



# MDY Healthcare plc

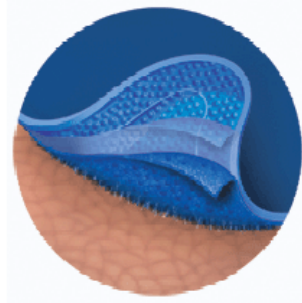
*Investing in Healthcare*

**Annual General Meeting**

**4 May 2007**

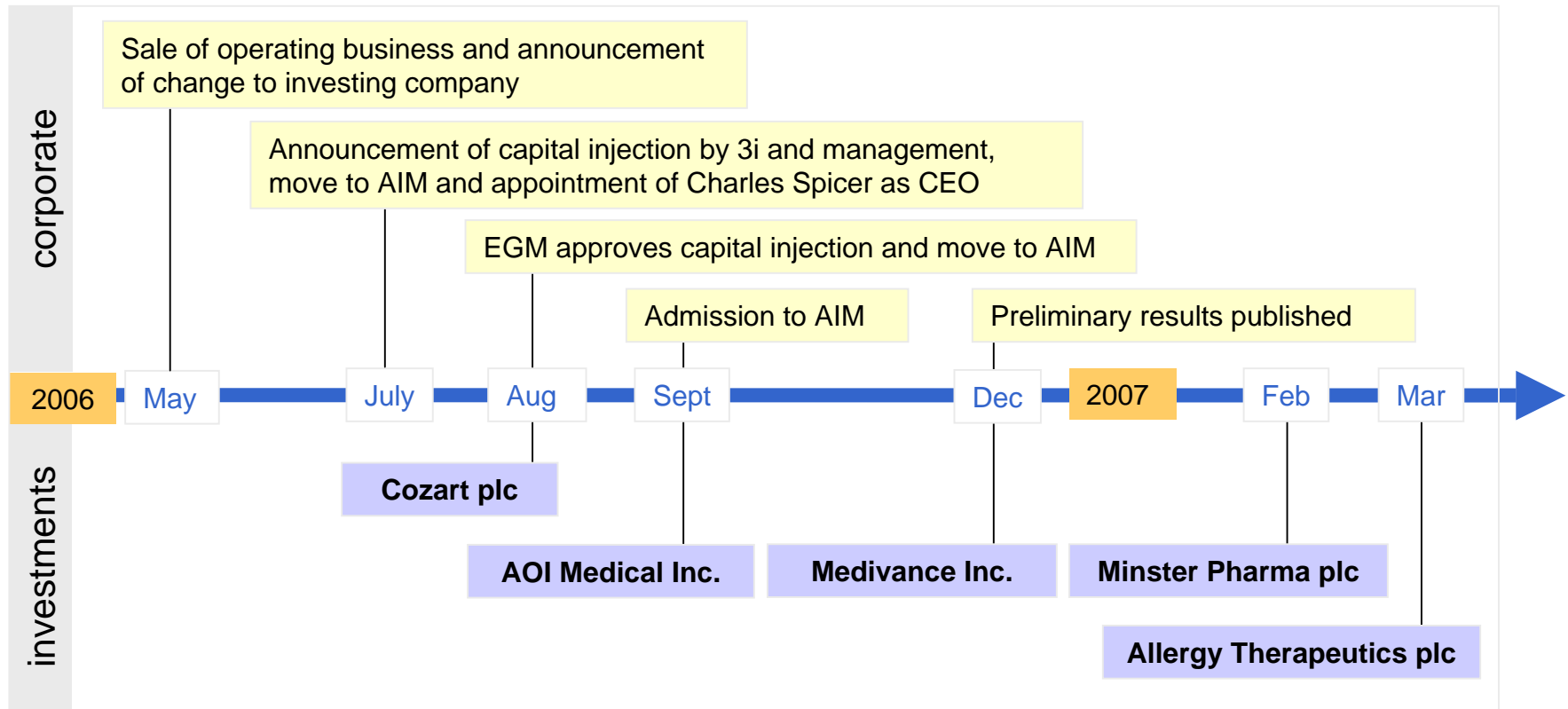
## *MDY Healthcare plc*

- Investment company specialised solely in the **healthcare sector**
- AIM-quoted with market capitalisation of c. £15m
- Investing **globally** in **public** and **private** companies
- **Sector-specialised** management team with operational, transactional and investment experience

