



BIOTECH START-UPS: Amulet Pharmaceuticals Inc

APRIL 19, 2006

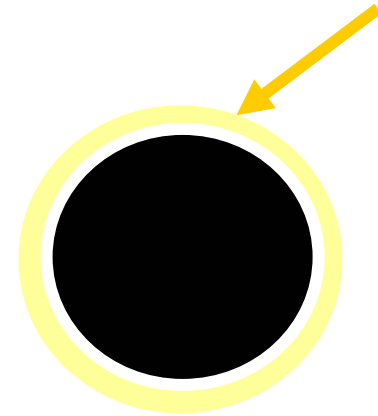
Amulet Pharmaceuticals Inc

- Patented Nitric Oxide - releasing
- New Chemical Entity

- Craig Liddell PhD CEO

- Amulet Pharmaceuticals Inc
- Founded by Robert Rauli PhD in 2001

- Realtime Science Inc 2005 (private IP only)
- BioFortis Inc 2001 (private)
- Artesian Therapeutics Inc 2002 (Cardiome Pharma Corp.)
- Icoria Inc 1997 (Monsanto Corp and Clinical Data Inc)



Biotech

- Outperforming Big Pharma (2:1)
 - Revenues depend a small number of highly valuable products – risky revenue source
 - Development is expensive
 - Amgen and Genentech
 - "It is interesting to note in this market cap rivalry that the combined market caps of Genentech and Amgen represents 41% of the collective total of the biotech industry, which at the end of August '05, stood at \$474.13 billion,"
- Steven Burrill

BioTech – Risky Revenue

- **Amgen** 2 molecules create 80+% revenue:
 - **Epogen**, for anemia
 - **Neupogen**, an immune-system stimulator.
- **Genentech** 70+% revenue from nine products, including:
 - **Nutropin** and **Protropin** human-growth hormones
 - post-heart-attack treatment drug Rituxan.
- **MedImmune** One product drives nearly 90% of its sales:
 - \$487 million, from injectable **Synagis**, which helps to prevent respiratory syncytial virus, a leading cause of pneumonia and bronchitis in children.

