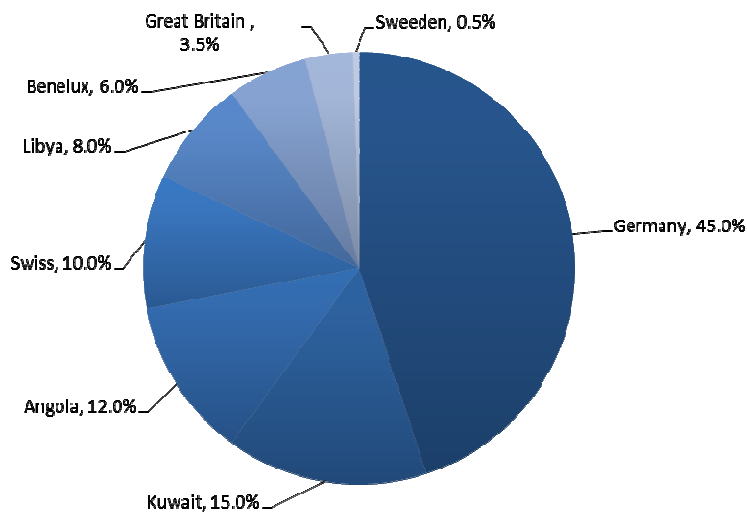
a. Revenues breakdown

At the end of November 2013, the company has shown a consolidated presence in Germany, with 45% of its total sales, becoming its most important one for NanoRepro, and taking benefit mainly from the successful tests for gastrointestinal condition products.

Despite the difficulties to access foreign markets, NanoRepro has developed cooperation in Europe, the Middle East, Asia and Africa as well as an important agreement to setup an expansion in Asia, Africa and South Europe with the international distributor AME International. Company international sales distributions are well-diversified with several channels such as pharmacy wholesales, online shops, selling agents, hospitals.

As reported in the following graph, NanoRepro has established a deep sales partnership in Kuwait with 15%, in Angola with 12%, in Switzerland with 10%, selling basically the rapid tests for fertility product line. Since 2010 NanoRepro entered the market in the Benelux States and in 2011 successful started its sales in the United Kingdom.

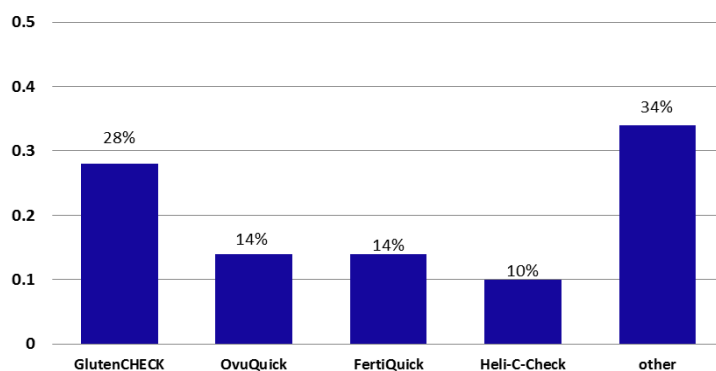
Geographical revenue breakdown at November 2013



Source: Company, Dr. Kalliwoda Research GmbH, 2014

The following charts shows the sales composition by product, which 28% made with the GlutenCHECK product and tests for gastrointestinal conditions, as reported at November 2013. The company has currently thirteen self-diagnostic products in its portfolio. It produces also for partners exclusive products such as self-diagnostics, and an intimate cosmetic product.

Revenue Composition by Product at November 2013



Source: Company, Dr. Kalliwoda Research GmbH, 2014

In our view, NanoRepro profitability improved significantly in the last years. Operating income as well as net profit developed particularly well in 2012. The labour costs in the same period accounted for EUR 371K and are quite stable to the previous period. Consolidated EBIT improved to EUR -0.59m compared to EUR -1.78m in the precedent year. The EBIT margin developed to -56.7% in the same time.