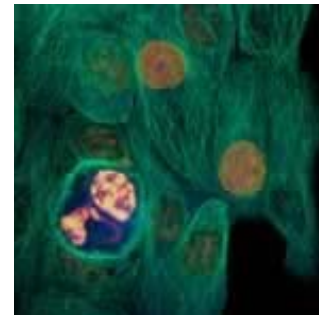
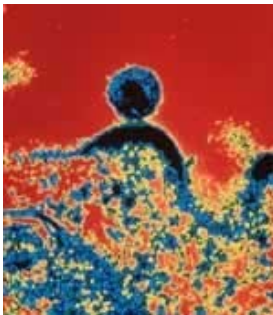




# Repositioned in 2006 as an investing company



- Building a **sector-specialised**, **value-adding** investment company with high growth potential and balanced risk profile
- Leveraging our **sector knowledge**, **experience** and **network** to find and develop unique investment opportunities
- Creating value by **building assets** and realising investments by revaluations, divestments and transactions
- Focusing on the **healthcare industry** as an ideal sector for value creation with high growth and barriers to entry for non-specialists



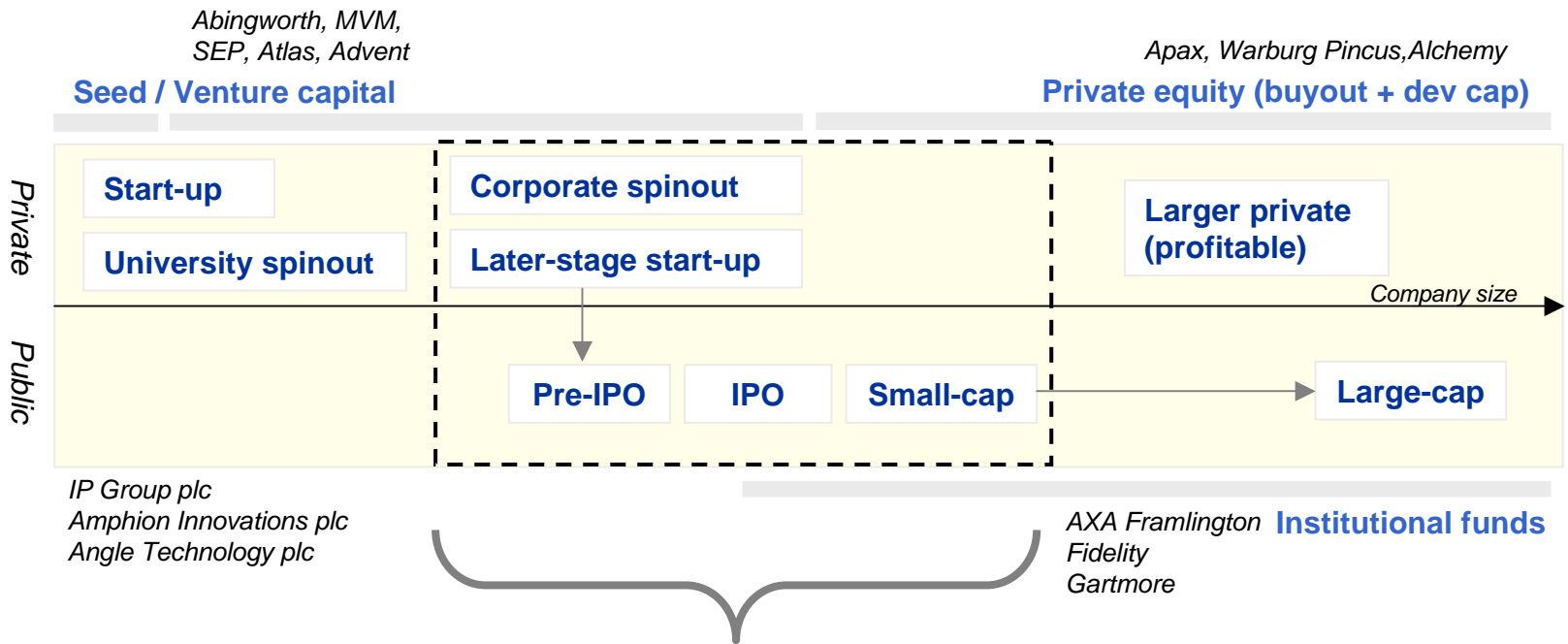


## How are we differentiated from other sector-specialised investors?

- Flexible and dynamic company structure allows us to invest in high-growth companies utilising a **range of investment strategies**
- As a quoted company able to hold investments indefinitely (i.e. not a function of fund lifetimes) – private or public, albeit all investments will have an exit strategy
- Team includes a broad and deep range of experiences within the healthcare and investment sectors

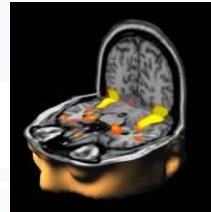
## How are our investment strategies different?