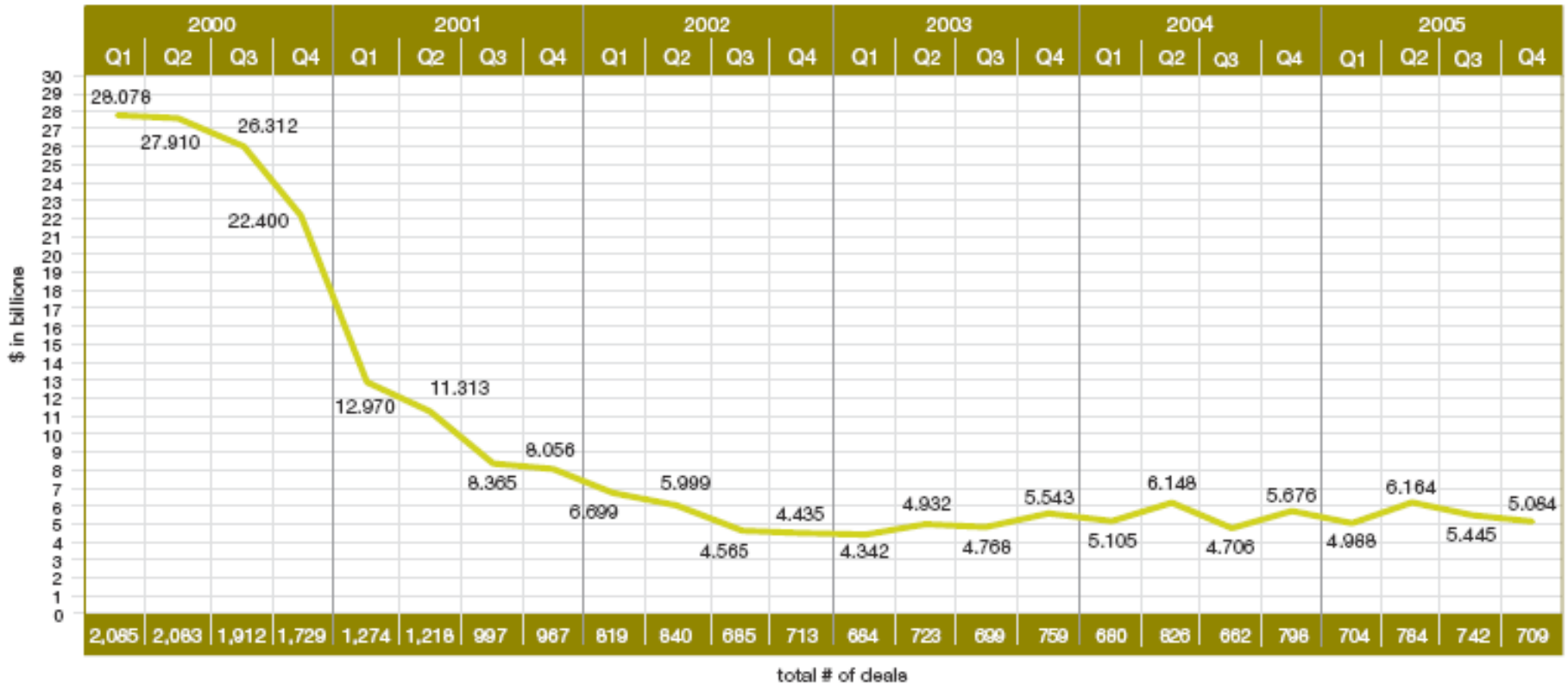
Putting it Together

- **Message, Message, Message**
- Who is the buyer?- Customers
- **Aggressive IP protection and FTO diligence**
- Life Cycle Management- Partners
- Commercialization Strategy – Partners
- Effective Capital Planning

CAPITAL PLANNING?

<ul style="list-style-type: none">■ Pre-Revenue model<ul style="list-style-type: none">□ Debt/Equity Financing<ul style="list-style-type: none">■ Venture Capital■ Banks, SBA	<p>Large Amounts of Capital Expertise Contacts</p>
<ul style="list-style-type: none">■ Revenue model<ul style="list-style-type: none">□ Products□ Service	<p>Maintain ownership and control Customer focused</p>
<ul style="list-style-type: none">■ Licensing model<ul style="list-style-type: none">□ Market Segmentation<ul style="list-style-type: none">■ Geographically■ Market based	<p>Maintain ownership and control Customer focused</p>

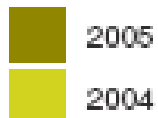
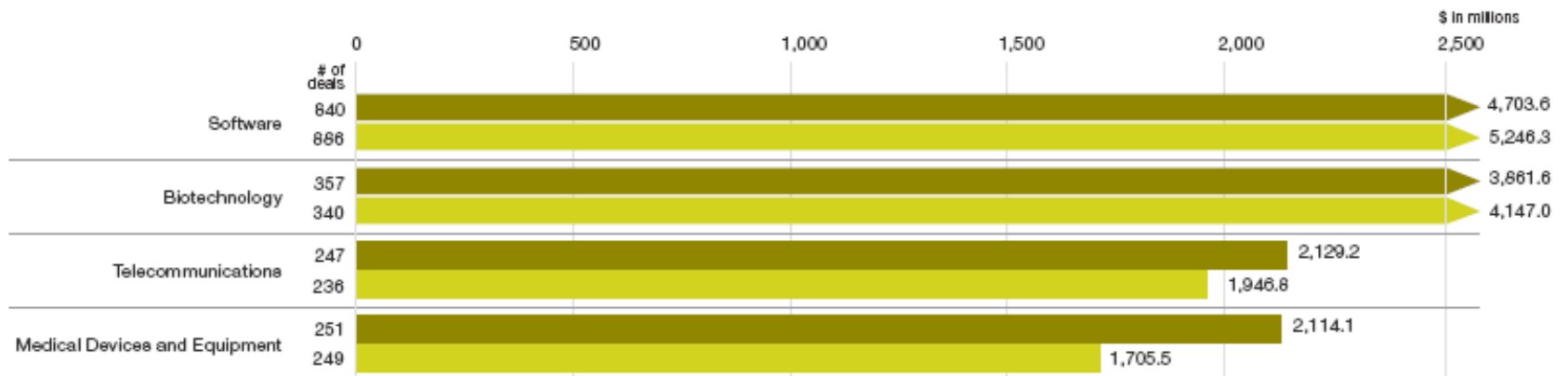
VC DEALS



