

starpharma

The Dendrimer Businesses



Dendrimers

Dendrimers are a basic building block of nanotechnology.

Nanotechnology is the most exciting new technology of the 21st century.

Nanotechnology has the potential to transform industries by producing a whole range of new products.

Starpharma's Investment in DNT

DNT, with its focus on dendrimers, is directly relevant to Starpharma's core business:

-  Provides access to additional dendrimer IP in pharmaceuticals, eg. drug delivery;
-  Provides exposure to broader opportunities through dendrimer applications in other industries;
-  Assists Starpharma in marketing its technology in the US;
-  Enhances Starpharma's international scientific profile;
-  Assists Starpharma in accessing US grant funding;
-  Provides financial benefit from our equity position.

DNT Recent Developments

- **Appointment of an experienced business-focused CEO – Dr Charles Burke;**
- **US\$3.5 Million grant from the US Department of Defense;**
- **Permission from the PDF Board to convert DNT into a US entity;**
- **Scientific developments, ie. lower cost synthesis methods for dendritic structures;**
- **Marketing dendrimers through agreement with the world's leading chemical distributor, Sigma-Aldrich;**
- **Strong interest from US venture capitalists in investment in DNT.**

“... I've seen a lot of presentations and lot of cases that are made for various technologies. This is one of the most impressive I've ever seen.”

*Senator Carl Levin,
Chairman US Senate Armed Services Committee*

***The Senate Armed Services Committee
controls a budget in excess of
US\$300 Billion p.a.***

Central Michigan University

- Funding
- Intellectual Support
- Lab and Office Space
- Library – Journal Access
- IT, Telephone, Video Conferencing, Web Development
- Safety, OSHA, etc.



DNT's Opportunities

Nano - catalysts

Nano - reagents



Nano - optics

Nano - electronics

Military

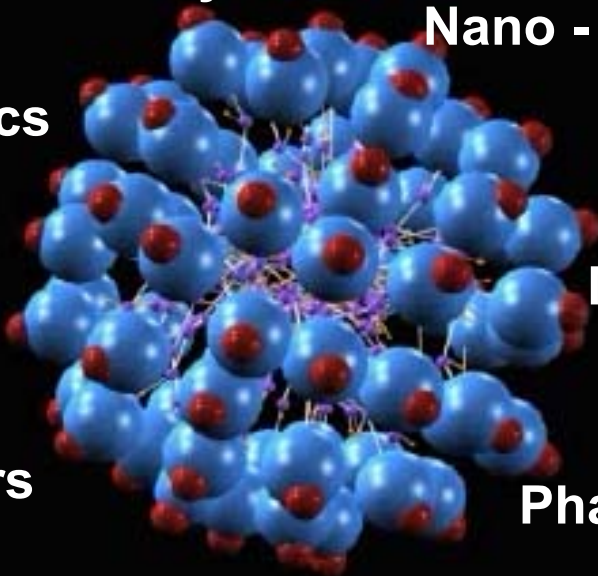


Nano - sensors

Pharmaceutical



Thin Films



DNT Business

The “Dendrimer Store”

- Sales of Dendritic Nano-Reagents for R&D

Joint Development of New Nano - Products

- Nano - Pharmaceutical
- Biotech
- Electronics

New DNT Exclusive Products

- Functional Nano - Films
- Nano – sensors
- Energy Transduction & Amplification

Vaginal Microbicide



Technology

- Prevent transmission of STDs (including HIV)



Status & Results

- December 2002: Proposed filing of US FDA Investigational New Drug Application
- Early 2003: Commence Phase I human safety clinical trials in Adelaide



