



Corporate Presentation
August 2009

Non-Confidential

Executive Summary

- ◆ Created by Asahi Kasei Pharma (Tokyo, Japan) and a strategic syndicate of Asian and Western investors
- ◆ ART 123 (lead product): first-in-class therapy for treatment of DIC in sepsis: \$2-5 billion market potential with no competition; immediate sales in emerging markets possible
- ◆ ART 123 Status:
 - Japan: Approved in Jan '08, launched in May, 2008
 - US/EU/ROW: 750 patient Phase 2b DIC in sepsis trial initiated 3Q07
first interim analysis Mar 2009 successful
second interim analysis Jul 2009 successful
- ◆ \$39 million Series A financing completed mid-2006:
 - NGN Capital, New Leaf, JAFCO, BioOne, Novaquest
- ◆ \$30-35 million Series B:
 - First closing April 2009 completed
 - Final closing targeted for 3Q09 to complete Phase 2b trial
- ◆ Liquidity event expected 2H2010 – 1H2011 post-Phase 2b trial results

ART 123 for the Treatment of DIC



- ◆ Recomodulin® Infusion
- ◆ 12,800 units of thrombomodulin alfa (recombinant) per vial
- ◆ Indicated in Japan for the treatment of DIC broadly
- ◆ Lyophilized
- ◆ Manufactured and sold by Asahi Kasei Pharma Corporation
- ◆ Licensed to Artisan worldwide ex-Japan, China, Taiwan, Korea

Differentiating Features of Artisan

- ◆ Company launched in mid-2006 with ART 123 with >750 subjects treated, Japanese NDA submitted, Phase 1 and 2a studies in North America completed
- ◆ ART 123 now approved in Japan at significant premium to other products: \$5800 per course of therapy vs. \$800-2000 for competing products
- ◆ Japanese dossier submissable in many lucrative emerging markets without further clinical development = near-term revenue potential
- ◆ Strong alliance with Asahi Kasei Pharma Corporation on ART 123
- ◆ Significant investment and support from JAFSCO, Japan's largest VC fund
- ◆ Strong financial condition via global syndicate of investors
- ◆ CEO's 18 years of employment, deal-making and relationship-building with Japanese pharma firms
- ◆ Management team with deep experience in clinical development, Japanese pharma, venture capital & strategic alliances

