



Merrion Pharmaceuticals plc

UBS Life Sciences Conference September 21st 2009

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Merrion Background

MERRION PHARMACEUTICALS PLC

90's/00's

2003

Q3 2009

Development of drug delivery technologies in Elan

Merrion opens for business - plan to build own/ partner portfolio

Develops in house portfolio of 4 products

Signs major partner programs Complete successful clinical trials

IPO December 2007*
Further clinical trials

First NN licence agreement November 2008

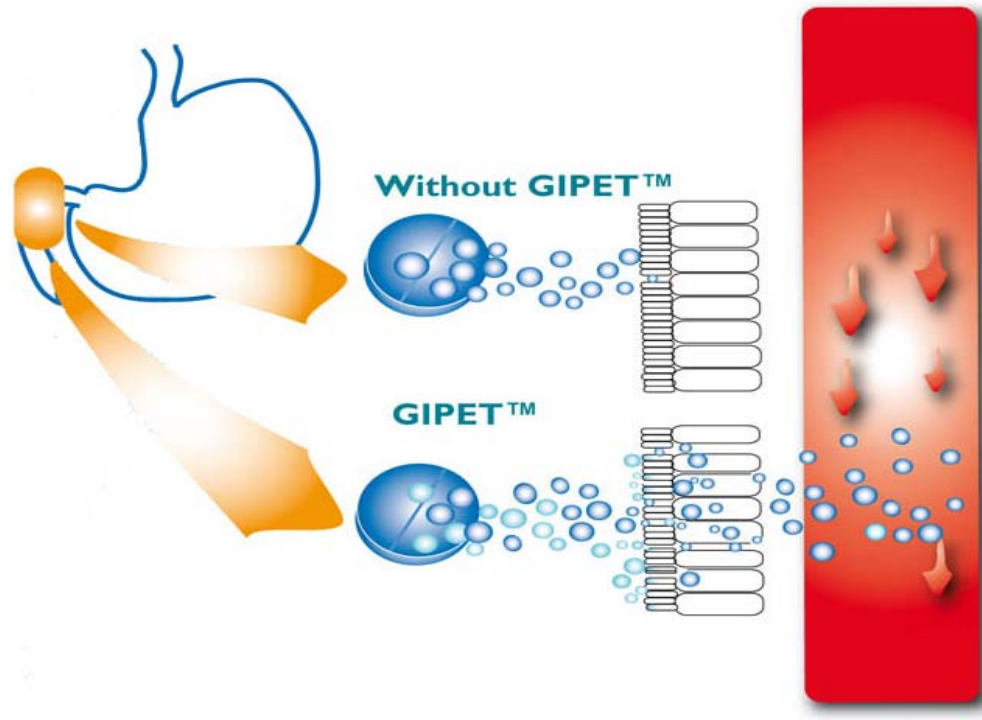
Second NN licence agreement January 2009

Orazol Phase II results
Acquire new Facility

Broad, high potential crystallising to value creation

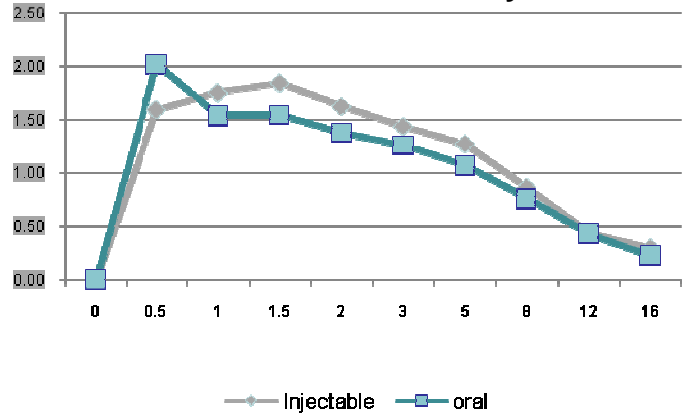
How does GIPET® work?