Outlook

We are optimistic about NanoRepro's growth for the next fiscal years, mainly boosted from its international and well established distribution channels and its growing product portfolio. Despite the losses and high costs for the setup of new markets, especially in Lybia, Africa and Asia, the research and development expenditures as well as the expenses for the admission of products, we see a deep potential from the international sales growth and from its new product pipeline. The planned launch of the HIV rapid test, will improve according us, significantly the revenues growth for the next fiscal years.

In terms of consolidated results, we expect a net loss in 2013 and 2014 due to (1) costs associated with research and development, and (2) expenses relating to marketing and sales of existing and new products. In our opinion, NanoRepro will pay for the increase in promotion expenses out of Germany, particularly in underdeveloped countries.

Due to the fact that NanoRepro finances follow-up studies mainly with equity, we consider further dilution of shareholders due to future new share issues as a risk. We see risks related to the scientific developments of its rapid tests such as the HIV rapid test and also potential regulatory risks, because the Company must comply with strict laws regarding the launch and quality control of new products.

On the top line, we forecast mainly positive effects from the market introduction of the new products and the increase in international sales. At the same time, we expect that NanoRepro will continue to gain new partners in order to diversify its distribution network and sell more products in Europe.

We see good odds that NanoRepro will achieve a significant international market success with its rapid diagnostic test products consolidating its presence in Germany and in some underdeveloped countries. We assume that the increased sale of products could be implemented from the end of 2014. In our model, we have taken that into account by using the NPV (Net Present Value) valuation method.

Our forecasts 2013E-2015E

Our forecasts 2013E - 2015E

in EURm	2013E		
	2013E	2014E	2015E
Net sales	1.19	1.62	2.32
EBITDA	-0.05	0.18	0.32
EBITDA margin	-4.2%	11.0%	13.8%
EBIT	-0.10	0.15	0.28
EBIT margin	-8.3%	9.3%	12.1%
Net income	-0.10	0.10	0.19
Net margin	-8.62%	6.41%	8.40%

Source: Dr. Kalliwoda Research GmbH, 2014

Our estimates for NanoRepro are positive and our target price is over the current market price, as we remain optimistic in terms of a well developing consumer demand. We have determined a 12-months price target of EUR 2.68 for the share of the Company. Our stock rating result is: BUY.

5. Business Description

NanoRepro AG is one of the leading innovators in the field of rapid diagnostics and has currently 13 rapid self-diagnostic tests in the portfolio - including pregnancy tests, tests for stomach health, colorectal cancer screening and fertility determination for men, as well as several allergy tests. In brief, a rapid HIV test will be introduced on the market.



The company moved its first steps in 2006, as follows:

- 2006: Foundation by Dr. Olaf Stiller (now Chairman of the Supervisory Board)
- 2007: Launch of first rapid test OvUQUICK and start of online store www.ovuquick.de
- 2008: IPO
- 2010: Market entry in BeNeLux
- 2011: Market entry in Great Britain and start of HIV test development
- 2012: Online sales platform www.zuhausestest.de goes online
- 2013: Market entry in Switzerland, Kuwait and Libya

Currently the company product portfolio is composed by 13 self-diagnostics tests in the portfolio, so that NanoRepro AG has a great range of products for home use. Available are several tests for different topics, including:

- Family planning: OvUQUICK, fertility test for woman; FertiQUICK, first fertility rapid-test for men, GRAVI QUICK, pregnancy test (regular and early detection), MENO QUICK, status of menopause, VAGI QUICK, vaginal yeast infection.
- Health care: GlutenCHECK, detection of Coeliac diseases, most revenue generating product (28%), FOBCHECK, bowel cancer early detection, CHOLESTERINCHECK, HELI C CHECK, early detection of helicobacter pylori/ stomach ulcer, ALCOHOL TEST, blood alcohol level check.
- Infectious diseases: HIV-Quick, proposed launch: Q1 2014, announced as “The Blockbuster”. There are more than five further infectious disease tests in the product pipeline.
- Allergies: AllergoCHECK (pollen - house dust - cat allergy), MilchCHECK, milk protein intolerance test.

