

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

Opportunity Overview

Non-Confidential

Arstat Pharmaceuticals, Inc.



November 25, 2024

Why Arstat Pharmaceuticals is a Great Opportunity

1 For the first time, addressing high women's health priorities:

Reliable birth control for 20 million US contraceptive users with high BMI (overweight and obese)

Decrease in harmful 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 A team of distinguished women's health experts and advocates





5 A profitable exit strategy for investors:

 **A Likely IPO (~ 1 year)**
ROI Target: 5-6x

 **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*

 NUVOCEPT™ <i>Phase III-ready</i>	The first and only oral contraceptive designed for women with high BMI (>50% of the market); projected sales >\$2B/year.
 PREMRING™ <i>Phase IIb asset*</i>	First-in-category medicated vaginal ring for uterine fibroids and endometriosis. Optimal use of the best class of drugs; >\$1B/year.
 ENHANTA™ <i>Phase IIb asset*</i>	First-in-category single non-hormonal therapy for painful, heavy menstrual periods. Potential first-line for a prevalent disorder.
 DUACEPT™ <i>Phase III-ready</i>	The first oral contraceptive for women with cardiovascular risk factors. The safest option for normal-weight pill users.

* The clinical development stage after the completion of pre-clinical activities

Arstat Pharmaceuticals: Leadership

Arkady Rubin, PhD, Founder, Inventor, President/CSO



- Industry veteran (J&J, Pfizer) who designed and executed numerous clinical studies and contributed to the development and FDA approval of top women's health products
- Co-inventor* of Ortho Tri-Cyclen Lo[®], one of the best US oral contraceptives (\$1.8B/year in current market conditions)
- Authored 20+ patents and multiple publications

Andrea S. Lukes, MD, MHSc, FACOG, Chief Medical Officer



- For 8 years, served as a Chief Medical Officer at Health Decisions, a leading women's health CRO (sold to Premier Research)
- Owner of a private practice/research center; a well-published principal investigator in over 150 clinical trials
- Consultant to major women's health pharmaceutical companies (e.g. Myovant, Bayer, Abbvie), presenter at multiple FDA meetings

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

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

Management and Advisory Board



Management

Wendy J. Weiser

Chief Operating Officer

A founder of one of the largest medical association management firms with a COO experience in a women's health company



Jason Spitz, MBA

VP, Marketing & Corporate Communications

Executive who was responsible for marketing, corporate communications and commercial operations in a public women's health company



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

<p>Elizabeth Garner, MD, MPH A Past President of the American Medical Women's Association</p>	<p>Barbara Levy, MD, FACOG. FACS A health care access expert, a previous ACOG's VP for health policy</p>	<p>Agis Kydonieus, PhD Co-founder of the Controlled Release Society, holder of 55 U.S. patents</p>
<p>Karen Drexler, BSE, MBA A former CEO, recipient of the Female Entrepreneur of the Year Award</p>	<p>Linda Shapiro Manning, MD, PhD Physician scientist, executive, and a prominent obesity expert</p>	<p>Russell Barrans, MBA A commercial expert who introduced widely known contraceptive brands.</p>

120+ years of developing leading women's health brands

For the First Time, Addressing a Major Public Health Priority

Safe and Effective Hormonal Contraception for Women with High BMI



≈ 40% of US women have obesity*



≈ 25% women are overweight*

20 million US women with high BMI need reliable birth control

— with common choices (hormonal pills, patches, and rings) performing poorly in this population



Obese women have up to 4.3x greater chance of an unintended pregnancy**



Obese women have up to 3.7x 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 overweight and obese women.

NUVOCEPT™ – Market Opportunity

Benefits for Lasting Competitive Advantage

- 1 Unique indication and labeling claims
- 2 Reduced risk of pregnancy and serious side effects
- 3 No contraindications or limitations of use



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

NUVOCEPT may dominate a potential \$12B market segment

- At a branded price, the total value of the US combined hormonal contraceptive market is **\$20B (\$200M for each % of total Rx)**.
- With the only label for women with obesity (≈30% of users), **NUVOCEPT will dominate a \$6B market segment.**
- With superior efficacy and safety in overweight women (≈30% of users), **NUVOCEPT will also have a competitive advantage in another \$6B market segment.**

Projected US gross sales >\$2B/year

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 harmful surgeries

- Low doses of a well-studied SPRM* are delivered by a novel route directly to affected tissues
- **Unrivaled 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

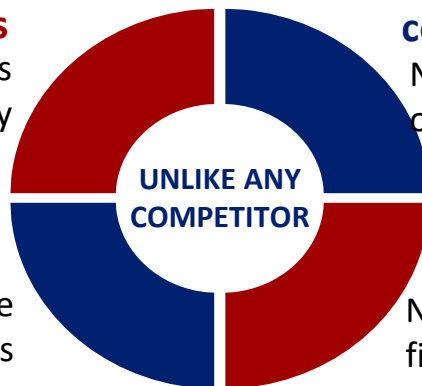
Expected US gross sales - \$1.33B/year; >\$1B in each indication (worldwide)

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™

- **Novel non-hormonal therapy for painful, heavy menstrual periods** (>25 million US women)
- **Proprietary 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™

- **Novel oral contraceptive** for 3 million normal-weight women with cardiovascular risk factors.
- **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.