DIC, Sepsis & ART 123

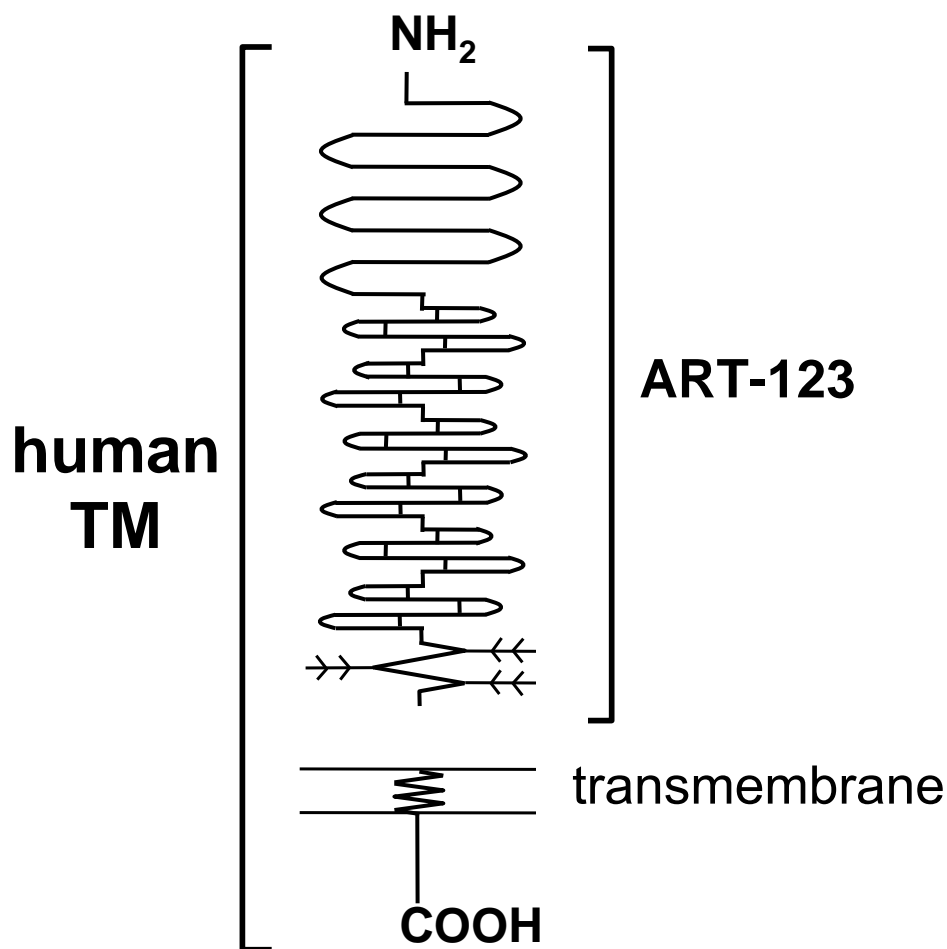
- ◆ Sepsis:
 - hyper-inflammatory response to a known or suspected infection
 - ~2 million cases per year between U.S. and EU
 - 20-50% mortality rate depending on severity
 - Only approved therapy (Xigris®) struggling with sales and regulatory actions
- ◆ Disseminated intravascular coagulation (DIC)
 - Key pathophysiologic mechanism of sepsis
 - Involves widespread coagulation
 - **Development of DIC doubles the risk of death due to sepsis**