A huge potential is seen in the launch of the HIV-Quick test, which has an accuracy of 99.9%, a global request and only a few companies offering comparable products. All the company's products are available over the counter in pharmacies and through specific online shops.

NanoRepro AG operates in international business. The company grants licenses, sells bulk or ready-made products. NanoRepro AG operates extensively with business partners in Belgium, France, Greece, Great Britain, Ireland, Italy, Luxembourg, Netherlands, Austria, Switzerland, Slovenia, and the Czech Republic. The biggest market for NanoRepro AG is Germany with 45% of revenue, followed by Kuwait (15%) and Angola (12%).

In Germany most of revenue is gained by gastrointestinal conditions, whereas abroad rapid tests from the fertility product line are most successful.

The revenue earned by diagnostics worldwide is 21 times higher than in Germany (\$ 46bn compared to \$ 2.19 bn). Especially the market for home diagnostic tests has a much higher volume worldwide (\$11 bn) than in Germany (\$280m).

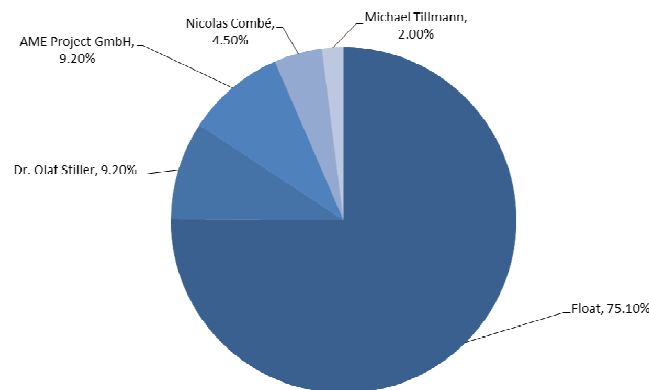
NanoRepro expects the home diagnostics markets to grow for several reasons. For example: since 1970 the age women are getting pregnant has increased up to 29 years in recent days. That enforces women to get pregnant quickly and planned. As well as the conditions of a pregnancy, the conditions of allergies have changed. New allergens strain people, so that in Germany every third person suffers from an allergy.

6. Clients

Since 2006, NanoRepro AG acquired important partners as clients, which are in continuous relation with the Marburg Company. Clients include some of the leaders in their respective industries that have established themselves a good reputation; this fact further outlines the trustworthiness of NanoRepro and its ability to provide high-quality product. Main customers are e.g.: MIGROS, Charite Hospital Berlin, Technical University Munich, PHOENIX Group, University Hospital Freiburg, DN Saúde (Angola).

7. Management

The company became public in 2008, listed in the Stock Exchange of Frankfurt, Hamburg and Vienna. Main shareholders are Dr. Olaf Stiller and AME Project GmbH both with 9.2% of the company shares. In November 2013 the Company increased its capital by EUR 807K.



In January 2014 the Company has extended its board of Board of Management with new complementary competencies. The new board structure is composed by:

- Andreas Paggel, Chairman/CEO, is an internationally experienced business analyst with experience in finance and accounting as well as an internationally experienced company director. Mr. Paggel studied economics and European Finance & Accounting at the University of Applied Sciences in Bremen, Germany and the Leeds Metropolitan University, Great Britain, he acquired the degree 'Diplom-Betriebswirt (FH)' and 'BA (hons) European Finance & Accounting'. Aside from an international managerial experience in all functional areas of business, Mr. Paggel does also focus on strategic management and internationalization of sales.
- Lisa Jüngst was for the fiscal year 2013 board member for the German market. Mrs. Jüngst is member of NanoRepro since 2007, becoming part of the board of management in April 2013, and managing Marketing and Human resources. MBA from Fulda University of Applied Sciences in 2006.
- Katrin Kampschulte, was for the fiscal year 2013 board member for the International business of NanoRepro from 2013. Mrs Kampschulte is part of the board since April 2013, managing the International business development, Product certifications and Quality management. MA in Linguistics and Communication Studies from Philipps University Marburg and Ca'Foscari University Venice.