Source: Price Waterhouse Coopers MoneyTree Report Q4 2005

VC Investments by Industry

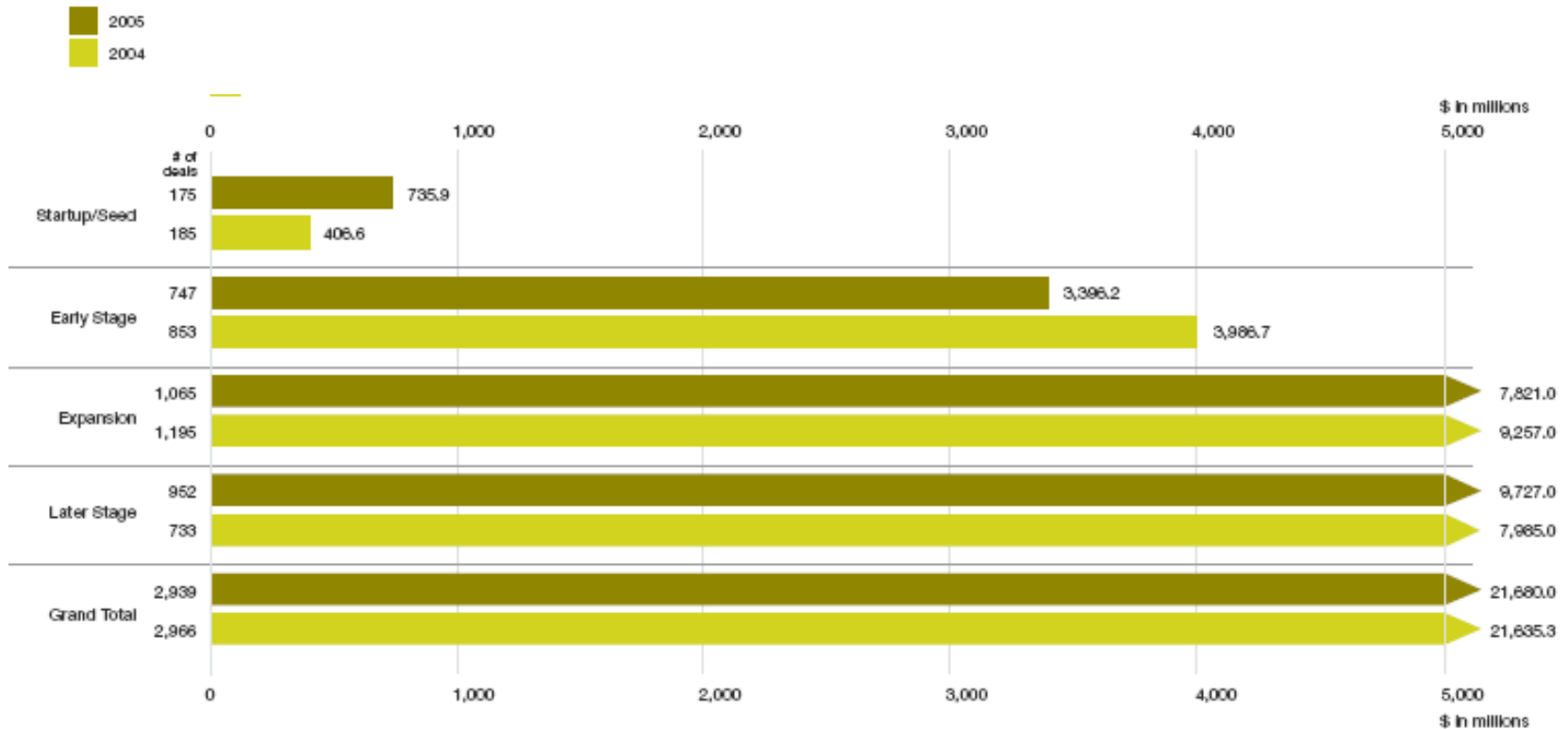
The Top Four Industries



Source: Price Waterhouse Coopers MoneyTree Report Q4 2005

VC's don't Like Start up/Seed Stage

2004 to 2005

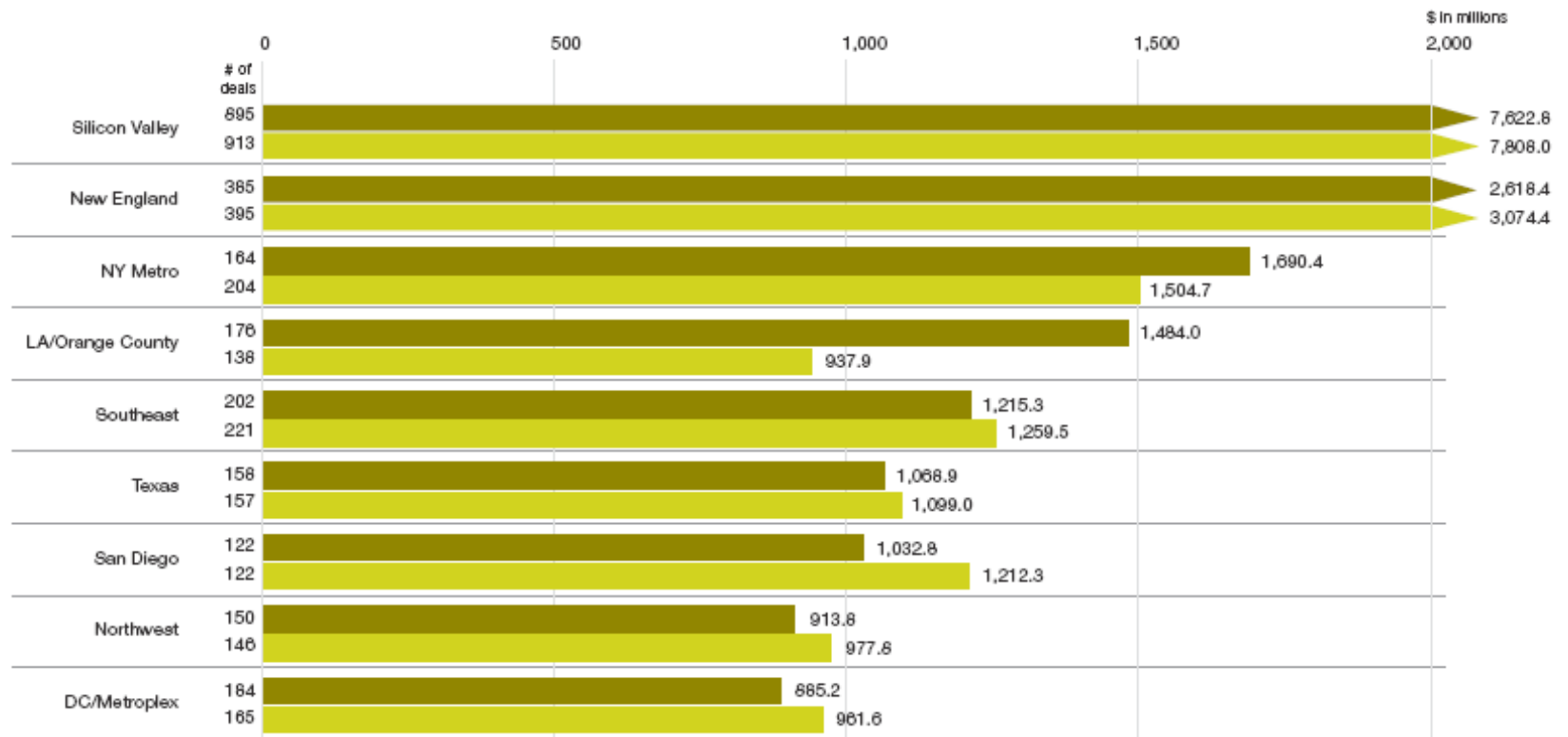


Source: Price Waterhouse Coopers MoneyTree Report Q4 2005

Deals by Region in '04 and '05

2004 to 2005

■ 2005
■ 2004



Source: Price Waterhouse Coopers MoneyTree Report Q4 2005

05 VC Dealmakers

Investor	Location	# of Deals
Draper Fisher Jurvetson	Menlo Park, CA	22
New Enterprise Associates	Baltimore, MD	18
Venrock Associates	New York, NY	17
Polaris Venture Partners	Waltham, MA	15
Menlo Ventures	Menlo Park, CA	14
U.S. Venture Partners	Menlo Park, CA	14
Intel Capital	Santa Clara, CA	14
TL Ventures	Wayne, PA	14
Kleiner Perkins Caufield & Byers	Menlo Park, CA	12
Sequoia Capital	Menlo Park, CA	12
MD Dept. of Business & Economic Development	Baltimore, MD	12

- #11 in 2005!
- #1 in early stage investment according to Entrepreneur Magazine!

