



# 2009 ANNUAL NATIONAL CONFERENCE

MARCH 8 - 10, 2009  
WYNN LAS VEGAS

A magnifying glass with a black handle is positioned over a green line graph and a 3D bar chart. The lens of the magnifying glass is centered on the text 'MAXIMIZING BRAND POTENTIAL IN A VOLATILE MARKETPLACE'. The background is a collage of blue-toned images including syringes, a bar chart, and a line graph, all set against a backdrop of faint, overlapping text and data points.

**MAXIMIZING  
BRAND POTENTIAL  
IN A VOLATILE  
MARKETPLACE**

# Creating a New Brand for a Biotech: Focus on the Steak not the Sizzle

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Chief Operating Officer



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Chief Research Officer



# The Story in a Nut Shell...

Vitreosolve may change the way Diabetic Retinopathy is managed and treated.

VRT needed to start building brand value to support further funding or partnership.

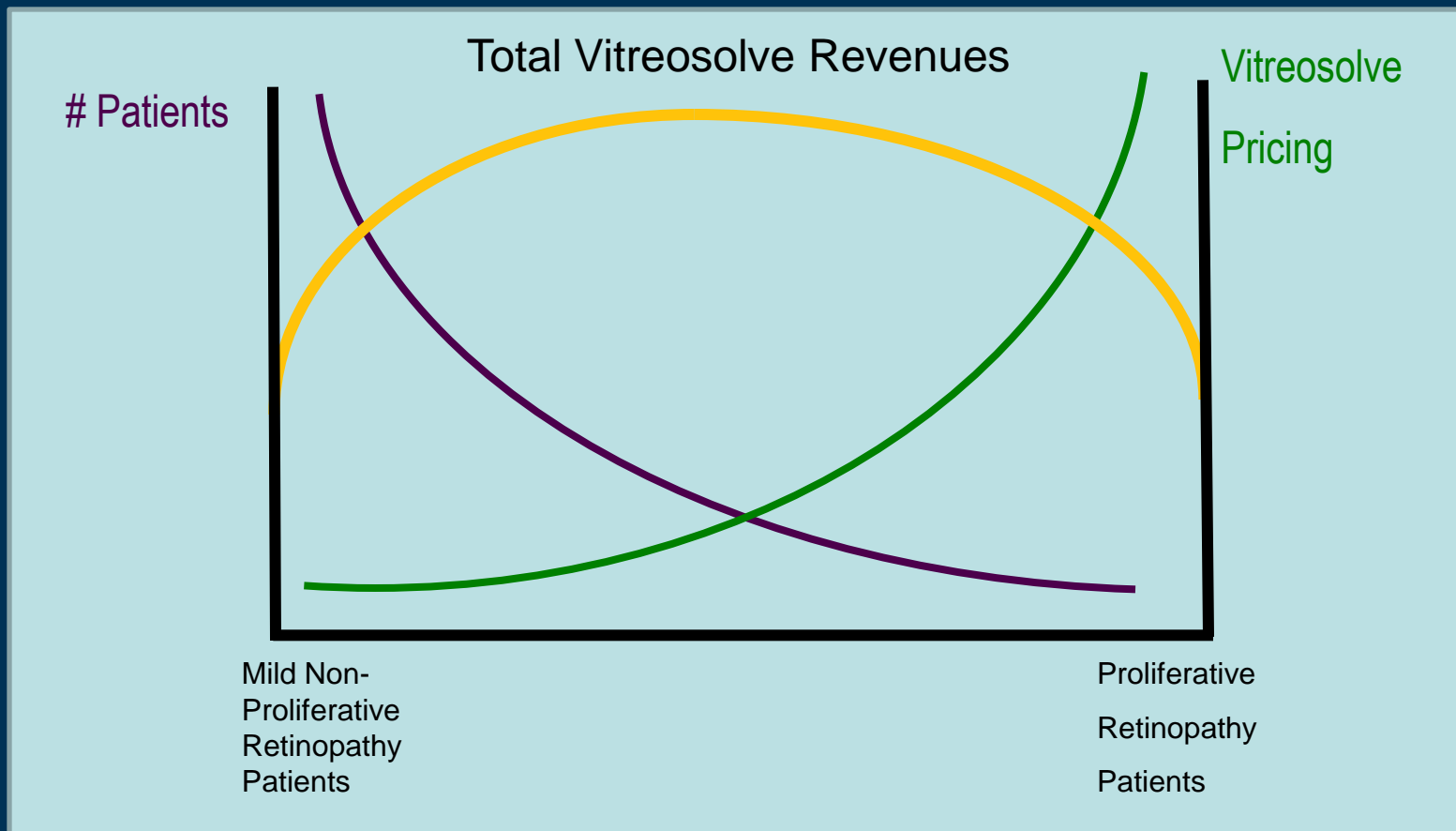


# The Story in More Detail

- Our VC partner had us bring in Healogix
  - VC has worked with Healogix for many years
  - Experience includes Biosite, Ventana Medical, and Digene
- We needed to prove the value of Vitreosolve so we could either:
  - Support the next round of fund raising
  - Strike a partnering agreement
- Motivation & Challenges:
  - Motivated by the uncertainty of bringing a first-in-class drug to market
  - But an indirect benefit
  - While our expenditure was somewhat modest, it was still a sizable portion of our available capital
- We bought into a comprehensive and iterative process
  - Both qualitative and quantitative research
  - Transparent
  - Included physicians, patients, and payers
- Results showed:
  - That pricing could probably be higher than the team had originally thought (almost 2x)
  - The commercialization pathway, and what could be achieved near and longer term
  - The value of the brand and favorably positioned VRT for B Round funding or partnership



# Key Objective: Help VRT Determine Pricing to Maximize Revenues



# Our Research Questions

- What's the unmet need in Diabetic Retinopathy?
- What's the opportunity for Vitreosolve?
- How does Vitreosolve win?
- What is this opportunity worth?



