Merrion Pharmaceuticals plc

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International Management Team

John Lynch, CEO
•20 years at multinational healthcare companies
•Led a $100m business for Abbott
•Business Development, Commercial Development
•Ernst & Young, Bayer, Abbott

Hing Kin Chan, PhD CBO
• 20 years commercial & business development experience in healthcare industry.
• Development of commercial strategies in drug delivery sector
•DBV Technologies, ProBioGen, Eurand

Jonathan O'Connell, CFO
• 18 years as a CFO with commercial experience
• Floated Trinity Biotech (Nasdaq & ISEQ)
•Spectel – raised funding (30m) (trade sale for $105m)

Thomas Leonard, PhD CSO
•23 years pharmaceutical industry experience
•Inventor on 30 drug patents
•Products through approval process
•Product formulation, R & D Management
•Wyeth-Ayerst, aaiPharma, Endeavor

John Fox, PhD CDO
•20 years at multinational/ specialty pharmaceutical companies
•Pharmaceutical development, regulatory affairs
•Portfolio planning
•Hunter Fleming, Shire, Lilly

Board : P O'Sullivan (Chair), H Stratford, P Thornton, M McKenna, M Donnelly, A Carragher, F Maher

Merrion Pharmaceuticals Plc

Acquire Technology from Élan

Complete IPO

Complete two Licenses with Novo Nordisk

Completed Orazol Phase II and FDA/EMEA agreement

Build Product Portfolio

Build product development capability

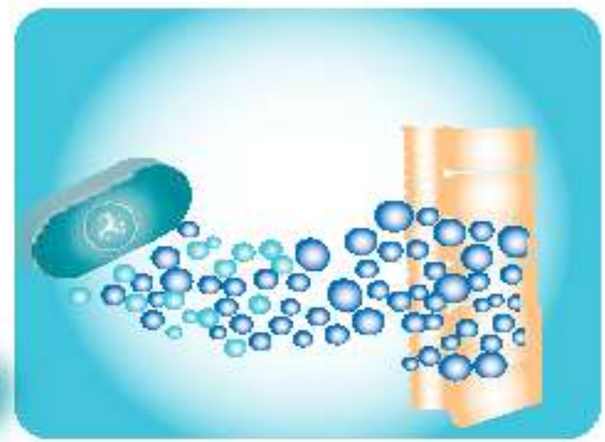
Purchased new facility & scaled operation

Signed agreements
3 Companies
6 Compounds

2004

2011

GIPET® Technology



1

Enteric coated tablets.
Targeting the duodenum.
Facilitating maximum drug delivery in this area.

2

Dissolution of the tablet results in the co-release of the drug and absorption enhancer.

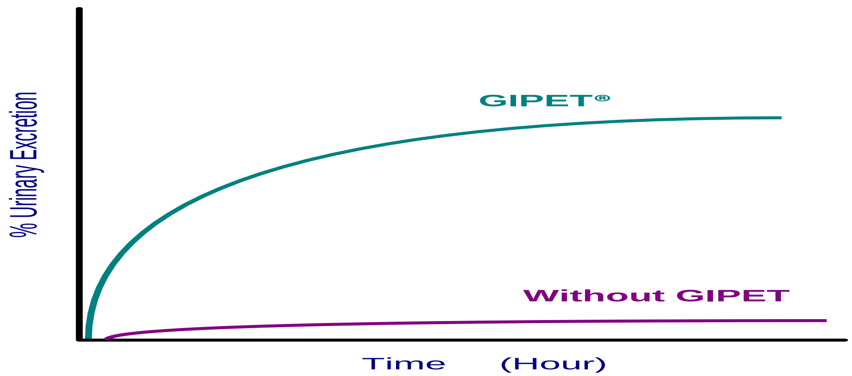
3

This physical mix facilitates the absorption of the drug across the duodenal cell membrane and results in increase of bioavailability.