Source: Price Waterhouse Coopers MoneyTree Report Q4 2005



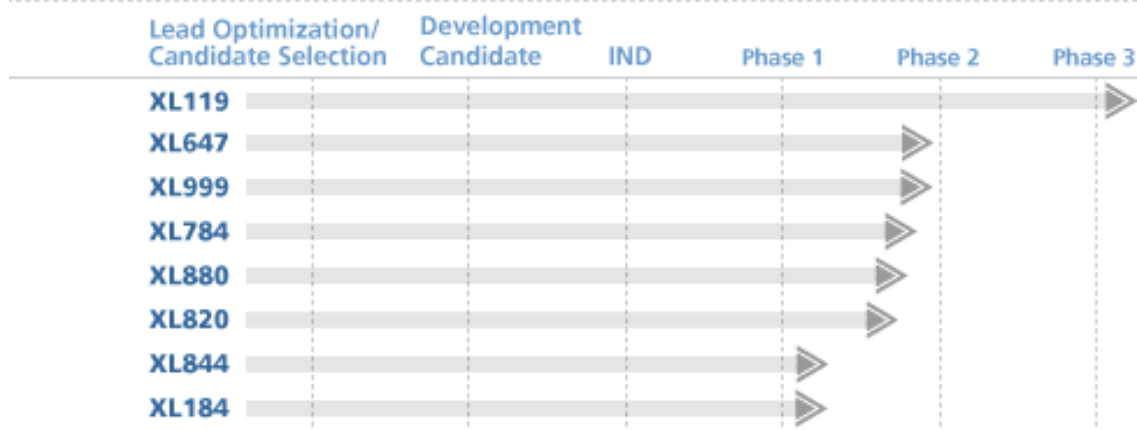
The Pitfalls of VC Financing

- 1. Control**
- 2. The Money Hunt**
- 3. The Milestone Millstone**
- 4. Customers are Secondary to Investors**

The Revenue Model

- EXELIXIS PHARMACEUTICALS INC
- Model Systems Platform Company
- **XL119 (becatecarin)**
“XL119 (becatecarin) a small molecule anticancer compound exclusively licensed to Helsinn Healthcare SA in June of 2005. Exelixis retains rights to reacquire commercial rights for XL119 in North America.”

EXELIXIS PIPELINE

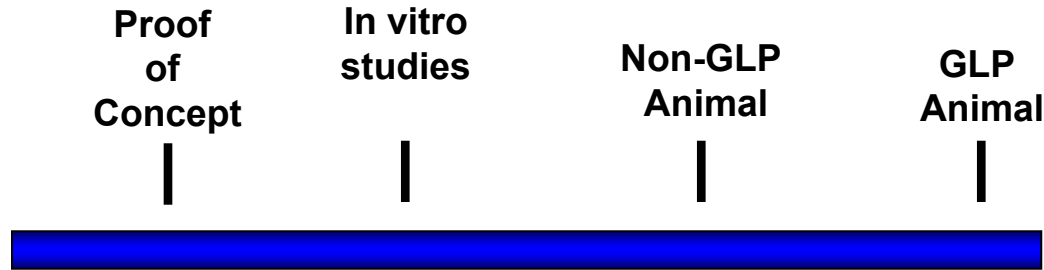


The Licensing Model

- AMULET PHARMACEUTICALS INC
- Licensing agreement and R&D contract with Noxilizer, Inc.
- Sterilization with Nitric Oxide
- Revenue
- Advantages
 - Provides ramp for valuation
 - Validation
 - Leverage with VC / Angel Investors