- ❑ Large increases in bioavailability (up to 46 fold)
- ❑ Works in broad range small molecule, peptide compounds
- ❑ Uses GRAS status absorption enhancers
- ❑ Excellent reproducibility (CV%)
- ❑ Abbreviated regulatory pathways e.g. 505(b)2
- ❑ Straightforward manufacture



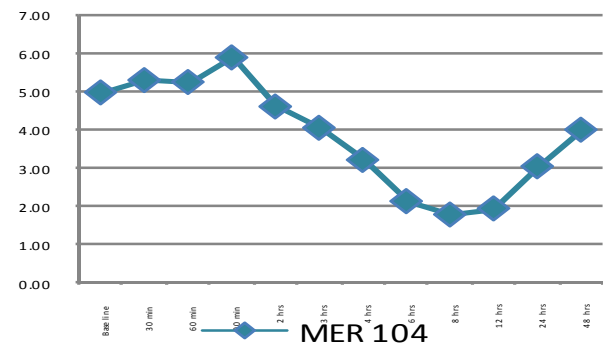
GIPET oral has similar profile to SC, consistent absorption
Synthetic Glycosaminoglycan

Anti Factor Xa activity



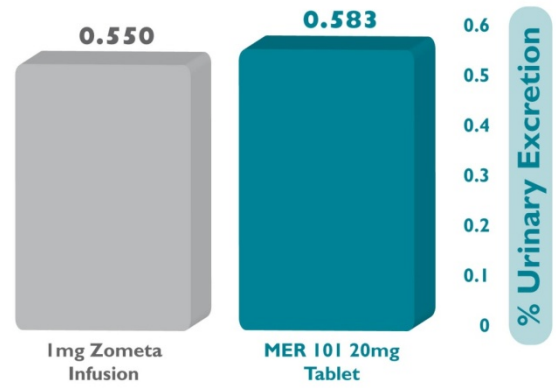
GIPET oral significantly boosts bioavailability, demonstrates clinical endpoint - Synthetic Peptide

Suppression of Testosterone



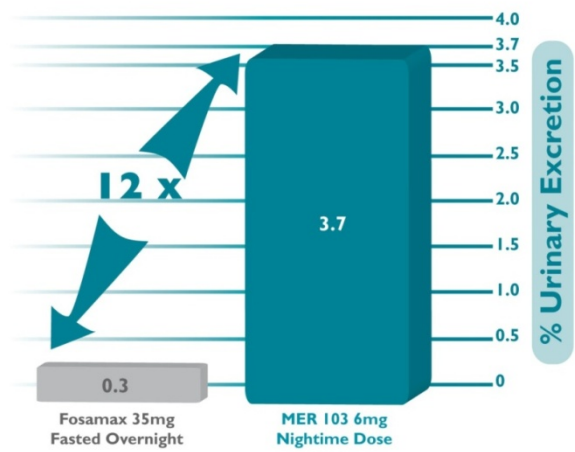
GIPET oral has similar bioavailability to IV infusion
Small Molecule

