

Developing Transformational Products for Tens of Millions of US Women (Hundreds of Millions Worldwide)

Opportunity Overview

Non-Confidential

Arstat Pharmaceuticals, Inc.

August 11, 2024



Why Arstat Pharmaceuticals is a Great Opportunity

1 For the first time, addressing huge public health priorities:

Reliable birth control for 20 million US contraceptive users with overweight and obesity

Decrease in harmful radical surgeries in 15 million US women with uterine fibroids and endometriosis

2 Two Phase III-ready assets (confirmed by the FDA); two likely blockbusters

3 15 patents from a co-inventor of the best-selling US oral contraceptive

4 Strong Management, Stellar Advisory Board

5 Exceptional exit strategy:



A Likely IPO (~ 1 year)

ROI Target: 7-8x







EXIT (3.5 - 4 years)

ROI Target: 25-30x

Advancing One of the Best Pipelines in Women's Health

- ❖ *First-in-category, transformational products for critical unmet needs*
- ❖ *Strong supporting data; a low-risk, rapid 505(b)(2) NDA pathway*

 <p>NUVOCEPT™ <i>Phase III-ready</i></p>	<p>The first and only oral contraceptive explicitly designed for women with high BMI. With a unique, highly beneficial label for >50% of the market, projected sales >\$2B/year.</p>
 <p>PREMRING™ <i>Phase IIb asset</i></p>	<p>First-in-category medicated vaginal ring for uterine fibroids and endometriosis. Optimal use of the best class of drugs; >\$1B/year.</p>
 <p>ENHANTA™ <i>Phase IIb asset</i></p>	<p>First-in-category non-hormonal therapy for painful, heavy menstrual periods. Potential first-line for a prevalent disorder.</p>
 <p>DUACEPT™ <i>Phase III-ready</i></p>	<p>First oral contraceptive meeting the consensus criteria of an ideal hormonal combination. The safest pill for normal-weight women.</p>

Team (Management/Advisors)

120+ years of working with leading women's health brands




Management


Arkady Rubin, PhD
Founder, Inventor, President/Chief Scientific Officer
 An industry veteran (J&J, Pfizer) who designed and executed numerous clinical studies and majorly contributed to the development and FDA approval of top women's health products. **A co-inventor* of Ortho Tri-Cyclen Lo[®], one of the best US pills.** Its 9% market share is translated into \$1.8B/year in today's market.



Wendy J. Weiser
Chief Operating Officer
 A founder of one of the largest medical association management firms; an experienced COO



Jason Spitz, MBA
Chief Commercial Officer
 Executive who was responsible for corporate communications in a public women's health company



We are looking for executives (including a CEO and a Chairman of the Board)

Advisory Board: Elite Group of Women's Health Leaders and Advocates

Elizabeth Garner, MD, MPH Lead Strategic Advisor	Barbara Levy, MD, FACOG. FACS Medical Affairs Advisor	Andrea S. Lukes, MD, FACOG Lead Clinical Advisor
Karen Drexler, BSE, MBA Corporate Development Advisor	Agis Kydonieus, PhD Drug Delivery Advisor	Linda Shapiro Manning, MD, PhD Clinical Development Advisor
Russell Barrans, MBA Commercial Strategy Advisor	Sarita Stefani, MS Corporate Strategy Advisor	Marina Ness, MPH Social Media Advisor

*Patents: EP1140109, AU765153, CA2356747, and many others

For the First Time, Addressing a Major Public Health Challenge

Safe and Effective Hormonal Contraception for Women with High BMI



≈ 40% of US women have obesity*



≈ 25% women are overweight*

20 million of US women with overweight and obesity search for reliable birth control
— with common choices (hormonal pills, patches, and rings) performing poorly in this population



Women with obesity have up to 4.3 times greater chance of an unintended pregnancy**



Women with obesity have up to 3.7 times greater odds of terminating a pregnancy**

The overruling of Roe disproportionately impacts women with high BMI

It is exceptional, if not historic, timing to develop Nuvocept™

* The rates are for reproductive-age US women. Body Mass Index (BMI) categories: - Obese - BMI ≥ 30 kg/m²; Overweight - BMI 25 - 29.9 kg/m².

** Daskoch P. Obesity linked to elevated risk of unintended pregnancy, abortion, STDs. *Perspectives on Sexual and Reproductive Health*. 2010;42:276.