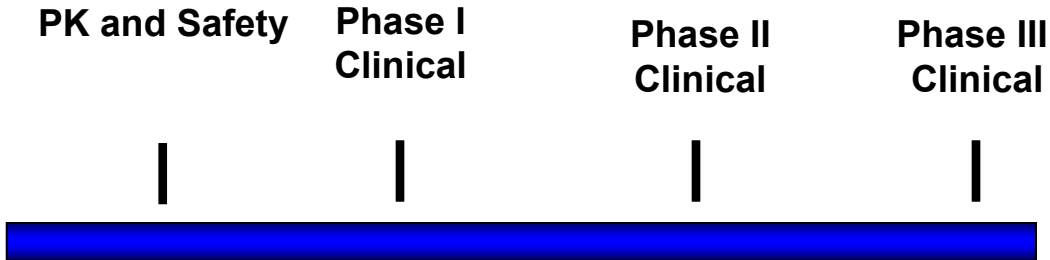


The Path to Products - Devices & Therapeutics



Relative Net Present Value for each product

\$500K - \$1MM



Relative Net Present Value for each product

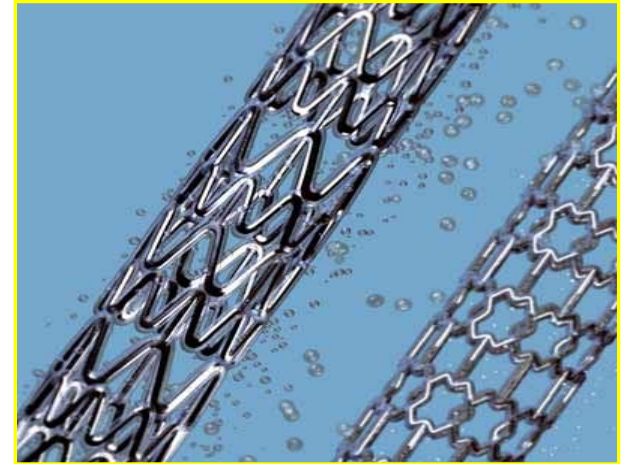
100%

Amulet Pharmaceuticals Inc NORTECH™

- Patent-Pending Protected New Chemical Entities

- Nortech™ is the only Nitric Oxide releasing technology with:

- Predictable and Controllable Nitric Oxide Release
 - Excellent Safety Profile
 - Very Low Development Risk
 - Stability and good physical properties
 - High Development Throughput
 - Unaffected by Terminal Sterilization



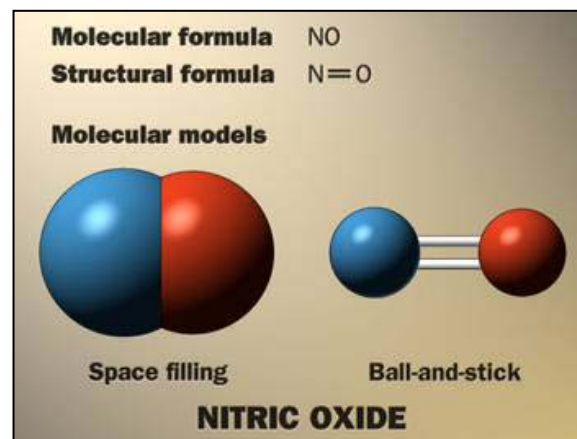
- AMULET NORTECH™ creating new, safer and better therapeutics and improving medical devices

- Therapeutic Focus

- Cardiovascular disease
 - Gastrointestinal
 - Diabetic Ulcers
 - Pain
 - Respiratory disease

Next Generation Therapeutics based on Nitric Oxide Releasing Technologies

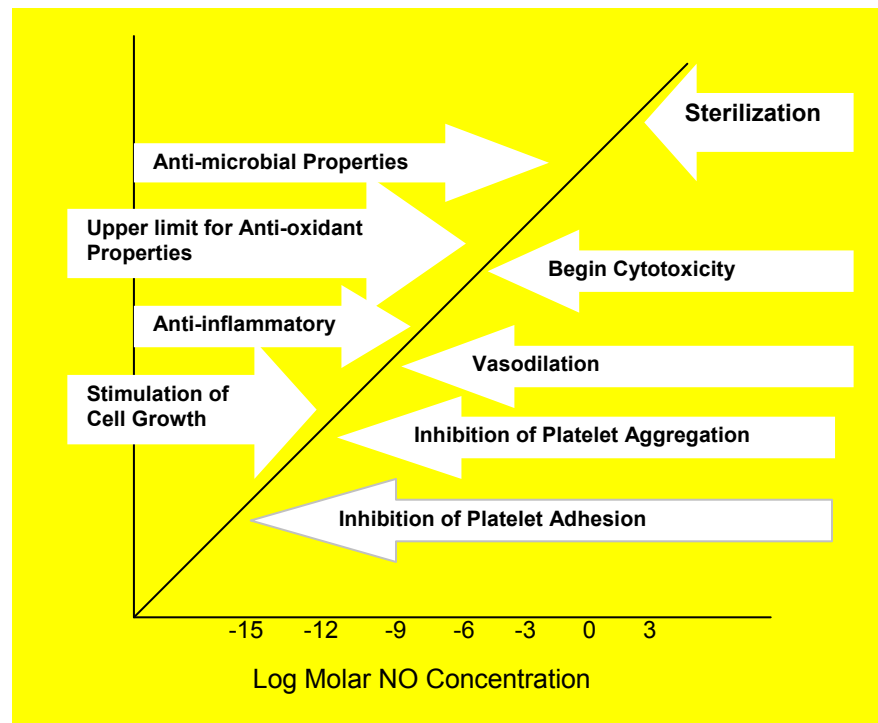
- Scientific benefits well established since 1879
 - Treat root causes not symptoms
 - Promotes natural healing
 - Far superior to drugs
 - Known mechanism for many existing drugs
 - Positive benefits on:
 - Vasodilatation
 - Anti-platelet
 - Antimicrobial
 - Antioxidant
 - Growth of endothelial and other cells (e.g. fibroblasts)
 - Anti-inflammatory