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BRAND POTENTIAL  
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# Qualitative Method: 24 Qualitative Tele-Depth Interviews

## Physicians

6 Retinal Specialists  
6 Ophthalmologists

- Board certified
- Practicing >1 year and <30 years
- At least 60% time in direct patient care
- See at least 100 patients a month, at least 40 with DR
- Perform at least 20 vitrectomies/laser treatments a month (Retinal Spec only)

## Patients

6 Patients with Diabetic Retinopathy

- Over the age of 18
- Diagnosed with diabetes (either Type1 or Type2)
- Seeing an Ophthalmologist
- Have retinopathy or other diabetes-related eye condition

## Payers

3 Pharmacy Directors  
3 Medical Directors

- At least 200,000 covered lives
- Influence on formulary or P&T committee

ING  
ENTIAL  
IN A VOLATILE  
MARKETPLACE

# Quantitative Method: 213, 45 minute online survey with physicians, patients, and payers matching screening criteria

## PHYSICIAN

50 Retinal Specialists  
40 Ophthalmologists  
10 Optometrists

## PATIENT

100 Patients

## PAYER

13 Medical Directors

1 Product  
Allocation w/  
Current  
Treatments  
4 Scenarios

3 Products  
Discrete  
Choice  
4 Scenarios

3 Products  
Discrete  
Choice  
4 Scenarios

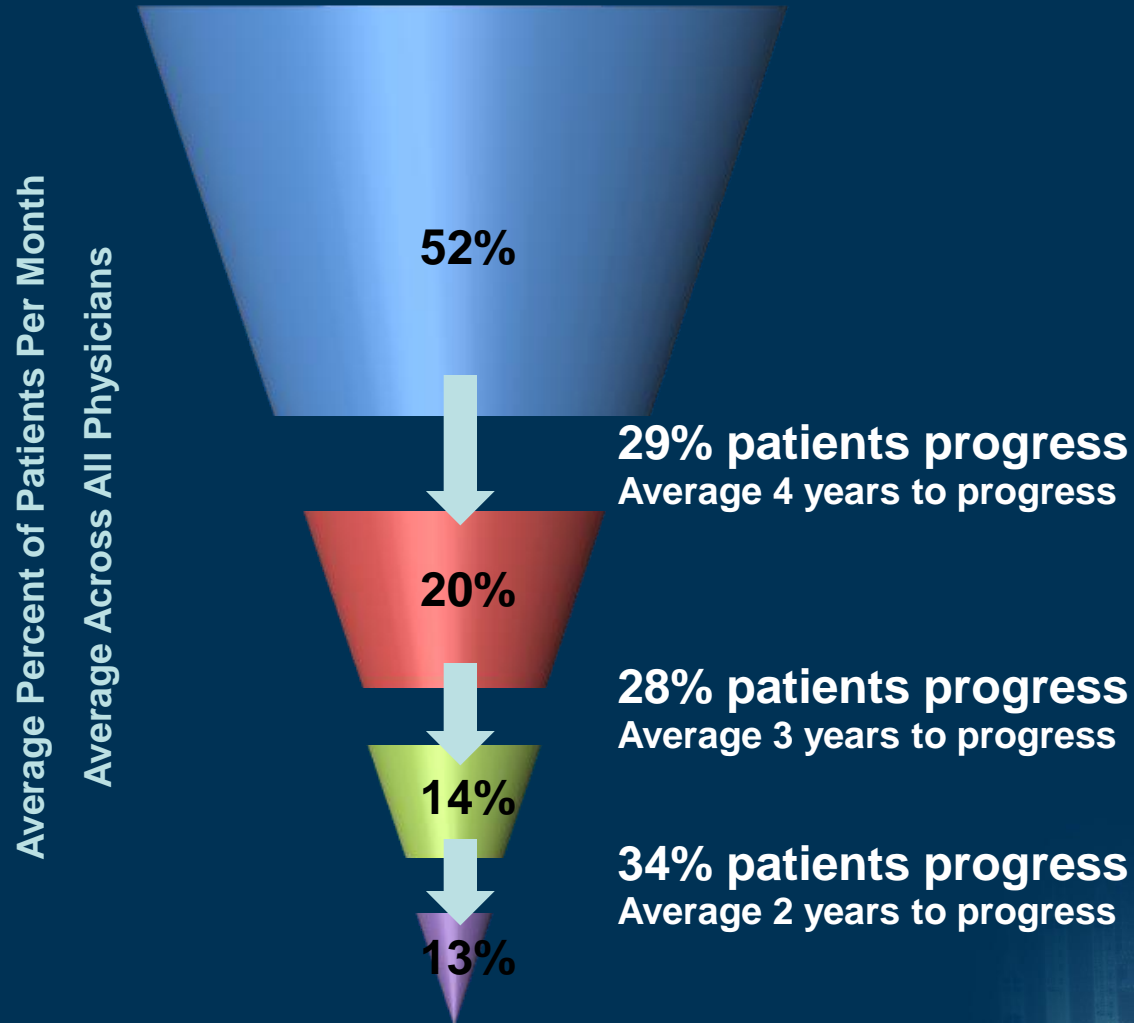
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Vitreosolve Opportunity Evaluation

