

# Thoughts on biotech communicating from an amateur practitioner

Andy Jane, CM Capital

*"We are ready for any unforeseen event  
that may or may not occur."*

**Governor George W. Bush, Jr., 9/22/97**

# Disclaimer

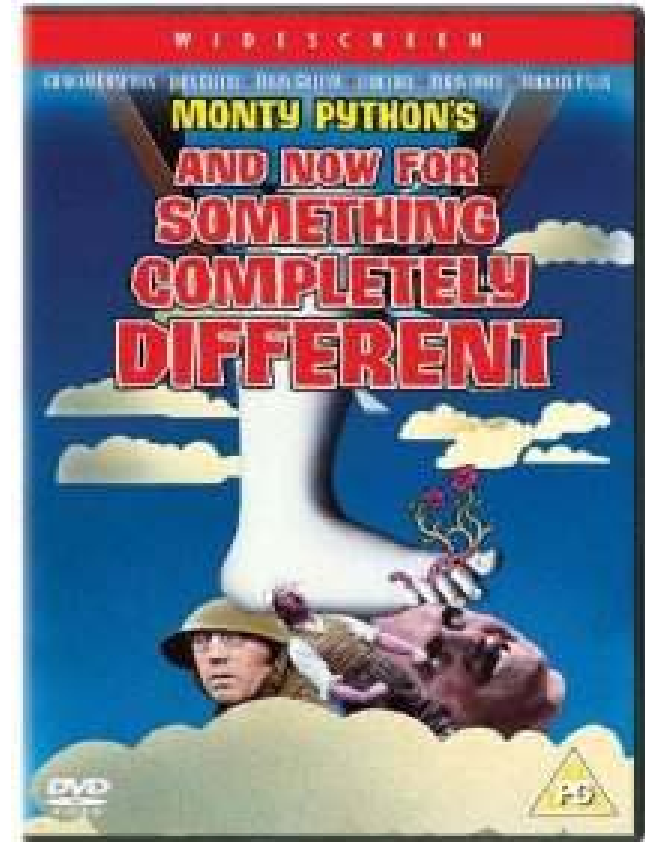
1

Views expressed are the personal opinion of Andy Jane and not the much more interesting and better looking colleagues that he works with at CM Capital. Some thoughts, slides and graphics are unreservedly plagiarized from such esteemed people as Prof Jack Gray (Brookvine), Andrew Geddes (CoActive Health Communications) Biocentury, VentureSource and the nice person on the morning 575 bus

*“It’s not the despair I can’t stand. It’s the hope.”*  
**John Cleese**

## If you thought you were in the wrong session

- ❑ CM Capital established 1998
- ❑ Friendly neighbourhood Brisbane Institutional VC
- ❑ 3 funds with \$250m under management
- ❑ Pharmaxis, Universal Biosensors, Sunshine Heart, Alchemia, CathRx