8. Financials

a. Profit and loss statement

Profit and loss statement - Nanorepro AG								
in EURm	Fiscal Year							
	2009	2010	2011	2012	2013E	2014E	2015E	2016E
Net sales	227	314	832	935	1,188	1,621	2,315	3,183
Internally produced and capitalised assets	0.00	0.00	0.00	0.10	0.00	0.00	0.00	0.00
Total Output	0.23	0.31	0.83	1.03	1.19	1.62	2.32	3.19
Gross profit	0.12	0.20	0.48	0.53	0.65	0.94	1.40	2.07
Other operating income	0.00	0.01	0.00	0.03	0.03	0.04	0.04	0.04
Personnel costs	-0.20	-0.23	-0.38	-0.37	-0.52	-0.63	-0.86	-1.20
Depreciation & Amortization	-0.02	-0.02	-0.03	-0.09	-0.05	-0.03	-0.04	-0.05
Other operating expenses	-0.34	-0.56	-1.88	-0.69	-0.22	-0.16	-0.26	-0.45
EBIT	-0.43	-0.59	-1.81	-0.59	-0.10	0.15	0.28	0.41
Net financial results	-0.01	-0.01	0.00	0.00	0.00	0.00	0.00	0.00
EBT	-0.44	-0.60	-1.81	-0.59	-0.10	0.15	0.28	0.41
Income taxes	0.00	0.00	0.00	0.00	0.00	-0.04	-0.08	-0.12
Minority interests	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net income / loss	-0.44	-0.60	-1.81	-0.59	-0.10	0.10	0.20	0.29
EPS	-0.15	-0.22	-0.63	-0.20	-0.04	0.04	0.07	0.10
DPS	-0.84	0.16	0.25	0.22	1.15	1.18	2.18	3.18
Change y-o-y								
Net sales	n.a.	38.38%	165.10%	12.38%	27.10%	36.40%	42.82%	37.50%
Total Output	n.a.	38.38%	165.10%	24.16%	15.48%	36.14%	42.79%	37.42%
Gross profit	n.a.	73.61%	138.42%	9.96%	21.78%	45.70%	49.20%	47.86%
Other operating income	n.a.	193.65%	-100.00%	na	5.00%	5.00%	5.00%	5.00%
Personnel costs	n.a.	16.32%	68.35%	-3.13%	38.90%	23.22%	35.12%	40.17%
Other operating expenses	n.a.	64.58%	233.99%	-63.15%	-68.92%	-24.10%	61.36%	70.94%
EBIT	n.a.	37.29%	203.91%	-67.56%	-83.10%	-252.54%	85.78%	45.37%
Net financial results	n.a.	-28.70%	-42.99%	-33.33%	-20.00%	-25.00%	-33.33%	-50.00%
EBT	n.a.	36.18%	201.74%	-67.50%	-82.89%	-248.92%	86.73%	45.64%
Income taxes	n.a.	-89.58%	-100.00%	0.00%	0.00%	0.00%	100.00%	200.00%
Net income / loss	n.a.	36.18%	201.74%	-67.50%	-82.89%	-204.24%	86.73%	45.64%
EPS	n.a.	47.01%	181.06%	-67.66%	-82.61%	-201.53%	87.00%	45.61%
DPS	n.a.	-119.05%	56.25%	-10.40%	413.39%	2.61%	84.75%	45.87%
Share in total sales								
Net sales		100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	101.00 %	102.00 %
Total Output		0.04 %	0.10 %	0.12 %	0.14 %	0.20 %	0.28 %	0.38 %
Gross profit		0.02 %	0.06 %	0.06 %	0.05 %	0.06 %	0.09 %	0.13 %
Other operating income		0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Personnel costs		-0.03 %	-0.05 %	-0.04 %	-0.04 %	-0.04 %	-0.05 %	-0.07 %
Depreciation & Amortization		0.00 %	0.00 %	-0.01 %	0.00 %	0.00 %	0.00 %	0.00 %
Other operating expenses		-0.07 %	-0.23 %	-0.07 %	-0.02 %	-0.01 %	-0.02 %	-0.03 %
EBIT		-0.07 %	-0.22 %	-0.06 %	-0.01 %	0.01 %	0.02 %	0.03 %
Net financial results		0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
EBT		-0.07 %	-0.22 %	-0.06 %	-0.01 %	0.01 %	0.02 %	0.03 %
Income taxes	1.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	-0.01 %	-0.01 %
Net income / loss		-0.07 %	-0.22 %	-0.06 %	-0.01 %	0.01 %	0.01 %	0.02 %