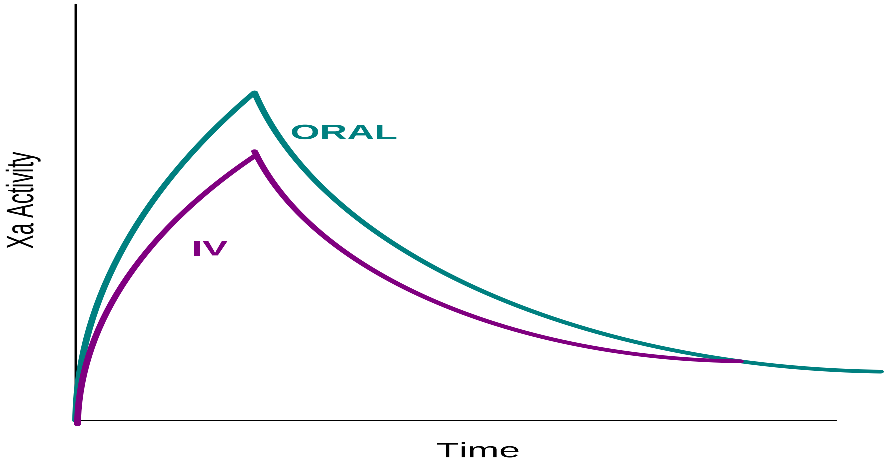
- Up to 50 times more Drug Absorbed in Clinical Trials.
- 20 Clinical Studies. Broad range drug types.
- GRAS status simplifies development.

Pharmaceutical Industry trends and Merrion Products

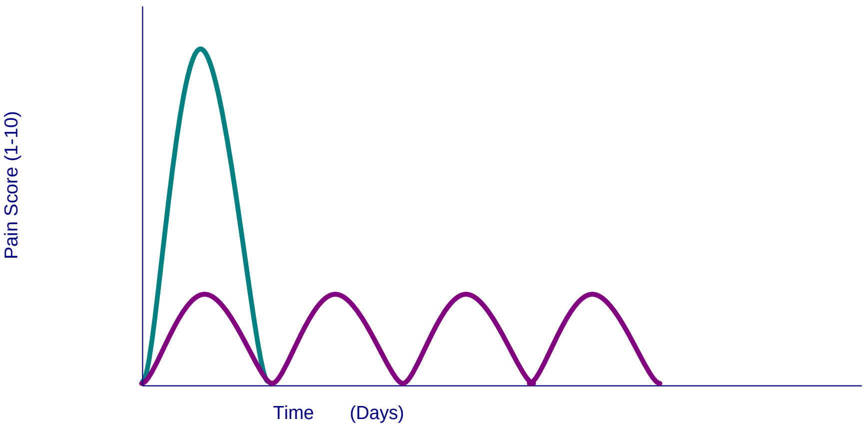
- ✓ Enable oral delivery of peptides
  - Oral insulin,GLP-1
- ✓ Change of Route of administration -Oral product from an acute IV