NUVOCEPT™ - A Truly Powerful Asset

The first and only oral contraceptive explicitly designed for women with high BMI

1 Unprecedented Label

New indication and unique claims for a lasting competitive advantage

2 Phase III-Ready

Successful meeting with the FDA; an abbreviated program is finalized

3 Projected Sales >\$2B/year

It will likely dominate a multi-billion-dollar segment of the US market



4 Rapid, Low-Cost R&D

< \$20M in total costs and <3.5 years to the FDA approval

5 Low-Risk

Validated by the FDA acceptance of safety and efficacy projections

6 Strong IP Portfolio

Seven US patents and an EU patent covering major European markets

The FDA approved the first-ever contraceptive clinical program dedicated to women with overweight and obesity

NUVOCEPT™ – Exciting Market Opportunity

Benefits for Lasting Competitive Advantage

- 1 Unique indication and labeling claims
- 2 Unprecedented database for women with high BMI
- 3 Reduced risk of pregnancy and serious side effects
- 4 No contraindications or limitations of use



Will likely be accepted as the 1st line oral contraceptive for women with high BMI (≈ 60% of the market)

According to top experts, US gross sales may exceed \$2B/year

- At a branded price, the value of the US market is **\$20B (\$200M for each % of total Rx)**.
- With the only label for women with obesity, NUVOCEPT will dominate a \$6B segment.
- With overweight women (≈30% of users) excluded, this assessment is very conservative.

Why PREMNING™ for Uterine Fibroids and Endometriosis?

To fight severe reproductive disorders that destroy millions of lives

- **25%*** of US women (>20 million) have symptomatic uterine fibroids
- **10%*** of US women (>10 million) suffer from endometriosis
- Terrible menstrual cramps, pelvic pain, heavy menstrual bleeding, infertility
- **400,000 hysterectomies/year; at least 13 million US women had their uterus removed because of uterine fibroids and endometriosis**

Unlike other treatments, designed as an alternative to radical surgeries

- Low doses of a well-studied SPRM* are delivered by a novel route directly to affected tissues.
- **Unrivalled efficacy and safety permit comfortable long-term treatment** (not an option for other hormonal medications), **drastically reducing the need for hysterectomies.**

A breakthrough solution for highly prevalent and undertreated conditions.

* Prevalence among women aged 15-49 years

PREMRING™: Valuable Asset in Fast-Growing Markets

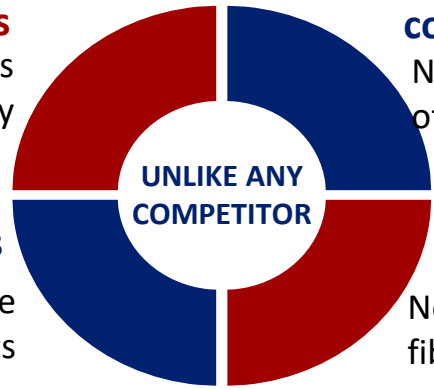
Expected US gross sales - \$1.33B/year; >\$1B in each indication (worldwide)

Unlike GnRH agonists and antagonists

No hot flashes, vaginal dryness or decrease in bone density

Unlike progestin-only and combined contraceptives

No permanent amenorrhea or other hormonal side effects



Unlike oral SPRMs

A significant shrinkage of uterine fibroids and endometrial implants

Unlike NSAIDs

Not just pain relief; the size of fibroids and implants is also reduced

Competitors focus on the symptoms.
PREMRING is designed as a curative option.

Compelling supporting data greatly reduces the R&D risks and ensures a high probability of PREMIERING approval

Arstat Pipeline: Additional Details

Other Products: Highlights

ENHANTA™

- **First single non-hormonal therapy for painful, heavy menstrual periods** (>25 million US women)
- **Novel drug combination (Rx and OTC)**, with no competition.
- **Phase IIb asset**; could be ready for Phase III (FDA confirmation needed)
- **Projected US Gross Sales -\$520M**

DUACEPT™

- **An improved version of the world-leading oral contraceptive** for 3 million normal-weight users
- **Phase III-ready**: \$5M in total costs if developed in parallel with NUVOCEPT.
- In some countries, it may be approved with no new clinical data.
- **Projected US Gross Sales -\$140M**

Large and growing IP portfolio (14 granted US patents and an EU patent)

14 US Patents: 9,675,622; 9,925,199; 10,111,887; 10,463,678; 10,537,582; 11,103,515; 11,717,527; 10,251,836; 11,116,718; 10,532,037; 10,709,679; 11,351,132; 11,833,126; 12,005,138

10+ more US patents planned;

European (EU) Patent: EP 2790688 B1.