# How you view your company



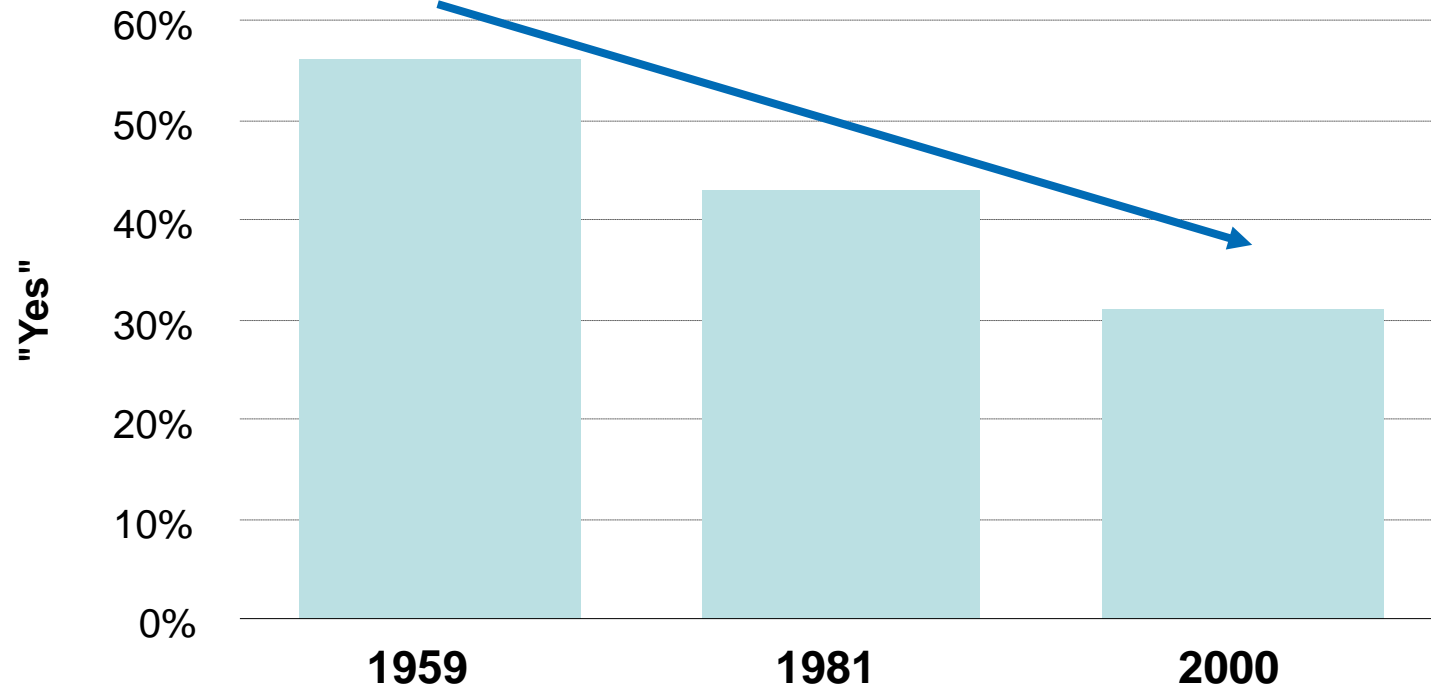
## How I see it ...

4



[www.ugliestdogs.net](http://www.ugliestdogs.net)

## “Can most people be trusted?” – UK



Source: World Values Survey

## The shooting gallery

6

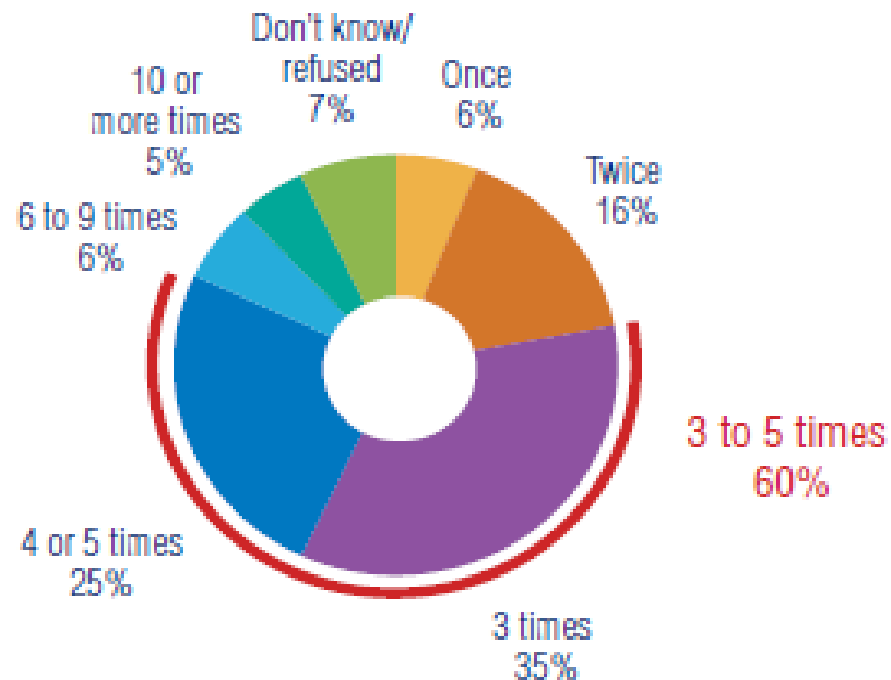


*"Seeking to appease public anger, Spain made changes to the Pamplona running of the bulls. Entry is limited to those in banking and finance ... and entry is compulsory."*

**New Europe**

## Hearing something once is not enough

Figure 11: Multiple information sources enhance credibility



How many times in general do you need to hear something about a specific company to believe that the information is likely to be true?