✓Lifecycle management of injectables MER 102 – extending patent life

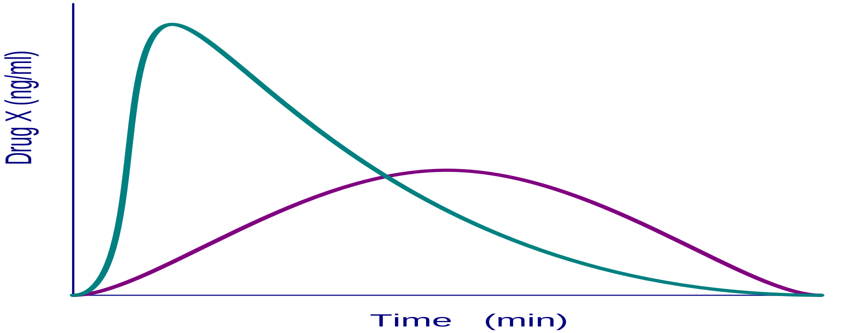


✓Major new indication for product from data generated by injectable - Orazol



✓Emerging market products - Almerol

✓Improved oral – reduced Tmax, increased Cmax, increasing overall AUC



Merrion Pipeline

Research	Pre Clinical	Phase I	Phase II	Phase III

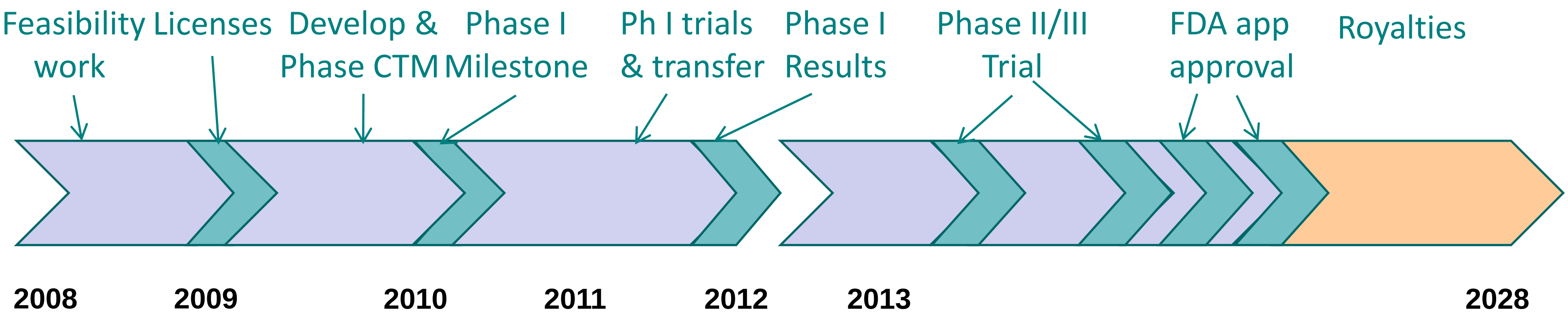
- Orazol™ for Breast Cancer
- Orazol™ for Bone Metastases
- Almerol™ (Osetoporosis)
- MER-104 Oncology
- MER-102 Thrombosis

Merrion Partnered Pipeline

Research	Pre Clinical	Phase I	Phase II	Phase III

- Novo Nordisk Insulin (Diabetes)
- Novo Nordisk GLP- 1 (Diabetes)
- Novo Nordisk
- Ferring Pharmaceuticals
- Pharma Partner
- Rebel Pharma
- Rebel Pharma
- Top Ten Pharma
- Top Ten Pharma
- Top Ten Pharma

Revenue Model – Novo Nordisk example (>$20M)



- Feasibility agreement with option — fees **€1.3m**
- License agreement – Upfront milestones for Insulin and GLP1 — not disclosed
- Development and Phase I Clinical Trial Manufacture (CTM) — fees **€6.6m**
- Development Milestone – start Phase I — **$3m** received
- Phase I clinical Trial – ongoing
- Further Milestones – end Phase I, Phase II/III Clinical Trials
- Regulatory Filings/approvals/sales milestones
- Total Milestones received to date — **$9m**
  - additional potential milestones $109m+
- Royalties on very significant sales

World Class Facilities

- **Build value by creating products, Speed development & reduce risk**
- **People**
  - High quality scientific team, with key expertises
  - Very positive partner feedback
- **Facilities**
  - Highest specification of design, layout and equipment – Low o/head
  - Highly modular configuration to allow multiple drug development
  - EU License (previously FDA inspected facilities)

Merrion – Citywest Dublin facility

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Managing risk

- **Product**
  - Portfolio of 11 partner programmes
  - Merrion programmes available to partner

- **Regulatory**
  - FDA/EMEA Orazol pre-Phase III minutes

- **Safety**
  - Clean clinical database

- **Technology**
  - 50 drugs trialled preclinically, broad range drugs

- **Patent**
  - Continuing important issuances

Partnerships

Novo Nordisk Collaboration
Injection to Oral

Market Cap	€44Bn
Sales	€8Bn
Employees	30,000

- **Significant returns to date/blockbuster product opportunities**
  - Clinical trials oral insulin, oral GLP-1 2010/2011
  - NN Insulin and GLP-1 Injectable Sales 2010 €5.5Bn
  - Oral products a key to Novo Nordisk medium term strategy
  - Merrion cash receipts >$20M to date
  - >$109M potential future milestones
  - Royalty potential – several hundred $M's

- **New Agreement – new area December 2010**
  - Feasibility study ongoing
  - Upfront plus equity on license

- **Key Market validating partnership**
  - Due diligence for Pharma market
  - Heavy investment in commercialising GIPET technology

Ferring Pharmaceuticals

- Injectable to oral collaboration on multiple drugs since 2008
- Have recommended Merrion technology to other pharma companies

Rebel Pharmaceuticals

- Nov 2010 – Feasibility and option agreement **2** compounds
- US Speciality Pharmaceuticals Company
  - enhancing approved drugs using proven and patented drug delivery technologies
- Studies completed, reports being compiled
- Financial terms agreed
  - Upfront, Development fees, Milestones, Royalties