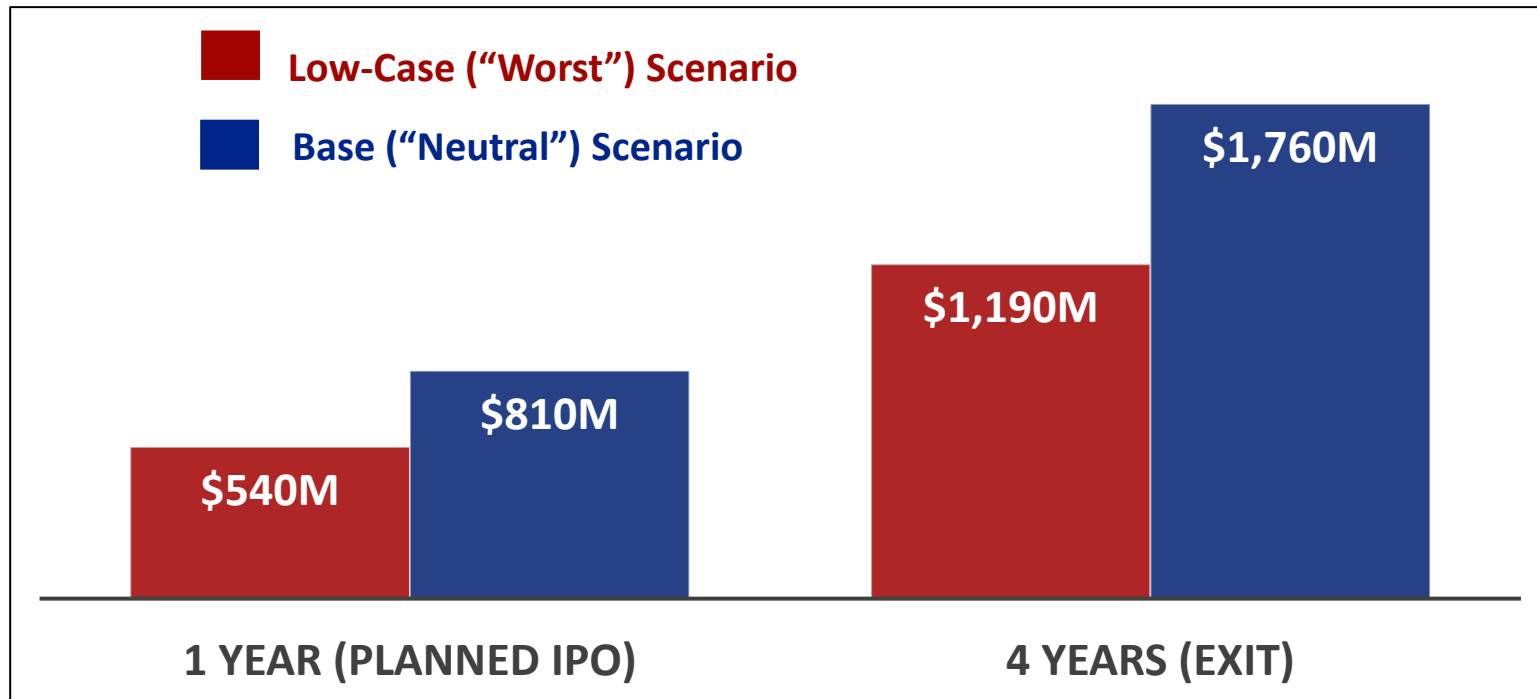
Issued and new US patents and regulatory exclusivity are expected to protect the products until at least 2037, possibly much longer

The Sole Inventor and Owner, Founder - Arkady Rubin, PhD



Arstat Pharmaceuticals: Valuation*

The fair company's value (NPV**) at key milestones



* In collaboration with **Bio-strategy Analytics**, ARSTAT determined the portfolio value in 1 year and 4 years (after the approval of NUVOCEPT/DUACEPT and the completion of PREMIRING and ENHANTA R&D). A 49-page report is available.