# WHAT'S THE UNMET NEED IN DIABETIC RETINOPATHY?



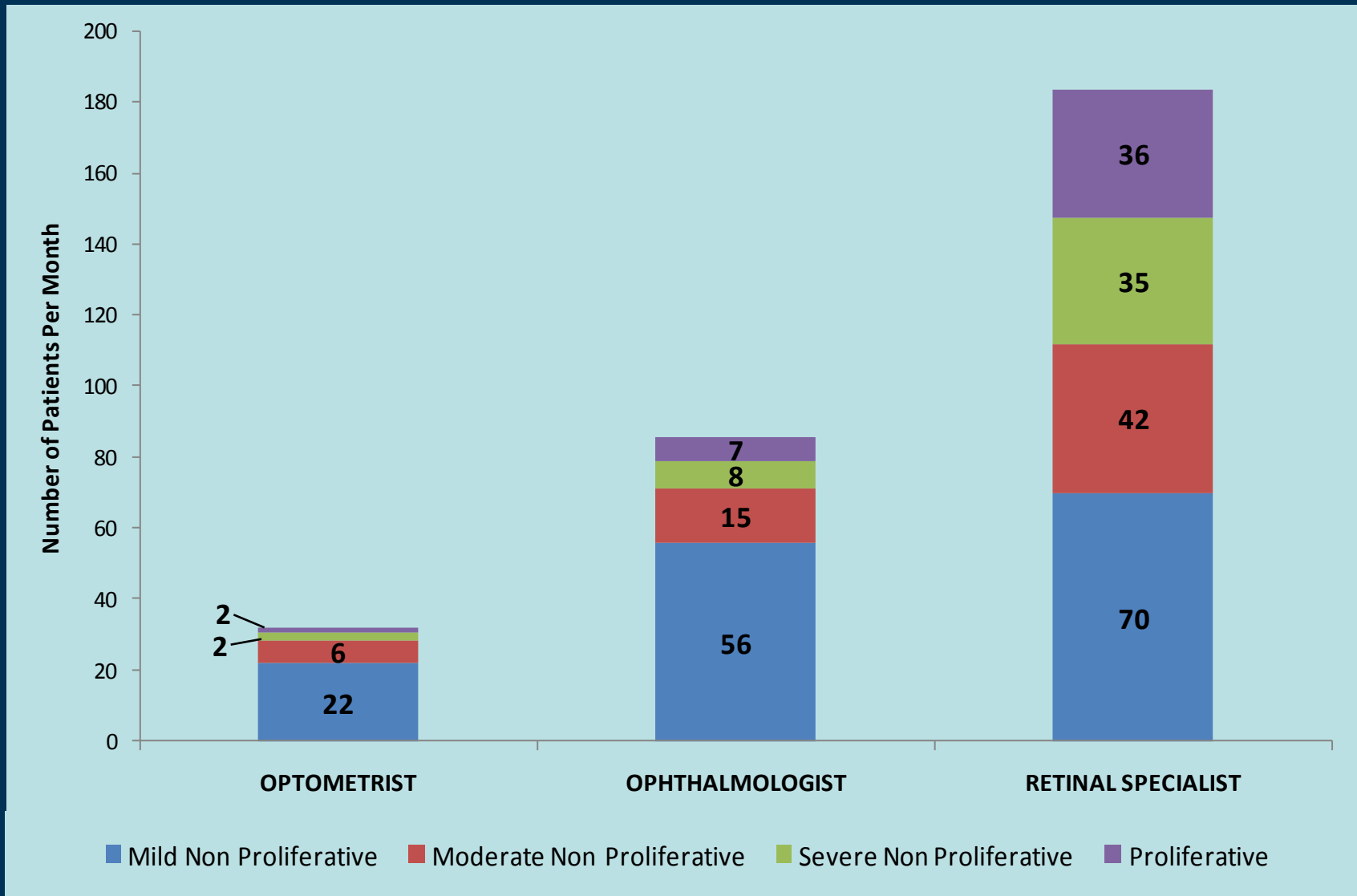
# Of the 8 million patients with DR, 34% are moderate to severe, 13% are proliferative



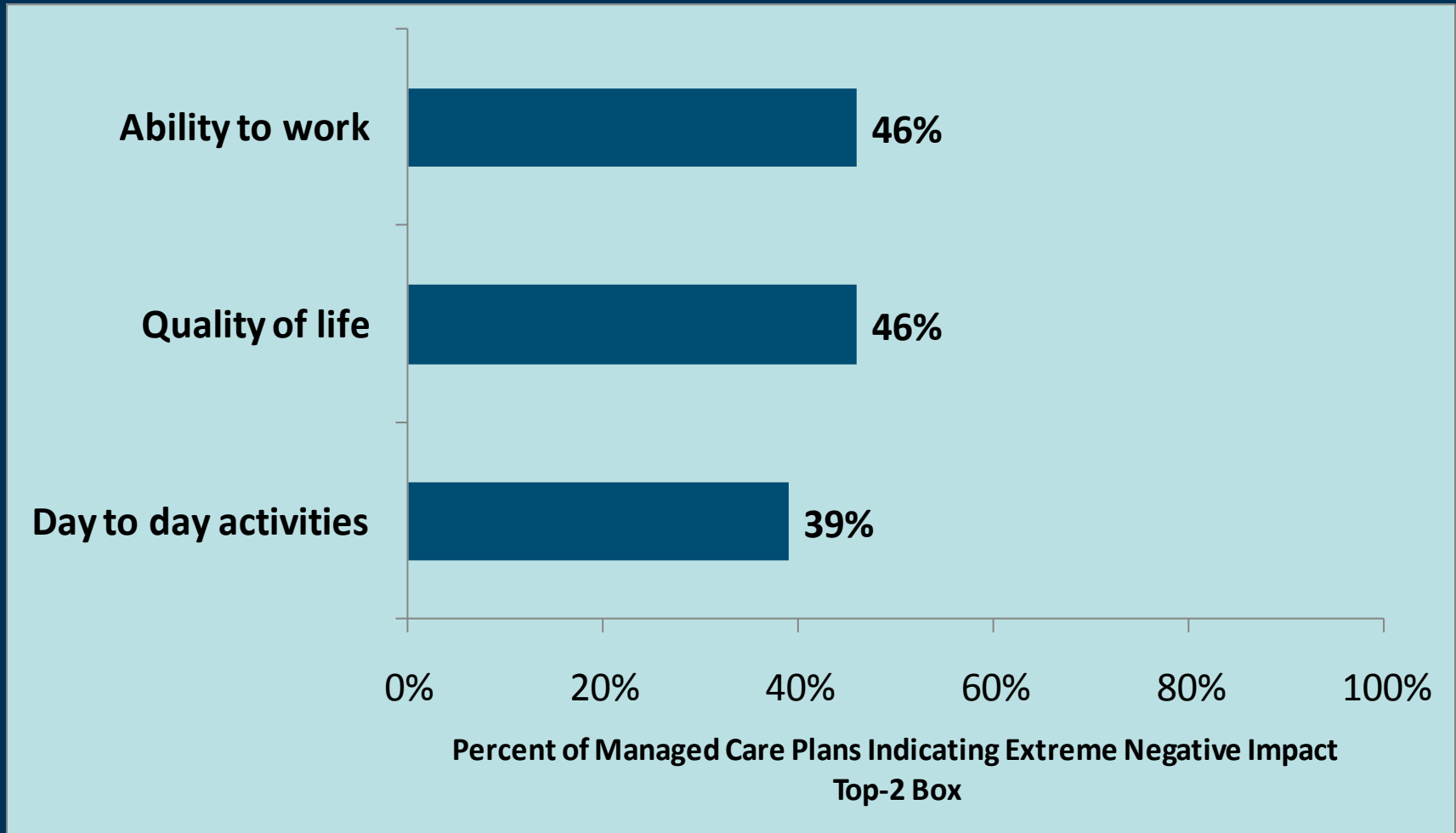
■ Mild Non Proliferative ■ Moderate Non Proliferative ■ Severe Non Proliferative ■ Proliferative