‘Top Ten’ Pharma – 3 Compounds

- Feasibility and option agreement
  - Injectable to oral
  - 3 compounds
  - Different Therapeutic areas

Other Partners/pipeline

- EU biotech company –
  - improved oral, successfully completed preclinical
- Several potential new partners at different stages of discussion

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Merrion Programmes

Orazol Product Concept

- **Provide an ideal product from ‘$2Bn gold standard’ molecule**
  - Clinically Improved efficacy
  - Clinically Improved safety & side effects
  - Economic benefits of oral delivery
  - Patient and HCP benefits of oral delivery
- **Unique oral product**
- **Build Orazol market beyond current uses and penetration**
  - Unique new indications
  - New geographies
  - Greater penetration of existing markets
- **>95% Gross margin**
- **Strong patent fence to late 2020’s**

What Orazol offers

- **Key Clinical Benefits**
  - Improved Efficacy in bone pain control
  - Absence of Acute Phase Reactions
  - Designed to reduce renal toxicity
  - Weekly dosing – similar efficacy first week as monthly infusion, decreased variability
- **Cost Benefits**
  - Modelled cost per QALY v positive
- **Commercial benefits**
  - Several major new indication opportunities
  - Branded pricing potential, but with pharmacoeconomic benefits
- **Strategic Benefits**
  - Long patent life – 3 US patents allowed/issued (2020-27, new filings in progress (2030)

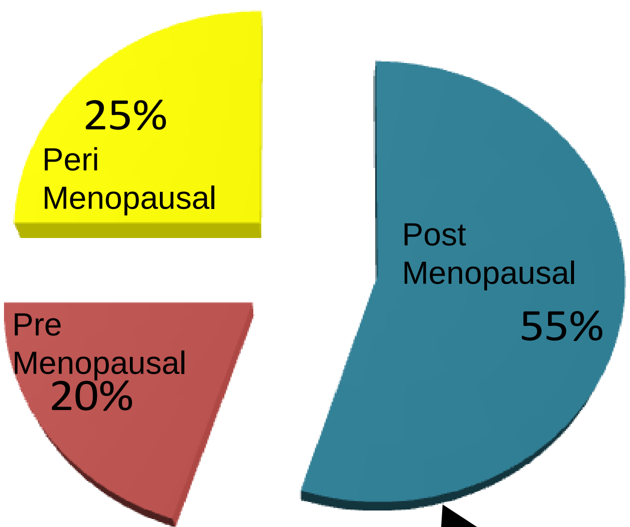
Orazol Indications

- **Adjuvant Cancer treatment**
  - In addition to existing 'standard of care'
  - Post menopausal breast cancer as initial indication
  - Multiple myleoma, prostate, lung cancer as further indications
- **Existing indications**
  - Bone metastastes
  - Pagets disease
  - Osteoporosis
- **Increase use in ROW markets**

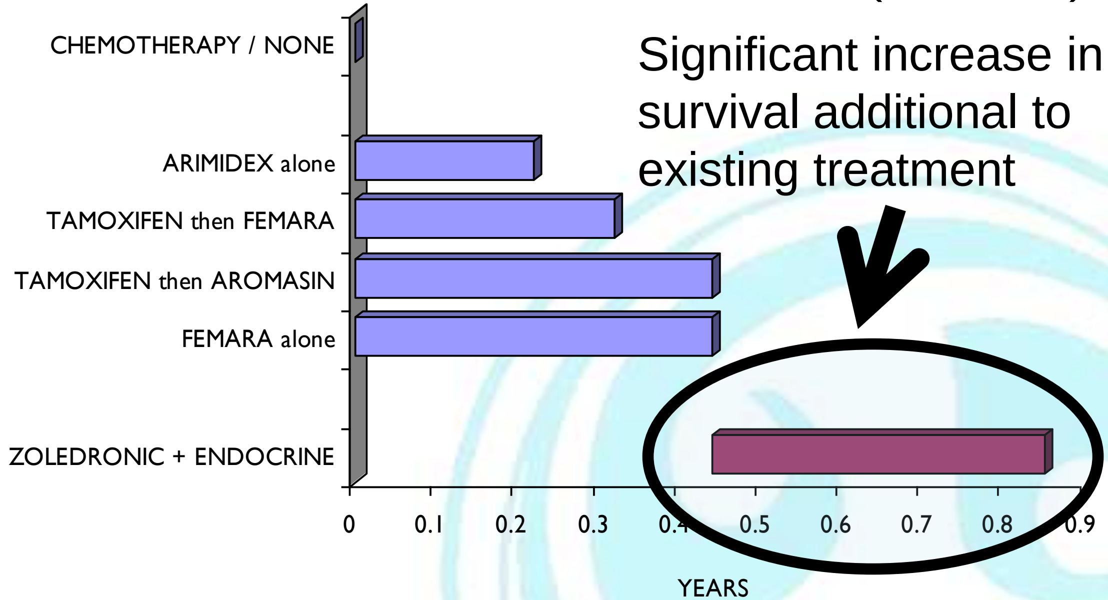
Large Studies Show Zoledronic Acid Improves Breast Cancer Outcomes