- Investments predominantly in smaller-cap companies with **value** and **growth** potential, often situations not typically the target of Institutional Funds
- **M&A-financing** situations i.e. funding change
- Backing product development but only later-stage with lower risk profile compared to typical Venture Capital investments
- **Lead investor**, keen to perform the due diligence and syndicate deals



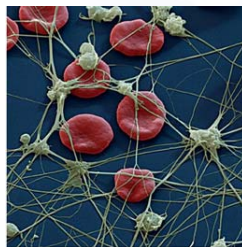
- Value and growth opportunities without high risk profiles
- Leverage private / public arbitrage

Medical Technologies



Medical Diagnostics

Biotechnology / Specialty  
pharma



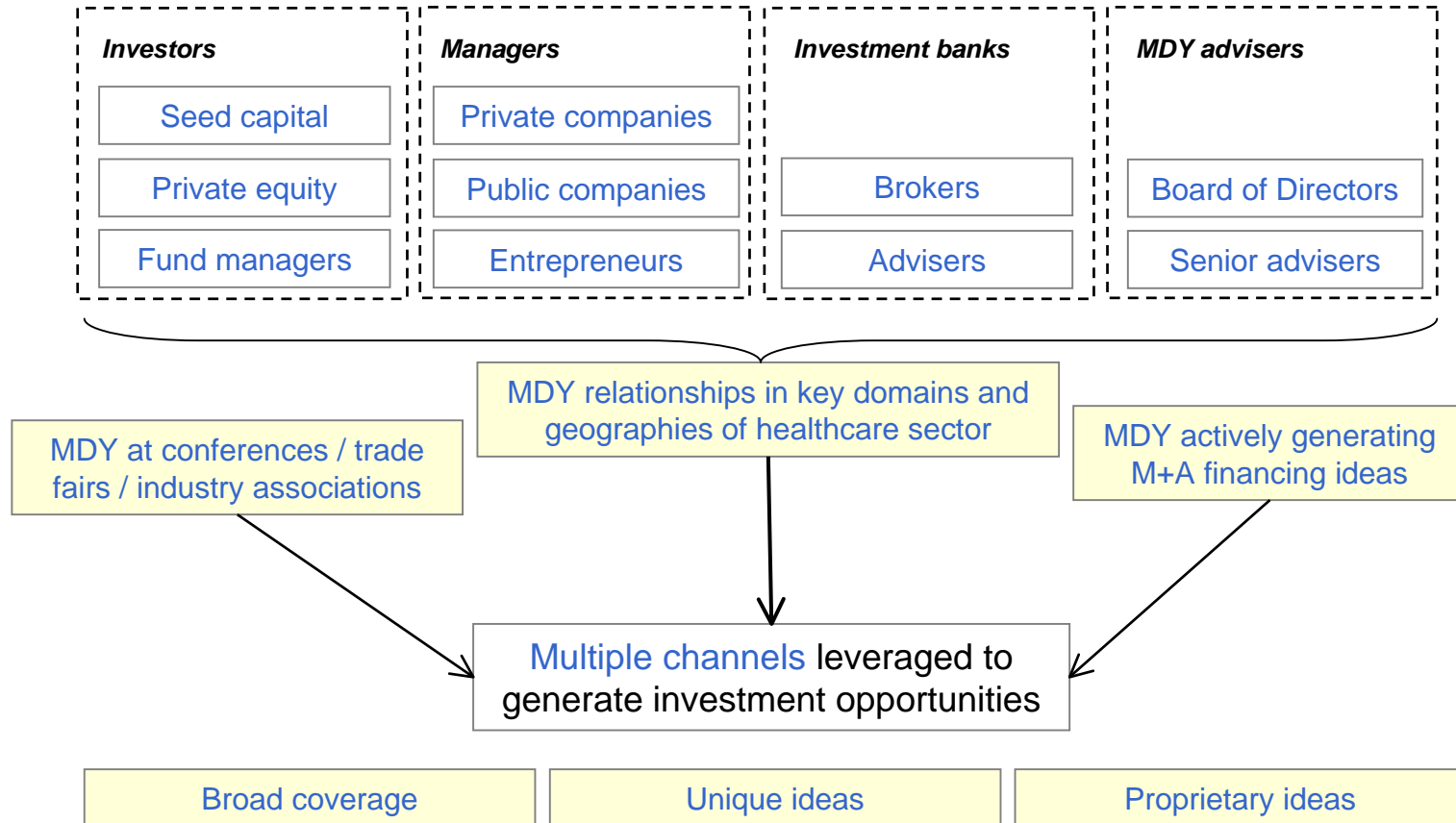
