



# LSA Investor Relations Proposed Plan *July 2013*

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## LSA Overview and Introduction

LifeSci Advisors is a unique consultancy founded to provide comprehensive equity research, strategic counsel, customized marketing communications and investor relations services to our clients in the life sciences. We are not the traditional investor relations firm. Our founders and employees have decades of experience in investment banking, capital markets, sell-side and buy-side analysis. This results in a superior offering of services than our competitors, which are typically limited to experience in the PR and media relations realm.

Our approach is simple – to effectively communicate each client’s unique value proposition and to build momentum for the investment. We begin with deep due diligence, as we partner with each client to gain an unparalleled level of understanding of our client’s business. Armed with this understanding, we create and disseminate an Equity Research product and develop strategic recommendations, specifically tailored to help each client achieve their corporate goals. This “Client as Partner” approach sets us apart and helps us eclipse the competition.

LifeSci Advisors intends to increase visibility for Co’s assets within the financial community, the institutional and retail investor communities, and among business development professionals. To that end, LifeSci Advisors has developed the following recommendations:

## Situation Analysis

This is a private company focused on the development and commercialization of proprietary oral sorbent technology. The company's lead compound is a non-systemic oral sorbent designed for the treatment of hyperkalemia, a serious medical condition resulting from elevated serum potassium levels.

To date, the company has been in "stealth mode," preferring, for competitive reasons, to shun publicity. This strategy to fly-beneath-the-radar of investors, the media, and other companies (with potentially competing technology), has been extremely successful, with very little information about the company leaking into the public domain. However, now that the company's programs are reaching key inflection points, namely Phase II data presentation at ASN in November 2013 and Phase III data release shortly thereafter, Co. would like to gain more appreciation and recognition for its corporate and clinical plans. Additionally, increased attention in the next several months will be invaluable if the company decides to undertake an Initial Public Offering within the next year.

To that end, LifeSci Advisors has compiled the following recommendations to support the current efforts of the company, ensuring the exploitation of all Co-specific and industry-related instances of investor interest. As such, this plan is designed to build awareness and appreciation for the company, its products and its pipeline, while increasing momentum for the company.

## Program Goals

- To increase the appreciation of Co through the use of research and social media, including generating market research (physician surveys, etc.) for broad distribution
- To maximize appreciation for Co's programs and pipeline among investors, sell-side analysts, investment bankers and potential collaborators
- To enhance recognition of Co's corporate strategy and opportunity in the investor community
- To provide unique investor access, distinct from, and complementary to the company's current outreach
- To increase success of potential future financings through increasing awareness

This document is expected to serve as an overview of proposed future activities and an investor relations outline. Once you have reviewed these recommendations, we can update this document to ensure synchronization between our efforts.

## 2013-2014 Strategic Activities

- Increase the visibility and awareness of Co's programs and pipeline through the production and broad dissemination of a sell-side style equity research initiation report, including to both the institutional and retail audience
- Emphasize key accomplishments through Co-sponsored research meetings for institutional investors, analysts, and the retail audience
- Evaluate and revise Co's current positioning and core messages from internal and external perspectives to refine key message platform for all audiences
- Develop collateral materials for use with investors and sell-side analysts (e.g., slide presentation, fact sheet, press releases), as needed
- Optimize Co's communications activities through the creation of a 12-month calendar of investor, industry and corporate events

## Key Investor Relations Tactics

- Produce research coverage: The LSA research team, led by Andrew McDonald, will collaborate to publish sell-side style equity research. This research will clearly delineate Co's value drivers and support our larger outreach.
- Build momentum for a potential stock offering: We will arrange a series of U.S. non-deal roadshows timed to coordinate with key company milestones.
- Conduct an aggressive retail investor outreach program: We will actively court contributors in various social media outlets in order to build interest among retail investors.
- Coordinate Co-sponsored research meetings: Timed to coincide with key company news, these meetings will provide unique forums for Co to discuss its programs. When appropriate, these meetings will include outside experts not employed by Co, who will lend valuable third-party validation to the company's messages.
- Develop corporate calendar: Development of the corporate calendar will be essential to ensure that we are leveraging every opportunity to discuss the attributes of Co and its products. The calendar will highlight each of Co's expected corporate and product-related milestones, as well as industry and competitive events including scientific meetings, competitive product developments and other awareness events. This calendar will form the basis of when we intend to publish and disseminate research and conduct social media campaigns.