Trial	Drug	Size	Population	Estrogen	Results
AZURE (Coleman) POSTMENOPAUSAL	zoledronic acid	1,101	POSTMENOPAUSAL	ABSENT	29% reduction in the risk of death (*p=0.017*) 21% reduction in the risk of disease or death (p<0.05)
ABCSG-12 (Gnant)	zoledronic acid	1,803	PREMENOPAUSAL (with hormonal suppression)	ABSENT	36% reduction in the risk of disease progression (*p=0.01*) 35% reduction in the risk of disease recurence (*p=0.02*)
Z-FAST / ZO-FAST	zoledronic acid	1,667	POSTMENOPAUSAL	ABSENT	52% reduction in the risk of disease or death (*p=0.0396*) 56% reduction in the risk of disease (*p=0.0401*)
AZURE (Coleman) PREMENOPAUSAL	zoledronic acid	2,258	PREMENOPAUSAL	PRESENT	No effect

Breast Cancer Population[1]



INCREASE IN OVERALL SURVIVAL (Calculated)



Significant increase in survival additional to existing treatment

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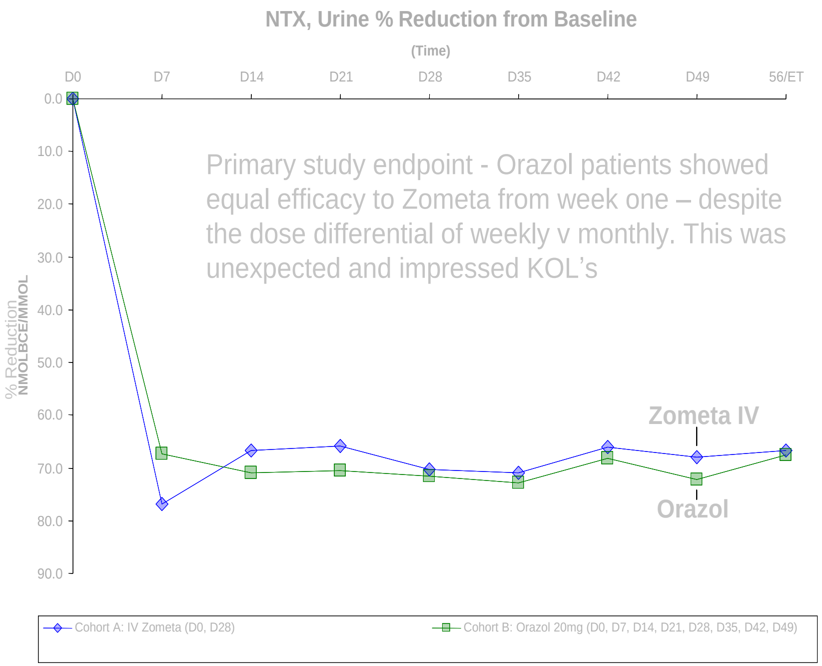
Target Post-menopausal

Orazol – Development Status



Orazol Phase II Data demonstrated:

- Similar delivery of Zoledronic Acid to the bone between the two dosage forms (4mg monthly infusion vs. 20mg weekly tablet)
- Similar efficacy as measured by standard bone turnover biomarkers (CTX, U-NTx)
- Improved efficacy for bone pain
- Improved safety and tolerability profile