(Source: Levi, M. N Engl J Med 1999;341:586-592)
 - **DIC result of coagulation AND pro-inflammatory cytokine activation**

***ART 123 restores homeostasis to coagulation
& inflammatory pathways if, when and as needed***

ART 123 DIC in Sepsis Market Potential

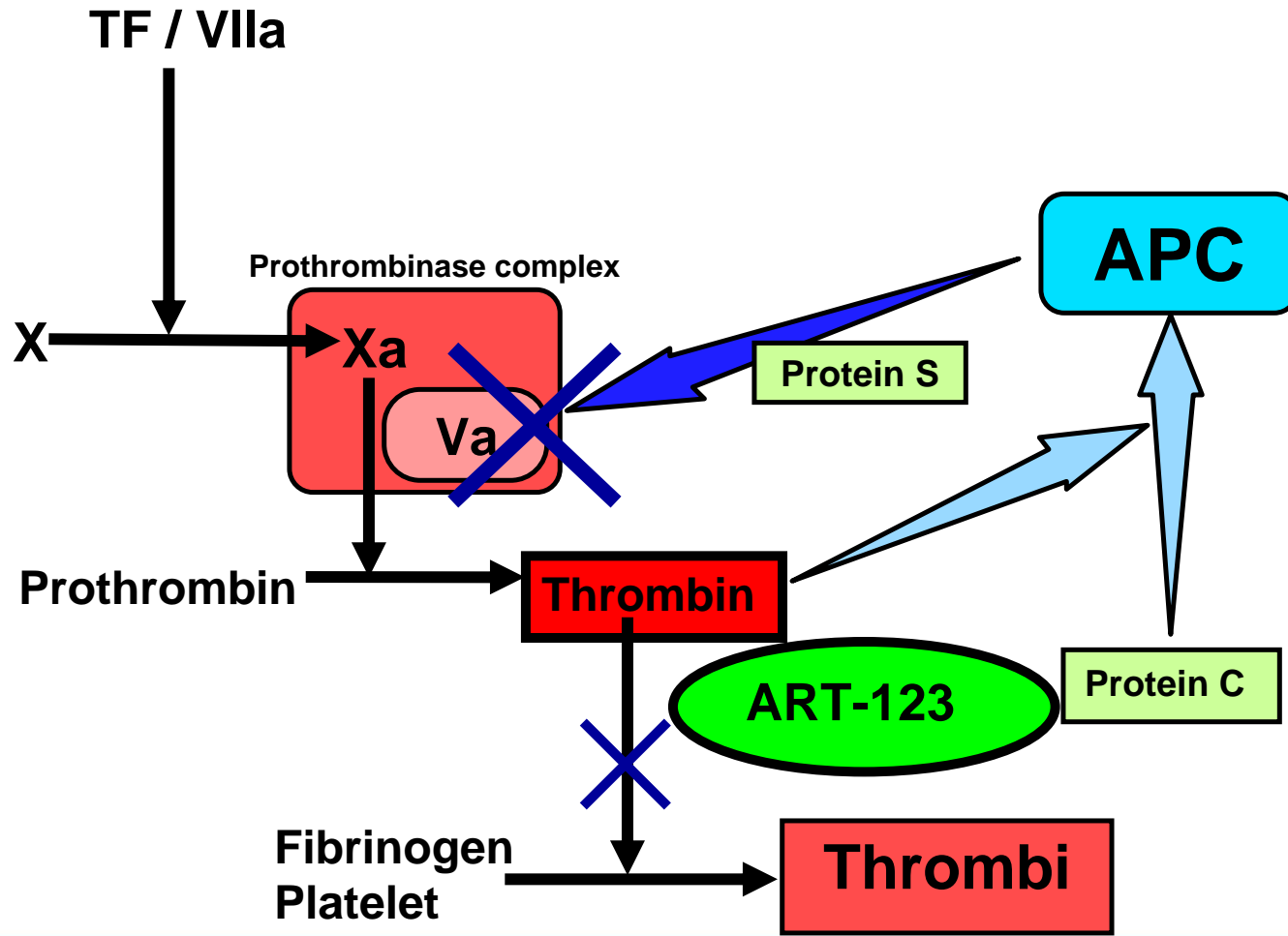
- ◆ ~2 million cases per year between U.S. and EU; another ~4 million cases in other markets globally
- ◆ ~30% addressable via P2b study protocol = 600K – 1.8M patients globally
- ◆ Market potential of ~\$2 – 5 billion depending on pricing and penetration