Informed publics ages 25 to 64 in 20 countries

2009 Edelman Trust Barometer

# Attention spans are limited in a global world

**And just like that, you're out of China.**

**And just like that, you're in Turkey.**

Wherever your strategy takes you, you need the liquidity to move quickly. iShares ETFs deliver the highest daily trading volume of any ETF provider, with over \$3 billion in ADV in emerging markets, which can help you get out as quickly as you got in. You'll find that the iShares Institutional Team can help with everything from education to tailored solutions. To make your next move, call 1-800-743-9289.

**FINB LIQUIDITY IN EMERGING MARKETS**

<b>ETH</b> iShares MSCI Emerging Markets Index Fund	<b>ISPM</b> iShares MSCI Pacific Index Fund
<b>FCHI</b> iShares FTSE China 50 Index Fund	<b>EWZ</b> iShares MSCI Brazil Index Fund



**iShares**  
Keep evolving.

You see opportunity in Turkey—or China, Brazil or Peru—and you want in. Fast. Fortunately, iShares delivers the broadest range of emerging market ETFs, along with the most exposure to single country ETFs (13) and regional ETFs (7) of any provider. So the dedicated iShares Institutional Team can help you get access to the markets you want. But that's only half the story. Begin your next trip at [iShares.com/institutional](http://iShares.com/institutional).

**GET ACCESS TO EMERGING MARKETS**

<b>FUN</b> iShares MSCI Turkey Investment Strategy Index Fund	<b>EWV</b> iShares MSCI South Korea Index Fund
<b>EWT</b> iShares MSCI Taiwan Index Fund	<b>EPU</b> iShares MSCI All Peru Closed-End Fund



**iShares**  
Keep evolving.

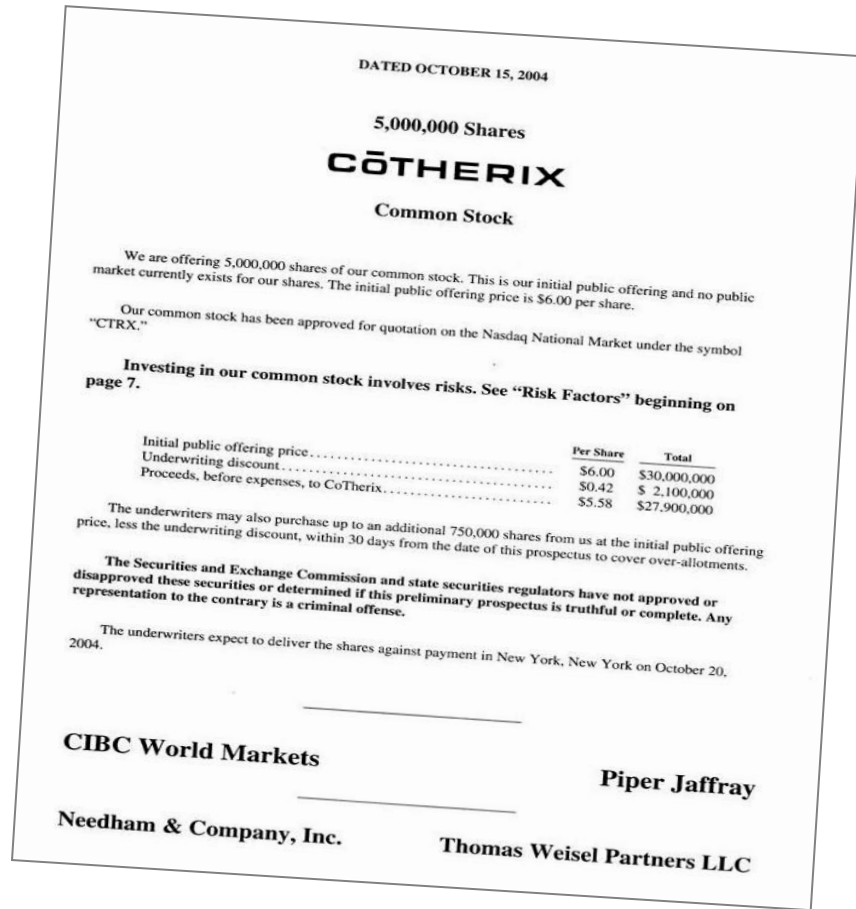
carefully before investing. Investing involves risk, including possible loss of principal. In addition to the normal risks associated with investing, international investments may involve risks not associated with investing in U.S. securities, including currency fluctuations, political and economic instability, and changes in government. Securities issued in a single country and narrow focused investments may be subject to higher volatility. Funds distributed by SEI Investments Corporation Co. ("SEI") and advised by BlackRock Fund Advisors ("BFA"). BFA is a subsidiary of BlackRock Institutional Trust Company, a subsidiary of BlackRock. All rights reserved. iShares is a registered trademark of BlackRock. All other trademarks, logos and registered trademarks are the property of their respective owners. 30-0796-010.