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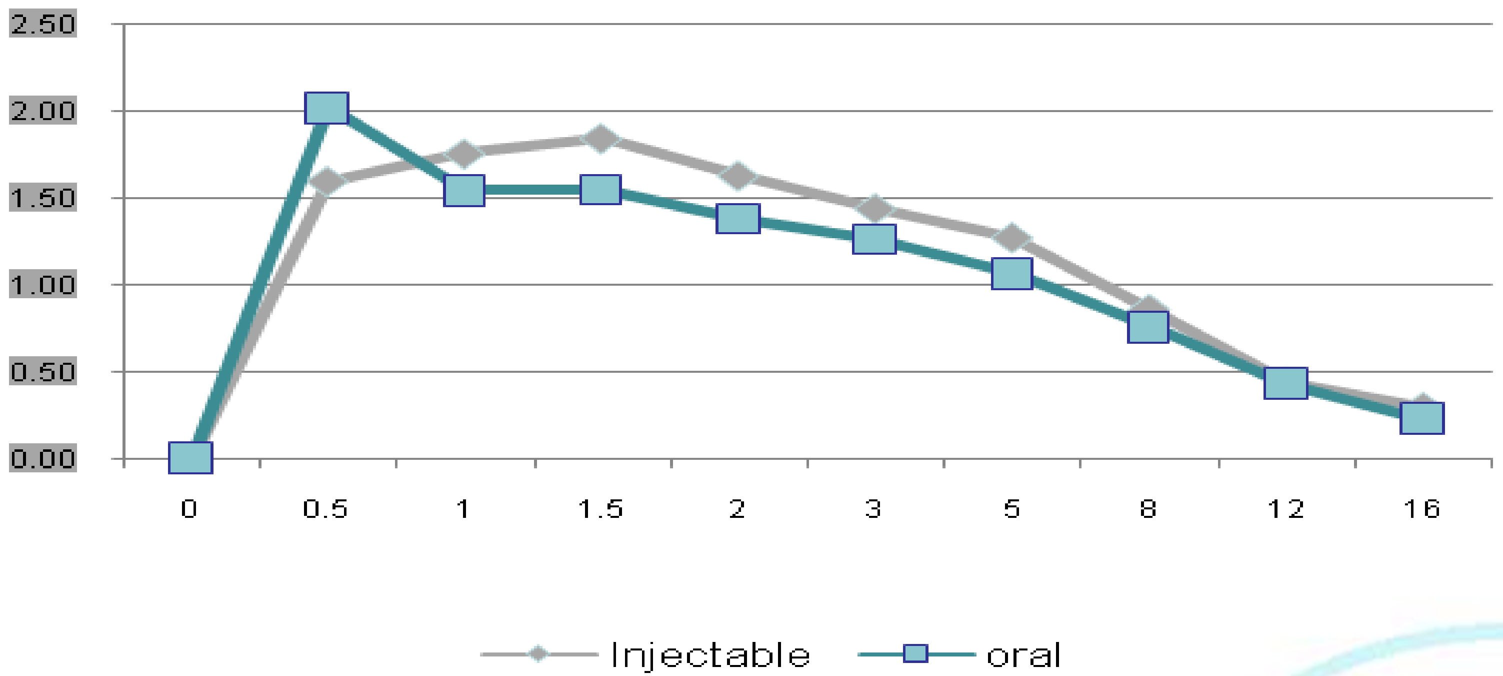
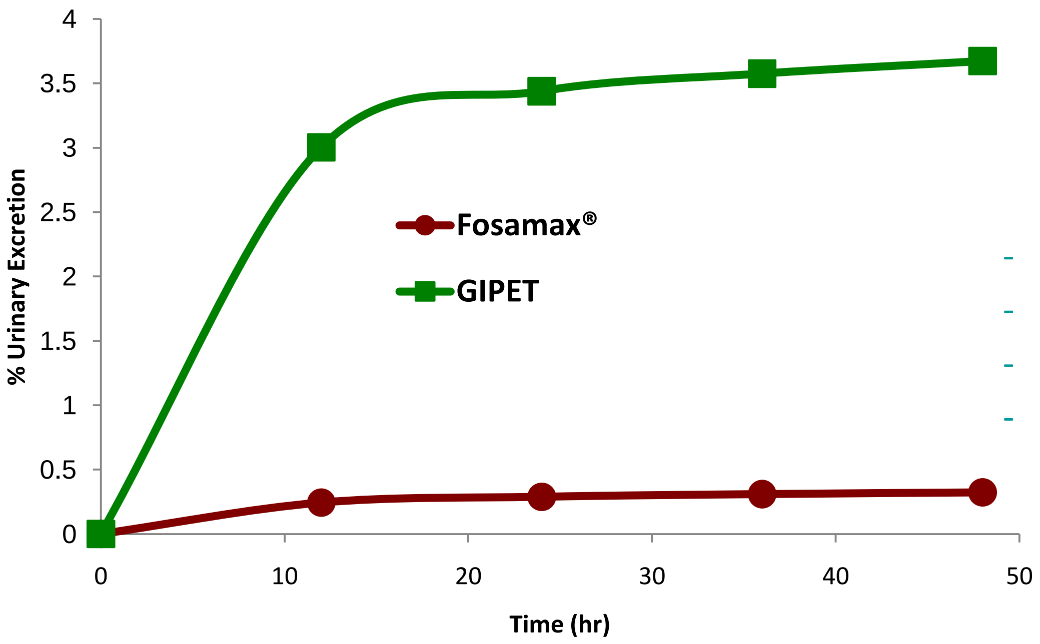
MER 102 – Anticoagulant