Source: Dr. Kalliwoda Research GmbH, 2014

b. Balance sheet

Balance sheet - Nanorepro AG								
in EURm	Fiscal year							
	2009	2010	2011	2012	2013E	2014E	2015E	2016E
Assets								
Cash and cash equivalents	0.19	0.91	0.23	0.06	0.03	0.14	0.32	0.41
Inventories	0.06	0.20	0.28	0.46	0.51	0.63	0.85	1.03
Trade accounts and notes receivables	0.06	0.20	0.22	0.25	0.32	0.43	0.62	0.85
Other current assets	0.00	0.45	0.01	0.01	0.01	0.02	0.03	0.04
Other financial assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Current assets	0.32	1.77	0.74	0.78	0.87	1.23	1.81	2.33
Property, plant and equipment	0.05	0.07	0.07	0.05	0.06	0.06	0.06	0.06
Other intangible assets	0.03	0.06	0.15	0.22	0.25	0.28	0.31	0.34
Goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial assets	0.05	0.05	0.05	0.00	0.00	0.00	0.00	0.00
Other assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred tax assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non-current assets	0.13	0.17	0.26	0.28	0.31	0.34	0.37	0.40
Total assets	0.45	1.94	1.00	1.06	1.18	1.57	2.19	2.73
Liabilities								
Trade payables	0.04	0.04	0.04	0.09	0.09	0.11	0.15	0.17
Tax liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personnel liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other short-term liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Short-term bank debt	0.20	0.08	0.05	0.08	0.22	0.28	0.43	0.52
Finance lease	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other financial liabilities	0.00	0.00	0.02	0.00	0.03	0.04	0.12	0.13
Provisions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Current liabilities	0.24	0.12	0.12	0.16	0.34	0.43	0.69	0.82
Long-term bank debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Leasing debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other financial debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pension provisions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Provisions	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.02
Other liabilities	0.00	0.25	0.01	0.03	0.06	0.26	0.42	0.55
Deferred tax liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term liabilities	0.01	0.25	0.02	0.03	0.07	0.27	0.43	0.57
Total liabilities	0.25	0.37	0.14	0.20	0.42	0.70	1.13	1.39
Shareholders equity	0.20	1.57	0.86	0.86	0.76	0.86	1.06	1.34
Minority interests	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total equity and liabilities	0.45	1.94	1.00	1.06	1.18	1.57	2.19	2.73


Source: Dr. Kalliwoda Research GmbH, 2014

c. Cash flow statement

Cash flow statement - Nanorepro AG						
in EURm	Fiscal year					
	2009	2010	2011	2012	2013E	2014E
Net income / loss	-0.44	-0.65	-1.82	-0.59	-0.10	0.10
Depreciation & Amortization	0.02	0.02	0.03	0.09	0.05	0.03
Change of working capital	0.03	-0.73	0.36	-0.18	-0.11	-0.23
Others	0.00	0.00	0.00	0.00	0.00	0.00
Net operating cash flow	-0.40	-1.36	-1.43	-0.68	-0.16	-0.09
Cash flow from investment	0.02	-0.04	-0.09	-0.06	-0.03	-0.03
Free cash flow	-0.38	-1.39	-1.53	-0.74	-0.19	-0.13
Cash flow from financing	-0.44	-1.46	-3.05	-0.80	-0.27	-0.20
Change of cash	-0.82	-2.85	-4.58	-1.54	-0.46	-0.33
Cash at the beginning of the period	0.17	0.19	0.91	0.23	0.06	0.03
Cash at the end of the period	-0.65	0.91	0.23	0.06	0.03	0.14