- Create/strengthen key message platform: The key message platform will form the backbone of our investor outreach and be incorporated into all of the materials we use with our target audiences.
- Create collateral materials: We will incorporate the key messages, where appropriate, into existing corporate materials and otherwise develop new supporting documents for use in building visibility among our key audiences.

## **Key Messages**

We believe it will be critical for Co and LifeSci Advisors to be aligned regarding the company's key messages, to ensure we are providing a consistent profile to our target audiences. To that end, among our first actions will be to conduct a messaging session with Co management, during which we will identify key issues, facilitate discussion of the company's core elements and assist in the creation of the message platform.

## **Public Relations Integration**

We will actively consult with management regarding public relations outreach to ensure that all resources are exploited in the service of communicating the company's value drivers. As appropriate, our team of experienced public relations professionals will assist in the preparation, drafting, and editing of news releases as well as conference call scripts.

## **Buy-Side Targeting**

Looking ahead to the next 12-18 months, it will be important for Co to maintain existing relationships with members of the financial community, but also reach out to new investor contacts through 1x1 meetings, etc. Institutional investors, including portfolio managers, buy-side analysts and industry "thought leaders" will be targeted for introductions to the company. While attracting institutional investors is of paramount importance, we also stay focused on introducing the story to investors on the retail side. Below is a select targeted list of investors that we have compiled for Co and are happy to fill any gaps in the current buy-side outreach efforts.

## LifeSci Advisors Focus Investor List

<b>Buy-side:</b>		
Abingworth	First Eagle	Palo Alto
Adage	First Manhattan	Perceptive
Advent	Foresite	Perella Weinberg
Aisling	Franklin	Perkins
Arcoda	Frost Group	Platinum Montaur
Armistice	Gagnon	Proquest
Auriga	Great Point	Quogue
Avet	Greywall	QVT
Baker Bros	Healthcor	RA
Barclays	Heights	Redmile
Bay City	Hudson Bay	Ridgeback
Blackrock	Invus	RS Investments
Brio	Ironwood	RTW
Broadfin	IsZo	Sabby
Brookside	J. Goldman	SAC
Burrage	Janus	Sio
Burrill	Jennison	Socius
BVF	JP Morgan	Sofinova
Camber	Kearney	Special Situations
Caxton	Knoll	Symmetry
Clarus	Lombard Odier	T. Rowe
Columbia Wanger	Longitude	Tang
Columbus Cirle	Longwood	Tavistock
Cormorant	Merlin	Tekla
CR Intrinsic	Millenium	UBS O'Connor
Critical Mass	Monashe	Valence
Dafna	New Leaf	VenBio
Deerfield	Och-Ziff	Venrock
EcoR1	Opus Point	Vivo
Federated	Oracle	Vizium
Fidelity	Orbimed	Wellington
		Wexford