There can be no assurance that an active trading market for such shares will develop or be maintained. Call 1-800-iShares to request a prospectus, which includes investment objectives, risks, fees, expenses and other information that you should read and consider carefully before investing. Investing involves risk, including possible loss of principal. In addition to the normal risks associated with investing, international investments may involve risks not associated with investing in U.S. securities, including currency fluctuations, political and economic instability, and changes in government. Securities issued in a single country and narrow focused investments may be subject to higher volatility. Funds distributed by SEI Investments Corporation Co. ("SEI") and advised by BlackRock Fund Advisors ("BFA"). BFA is a subsidiary of BlackRock Institutional Trust Company, a subsidiary of BlackRock. All rights reserved. iShares is a registered trademark of BlackRock. All other trademarks, logos and registered trademarks are the property of their respective owners. 30-0796-010.

*“IQ and investing are not well correlated ... Temperament is the key ...”*  
**Warren Buffett**

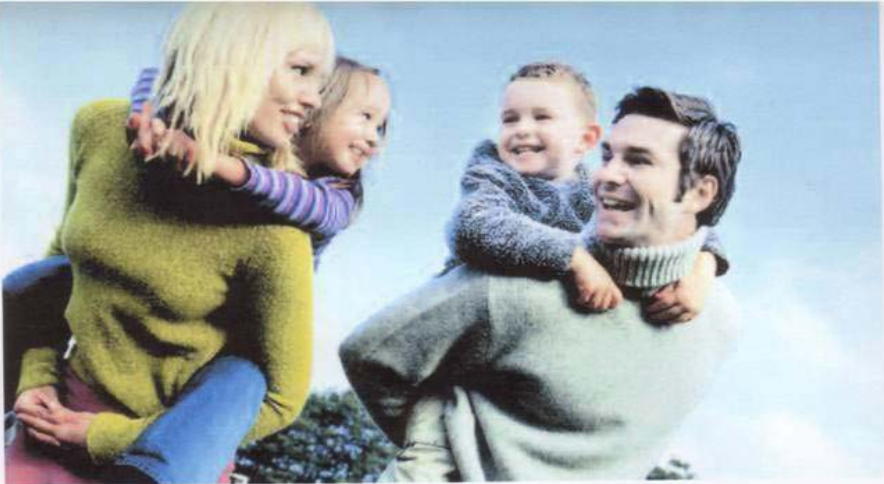
**BLACKROCK**

# Substance – the US way

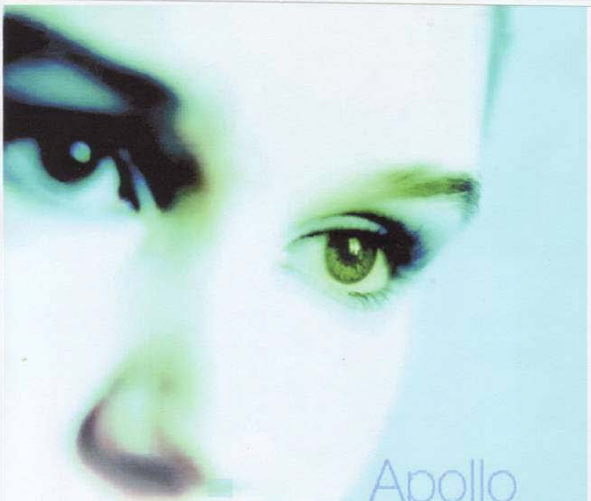


CoTherix founded 2000 acquired by Actelion 2007 for \$420 million cash

# Style – the Aussie way



Our goal is to create,  
manufacture & market **next-generation**  
**therapeutics based on**  
**human proteins**