Comparative Bioavailability



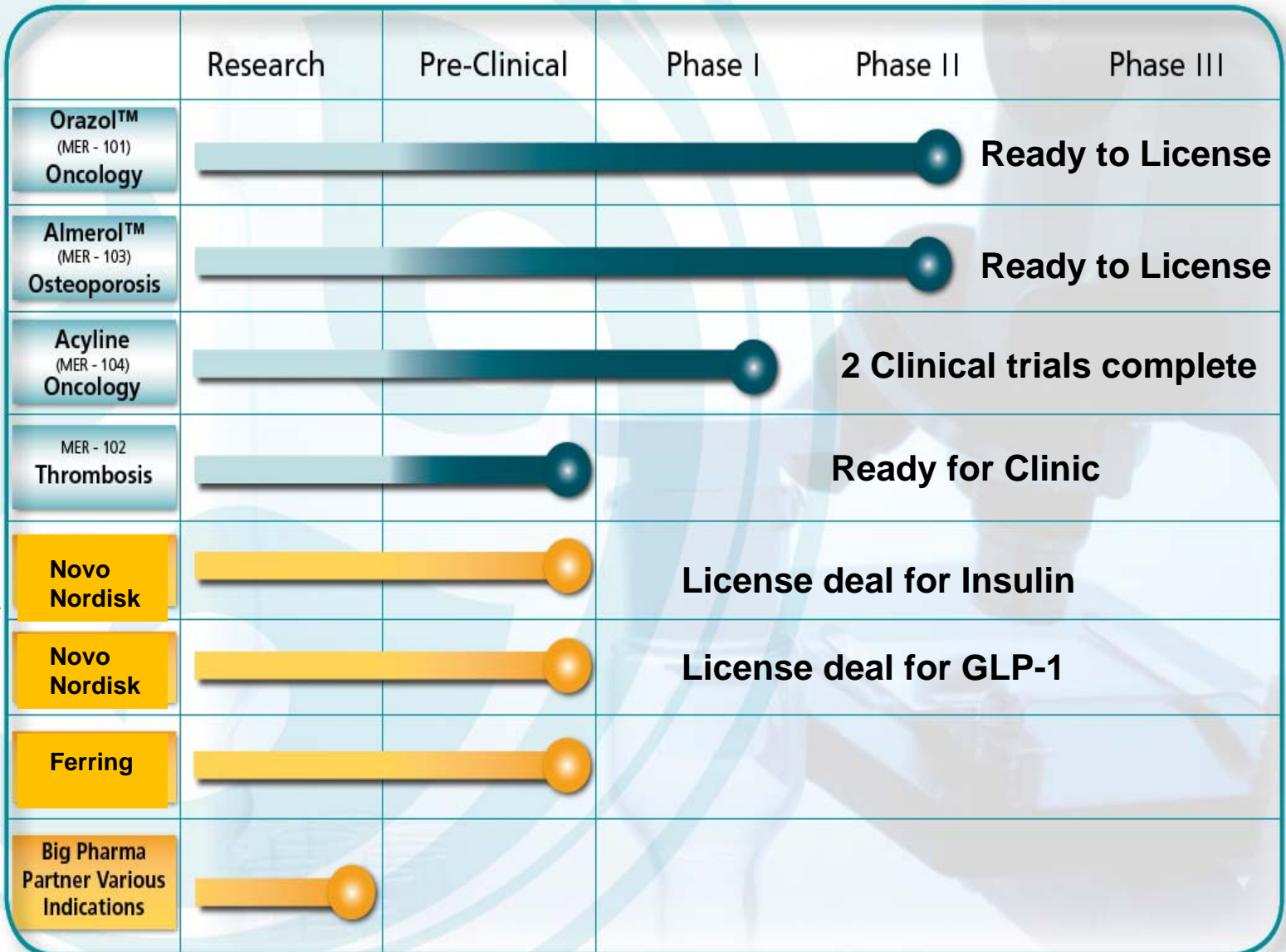
GIPET oral has similar 12 fold increase in bioavailability. As well as improved dosing convenience and reduction in fed/ fasted effect- Small Molecule

Comparative Bioavailability



Merrion Pipeline – Driving Value Growth

Internal



Partner Programs

Merrion Capabilities

From idea to final phase II formulation in our own cGMP facilities

- ❑ 35 Employees
 - ❖ 30 highly qualified R&D scientists
- ❑ Facilities
 - ❖ 30,000 sq.ft. purpose built facility, to highest specification
 - ❖ 21 Processing Rooms - Class D clean room
- ❑ FDA Audit – Previous pre-approval
- ❑ IMB License – EU Clinical Trials Directive





Novo Nordisk

Novo Nordisk Collaboration

- ❑ NN World leaders in Diabetes health care since 1923
 - ❖ 52% market share in Insulin
- ❑ Revenue 2008 \$8.95bn – diabetes 75%
- ❑ 25 Quarters consecutive double digit growth
- ❑ There are 246m people with diabetes worldwide growing to 380 m in 2025
- ❑ License Deals
 - ❖ Oral Insulin November 2008
 - ❖ Oral GLP-1 January 2009
 - ❖ Total milestones \$116M (first products)
 - ❖ Royalty
 - ❖ Equity
 - ❖ Development fees for formulation development and manufacturing



Novo Nordisk Collaboration

- ❑ Oral Delivery Strategy
- ❑ Novo Nordisk CSO comments in Danish Press July 2009
 - ❖ ‘Two decisive scientific breakthroughs in the last 24 months’
 - Novo Nordisk success in creating stable versions of insulin/GLP-1 molecule
 - GIPET successfully getting absorption into bloodstream preclinical
 - ❖ ‘Ready to test first insulin pill in 6-9 months, GLP-1 slightly after’
- ❑ Significant senior involvement - Head of diabetes research on Joint Development Committee
- ❑ Significant due diligence/validation on Merrion