### LifeSci Advisors Broad Investor List

Targets			
5AM Ventures	de Novo Ventures	Kingsbrook Partners	RiverVest
Abingworth	Deerfield Management Company	Kodiak Venture Partners	Roche Venture Fund
Aceras	Delphi Ventures	Lincoln Park Capital	Rock Hill Investments
Adage	Domain Associates	Locust Walk	Rockmore Capital
Advent Venture Partners	Downsview Capital	Longitude Capital	Rosalind Capital Partners
Alafi Capital	Draper Fischer	MAX Communications	RTW
Alloy Ventures	DW Healthcare	Meritech	Sabby Capital
Alta Partners	Ellis International	Merlin Nexus	Safeguard Scientifics
Ampersand Ventures	Emergent Ventures	Mickelson Investment Management	Sco Capital Group
Anson Capital	Empery Asset Management	Midsummer Capital	Seaside 88 Advisors LLC
AQR Capital Management	Enable	Millennium Management	SDL
Arboretum Ventures	Enterprise Partners	Mmcap Management Inc.	Senvest International
ARCH Venture Partners	Essex Woodlands	MZS Davidow	Sio
Arcoda	Excel Venture Management	Monashe	Skyline Ventures
Ascension Health Ventures	Federated	Montreux Equity Partners	Socius Capital Group
Athyrium Capital	Fidelity Bioscience	Morgan Stanley Venture Partners	Sofinnova Ventures
AWM Investments / Special Situations	Flagship Ventures	Morgenthaler	Sonoma Capital
Ayer Capital Partners	Forbion Capital Partners	MPM Capital	Sophrosyne
Bain Ventures	ForefrontCapital Management	New Enterprise Associates	Starboard Capital Partners
Baker Brothers	Franklin	New Leaf Ventures	Steelhead Partners
Barron Capital	Frazier Healthcare	New Rhein Healthcare	Stonepine Capital
Battelle Ventures	Frost Group	NGN Capital	Straus Capital Management
Bay City Capital	GE Healthcare	Novartis Venture Funds	Strong Capital
Bessemer Venture Partners	Genesis Capital Partners	Oliveira Asset Management	Summit Partners
Biotech Ventures	Globis Capital Advisors	Oracle Investment Management	Sutter Hill Ventures
Boston Millennia	Great Point Partners	OrbiMed	Suttonbrook
Braverman Asset Management	Gruber & McBaine Capital	Oxford Bioscience	SV Life Sciences
Briargate Capital Management	Gryphon Management Partners	Palo Alto	T. Rowe
Brio Capital Management	HBM Partners	Panorama Capital	Tang Capital Management
Broadfin Capital	Health Evolution Partners	Pappas Ventures	Tavistock Group
Brooke Ventures	Healthcare Ventures	Perceptive Advisors	Third Rock Ventures
Brookside	Healthcor Group	Perkins Capital Management	Three Arch Partners
Burrage	Heights Capital Management	Perseus LLC	Three Fields
Burrill Venture Capital	Heller Capital Partners	Pfizer Venture Investments	TPG Growth
Camber	HIG Bioventures	Pioneer Path	Tullis Health Investors
Canaan Partners	Highland Capital Partners	Platinum Partners LLC	UBS O'Connor
Carpe Diem Capital Management	Hillair Asset Management	Polaris Venture Partners	USVP
Castle Creek Partners	HLM Venture Partners	Porter Capital Management	Vantage Point
Catalyst Health Ventures	Hudson Bay Capital Management	Prism Venture	VenBio
Caxton	Interwest Partners	ProQuest Investments	Venrock
CHL Medical Partners	Investor Growth Capital	Prospect Venture Partners	Viking Asset Management
Cipher Capital Partners	Invus	Quaker BioVentures	Visium Asset Management
Claremont Creek Ventures	JAFCO Ventures	QuestMark Partners	Vivo Ventures
Clarus Ventures	Jennison	Quogue Capital LLC	vSpring Capital
Clinton Group	JGB Management	QVT Financial	Warburg Pincus
Colonial Investment Management	Johnson & Johnson Development Corp.	RA Capital Management	Wellington
Conative Capital Management	JP Morgan	Ramius LLC	Whalehaven Capital
Cummings Bay Capital	Juniper Hill Asset Management	RedMile	Wolfson Group
DAFNA Capital Management	Kaiser Permanente Ventures	Rho Capital Partners	Ziff Investments
DAG	Kearney	Ridgeback	Zweig-DiMenna

In addition to buy-side investors, we have great working relationships with many banks. Below is a list of investment banks where we could facilitate introductions between Co and both bankers and research analysts, if needed.

