

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	
1	Model of Pharmaceutical Value																											
2	PharmaTopo.com																											
3																												
4																												
5																												
6																												
7	Pre Clinical	45.7%	25	12.0	2																							
8	Phase 1	38.8%	11	24.5	3																							
9	Phase 2	38.2%	4	37.8	3																							
10	Phase 3	59.0%	2	138.9	3																							
11	Overall Likelihood	4.0%	1.0																									
12																												
13	Inflation Rate	3.0%																										
14	Discount Rate	3.0%																										
15	Peak Market Value (USD M)	1,200																										
16	Cost of Goods	23.5%																										
17	Exclusivity (year)	12.0																										

Nominal Cash Flows for Each of 25 Cases (i.e., 25 Imaginary Companies): Cash Flows Include Inflation And Are Divided Across the Clinical Phase; Market Value Takes 2 Years to Ramp Up, Then It is Flat (Except for Inflation)

Case	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23		
1		-6.0	-6.2																							
2		-6.0	-6.2																							
3		-6.0	-6.2																							
4		-6.0	-6.2																							
5		-6.0	-6.2																							
6		-6.0	-6.2																							
7		-6.0	-6.2																							
8		-6.0	-6.2																							
9		-6.0	-6.2																							
10		-6.0	-6.2																							
11		-6.0	-6.2																							
12		-6.0	-6.2																							
13		-6.0	-6.2																							
14		-6.0	-6.2																							
15		-6.0	-6.2	-8.7	-8.9	-9.2																				
16		-6.0	-6.2	-8.7	-8.9	-9.2																				
17		-6.0	-6.2	-8.7	-8.9	-9.2																				
18		-6.0	-6.2	-8.7	-8.9	-9.2																				
19		-6.0	-6.2	-8.7	-8.9	-9.2																				
20		-6.0	-6.2	-8.7	-8.9	-9.2																				
21		-6.0	-6.2	-8.7	-8.9	-9.2																				
22		-6.0	-6.2	-8.7	-8.9	-9.2	-14.6	-15.1	-15.5																	
23		-6.0	-6.2	-8.7	-8.9	-9.2	-14.6	-15.1	-15.5																	
24		-6.0	-6.2	-8.7	-8.9	-9.2	-14.6	-15.1	-15.5																	
25		-6.0	-6.2	-8.7	-8.9	-9.2	-14.6	-15.1	-15.5	-58.7	-60.4	-62.2														
26		-6.0	-6.2	-8.7	-8.9	-9.2	-14.6	-15.1	-15.5	-58.7	-60.4	-62.2														
27		-6.0	-6.2	-8.7	-8.9	-9.2	-14.6	-15.1	-15.5	-58.7	-60.4	-62.2	424	873	1348	1389	1430	1473	1517	1563	1610	1658	1708	1759		
28		-6.0	-6.2	-8.7	-8.9	-9.2	-14.6	-15.1	-15.5	-58.7	-60.4	-62.2	424	873	1348	1389	1430	1473	1517	1563	1610	1658	1708	1759		
29		-6.0	-6.2	-8.7	-8.9	-9.2	-14.6	-15.1	-15.5	-58.7	-60.4	-62.2	424	873	1348	1389	1430	1473	1517	1563	1610	1658	1708	1759		
30		-6.0	-6.2	-8.7	-8.9	-9.2	-14.6	-15.1	-15.5	-58.7	-60.4	-62.2	424	873	1348	1389	1430	1473	1517	1563	1610	1658	1708	1759		