Orazol™

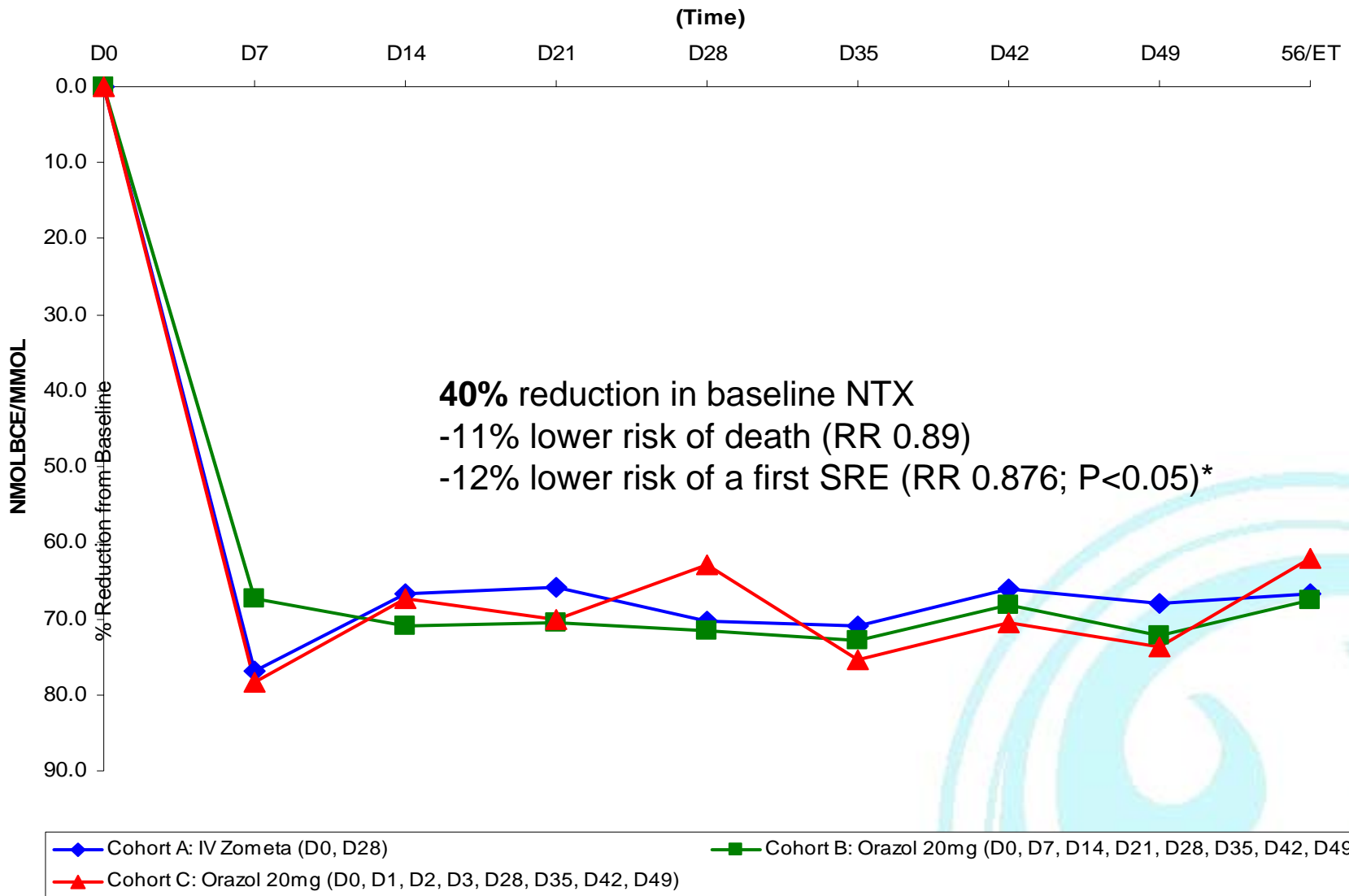
Improving the Standard of Care in Bone Metastases