Healthcare Services

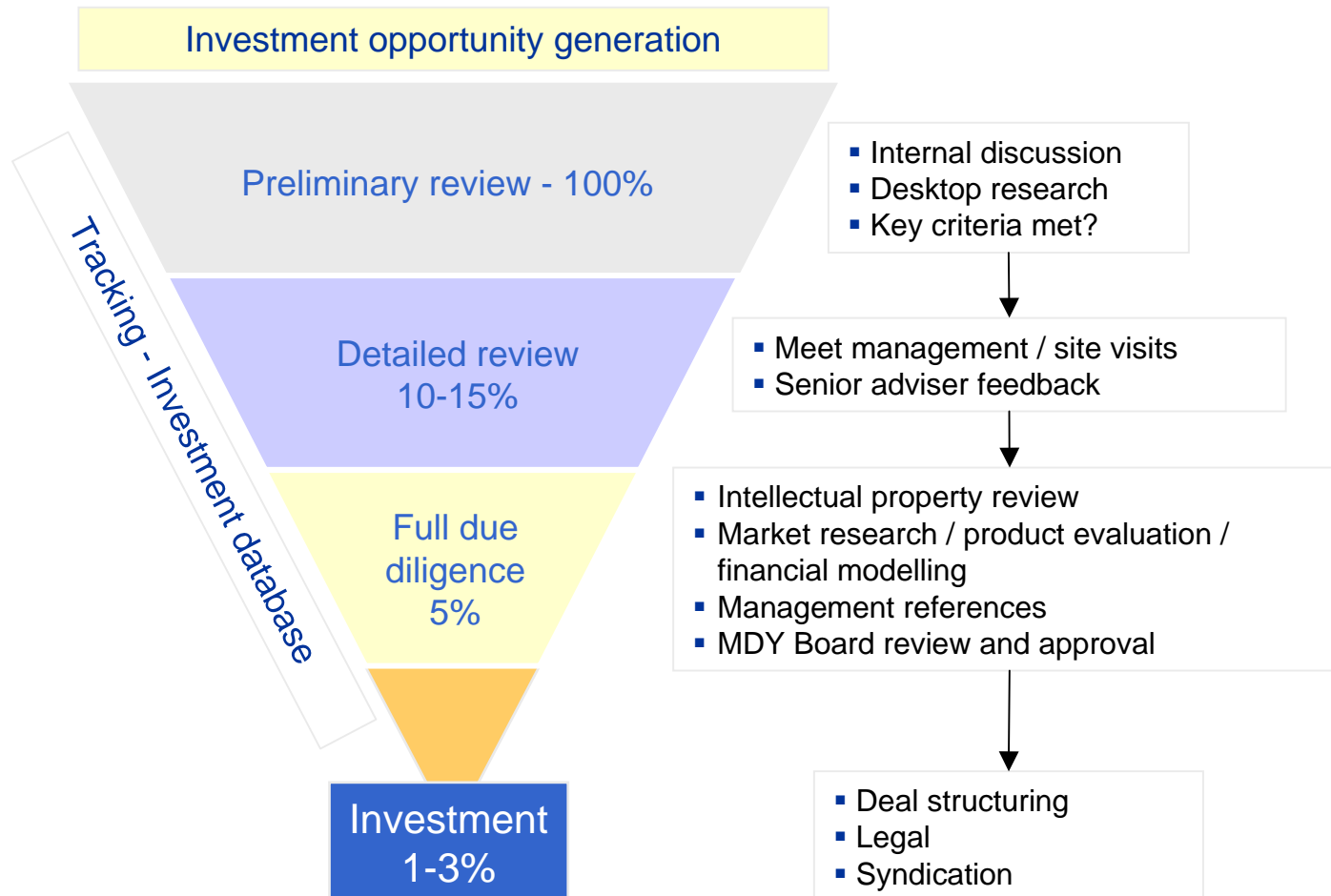


Consumer Health



# Investment opportunity generation







## Deal selection – *the key criteria:*

<b>Team</b>	Backable management	Reputable shareholders, advisers, non-execs.
<b>Markets</b>	Large and growing healthcare fields	Identifiable competitive landscapes
<b>Products / offering</b>	Late development or early commercialisation phase	Differentiated positioning against competition or in strong niche
<b>Financial</b>	Near-term liquidity horizon with clear exit strategy	Minimal and / or manageable risk profile (refinancings)
<b>Newsflow</b>	Steady news flow from date of investment	Value creation opportunities