# Retinal Specialists see the majority of patients.

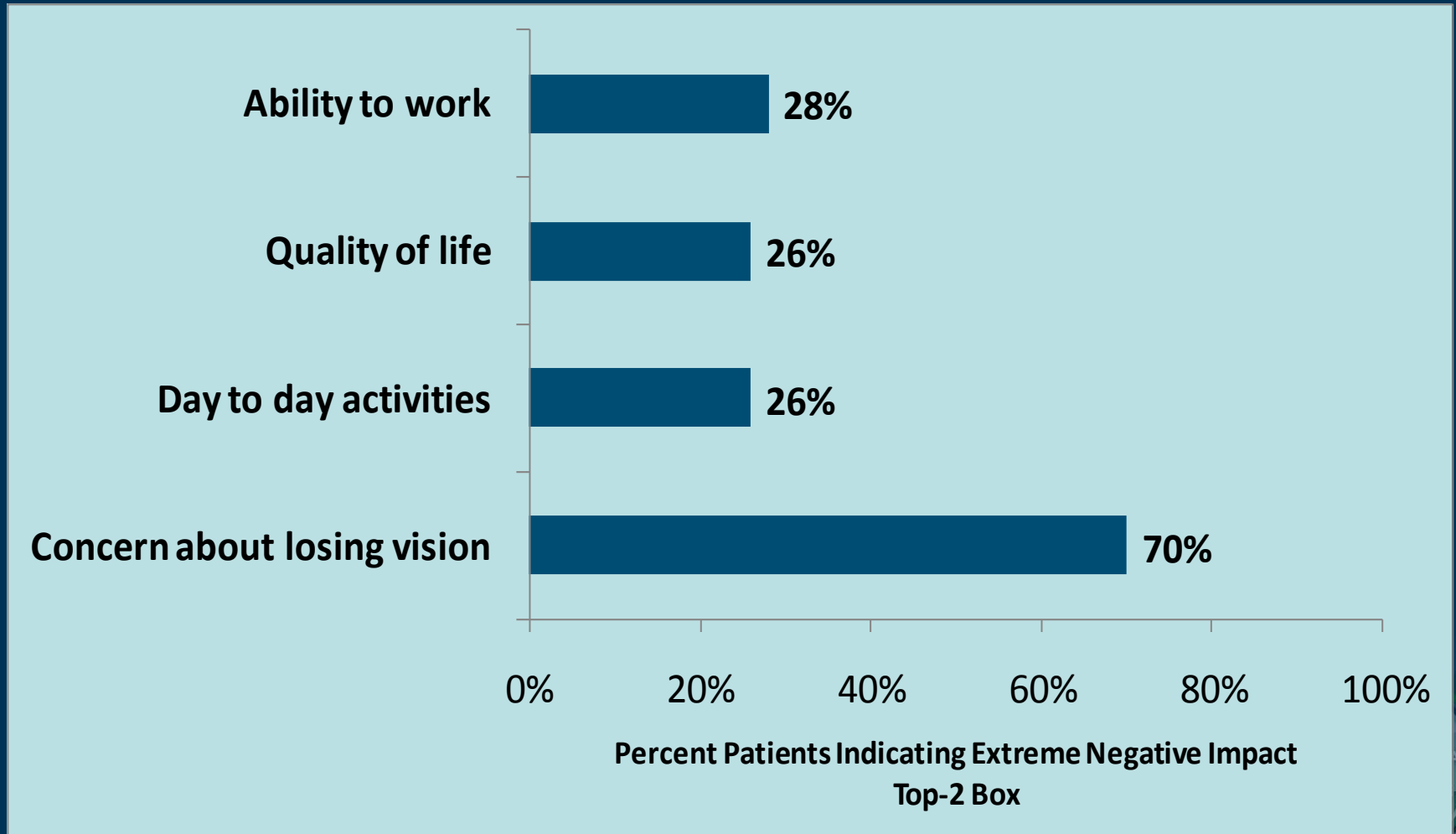


# Managed Care acknowledges the significant impact of Diabetic Retinopathy



STIAL  
LE  
CE

# Patients perceive DR to have less impact on everyday lives but worry about going blind



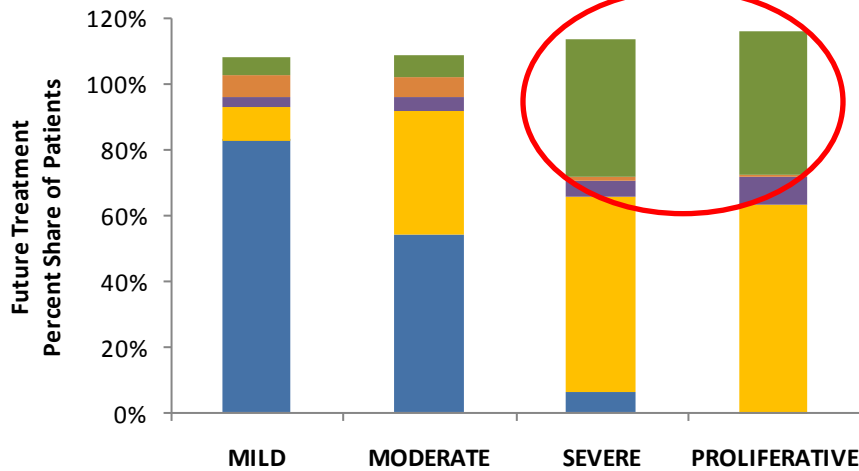
Vitreosolve Opportunity Evaluation