Source: Dr. Kalliwoda Research GmbH, 2014

8. Contact

NanoRepro AG Untergasse 8 35037 Marburg Germany		Telephone + 49 (0) 6421 95 14 49 Fax + 49 (0) 6421 95 14 51 Email info@nano.ag
DR. KALLIWODA RESEARCH GmbH		Arndtstr. 47 60325 Frankfurt Tel.: 069-97 20 58 53 Fax: 069-13 81 92 15
Head: Dr. Norbert Kalliwoda E-Mail: nk@kalliwoda.com	CEFA-Analyst; University of Frankfurt/Main; PhD in Economics; Dipl.-Kfm.	<u>Sectors:</u> IT, Software, Electricals & Electronics, Mechanical Engineering, Logistics, Laser, Technology, Raw Materials
Dr. Peter Arendarski E-Mail: pa@kalliwoda.com	Senior-Analyst, MSc & Ph.D in Finance (Poznan Unvers. of Economics), CFA Level 3 Candidate	<u>Sectors:</u> Technology, Raw Materials, Banks & Insurances, Financial-Modelling (Quant., Buyside)
Frieder Barten E-Mail: fba@kalliwoda.com	Analyst; MSc in Finance, London	<u>Sectors:</u> Social Media, Internet, IT
Patrick Bellmann E-Mail: pb@kalliwoda.com	Junior-Analyst; WHU - Otto Beisheim School of Management, Vallendar	<u>Sectors:</u> Support Research and Quantitative Approach
Andreas Braun E-Mail: rb@kalliwoda.com	Junior-Analyst; University of Frankfurt/Main	<u>Sectors:</u> Support Research and Quantitative Approach
Michael John E-Mail: mj@kalliwoda.com	Dipl.-Ing. (Aachen)	<u>Sectors:</u> Chemicals, Chemical Engineering, Basic Metals, Renewable Energies, Laser/Physics
Rainer Koch E-Mail: rk@kalliwoda.com	Computer-Science/Dipl.-Betriebsw, (Frankfurt); seasoned international Executive IT-Industry	<u>Sectors:</u> IT, IT-Services, Internet, Media, Internet, Emerging Markets
Adrian Kowollik E-Mail: ak@kalliwoda.com	Dipl.-Kfm.; Humboldt-Universität zu Berlin, CFA Candidate	<u>Sectors:</u> Media, Internet, Gaming, Technology, Eastern European stocks
Maximilian F. Kaessens E-Mail: mk@kalliwoda.com	Bachelor of Science in Business Administration (Babson College, Babson Park, MA (US))	<u>Sectors:</u> Financials, Real Estate
Dr. Christoph Piechaczek E-Mail: cp@kalliwoda.com	Dipl.-Biologist; Technical University Darmstadt; Univ. Witten-Herdecke.	<u>Sectors:</u> Biotech & Healthcare; Medical Technology Pharmaceutical
Dario Maugeri E-Mail: dm@kalliwoda.com	Analyst, Master of Science in Corporate Finance; Rotterdam School of Management	<u>Sectors:</u> Automotive, Technology
Hellmut Schaarschmidt; E-Mail: hs@kalliwoda.com	Dipl.-Geophysicists; University of Frankfurt/Main.	<u>Sectors:</u> Oil, Regenerative Energies, Specialities Chemicals, Utilities
Dr. Erik Schneider E-Mail: es@kalliwoda.com	Dipl.-Biologist; Technical University Darmstadt; Univ. Hamburg.	<u>Sectors:</u> Biotech & Healthcare; Medical Technology Pharmaceutical
David Schreindorfer E-Mail: ds@kalliwoda.com	MBA, Economic Investment Management; Univ. Frankfurt/ Univ. Iowa (US).	<u>Sectors:</u> IT/Logistics; Quantitative Modelling
Rainer Wochele E-Mail: rw@kalliwoda.com	Bachelor of Science in Economics and Business Administration (Goethe University Frankfurt M. / Graduation Fall 2013)	<u>Junior-Analyst</u>
Nele Rave E-Mail: nr@kalliwoda.com	Lawyer; Native Speaker, German School London,	<u>Legal adviser</u>
Also view Sales and Earnings Estimates: DR. KALLIWODA RESEARCH on Terminals of Bloomberg, Thomson Reuters, vwd group and Factset	Analyst of this research: Dr. Norbert Kalliwoda, CEFA	

