**From:** Erling Sorensen
**Date:** 2 July 2020 at 18:15:26 AEST
**To:** [redacted]
**Subject: Re: [redacted] Pitch Pack**

Hi [redacted]

Thanks for the brief chat yesterday and for sending your pitch-pack across. I appreciate it.

I have spent quite some time thinking about and reflecting on the pack and with this email wish to offer up my thoughts, reflections and suggestions. I am coming at this purely from the perspective of an investor/portfolio manager's desire, and I hope to be able to assist you with how I believe the pack could be improved to gain better uptake from investors with whom you meet.

Say for example in the current situation where you are presenting to a large number of investors over a short period of time. The likelihood is that the majority of the investors you are presenting to, they are not just seeing you. Most of them will likely be pitched several potential investment opportunities every day. If/when they attend a conference the number of pitches they receive daily will likely increase. After having sat thru a few pitches they will start blurring in the mind of the investor.

When the investor returns to his/her office all the pitch-packs will be piled up. Some gets thrown straight in the bin and some will remain in the pile "for doing further work on". The reality is that the "further work" just never gets done on the vast majority of pitch-material/investment opportunities.

Why then is that? I believe it is largely because the pitch-pack provided makes it too hard for the investor to analyse the investment opportunity, too frustrating to decipher it. I believe it is the role of the pitch-pack presenter (you) to engage the investor - and it is the role of the investor to listen. That means, the pitch-pack needs to lay out the investment case succinctly so when the investor pulls the pitch-pack out when back in the office, then it is right there in front of the investor.

Serve the investment case to the investor on a silver platter and wrap it with a big bow. THAT is what grabs the attention of most investors.

Here is what I believe a pitch-pack should include (key principles: keep it brief & less is more)

Slide 1: Company Overview
It's obviously important for the investor to be able to put the company in context and understand what it does. A picture to assist an explanation of goes a long way. Use layman's language to explain succinctly what exactly the company does.

Slide 2: Summary Data
A simple uncluttered slide containing summary data for the company, listing bare-bones information only. Your current slide 2 covers some but not all the information. I think it should include share price chart, 1 and 3 year price range, options strike prices and expiration dates, balance sheet, size of the asset ([redacted]) relative to others.

Slide 3: Variant Perspective
This slide is to cover the four key (the only) questions an investor is looking for answers to:
1) how much can I make from this investment? (ie is the view you are pitching different from the consensus)
2) how much can I loose from this investment? (ie are you right?)
3) is this too good to be true? (ie what is the market missing?)
4) how will the next guy figure it out? (ie what is the catalyst that will make the situation change and when?)

The overarching objective of this slide is to explain to the investor what, exactly, it is that you understand/know/believe about the company that differs from the consensus view.

Slides 4, 5, 6 & 7:
Spend one slide to delve further into each of the four specific arguments you have articulated in Slide 3 (Value, Downside, Mispricing, Catalyst).

Make sure that in relation to each of the four specific arguments you cover/provide:
A) the argument itself (the statement that you are making to the investor and that you wish to convince the investor you are pitching to is true)
B) a qualifier (no argument is foolproof - the world is an uncertain place and unexpected events can happen. the qualifies is for you to acknowledge the limitations of the argument - and gives you an opportunity to indicate the level of confidence in the argument thru using words such as "unlikely", "possibly", "likely" and "probably")
C) evidence (this is likely data points, facts, statistics, physical proof, expert opinions, reports etc - key is to keep in mind that the more convincing the evidence the stronger the argument - it is beneficial to think of evidence provided using the following framework: make sure it is Relevant, that it is Accurate, that it is Adequate, that it is Credible, and that it is Representative)
D) warrant (demonstration that the argument you are making follows from the evidence you provide)
E) backing (supporting the warrant you have provided by outlining the reasons why the warrant is valid)
F) rebuttal (this is to acknowledge limitations or exceptions to the argument you are making - and it is to mitigate any counterargument the investor may/will make)

Slide 8: Final Slide
Just your contact information

That's it.

In general I would always (both verbally and written)
A) avoid using any weasel-words, such as: may, might, could, should, appears, possibly, I believe, I feel, it is widely believed, many are of the opinion etc etc.
B) stay away from using claims that convey little information, e.g. "developing a significant global cobalt resource", "providing a reliable source of ethical cobalt".

Anything outside of the above should sit as appendices and only be brought out (during your pitch presentation) if it can assist you in answering a question or rebut a counterargument from the investor.

At the meeting I would start with a 30 second hook. This must be simple, succinct and extremely compelling to capture the investors attention. The objective with the 30 second hook is for you to trigger GREED in the investors mind. Think of it as the investment summary of a well written research report. This should be incredibly well rehearsed and flow easily, addressing each of the four key questions the investor is looking to get answered from your pitch (how much can I make, how much can I lose? Is this too good to be true? how will the next investor figure it out?)

Having delivered the 30 second hook you can move thru the drill of delivering the presentation. This shouldn't take long at all (cause the presentation is short and not full of lots of words and pictures - less is more).

This should now fully have engaged the investor and you can spend the majority of the time on Q&A

The whole pack should be neatly organised and sent to the investor in advance of the meeting, using the 30 second hook (written out) as the wrap email.

[redacted], this isn't an attempt to teach you how to suck eggs. It's merely meant as suggestions for improving the process for better outcomes - based on what I know I am looking for when I am in the receiver’s chair, as well as what I have picked up over the years of being in the pitcher's chair.

I hope it is useful.

Kind regards
Erling Sorensen
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