ORAZOL™ SUMMARY

- ❑ Orazol™ is a weekly oral tablet of zoledronic acid
 - ❖ **rapid & continuous depression** of metabolic bone markers equal to IV Zometa® (2008 sales \$1.4Bn)
 - ❖ Clinical trials support Orazol's use outside hospital/clinic setting
 - ❖ Enteric coated & low level of GI exposure reduces the potential for bisphosphonate class GI side effects
 - ❖ No clinically significant changes in renal function has been observed with Orazol™
 - ❖ Acute phase reaction seen with IV Zometa® not been observed with once a week dose regime of Orazol™
 - ❖ Clinical trials with Orazol™ confirmed it is well tolerated
 - ❖ Market research indicates the potential for Orazol® to expand the market
 - ❖ Orazol™ 'Fence' patent strategy provides strong intellectual property position, potentially out to 2030

Orazol™ Phase IIb Data

NTX, Urine % Reduction from Baseline

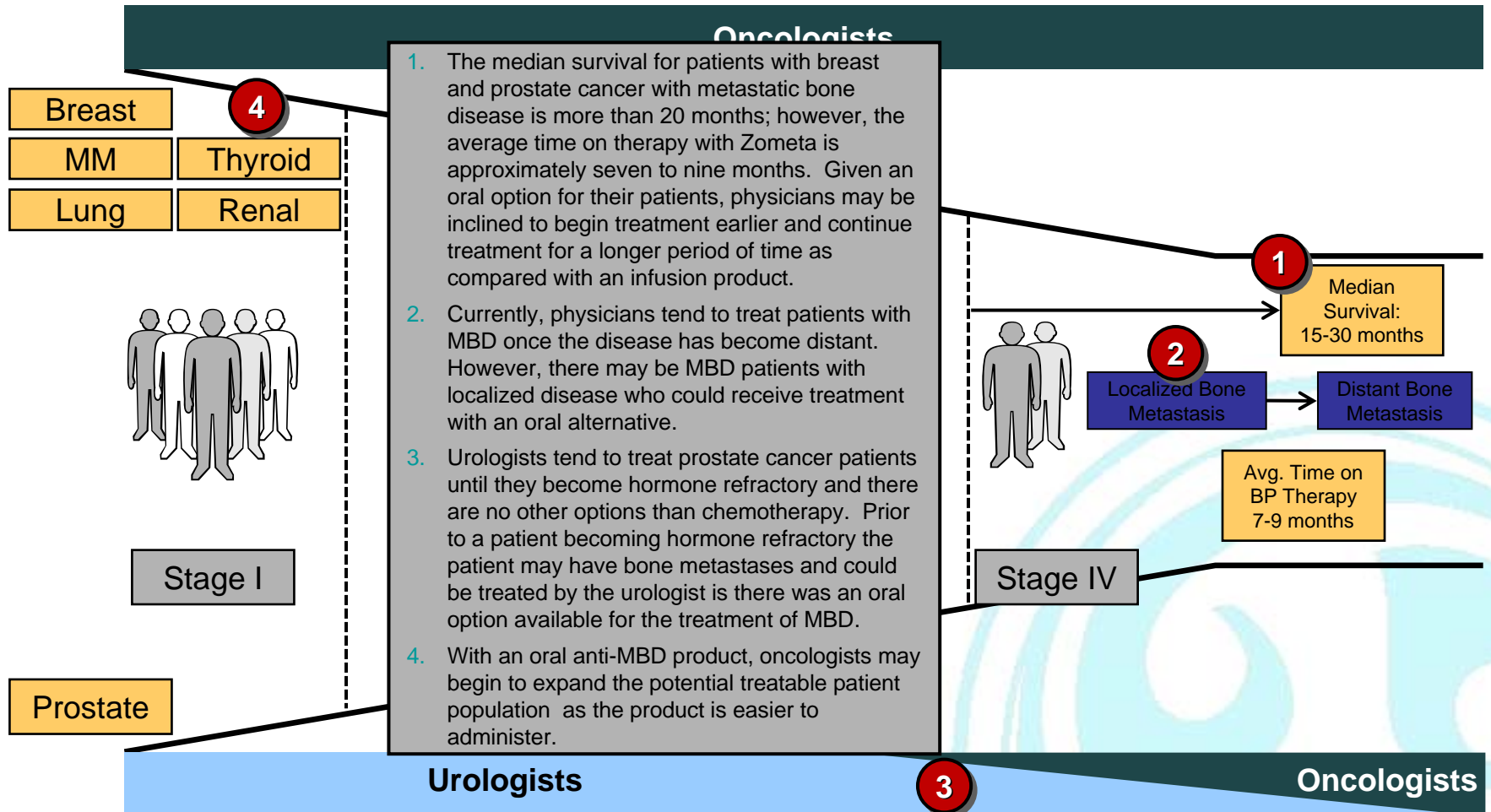


ORAZOL™ REGULATORY STATUS

- ❑ Regulatory pathway for US & European (EU) approval identified. Pre-Phase III FDA Meeting scheduled for Oct 20, 2009. EMEA Scientific Advice meeting has been requested & received
- ❑ Phase III multi-center non-inferiority trial comparing Orazol™ 20mg once weekly tablet with IV Zometa® 4mg every 4 weeks over 24 weeks in breast & prostate cancer patients with proven metastases.
- ❑ Full scale bioavailability study will confirm equivalent systemic dose for Orazol®

Potential Opportunities for Market Expansion

Beyond the potential initial approval for Orazol in the markets where Zometa is currently used exist several additional potential areas for market expansion.



Source: Results of 41 interviews conducted in August 2009 by Campbell Alliance.

ORAZOL™ PATENT STATUS

- ❑ Orazol™ ‘Fence’ patent strategy provides strong intellectual property position with an anticipated coverage to 2030