Life **Sciences** Apollo  
Prospectus

B|W BLACKWOOD CAPITAL  
UNDERWRITER

APOLLO  
LIFE SCIENCES  
Apollo Life Sciences Limited  
ACN 102 094 917

Source: IPO 2005 ; administration 2008, African gold mining 2010

# A tale of two LVADs

## Ventracor

- IPO AXS 1993
- Raised \$215 million

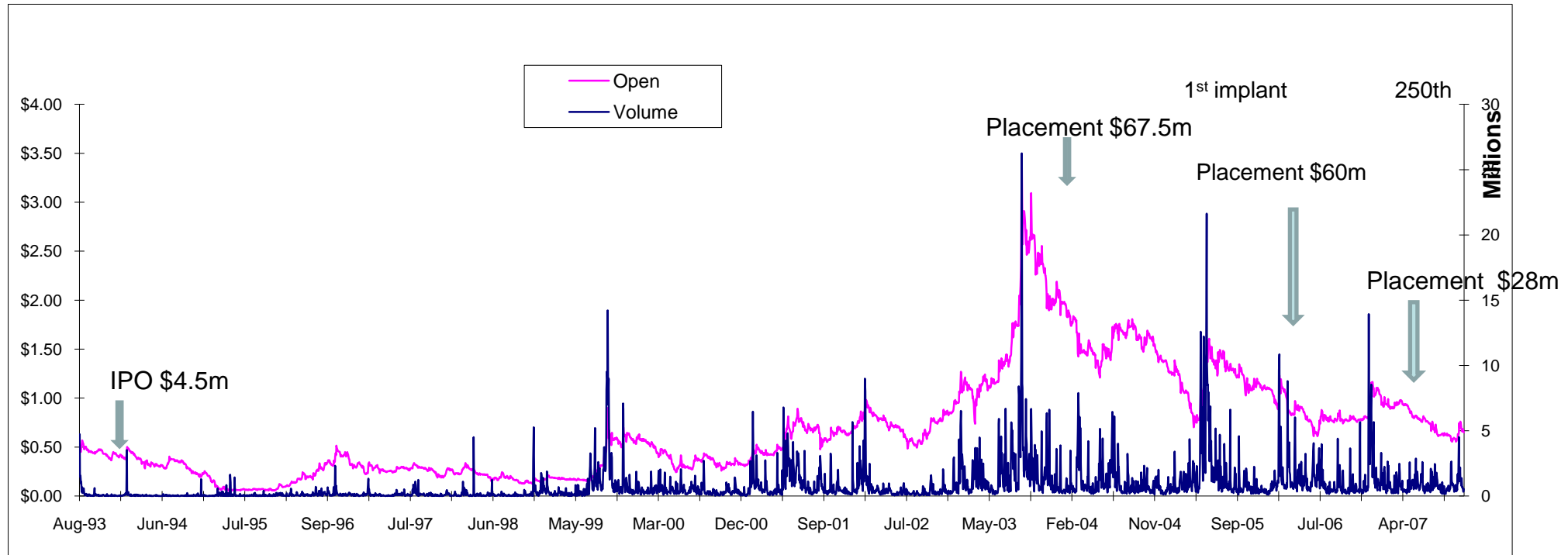


## Heartware

- Chapter 11 company which listed on ASX 2004
- Market cap \$1.3 billion



# Ventracor history – The rise



“If something cannot go on forever it will stop.”