## Cozart plc

- Develops and sells point of care drugs-of-abuse diagnostics; quoted on AIM
- Sales of £11.1m in FYE 31<sup>st</sup> May 2006 and profitable
- MDY acquired 1.2m shares at 28p in vendor placing to finance acquisition of Swedish drug-testing company HL Scandinavia AB
- MDY acquired 0.76m shares at 33p in vendor placing to finance acquisition of workplace drug and alcohol testing services company Nemesis Scientific Ltd



[www.cozartgroup.com](http://www.cozartgroup.com)



## AOI Medical, Inc.

- Develops innovative orthopaedic medical devices for spine and trauma markets
- 3 technology platforms with strong patent protection
- Experienced management team with strong backgrounds in medtech industry and a world-renown clinical advisory panel
- MDY led placing and acquired \$1.5m in equity, c. 7.5% of company
- MDY receives strategic consulting fee of \$50k pa



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

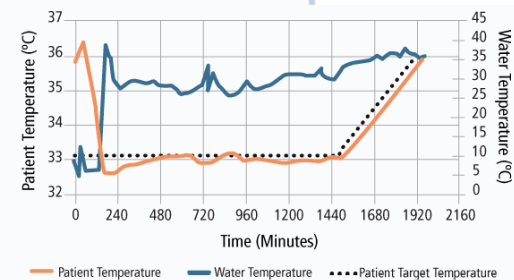
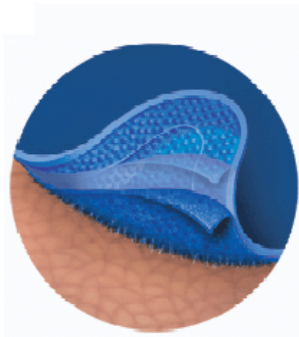


## Medivance, Inc.

- The leading company in the emerging field of therapeutic temperature management
- Non-invasive technology, Arctic Sun® is patented and FDA approved to rapidly cool patients (“therapeutic hypothermia”) and precisely control their temperatures as a therapeutic tool.
- Arctic Sun® has been adopted by prestigious hospitals around the world
- MDY led placing of \$4.5m in convertible loan notes in December 2006



[www.medivance.com](http://www.medivance.com)





## Minster Pharmaceuticals plc

- AIM-quoted biopharmaceutical company (MPM.L) with two small molecules spun-out from SmithKline being developed for neurological and psychiatric conditions
- Lead product -Tonabersat - for the prophylactic treatment of migraine has successfully completed a Phase IIa trial and is entering Phase IIb trials. Back-up product – Sabcomeline – in clinical development for the treatment of schizophrenia
- Invested £0.49m in a private placement in Feb 2007, led by the well-known US venture capital firm, **Care Capital**, raising £17m in equity with warrants (1 for 4)
- Jerry Karebelas from Care Capital to join the Board of Directors



[www.minsterpharma.com](http://www.minsterpharma.com)

## Allergy Therapeutics plc

- AIM-quoted specialty pharmaceutical company (AGY.L) spun-out from SmithKline Beecham, focused on developing and marketing allergy immunotherapies
- Developing broad pipeline of ultra-short course allergy vaccines complexed with proprietary immune adjuvant
- Lead product, Pollinex Quatro, in Phase III testing and already sold under named-patient basis
- Sales of c. £24m from existing marketed allergy vaccines throughout Europe



[www.allergytherapeutics.com](http://www.allergytherapeutics.com)





## Proposed share consolidation

- One new ordinary share for every 50 existing ordinary shares
- Consolidation moves company away from “penny share” status
- Should improve bid/offer and pricing visibility
- Should make stock more attractive to institutional shareholders

## Free dealing facility

- Up to 2500 old shares (i.e. 50 new shares) for all shareholders
- Facilitates sale of uneconomic holdings
- Should streamline company’s register and reduce administrative costs



## What does MDY Healthcare offer investee companies?

- Sector-specialised investors
- Flexible approach, rapid decision making
- Advice and strategic business support
- Long-term view

## What does MDY Healthcare offer investors?

- Diversified exposure to smaller cap healthcare sector internationally
- Private and public investments
- Sector expertise and detailed due diligence on investments
- AIM-quoted

[www.mdyhealthcare.com](http://www.mdyhealthcare.com)