Summary of ART-123

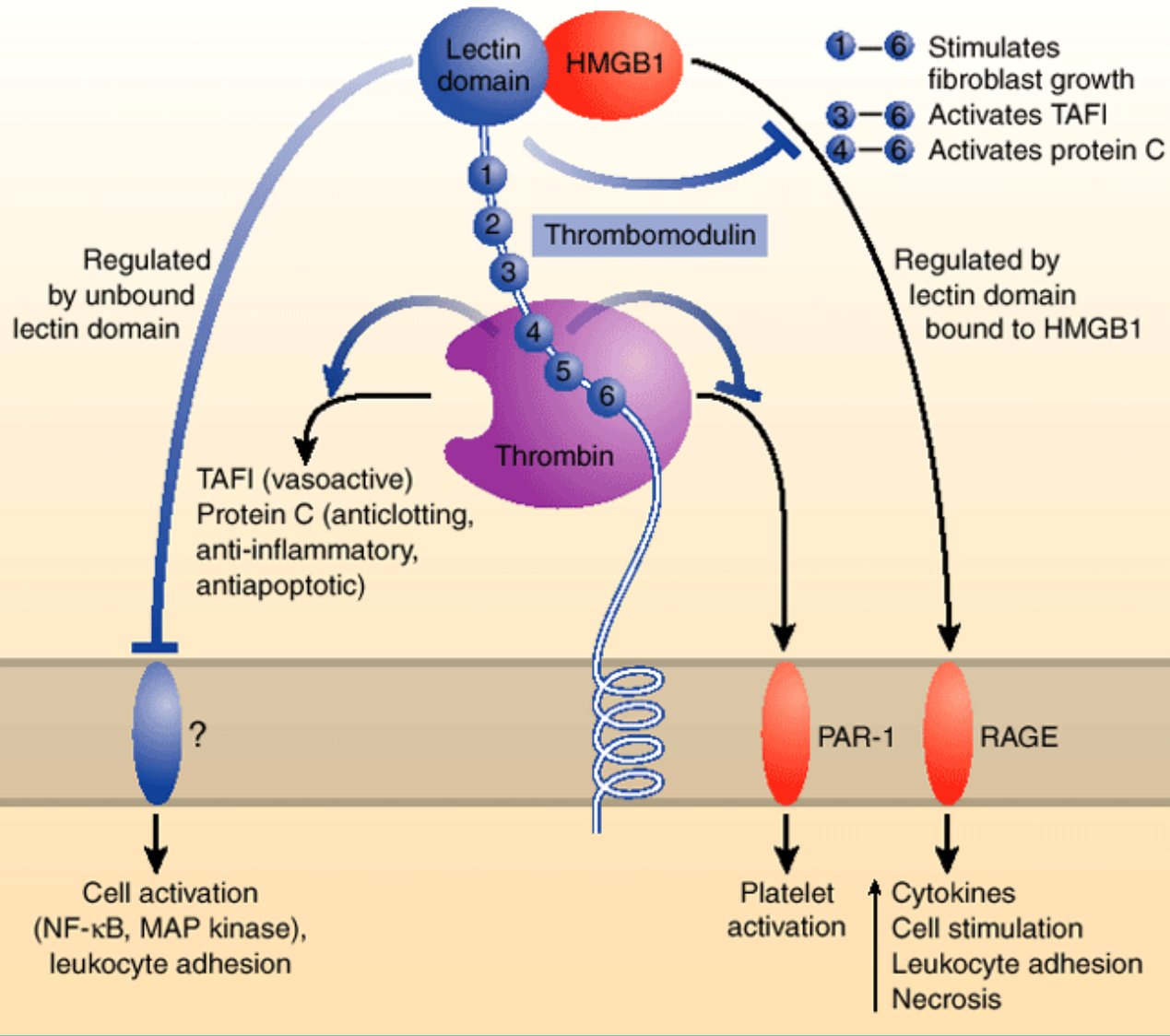


- ◆ ART 123 is recombinant human soluble thrombomodulin (TM) found in all endothelial cells
- ◆ TM is key regulator of both coagulation and the systemic inflammatory response to sepsis
- ◆ Key in natural feedback loop modulating coagulation cascade
- ◆ ART 123 composed of the extracellular domains of TM
- ◆ Glycoprotein (Mw: 64,000; 498 amino acids)
- ◆ Long half-life (~20 hours) after i.v. administration

ART 123 Anticoagulant MOA Self-Regulating: *Key Differentiation vs. Lilly's Xigris® (APC)*



“Thrombomodulin Takes on Coagulation AND Inflammation”



Source: Esmon, Charles. *Nature Medicine* 11, 475 – 477 (2005)

MOA: ART 123 vs. Xigris

ART 123	XIGRIS	POTENTIAL CLINICAL BENEFITS
Inhibition of complement activation	Unknown	Less endothelial cell dysfunction ^{1,2} Improved hemodynamics, reduced thrombosis
Inhibition of HMGBI/RAGE activation	Unknown	Reduced vascular injury ^{3,4} Reduced organ failure
Reduction in NF KB and MAP kinase signaling	Also true for Xigris, but requires high levels possibly contributing to bleeding risk	Reduced leukocyte adhesion ⁵⁻⁸
Direct thrombin inhibition	None	Reduced platelet activation ⁹
Generates increasing anticoagulant response approximately in proportion to the coagulation stimulus	Arbitrary, set level with no on-demand feature	Protection of endothelial barrier function and reduction in hypotension/shock ⁵
Increases TAFI activation	Inhibits TAFI activation by reducing thrombin	Increasing TAFI activation should reduce edema, endothelial dysfunction and organ failure. It should also stabilize clots, reducing bleeding risks. ⁹⁻¹²
Competes for thrombin activation of PAR-1, thereby decreasing endothelial cell dysfunction and reducing thrombin dependent cell activation	None	This should result in decreased organ failure, improved circulation and decreased inflammation. ^{9,12,13}
Strongly accelerates permanent thrombin inhibition by the protein C inhibitor, clearing thrombin from the circulation and possibly contributing to protein C inhibitor consumption and hence to prolonged circulation lifetime of activated protein C	Xigris does not	This should decrease DIC by increasing activated protein C lifetime in the circulation, and this should improve activated protein C protective cellular signaling. ¹⁴