# WHAT'S THE OPPORTUNITY FOR VITREOSOLVE?

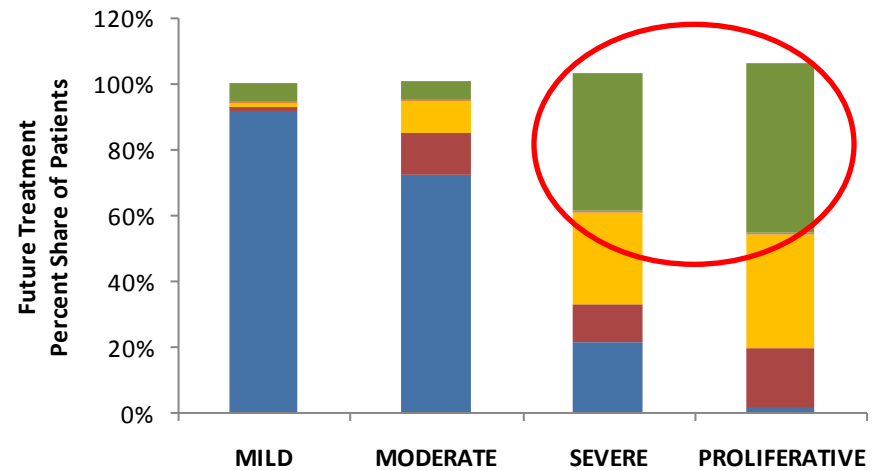


# A clear cut case of meeting an unmet need.

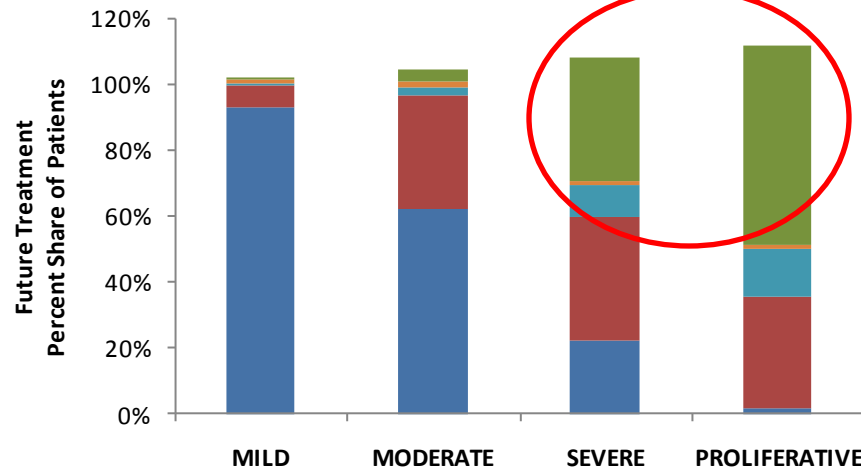
## OPTOMETRIST



## OPHTHALMOLOGIST



## RETINAL SPECIALIST

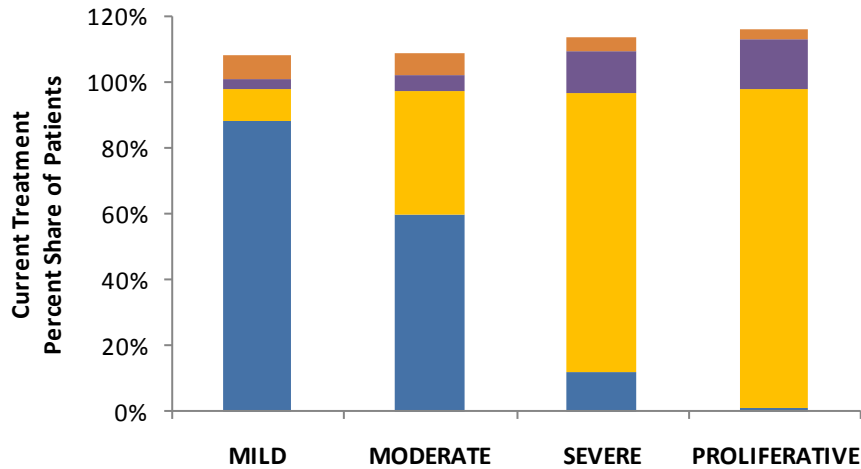


- Vitreosolve
- Other Treatment
- Vitrectomy
- Refer To Ophthalmologist
- Refer To Retinal Specialist
- Laser
- No Treatment