<b>Investment Banks</b>		
Bank of America	Jefferies	Piper Jaffray
Citi	Cowen & Company	Lazard
Credit Suisse	BMO	Leerink Swann
Goldman Sachs	Wedbush	JMP
JP Morgan	Stifel Nicolaus Weisel	Morgan Joseph
UBS	Needham	Brean Murray
Deutsche Bank	Canaccord	Oppenheimer
Morgan Stanley	RBC	RW Baird

### **Sell-side Outreach**

Reaching out to sell-side analysts and introducing them to the story will be a priority of ours. They tend to be key influencers in the space through the authorship of research and their active relationships with the financial community. Sell-side analysts also play a large role in attaining conference invitations. Historically, we have been successful in attracting new sell-side analysts for our clients, which has helped our clients expand their reach on Wall Street.

### **LSA Equity Research Coverage**

As part of our process, we begin with an in depth review of the company. This results in an extensive Initiation Report detailing the company's history, basic science behind the products, intellectual property, pipeline development programs (including in-licensing and line extensions), competitive landscape, and commercial opportunities. The goal of developing our Initiation Report is to intelligently and simply lay out the overall story in a way that is informative and easy to understand. Prospective investors can use it as a "roadmap" as they conduct due diligence on the company. All of our equity research contains information that is currently in the public domain and is approved by our client's management. We follow up the Initiation Report with Company Notes, which are driven primarily by the announcement of new product information or business developments. We also issue quarterly earnings notes discussing the company's progress over the previous quarter.

We typically initiate coverage with a national press release that is distributed to broad U.S. media outlets and a healthcare focused network. In addition, we send out regular email campaigns highlighting our research to a vast investor network, which exceeds 30,000 individuals. All of our research will be housed on our website with a personalized library and website page for Co.

## **Investment Banking-Sponsored and Industry-Specific Meetings**

LifeSci has strong relationships with analysts and investment bankers that are integral to receiving invitations to present at investor conferences. As we are able to conduct 1x1 meetings and increase analyst coverage, conference invitations are sure to increase. We are happy to help in this regard.

We will actively work with the company to recommend new conferences and events such as an R&D day that Co could host to effectively communicate its story to the investment community, if needed. R&D days work particularly well after the presentation of important data. In the case of Co, presentation of data, particularly before an expected IPO will be such a significant event that it will draw the attention of investors, analysts and reporters, allowing the company to highlight not just the data, but also corporate and product related strategies and milestones.

## **Investment Community and Non-Deal Roadshows**

Marketing is a vital component of the overall investor relations strategy. As opportunities arise, we will coordinate meetings and manage roadshow schedules throughout the year, if needed. Our experience and contacts allow us to structure superior non-deal roadshows with our client's management teams and can be helpful in multiple geographies.

## **Social Media**

Social Media can be a valuable and important tool for conveying a company's messages to current and potential investors, the media and scientific and business collaborators. Certainly the recent announcement by the SEC that companies can choose to use Social Media for disclosure of material news reflects the growing prominence of the technology. However, as with all new technologies, there are not only benefits but also hazards potentially associated with its use.

The key to a successful Social Media program is staying current; populating the company's chosen outlets with up-to-date information and insights. The potential pitfalls for a company using social media include violating Reg FD and engaging in unproductive exchanges with provocateurs. In order to capitalize on the popularity of Social Media, while avoiding regulatory entanglements, LifeSci Advisors recommends that Co continue to use traditional methods for disclosure of material information while strategically leveraging Social Media as an additional resource to alert key audiences. Specifically, we suggest Co focus the company's efforts primarily on Twitter to construct a vibrant online presence with links to press releases and regulatory filings as appropriate. We will ensure that the company's Twitter account is populated and continually refreshed in order to be considered a live source of information. Additionally, we recommend Co use Facebook and LinkedIn to augment its Social Media profile and provide more opportunities to convey key messages

to the company's target audiences. A detailed description of each of these recommendations follows:

- **Twitter**

One of the most well-known social media forums, Twitter permits its users to transmit messages in 140 characters or fewer. Readers are able to access individual messages by topic and often subscribe or “follow” those Twitter feeds they deem most pertinent. As a result, success is generally measured by the number of followers one has.

Most professionals, investors and members of the media use Twitter to create a customized live news feed. By compiling a number of Twitter accounts to follow, one is able to create a highly-personalized news aggregator. In order to remain relevant, each account needs to contribute a regular stream of news. In fact, it is generally accepted among regular Twitter users that the biggest mistake a company or individual can make in developing their social media presence is failing to populate an outlet with a steady flow of information.