MOA References of Previous Slide

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ART 123 Advisory Board: Global Thought-Leaders in Critical Care, DIC/Sepsis and Thrombomodulin

Member	Location	Relevant Background
Prof. Naoki Aikawa, M.D., DMSc, F.A.C.S.	Keio University Tokyo, Japan	Professor of Emergency and Critical Care Medicine, lead investigator of ART 123 Japanese 3 study
Gordon Bernard, M.D.	Vanderbilt University Nashville, TN	Xigris external consultant; lead author of Xigris NEJM publication; author of Xigris cost-effectiveness paper; extensive research in sepsis and pulmonary disease
Mark A. Crowther M.D., M.Sc., F.R.C.P.C.	McMaster University Hamilton, Ontario	Extensive research in thromboembolism and hematology
Charles T. Esmon, Ph.D.	Oklahoma Med. Res. Found. Oklahoma City, OK	Research on the regulation of blood clotting with a special emphasis on the role of blood vessel proteins, including thrombomodulin, in controlling clot formation
Jawad Fareed, Ph.D.	Loyola University Med. Center Chicago, IL	Extensive research on pathophysiology of thrombotic and cardiovascular disorders and their pharmacologic management
Marcel Levi, M.D., Ph.D.	University of Amsterdam Netherlands	Author of retrospective analysis of Xigris for DIC and NEJM DIC review; experimental and clinical studies on the interaction of infection/inflammation and hemostasis
Howard Levy, MD	Chief Scientific Officer Sangart, Inc.	Ex-Medical Director for Lilly in charge of Xigris; ex-Vice President of Novo Nordisk, Inc.
Joseph E. Parrillo, M.D.	Cooper University Camden, NJ	Leading clinician and researcher in cardiovascular disease and critical care medicine
Jean-Louis Vincent, M.D., Ph.D.	University of Brussels Belgium	Author of Xigris NEJM publication and author of Xigris cost-effectiveness paper

ART 123 Development Status:

>1200 Subjects Treated To Date

◆ Japan

Completed trials have administered drug to 405 subjects

- Phase 3 completed 4Q05
- JNDA approved Jan 2008 for treatment of Disseminated Intravascular Coagulation (DIC), launched May 2008
- Post-marketing safety surveillance program generating significant data for Artisan to leverage

◆ North America (U.S. & Canada):

Completed trials have administered drug to 367 subjects

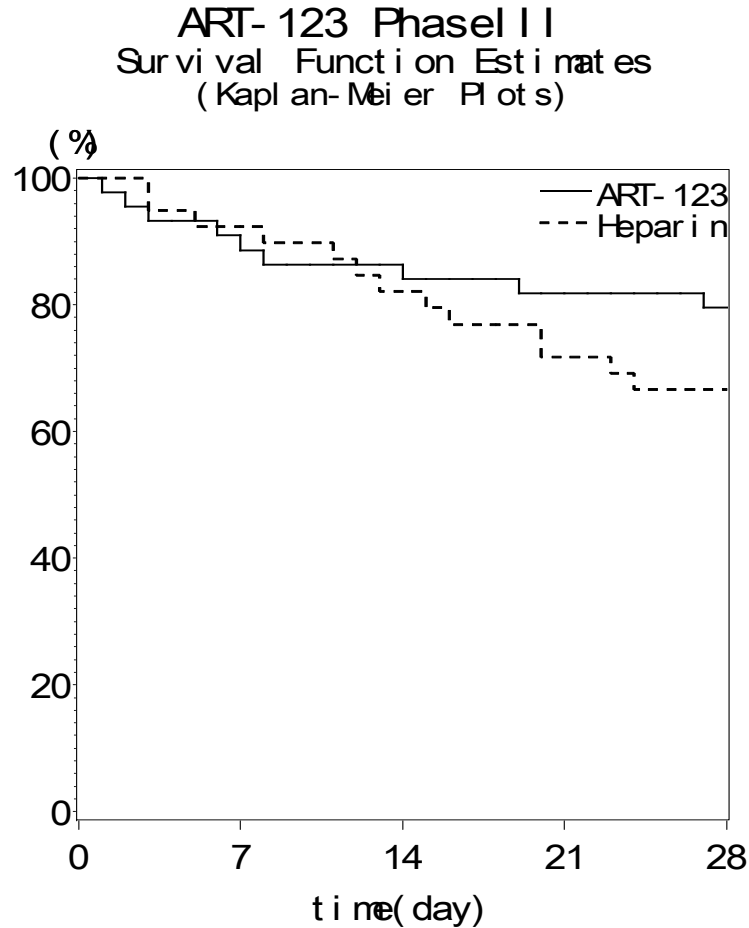
- Positive P2a completed in Deep Vein Thrombosis (DVT) Prophylaxis
- 750 patient DIC/sepsis Phase 2b trial scheduled for completion by Artisan 1Q2010