**Herb Stein**



## Ventracor Limited (Administrators Appointed)

First Creditors Meeting

Presented by Steve Sherman, Joint and Several Administrator

31 March 2009



## How to find room on the IR train

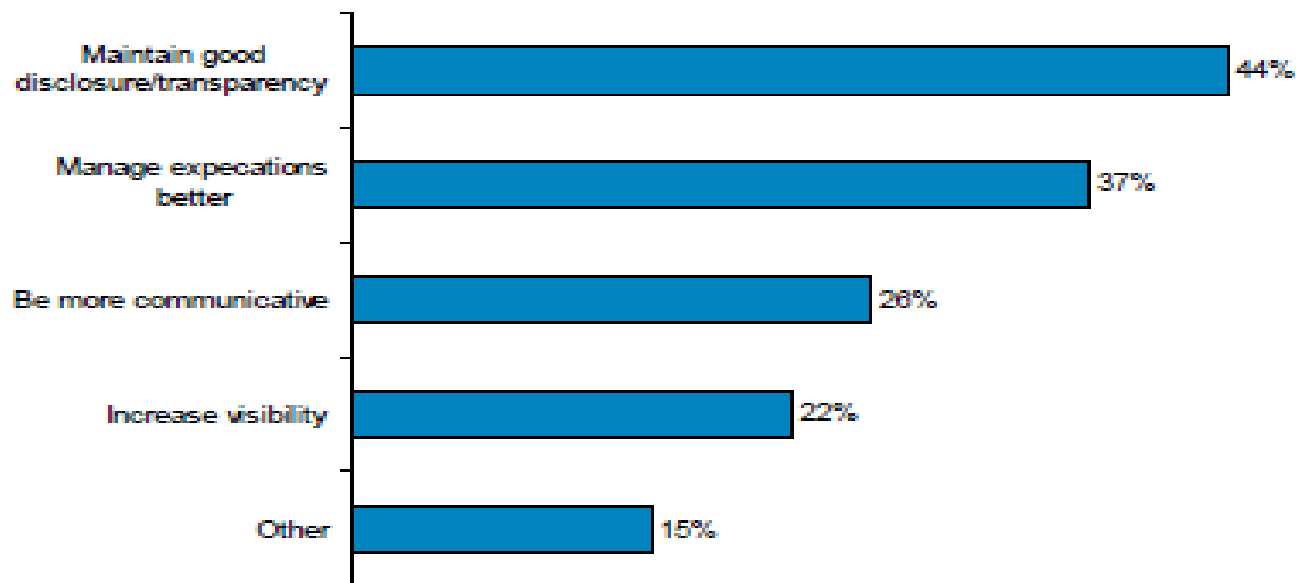
14



# How can you do IR better?

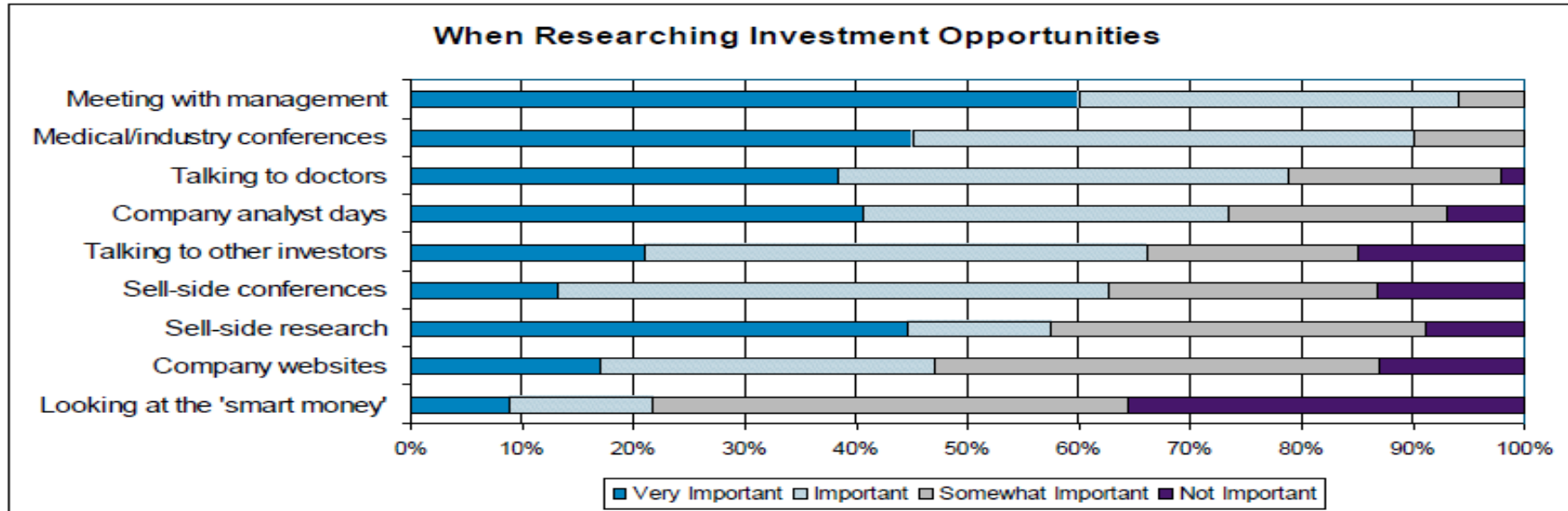
15

How to improve IR?