- Well over 70% of animal and human studies show potency and efficacy
- Local release of Nitric Oxide is key because it is a natural molecule and cleared quickly

Nitric Oxide - Key Body Chemical?

Concentration
Dependent



Recent Transactions Validate Space

- Merck/NitroMed
 - \$25 MM licensing – up to \$325 MM with milestones
 - For use with Cox 2 inhibitors

- Boston Scientific/NitroMed
 - \$4.5 MM licensing + \$ 4 MM equity investment, milestone payments + royalties
 - For coronary stents

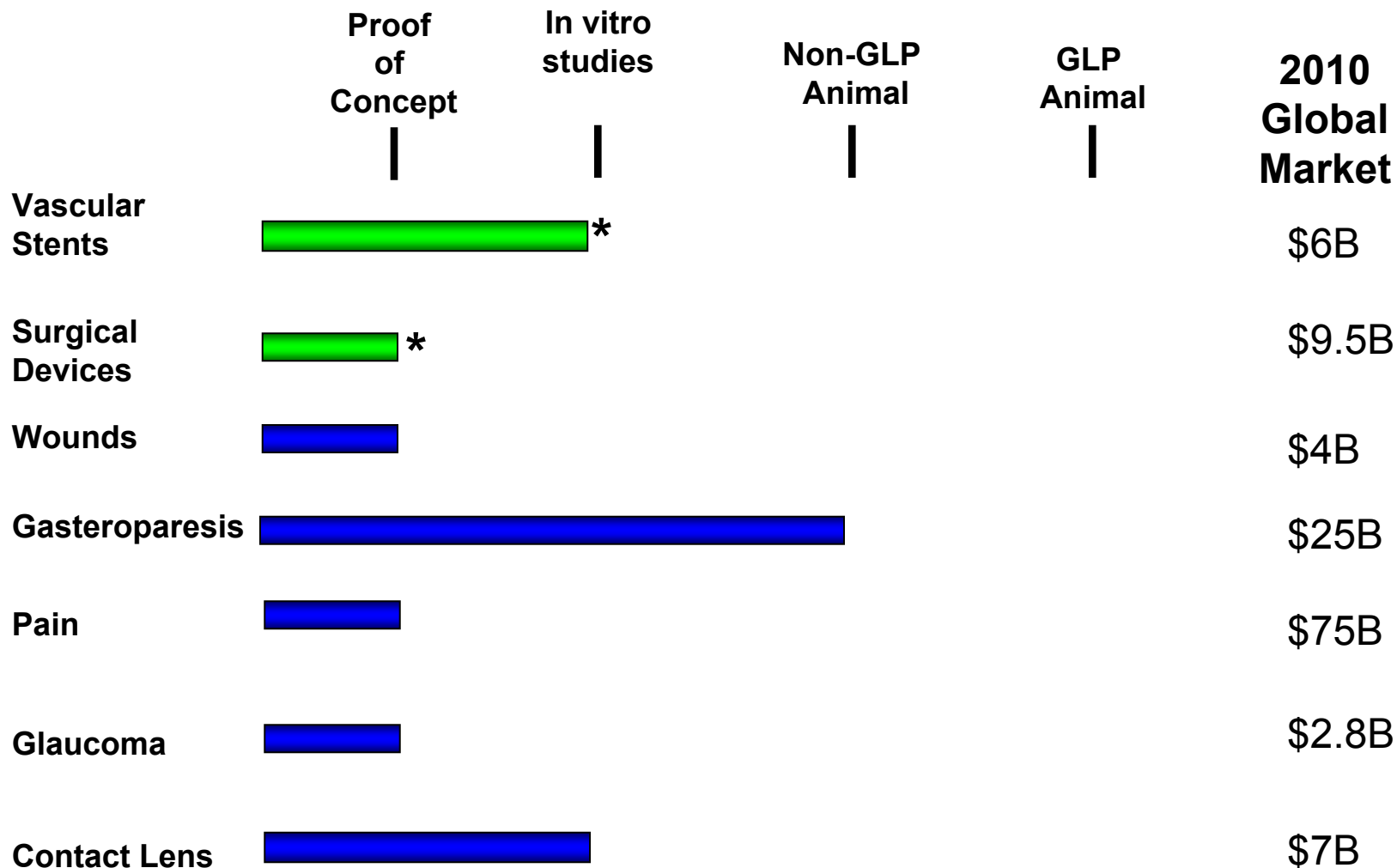
- NovoVascular/Vascular Architect
 - Terms not disclosed
 - For coronary stents