Japanese Phase 3 DIC Trial Results

(Reported in the Journal of Thrombosis & Hemostasis, October 2006)

- ◆ Low-dose heparin vs. ART 123 in the treatment of DIC due to either hematologic malignancy or sepsis:
 - Non-inferiority study
 - 234 patients enrolled in total
 - ART 123 dose: 0.06 mg/kg/d i.v. x 6d
 - Heparin dose: 8 units/kg/hour for 24 hours x 6d
 - Primary endpoint: resolution of DIC
 - Secondary endpoints: 28 mortality, bleeding symptoms
- ◆ Results:
 - DIC resolution: 66.1% (ART 123) vs. 49.9% (heparin)
 - 7 day bleeding: 43.1% (ART 123) vs. 56.5% (heparin)
 - **28 day mortality in sepsis: 28% (ART123) vs. 34.6% (heparin)**

Phase 2B ART 123 DIC in Sepsis Trial Rationale



Survival in patients with infection and no hematologic malignancy (n = 83)

28-day survival
ART-123: 0.80
Heparin: 0.67

Rationale For ART 123 Phase 2b Trial in DIC in Sepsis: XIGRIS® PROWESS Study Showed Significant Mortality Benefit in Patients With Overt DIC

	XIGRIS®		Placebo		Relative risk (95% CI)
	# of Patients	%	# of Patients	%	
Baseline overt DIC					
Without	567	22.1	547	27.1	0.81 (0.66-1.00)
With	233	30.5	221	43.0	0.71 (0.55-0.91)

Treatment effects of drotrecogin alfa (activated) in patients with severe sepsis with or without overt disseminated intravascular coagulation, J.-F. DHAINAUT, S. B. YAN, D. E. JOYCE, V. PETTILA, B BASSON., J. T. BRANDT, D. P. SUNDIN and M. L EVI

Journal of Thrombosis and Haemostasis, 2: 1924–1933 (2004)

Artisan's Phase 2b ART 123 Clinical Trial

- ◆ Clinical Sites: U.S., Canada, Europe, Australia, New Zealand, India, Argentina, many other countries
- ◆ Total # subjects: 750
- ◆ Study design: double-blind, placebo controlled
- ◆ Enrollment: septic patients with documented or high risk of overt DIC
- ◆ Primary endpoint: all cause 28 day mortality
- ◆ Secondary endpoint: resolution of DIC

Artisan's Corporate Strategy

- ◆ Focus resources on delivering ART 123 success
- ◆ Partner ART 123 in emerging markets leveraging Japanese approval and dossier
- ◆ Pursue major transaction upon conclusion of Phase 2b ART 123 DIC in sepsis trial

Jeffrey D. Wager, M.D.