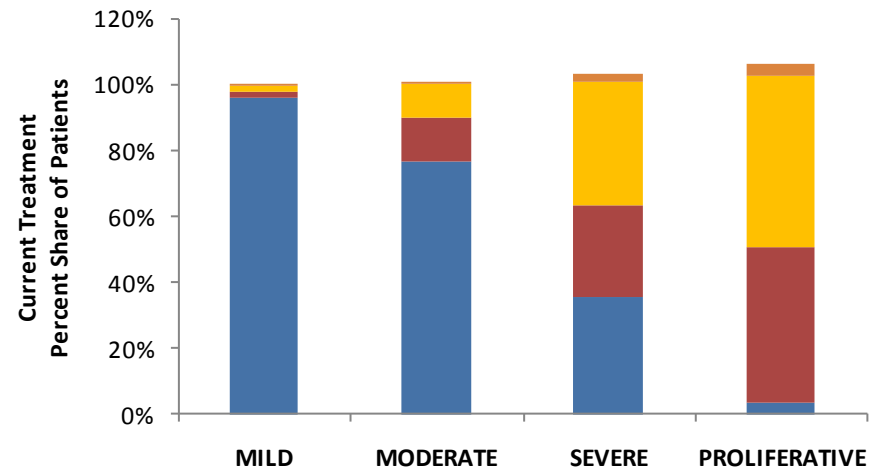
MAXIMIZING BRAND POTENTIAL IN A VOLATILE MARKETPLACE

# Current Practice -- Optometrists and Ophthalmologists refer; Retinal Specialists treat

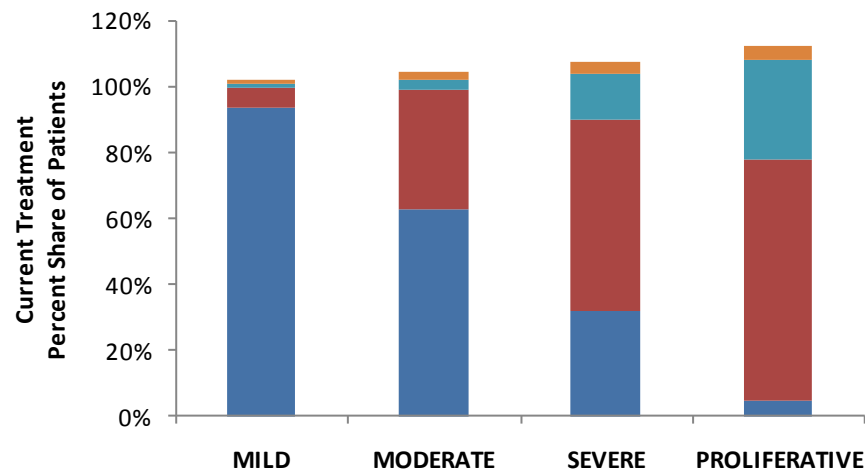
## OPTOMETRIST



## OPHTHALMOLOGIST



## RETINAL SPECIALIST



- Other Treatment
- Vitrectomy
- Refer To Ophthalmologist
- Refer To Retinal Specialist
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- No Treatment

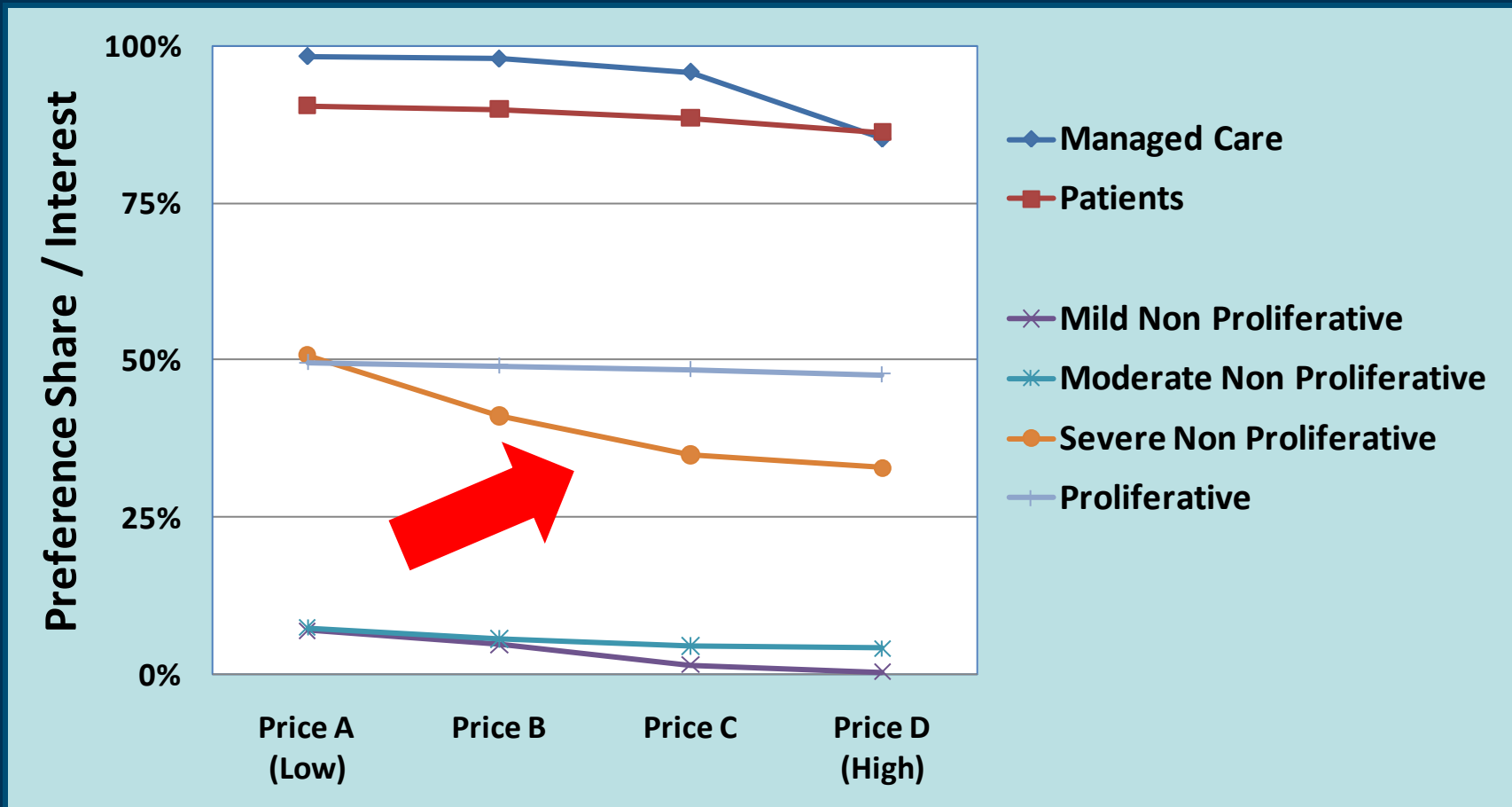


Vitreosolve Opportunity Evaluation

# HOW DOES VITREOSOLVE WIN?

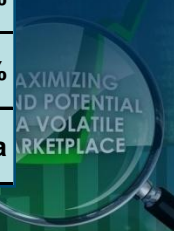


# Following a common trend, price sensitivity only emerges when there is serious intention to Rx.



# Each stakeholder has their vested interest.

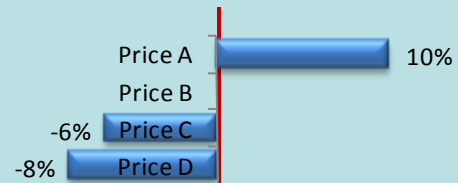
	Average Across Physicians for Severe Patients	Payers	Patients
Price of drug per injection (in dollars)	17.7%	13.1%	4.2%
Percent of patients attaining total PVD	16.2%	0.0%	13.5%
Percent incidence of hemorrhages	12.4%	10.0%	n/a
Percent likelihood of progression after procedure	12.2%	31.7%	5.6%
Length of procedure (in minutes)	10.9%	6.1%	2.4%
Percent incidence of macular holes	9.4%	7.9%	n/a
Number of injections per eye to attain benefit	7.9%	2.6%	7.1%
Percent incidence of retinal tears / retinal detachments	4.4%	46.9%	n/a
Percent incidence of developing cataracts assuming procedure is successful	3.5%	1.8%	n/a
Percentage of drug cost covered by insurance	2.1%	n/a	10.7%
Percent incidence of vitritis / injection site inflammation	0.4%	61.3%	4.3%
Recovery time / length of time patient must be monitored (in minutes)	0.4%	0.0%	1.4%
Percent impact on development of intraocular hypertension (IOP)	0.2%	7.8%	n/a