DISCLAIMER

BUY:	Based on our analysis, we expect the stock to appreciate and produce a total return of at least 10% over the next twelve months
ACCUMULATE:	Based on our analysis, we expect the stock to appreciate and produce a total return between 5%- 10% over the next twelve months
HOLD:	Based on our analysis, we expect the stock to produce a total return between -5% and +5% over the next twelve months
REDUCE:	Based on our analysis, we expect the stock to cause a negative return between -5% and -10% over the next twelve months
SELL:	Based on our analysis, we expect the stock to cause a negative return exceeding -10% over the next twelve months

Additional Disclosures

DR.KALLIWODA | RESEARCH GmbH made this analysis on the basis of publicly available sources deemed reliable. We work as reliably as possible, but we cannot take warranty of the balance, precision, accuracy and completeness of the information and opinions.

This study does not replace personal advice. This study is not a solicitation to buy or sell any investment instruments discussed in this study. Therefore DR.KALLIWODA | RESEARCH GmbH advises to consult your bank or financial advisor before any investment-disposition.

In the UK this study is to be distributed only to persons who are described in Section 11 (3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 (as amended). This study may not be distributed and forwarded directly or indirectly to any other group of individuals. The distribution of this document in other international jurisdictions may be restricted by law and individuals who possess this study should inform themselves of any existing restrictions and comply with them.

DR.KALLIWODA | RESEARCH GmbH and its employees may hold positions in any securities mentioned in this document or in related investments and may buy or sell these securities or related investments.

Possible conflicts of interest

Neither DR.KALLIWODA | RESEARCH GmbH nor any company affiliated to DR.KALLIWODA | RESEARCH GmbH

- a) holds securities that are the subject of this study, in a proportion of 1% or more of the share capital;
- b) was involved in issuing securities that are the subject of this study;
- c) holds a net selling position in the shares of the analyzed company of at least 1% of the share capital;
- d) have been in charge of the analysed securities on the stock exchange or the market based on a contract with the issuer.

Only between NanoRepro AG and DR.KALLIWODA | RESEARCH GmbH exists a contractual relationship for the preparation of research studies. By accepting this document the reader / recipient agrees with the obligations mentioned in this disclaimer.

The information and opinions in this analysis were prepared by DR. KALLIWODA | RESEARCH GmbH. The information herein is believed by DR. KALLIWODA | RESEARCH GmbH to be reliable and has been obtained from public sources believed to be reliable. With the exception of information about DR. KALLIWODA | RESEARCH GmbH, DR. KALLIWODA | RESEARCH GmbH makes no representation as to the accuracy or completeness of such information.

Opinions, estimates and projections in this report constitute the current judgement of the author as of the date of this analysis. They do not necessarily reflect the opinions, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate, except if research on the subject company is withdrawn. Prices and availability of financial instruments also are subject to change without notice. This report is provided for informational purposes only. It is not to be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy in any jurisdiction. The financial instruments discussed in this report may not be suitable for all investors and investors must make their own investment decision using their own independent advisors as they believe necessary and based upon their specific financial situations and investment objectives. If a financial instrument is denominated in a currency other than an investor's currency, a change in exchange rates may adversely affect the price or value of, or the income derived from, the financial instrument, and such investor effectively assumes currency risk. In addition, income from an investment may fluctuate and the price or value of financial instruments described in this report, either directly or indirectly, may rise or fall. Furthermore, past performance is not necessarily indicative of future results.

This report may not be reproduced, distributed or published by any person for any purpose without DR. KALLIWODA | RESEARCH GmbH's prior written consent. Please cite source when quoting.