President and CEO

- ◆ M.D., Rush Medical College; MBA, University of Chicago
- ◆ 2006 – Present: President and CEO, Artisan Pharma, Inc.
- ◆ 2000 – 2006: Founder and Managing Director, Apeiron Partners LLC
 - NASD-registered investment bank focused exclusively on the life sciences
 - >\$250 million in capital structured in a wide variety of deals
 - Focused on designing and executing corporate spin-outs: Targacept, Inc. (NASDAQ:TRGT), KBI BioPharma, Artisan Pharma, others
- ◆ 1995-2000: Medical Science Partners (VC fund sponsored by Harvard)
 - Focused on spin-outs from Harvard medical system, resulting in start-up, growth, and exit of several firms, e.g., ICAGEN, Diatide, deCODE, ZYCOS, Inspire, others
- ◆ 1991 – 1995, Executive Director, Business Development for \$1.4 billion Bank of Tokyo life science trading company affiliate (Kasho Company, Ltd.)
 - Advised Japanese pharma companies on product development and out-licensing, resulting in major drug development deals, e.g., Taiho-BMS (UFT), Daiichi/Yakult – Upjohn/RPR (CPT-11), others

Inder Kaul, M.D., M.P.H.

Chief Medical Officer

- ◆ M.D., University of Kashmir, India
- ◆ M.P.H., Harvard School of Public Health
- ◆ Over two decades of progressive experience in the product development programs of drugs, biologics and devices encompassing scores of clinical trials (Phase I-IV)
- ◆ Proficient in the program development as well as project management of INDs, IDEs, NDAs, BLAs, CTDs, SNDAs, S/NDSs, MAAs and PMAs.
- ◆ Extensive regulatory experience with the FDA, EMEA and Health Canada encompassing submissions and successful registrations.
- ◆ Industry Experience:
 - 2006-2009: Oscient Pharmaceuticals, Vice President, Clinical Development, Medical and Regulatory Affairs
 - 1998-2006: ABS (formerly Abt Associates Clinical Trials), Division Vice President
 - 1996-1998: AAI (formerly MTRA), Vice President, Clinical and Medical Operations
 - 1995-1996: Pfizer (formerly G.D. Searle & Co.), Director, International Medical Operations
 - 1992-1995: Boehringer Ingelheim Pharmaceuticals, Associate Director Clinical Research Immunology & Virology
 - 1990-1993: Parexel International, Director, Medical Operations
 - 1988-1990: Candela Laser Corporation, Monitor, Clinical Research

Nita Patel, Ph.D.

SVP, Operations

- ◆ Ph.D., Molecular Biology, University College of London
- ◆ 19 years experience in pharma R & D
- ◆ 15 years in Quality/Regulatory Affairs
- ◆ Extensive global regulatory and quality experience with domestic and international INDs, license applications, regulatory agency inspections, change control, compliance (GLPs, GCPs GMPs), and advertising and promotional regulatory management
- ◆ Industry Experience:
 - 2004-06: GenVec, Vice President, Regulatory Affairs & Quality Assurance
 - 2003-4: Baxter, Senior Director, Regulatory Affairs, Global Vaccines
 - 1995 – 2002: Medimmune, Inc., increasing positions, most recently Project Director for Synagis (\$400 million in sales)
 - 1991 -1995: BioReliance/Microbiological Associates: Study Director/Staff Scientist
 - 1987-1989: University of Colorado Health Sciences Center

Hajimu Sakamoto

VP Strategic Alliances

- ◆ 2006 – present: Artisan Pharma, Inc.
- ◆ 1978-2006: Asahi Kasei Pharma Corporation (AKP)
 - 1994-2006: positions of increasing seniority within AKP's Licensing & Business Development Department, most recently, General Manager:
 - responsible for many deals with pharmaceutical companies, including those with GSK, Schering AG and Novartis
 - 1978-1994: In AKP research laboratories:
 - developed t-PA, TNF and thrombomodulin (ART-123)
 - member of an Expert Working Group (Q5, biotechnology quality) of the ICH representing the Japan Pharmaceutical Manufacturers Association
- ◆ Master degree in biochemistry and biophysics from Osaka University

The Artisan Proposition

- ◆ The ART 123 opportunity:
 - Immediate revenue opportunity in multiple emerging markets
 - Billion-dollar NA/European opportunity with no current and little future competition
- ◆ Why we can succeed:
 - Approved product in Japan = we know it works
 - Global KOLs believe in our product
 - Artisan team knows what it needs to do to execute....