31		-6.0	-6.2	-8.7	-8.9	-9.2	-14.6	-15.1	-15.5	-58.7	-60.4	-62.2	424	873	1348	1389	1430	1473	1517	1563	1610	1658	1708	1759		
32		-6.0	-6.2	-8.7	-8.9	-9.2	-14.6	-15.1	-15.5	-58.7	-60.4	-62.2	424	873	1348	1389	1430	1473	1517	1563	1610	1658	1708	1759		
33		-6.0	-6.2	-8.7	-8.9	-9.2	-14.6	-15.1	-15.5	-58.7	-60.4	-62.2	424	873	1348	1389	1430	1473	1517	1563	1610	1658	1708	1759		
34		-6.0	-6.2	-8.7	-8.9	-9.2	-14.6	-15.1	-15.5	-58.7	-60.4	-62.2	424	873	1348	1389	1430	1473	1517	1563	1610	1658	1708	1759		
35		-6.0	-6.2	-8.7	-8.9	-9.2	-14.6	-15.1	-15.5	-58.7	-60.4	-62.2	424	873	1348	1389	1430	1473	1517	1563	1610	1658	1708	1759		
36		-6.0	-6.2	-8.7	-8.9	-9.2	-14.6	-15.1	-15.5	-58.7	-60.4	-62.2	424	873	1348	1389	1430	1473	1517	1563	1610	1658	1708	1759		
37		-6.0	-6.2	-8.7	-8.9	-9.2	-14.6	-15.1	-15.5	-58.7	-60.4	-62.2	424	873	1348	1389	1430	1473	1517	1563	1610	1658	1708	1759		
38		-6.0	-6.2	-8.7	-8.9	-9.2	-14.6	-15.1	-15.5	-58.7	-60.4	-62.2	424	873	1348	1389	1430	1473	1517	1563	1610	1658	1708	1759		
39		-6.0	-6.2	-8.7	-8.9	-9.2	-14.6	-15.1	-15.5	-58.7	-60.4	-62.2	424	873	1348	1389	1430	1473	1517	1563	1610	1658	1708	1759		
40		-6.0	-6.2	-8.7	-8.9	-9.2	-14.6	-15.1	-15.5	-58.7	-60.4	-62.2	424	873	1348	1389	1430	1473	1517	1563	1610	1658	1708	1759		
41		-6.0	-6.2	-8.7	-8.9	-9.2	-14.6	-15.1	-15.5	-58.7	-60.4	-62.2	424	873	1348	1389	1430	1473	1517	1563	1610	1658	1708	1759		
42		-6.0	-6.2	-8.7	-8.9	-9.2	-14.6	-15.1	-15.5	-58.7	-60.4	-62.2	424	873	1348	1389	1430	1473	1517	1563	1610	1658	1708	1759		
43		-6.0	-6.2	-8.7	-8.9	-9.2	-14.6	-15.1	-15.5	-58.7	-60.4	-62.2	424	873	1348	1389	1430	1473	1517	1563	1610	1658	1708	1759		
44		-6.0	-6.2	-8.7	-8.9	-9.2	-14.6	-15.1	-15.5	-58.7	-60.4	-62.2	424	873	1348	1389	1430	1473	1517	1563	1610	1658	1708	1759		
45		-6.0	-6.2	-8.7	-8.9	-9.2	-14.6	-15.1	-15.5	-58.7	-60.4	-62.2	424	873	1348	1389	1430	1473	1517	1563	1610	1658	1708	1759		
46		-6.0	-6.2	-8.7	-8.9	-9.2	-14.6	-15.1	-15.5	-58.7	-60.4	-62.2	424	873	1348	1389	1430	1473	1517	1563	1610	1658	1708	1759		
47		-6.0	-6.2	-8.7	-8.9	-9.2	-14.6	-15.1	-15.5	-58.7	-60.4	-62.2	424	873	1348	1389	1430	1473	1517	1563	1610	1658	1708	1759		
48	Sum	-150.0	-154.5	-95.2	-98.1	-101.0	-58.5	-60.2	-62.0	-117.3	-120.9	-124.5	424	873	1348	1389	1430	1473	1517	1563	1610	1658	1708	1759		
49	Survivors	25	25	11	11	11	4	4	4	2	2	2	1	1	1	1	1	1	1	1	1	1	1	1	1	

Present Values of Cash Flows (In Any Given Year) of the Survivor Company Cash Flows (i.e., Case 25):

Year	Sunk Cost	Expected	(5.7)	(5.7)	(7.7)	(7.7)	(7.7)	(7.7)	(11.9)	(11.9)	(11.9)	(43.7)	(43.7)	(43.7)	288	577	865	865	865	865	865	865	865	865	865	865	865	865
0	-	348.7	(5.7)	(5.7)	(7.7)	(7.7)	(7.7)	(7.7)	(11.9)	(11.9)	(11.9)	(43.7)	(43.7)	(43.7)	288	577	865	865	865	865	865	865	865	865	865	865	865	865
1	(5.7)	370.0	(6.0)	(6.0)	(8.2)	(8.2)	(8.2)	(8.2)	(12.6)	(12.6)	(12.																	