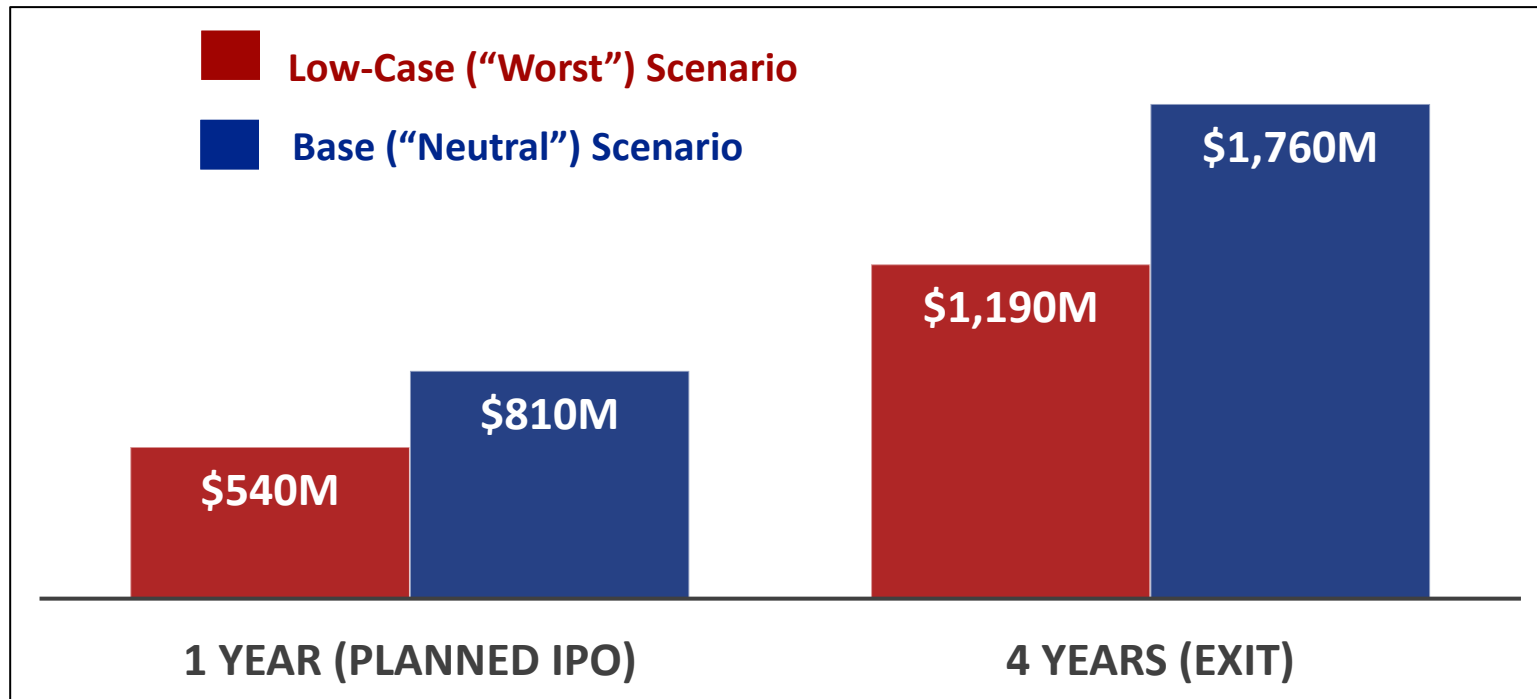
Issued and new US patents and regulatory exclusivity are expected to protect the products until at least 2037, possibly much longer

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 PREMRING 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: at 5-6x*





 **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 12.

****Conservative estimate:** assuming the low-case valuation scenario at the exit. See slide 12.

Arstat Pharmaceuticals: 4-5 Year Plan

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

4 2028-2029

3 2028



Private Placement
and an IPO^{1,2}

2 2025

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

1 2024-2025 Bridge Financing (\$1M)

¹Subject to market conditions; otherwise, a reverse merger or Series B round

²See Slide 16

A Likely IPO (Q3 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 Pharmaceuticals: The Ask and Action Plan

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

**\$20M Valuation
Cap (Post-Money)**

**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 pre-IND meeting with the FDA (ENHANTA); Prepare the IND (NUVOCEPT/DUACEPT)
- Expand an outreach to potential partners and support the private placement

Pending Next Steps

1 An engagement letter from the investment bank is executed (January 2025)

**2 A \$5M private placement by a broker-dealer
Target closing: April 2025**

3 IPO* (Q3 of 2025): \$30-50M raised
Post-IPO valuation: \$150-200M****

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

***Committed IPO targets*

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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