- Pfizer/NicOx
 - € 2 MM licensing
 - Pre-clinical drug development

- Medtronic/National Cancer Institute
 - Federal CRADA

- CathNet Science/University of Akron
 - Terms not disclosed
 - For coronary stents

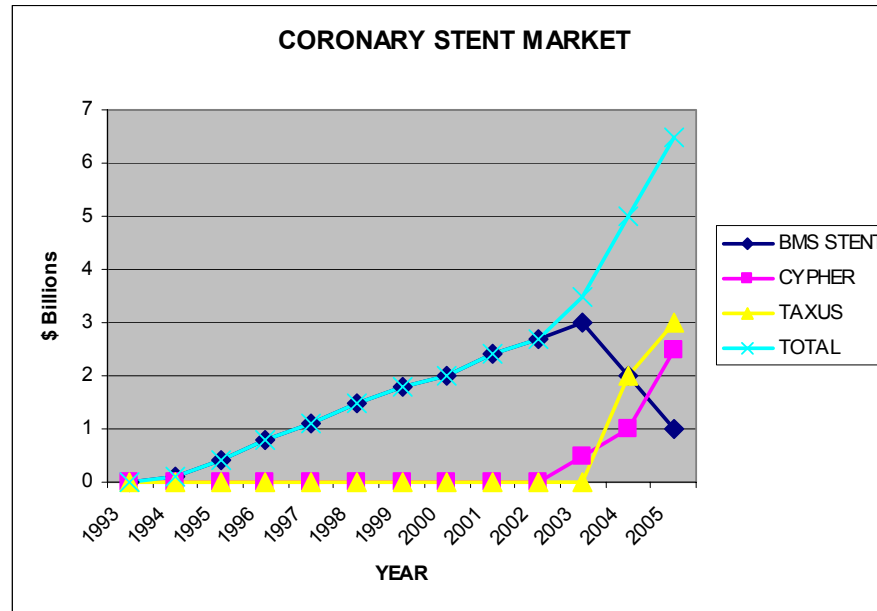
Amulet Pharmaceuticals Inc Product Pipeline



* Active Business Development



Dynamic Coronary DES Markets



1993 - Bare Metal Stents introduced and caused unacceptably high level of risk

2003 - New DES supplanted bare metal market within 1 year



2004 - CYPHER DES was supplanted by TAXUS DES in just 4 weeks!

2005 - Growing concern over DES safety

Next Generation Nitric Oxide DES

- Replace natural Nitric Oxide lost during DES placement and drug release
- Reduce clotting
- Accelerate healing and coating of DES with endothelial cells that release natural Nitric Oxide

NORTECH™ Advantages in DES Market

COMPOUND CLASS	S-Nitrosothiols	Nitroprussides	N-Diazeniumdiolates	C-Diazeniumdiolates NORTECH™
IP OWNER	 NITROMED	<i>NovoVascular Inc</i>	<i>NCI/Academic Labs</i>	
SAFETY	Biocompatible & Safe	Biocompatible & Safe	Carcinogen	Biocompatible/Safe
STABILITY	Unstable	Unstable	Stable	Stable
RELEASE PREDICTABILITY	Tissue Dependent	Tissue Dependent	Predictable Measurable Targeted	Predictable Measurable Targeted
TOLERANCE	Tolerance possible	Tolerance Possible	No Tolerance Possible	No Tolerance Possible
TERMINAL STERILIZATION	FAIL	FAIL	PASS	PASS
SIDE EFFECTS/ METABOLITES	Safe Metabolites	Cyanide	Nitrosamines	Safe Metabolites

Never Give Up

■ Success

- Planning
- People
- NEVER give up



When It All Goes Wrong

- People, People, People
- Network
- Customers