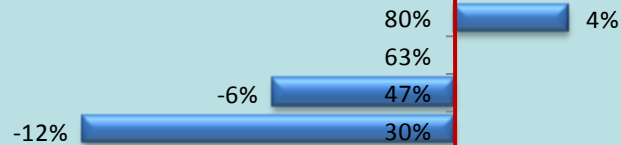
# Vitreosolve can gain or lose significant share depending on performance on the top physician attributes

Average Across Physician for Severe Patients

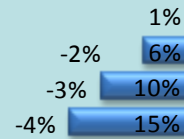
Price of drug per injection



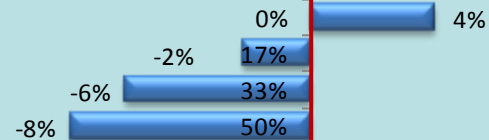
% patients attaining total PVD



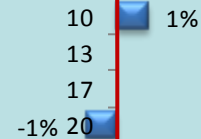
% incidence of hemorrhages



% likelihood of progression after procedure

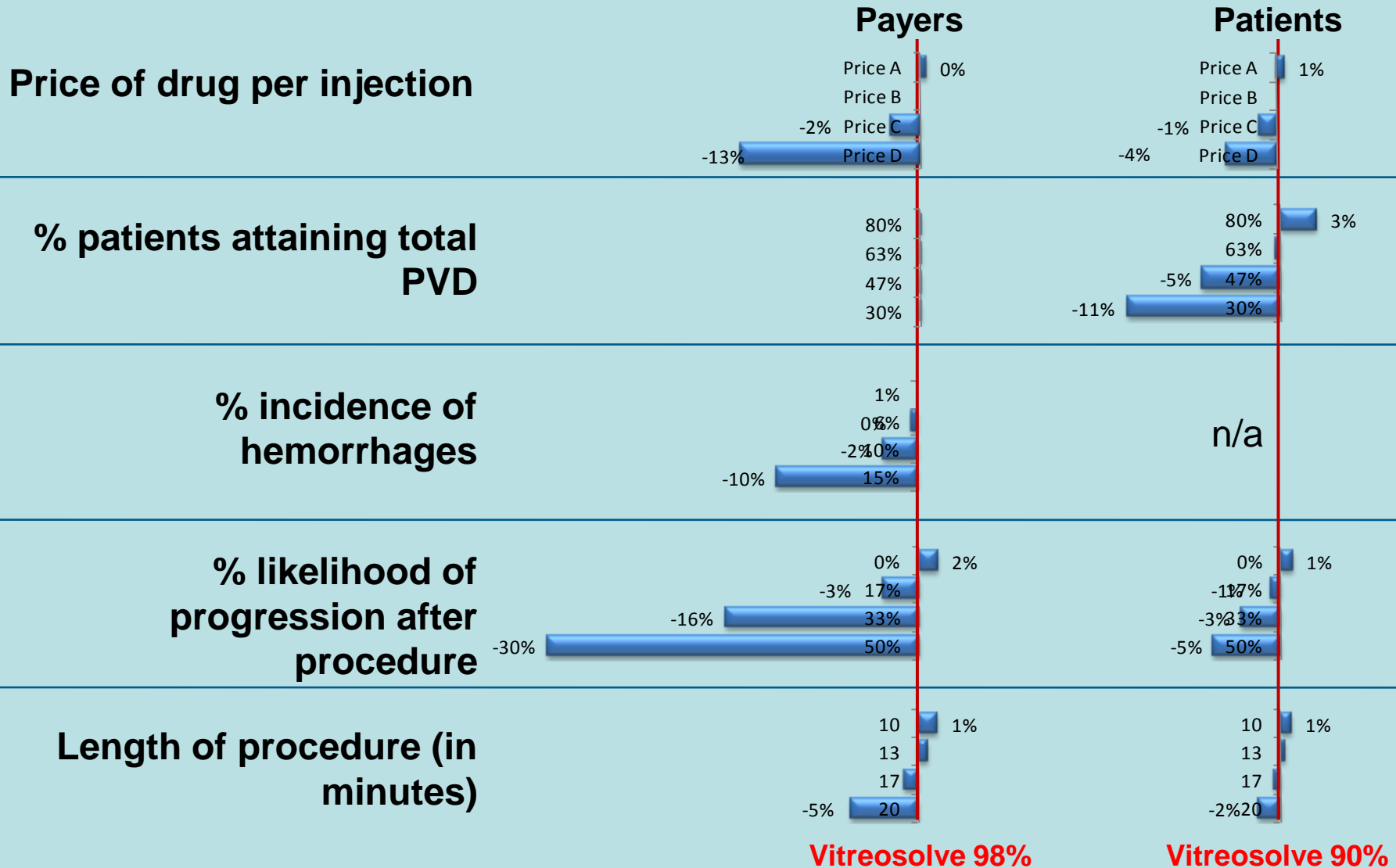


Length of procedure (in minutes)



**Vitreosolve 41%**

# On the same attributes, Vitreosolve can lose significant share with payers and patients



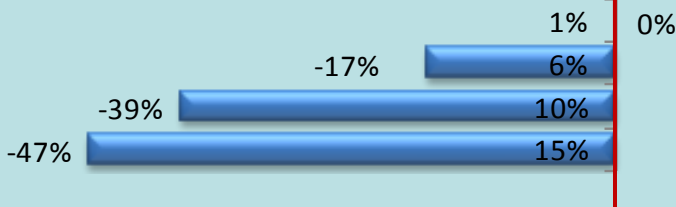
# There are attributes which are highly important to payers and patients that are not important for physicians

## Key Attributes Unique to Payers

### Incidence of vitritis / injection site reaction



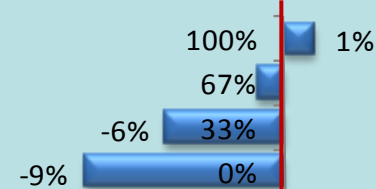
### Incidence of retinal tears / retinal detachments