**The NPV (Net Present Value) is calculated using the Discounted Cash Flow (DCF) and Risk-Adjusted (eNPV) methods.

Exit Opportunities and ROI Targets

 **~ 1 year**

IPO
(subject to market conditions)

ROI Target: 7-8x*





 **3.5 - 4 years**

EXIT

ROI Target: 25-30x**

 **Acquisition**

OR

A Valuable Public Company 

With a projected market cap of > \$1.2B

***Conservative estimate:** assuming the IPO valuation is <30% of the low-case portfolio value. See slide 11.

****Conservative estimate:** assuming the low-case valuation scenario at the exit. See slide 11.

Arstat Pharmaceuticals: 4-5 Year Plan

Exit: Company Sold or Reaches
a Market Cap of > \$1.2B

4 2028

3 2027-2028



NUVOCEPT - FDA Approval
DUACEPT - FDA Approval
ENHANTA - nearing FDA Approval
PREMRING – sold or in Phase III

Private Placement
and an IPO*

2 2024-2025

1 2024

Bridge Financing (\$1M)

* Subject to market conditions; otherwise, a reverse merger or Series B round



Arstat Pharmaceuticals: The Ask and Action Plan

ARSTAT is raising \$1M (Bridge Financing) ahead of a private placement and an IPO

- SAFE Notes
- \$20M Valuation Cap (Post-Money)
- Closing: September/2024

The investors of this round are expected to own 5% of the public company

Major Tasks

- Finalize executive team and assemble a well-connected board of directors
- Conduct one more pre-IND meeting with the FDA (ENHANTA)
- Prepare the IND application (NUVOCEPT/DUACEPT); select vendors for the Phase III study
- Expand an outreach to potential partners and support the private placement

Pending Next Steps

- A \$5M private placement by a broker-dealer
- Target closing: December 2024
- IPO* (Q2 of 2025): \$30-50M raised**
- Post-IPO valuation: \$150-200M**

**If market is not supportive, a reverse merger may be considered*

***Committed IPO targets*

A Likely IPO (Q2 of 2025): Strategic Considerations

- 1 Investment bankers consider Arstat a potentially great public company**
 - rapid, low-risk, low-cost R&D, huge markets, clear and achievable strategic goals
- 2 Validated by two engagement offers for valuable firm-commitment IPOs**
- 3 Impeccable market timing**
 - the overruling of Roe v. Wade makes NUVOCEPT a precious opportunity for IPO investors
- 4 More advanced pipeline vs. 2/3 of biopharma IPOs***
- 5 A notable precedent: Myovant Sciences**
 - a women's health pharma company had the largest biotech IPO of 2016, eight months after its launch, with a few employees**
 - with a pipeline arguably comparable to ARSTAT's
 - from the initial funding round (\$7M) to a \$2.9B exit in \approx 6 years



* www.mtspartners.com/wp-content/uploads/sites/2/2016/08/Early-Stage-IPOs-2012-2018-August-2018.pdf

Arstat IPO Projections: Additional Details

1 Valuable recent IPOs with a lead asset in Phase III (no revenues)*

Company	Symbol	IPO Date	Money Raised	Market Cap	Percent Equity	Stage
Fractyl Health, Inc.	GUTS	2/2/2024	\$110M	\$714M	15%	Phase III
ArriVent BioPharma, Inc.	AVBP	1/26/2024	\$175M	\$575M	30%	Phase III
CG Oncology Inc.	CGON	1/25/2024	\$380M	\$1.206M	32%	Phase III
Adlai Nortye Ltd.	ANL	9/29/2023	\$50M	\$720M	8%	Phase III
Neumora Therapeutics, Inc.	NMRA	9/15/2023	\$250M	\$2.585M	10%	Phase III
RayzeBio, Inc.	RYZB	9/15/2023	\$311M	\$940M	33%	Phase III

2 Arstat's IPO targets (\$30-50M raised; \$150-200M market cap) are very conservative

— 20-25% of median values calculated from the above table

3 A possible fast-track IPO: <\$3M and 7-8 months to public market

— if market conditions not favorable, the company may consider a fast-track IPO initially focusing on the lead asset (NUVOCEPT) with a private placement reduced to \$3M.

* <https://www.iposcoop.com/last-100-ipos/>

Summary of the Investment and Partnership Opportunity

- ✓ **For the first time, addressing huge public health priorities**
 - reliable contraception for women with high BMI
 - comfortable long-term therapy for uterine fibroids and endometriosis
- ✓ **A 4-product pipeline includes two Phase III assets and two likely blockbusters**
- ✓ **15 patents from a co-inventor of the best-selling US oral contraceptive**
- ✓ **Strong supporting data; expertise to deliver (120+ years with leading brands)**
- ✓ **Looking for senior executives (including a CEO and a Chairman of the Board)**
- ✓ **An exceptional near-term exit option (a likely IPO in \approx 1 year)**



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