*“I was most persuaded by teams that were proactive about addressing issues. There is always an elephant in the room, no matter what company it is. There is always an issue when you have a drug under development. As a general principle, I prefer the teams that present a more balanced picture.”*

**Hedge Fund Investor**

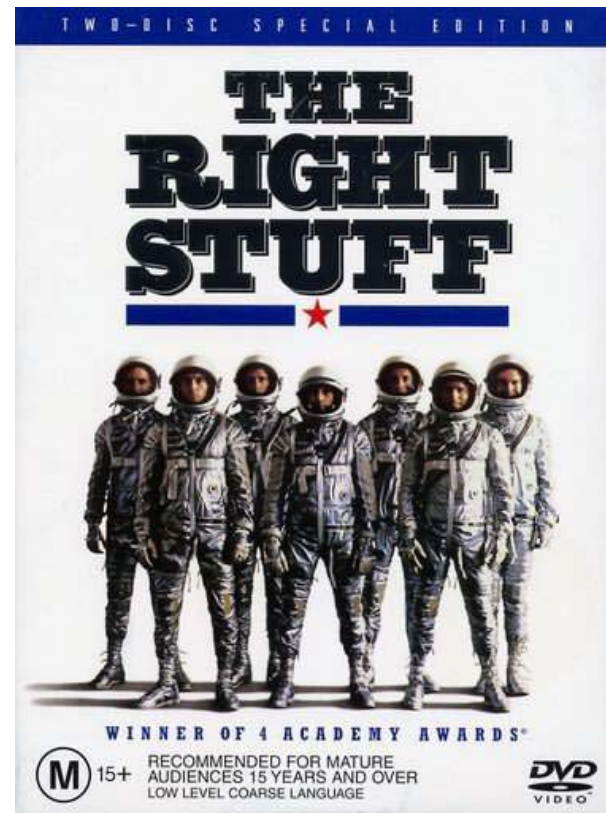


*“Regardless of the size, the management teams that I think are effective are the ones that are good at telling the truth and reducing complexity down into understandable terms. The poor ones are the ones that apostate through jargon and create a fog around the ideas. The goal much of the time is to confuse.”*

**Venture Capital Investor**

## What is the right stuff?

- Maintain currency of corporate Q&As and factsheets
- One voice communication essential
- Good logistics and up-to-date stakeholder databases
- In-house email distribution list
- Strong brand to stand out in crowded market
- Website with depth of company and market information
- Plan of communications and IR opportunities
- Targeted media that supports your investment case



## Engaging with analysts and investors

- Credibility is key to success
- Miscommunication, rather than the underlying event, can lead investors to loose confidence in the ability of management.\*
- Niche specialist brokers have the time and interest
- Develop and maintain relationships for long-term
- Will you help them make money for their clients?

# What's your message?

## Investors

- The biotechnology investor audience is extremely sophisticated, drawing on numerous sources—eg, trade and financial press, websites, analyst reports, and conferences—when creating its own view of a company.

## Potential Partners

- profile-building is a key PR activity to help a company distinguish itself from the competition, enabling its business development team to get a foot in the partner's door.

## Employees

- Companies that are not well known have problems recruiting and keeping the best staff.

## Media

- Building relationships with key journalists can never guarantee good press, but recognition of the company's name will certainly help a company's press release stand out from the pile landing on an editor's desk

## The Public

- Although great progress has been made in helping the public see the positive benefits of biotechnology, there is still much to do

## Value creating milestones

- Does management have a record of meeting them
- Are they clear and realistic
- Do you have a plan to fill the gaps in news flow between milestones?
- What will achieving these milestones mean (revenue, partnership)
- Are you prepared for success?

## Investment turn-ons ...

- A company, facilities and people
- Deals, a deal strategy constructed with a purpose
- An industry experienced exec team and Board
- Proactive scientific/clinical advisory boards
- Alignment with customers
- Exit strategy – deal metrics, comparables, company look
- Financial risk well understood
- The deal makes investment sense

## My motivation speech

22



“I am with the Women from Sparta who advised their men folk –

– succeed or come back on your shields!”

“The future will be better tomorrow”

**Dan Quayle**

Thank you.

23



“If you understand what I said then you haven’t heard me properly”

**Alan Greenspan**