To that end, LifeSci Advisors recommends the creation of a vibrant Twitter presence for Co. In order to achieve this goal, we suggest Co issue a minimum of two Tweets per day, Monday through Friday, with supplemental Tweets as appropriate. The bulk of these Tweets can be re-Tweets from pre-determined sources and links to industry-related stories from mainstream media and other key sources, thus creating Co's own compendium of news. LifeSci Advisors will identify twenty stories each week and submit those to Co for approval, and then post two of those each day, on behalf of the company. When Co has company news or there is breaking industry, scientific or regulatory news, LifeSci Advisors will draft individual Tweets and submit those to the company for approval. We are confident that this strategy will provide Co with an active presence on Twitter, an important part of a Social Media outreach.

- **Facebook**

Facebook is a social utility that provides individuals, usually friends and family members, a unique, easily accessible venue to share personal news, stories, insights and photographs. The service allows an individual the ability to express elements of his or her personality through a number of tools, including “Liking” a business, an action that can result in testimonials and the company's logo appearing on numerous pages.

However, Facebook is not without potential pitfalls. The biggest mistake businesses make when using Facebook is treating corporate pages like personal pages, allowing others the ability to comment on postings and leave messages, ostensibly as

communication with the company but possibly meant to appeal to other investors, materially impacting the company's operations.

In order to capitalize on the success of Facebook, while maintaining decorum and fulfilling legal and regulatory obligations, LifeSci Advisors recommends Co use the outlet as a static billboard, on which the company can provide approved documents including press releases, fact sheets and PowerPoint presentations. In this way, the company's Facebook page could serve as a less-formal version of the Co website but still maintain that outlet's high standard of inclusion for information. The benefit of a less-formal version of the website is to make information more accessible to a broader audience. Retail investors, specifically, are likely to embrace the simple layout and presentation of current information available through a Facebook page.

LifeSci Advisors will assist Co in the design of the company's Facebook page, suggesting content and coordinating maintenance to ensure it remains vital and useful to the company.

- **LinkedIn**

LinkedIn is a social networking site designed for professionals. Most people use LinkedIn to connect with colleagues and to represent themselves professionally. LinkedIn hosts industry groups and discussion forums, but primarily it is used as a "face book" or "brag sheet" for business people.

Because the site is designed to highlight the professional accomplishments of its users, LinkedIn can be a valuable tool for positioning a company's management team and other executives. To this end, LifeSci Advisors suggests that senior managers at Co become LinkedIn members and, in order to ensure appropriate positioning, each manager's profile should be carefully reviewed and standardized.

LifeSci Advisors will work with Co to ensure all appropriate members of the company's executive team have LinkedIn profiles and that each profile includes appropriate messaging and conforms to a standardized esthetic.

## **Company/LSA Communications and Reporting**

To provide comprehensive, proactive insight into the ongoing success of our efforts, we:

- Communicate with the Street and provide feedback to management
- Regularly attend company presentations and medical meetings, while keeping a close eye on peers in the space
- Provide follow-up from conference calls and 1x1 meetings

- Conduct regular conference calls with management to make sure that both teams are in sync and focused on the same value drivers
- Help facilitate the due diligence process by distributing the corporate presentation and our proprietary research, and also by setting up calls/meetings

## Summary

Co is developing therapies for large, underserved markets. Although the company has been in stealth mode until now, it expects major data announcements and a potential public stock offering in the next 12 months. Given these attributes, we are confident that with our investor outreach, LifeSci Advisors will be able to increase the company's momentum, building additional value for the company and its stakeholders.

We look forward to working with you to implement these recommendations. Going forward, we will regularly update and revise the company's IR plan as needed.

Please do not hesitate to call or email us with any questions or comments regarding this document or the suggested activities.

A handwritten signature in black ink, appearing to read "Andrew I. McDonald", with a thick horizontal line underneath it.

Andrew I. McDonald, Ph.D.  
LifeSci Advisors LLC  
Founding Partner