

CLIENT CASE STUDY

A Pharmaceutical Oncology Company

Case Study Background

Amato and Partners, with years of experience in the capital markets, advised a client through a turbulent early stage, and positioned it for growth. A pharmaceutical company with a clinical-stage cancer drug, the company went public through a reverse merger in March of 2013. The company raised \$10.5 million by selling a unit consisting of 1 common share and 1 warrant. Shortly after the transaction, the broker/dealer who underwrote the deal went out of business. The stock price was approximately \$1.70 per share and daily volume was less than 10,000 shares.

Capital Markets Visibility

A newly public company with low trading volume, our primary objective was to increase the trading/liquidity of the stock. We accomplished this goal by setting up meetings with retail brokers and individual investors, as well as coordinating nationwide non-deal roadshows with family offices and special situation funds.

We were able to secure invitations for company management to present at non-paid industry conferences, increasing visibility among retail and institutional investors and analysts, who had the opportunity to meet with management and hear the company story.

The start of sell-side research coverage to date has been an objective we achieved for our client. We continue to be proactive in cultivating relationships with both buy- and sell-side analysts; this includes setting up one-on-one meetings, conference calls and ongoing communication of the company's progress.

Amato and Partners also created collateral materials geared toward the public markets; this included an investor presentation deck and a corporate fact sheet, as well as the investor relations section of the company website. As part of our continuing communication, we field investor inquiries and disseminate company news to our client-specific database of investors.

Coordinating Broker/Dealer Sponsorship

As with any reverse-merger company, trading volume and liquidity is a challenge in the early stages. For this client, it was exacerbated by the closing of the underwriting broker/dealer. Amato and Partners – through its extensive network in the investment banking community – was able to help secure a new broker/dealer relationship that enabled the company's original investing shareholders to shift their position to the new broker/dealer.

Capital Structure Approach

The company had warrants as part of its original offering, creating a derivative liability on their balance sheet and a barrier to uplisting to a senior exchange. In the summer of 2014 the company executed a warrant tender offer. The company was able to decrease the derivative liability and raise \$2.4 million in non-dilutive capital. We advised the company on the strategic effects the tender offer would have on the capital markets.

Current Status

We continue to raise the visibility and profile of the company and help them achieve future IR milestones.

The company's current market cap is approximately \$30 million, and over 35,000 of its shares are traded daily.