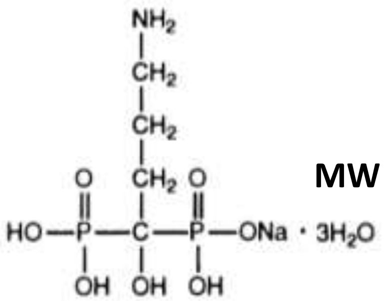


MER 102

- Patients take daily subcutaneous injections to prevent DVT's
- An oral would provide a series of benefits
  - New indications
  - Additional territories
  - Longer treatment
  - Competitive advantage

Almerol™





MW 325 Da

- **Almerol had <u>12 fold increased bioavailability</u>**
- **Lower variability**
- **Release in duodenum, no oesophageal effects**
- **<u>>92% reduction </u>of drug in GI tract**

- **Almerol potential in Emerging markets**
  - **China 90M osteoporosis sufferers**
  - **Osteoporosis is Chinese govt. health priority**
- **Almerol offers**
  - **Patent protected product**
  - **92% reduction in API**
  - **Improved product profile**

Financial Update

Consolidated P&L - Year to 31 December 2010

	Year ended 31 Dec 2010 €'000	Year ended 31 Dec 2009 €'000	Year ended 31 Dec 2008 €'000
Revenue	4,678	6,335	1,340
Cost of sales	(890)	(1,256)	(448)
Gross profit	3,788	5,079	892
R&D expenses	(5,279)	(5,247)	(3,898)
R&D tax credit	1,117	837	-
Administration expenses	(1,982)	(2,477)	(2,420)
Net Interest income/(exp)	(154)	178	363
Net Loss for the year	(2,510)	(1,629)	(5,062)
Loss per share	(€0.15)	(€0.10)	(€0.30)

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Consolidated Balance Sheet as at 31 December 2010

	31 Dec 2010 €'000	31 Dec 2009 €'000
Fixed assets	4,730	5,015
Trade and other receivables	2,729	3,029
Cash	3,310	7,218
	10,769	15,262
Trade Creditors and accruals	1,005	1,487
Deferred income	2,912	4,450
Loans & borrowing	2,851	3,258
Retained Loss	(32,868)	(30,358)
Equity	36,869	36,425
	10,769	15,262

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Summary

- Novo Nordisk - Validation of technology and capability
  - Oral insulin Q4
  - GLP1 H1 2012
- Other potential license deals with partners
  - New Novo Nordisk deal
  - Rebel – 2 compounds
  - Ferring
  - Top 10 Pharma – 3 compounds to start with
  - EU Biotech
- High potential own products for license
  - Orazol, MER102, Amerol
  - New product ideas to add to pipeline
- High quality BD pipeline to generate further feasibility deals
- Infrastructure
  - Revenue generation, low overhead
  - Highest quality facilities for maximum speed/lowest risk
  - Experienced team
- Risk diversified approach

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