- ❑ 5 patent applications (European patent no 1154761 granted February 2008) filed including
 - ❖ broad composition of patent in GIPET® technology
 - ❖ drug specific compositions including zoledronic acid





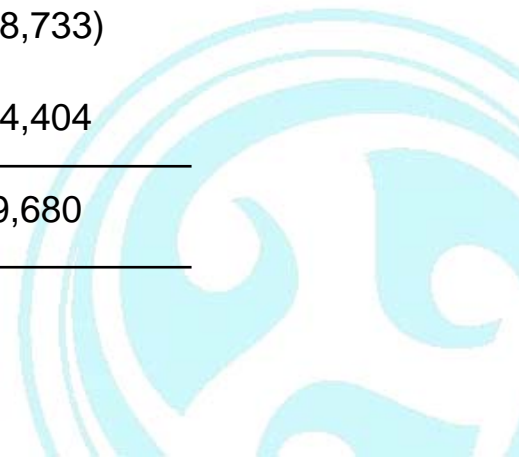
Results and Newsflow

2009 Interim Results

	6 months ended 30 June 2009 €000	6 months ended 30 June 2008 €000	Increase (Decrease)
Revenue	1,691	354	378%
Cost of sales	(444)	(66)	573%
Gross profit	1,247	288	333%
R&D expenses	(2,569)	(1,679)	53%
Administration expenses	(1,139)	(936)	21%
Net Interest income/(expense)	127	154	(18%)
Loss for the period	(2,335)	(2,173)	(58%)

Consolidated Balance Sheet 30 June 2009

	30 June 2009	31 Dec 2008
	€000	€000
Fixed assets	997	788
Trade and other receivables	1,341	753
Cash	8,453	8,140
	10,791	9,680
Trade Creditors and accruals	672	663
Deferred income	4,636	730
Leasing	303	-
Retained Loss	(31,064)	(28,733)
Equity	35,527	34,404
	10,791	9,680



Near term News flow

- ❑ Orazol outlicensing opportunity
- ❑ Other outlicensing opportunity
 - ❖ Merrion products
 - ❖ Partner
- ❑ New Merrion products
- ❑ New Partner programme
- ❑ Novo Nordisk clinical dosing



Summary

- Good cash position - No Immediate funding requirement
- Low overhead base, low debt
- Revenues crystallising – milestone revenue and cash potential

- 2 deals with Novo Nordisk
- Validating deal with major industry player
- \$116m in milestones, royalties on 2 potential blockbusters
- Significant development fee income in medium term

- High value internal development projects – Orazol
- Positive phase 2 results
- expanding indications

- Dual business model
- Low risk, low cost development strategy
- Other potential licensing opportunities

- Technology delivers excellent results over broad range of compounds