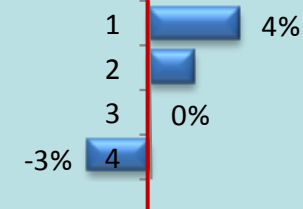
**Vitreosolve 98%**

## Key Attributes Unique to Patients

### Insurance coverage / percent out of pocket cost



### Number of injections to achieve benefit



**Vitreosolve 90%**

# Key Drivers For Vitreosolve

## Key Upside Drivers

*Vitreosolve can gain share by performing well on top attributes*

- Increase the % of patients attaining a total PVD
- Decrease the likelihood of progression after procedure
- Low Price

## Key Downside Drivers

*Vitreosolve can lose share by performing poorly on top attributes*

- Increase in adverse events
- Likelihood of progression after procedure
- Fewer patients attaining a total PVD
- High price

Vitreosolve Opportunity Evaluation

# WHAT IS THIS OPPORTUNITY WORTH?



# Research Supported a Simple Calculation

**Number of Physicians**

**x**

**Number of Patients  
Receiving Vitreosolve**

**x**

**Number of Injections**

**x**

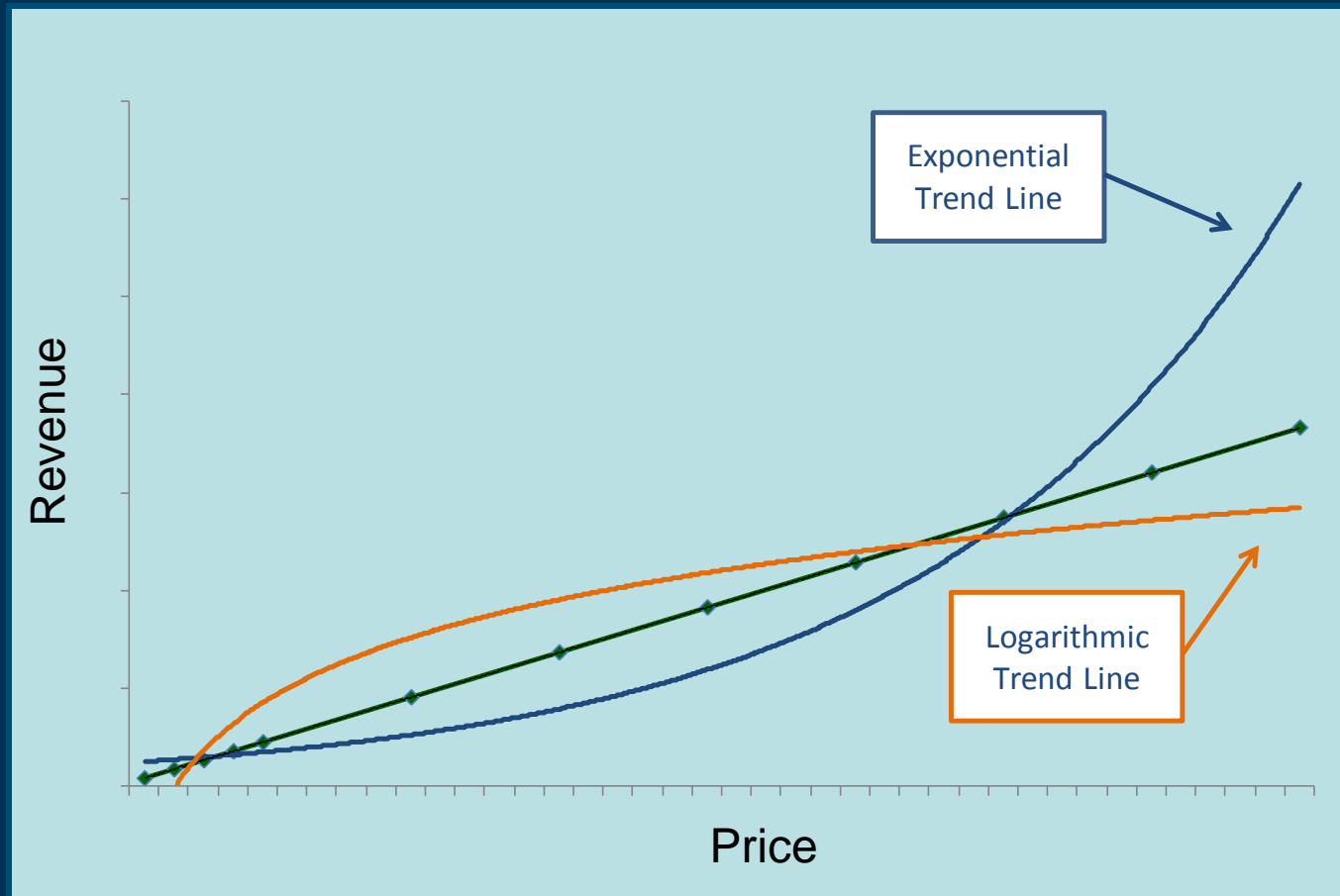
**Price Per Injection**

**=**

**A Significant Opportunity**

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# Vitreosolve revenue will vary depending on strategy and investments.



# Two Strategies Under Consideration

## Targeting Retinal Specialists

- 2,000 Retinal Specialists in the US
- Sales force of approximately 60 representatives could cover
- Investment approximately \$15 million / year

## Targeting Retinal Specialists and Ophthalmologists

- 18,900 Ophthalmologists and 2,000 Retinal Specialists in the US
- Sales force required would be much larger – estimated 200-300 representatives
- Investment is significantly higher

# Building a Biotech Brand: Nothing Fancy – Just Prove the Value

What's the unmet need in  
Diabetic Retinopathy?

A serious condition for millions,  
disability for 1 in 10 with DR

What's the opportunity for  
Vitreosolve?

With Target Product Profile, Rx to  
1/3 to 1/2 of severe patients

How does Vitreosolve win?

Deliver Target Product Profile

What is this opportunity  
worth?

Share \* # of Patients \* \$\$\$

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For more information, please contact . . .

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PHARMACEUTICAL MARKETING RESEARCH GROUP