Opportunity

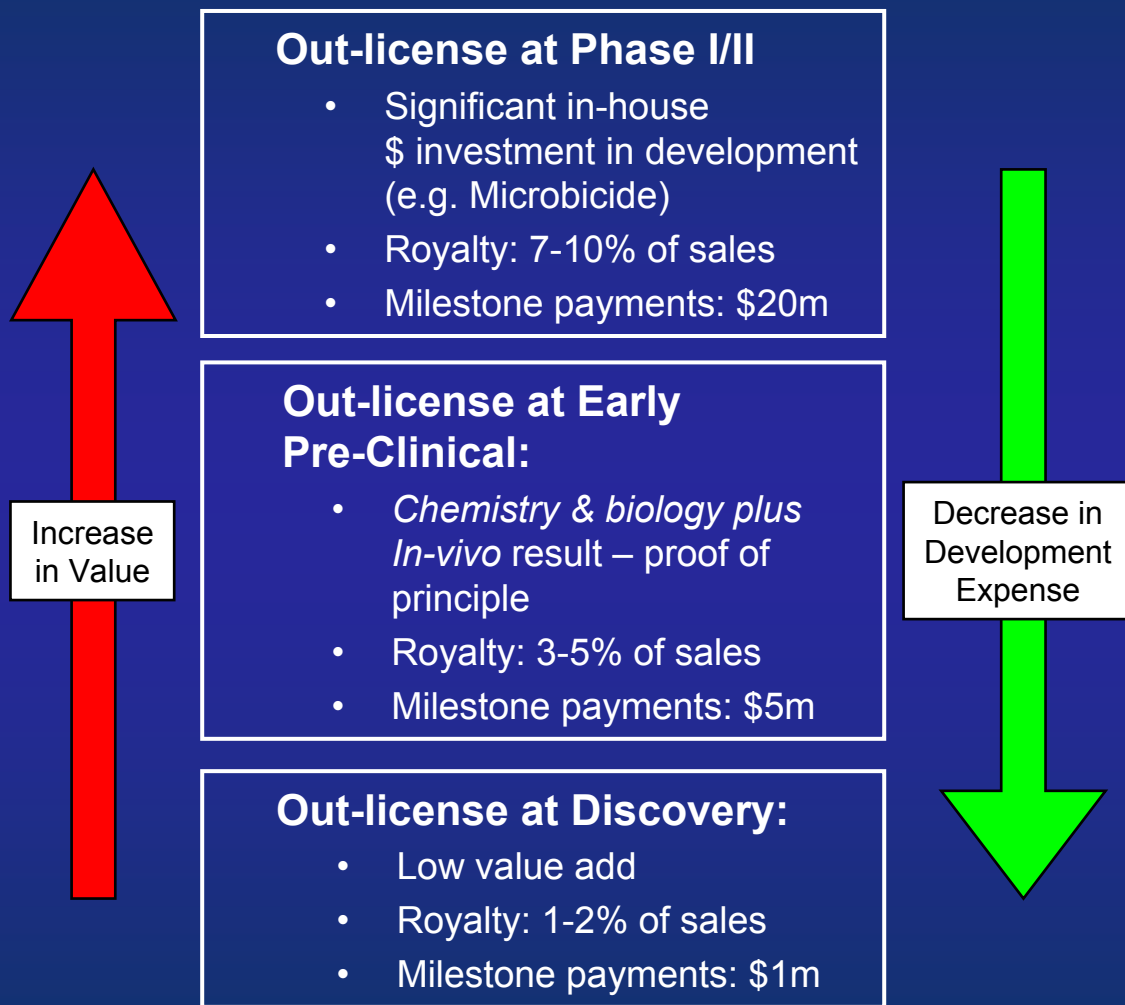
- In yr 2002, 5m people worldwide were newly infected with HIV, 42m are infected with the virus (50% women), 100 million women worldwide are concerned about contracting HIV / STDs.
- Market for vaginal microbicide protecting against HIV – estimated US\$1.8b in US and US\$3b worldwide



Commercialisation Strategy

- Potential external grant support – cost of future clinical trials
- License to major pharmaceutical before/during Phase II trials – by late 2004
- Projected commercial sales in 2007
- Up-front, milestone & royalties on sales

Stage of Licensing



Starpharma's strategy is to generate maximum value but minimise development expense.

Out-license at Early Stage

V.

Out-license at Phase I/II



'Technology' Focus:

- HSV-1, Cancer, Toxins, Prions, West Nile Virus, Dengue, Malaria
 - Drug Delivery
 - 'Dendrimer Toolbox'
-



Factors:

- Lower internal development expenses
- Diverse – spread development risk
- Partner may not develop fully
- Lower value deals
- Greater number of deals



'Product' Focus:

- Microbicide
 - Topical Herpes Therapeutic
 - Multiple Acting Anti-viral Respiratory
 - Angiogenesis Inhibition
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Factors:

- Higher internal development expenses
- 'Lumpy' opportunity
- Partner may not develop fully
- Higher value deals
- Lower number of deals

Starpharma's current technology focus enables low cost value creation from a diverse portfolio of opportunities.

Starpharma Finances

Low underlying operational expenditure of approximately \$4 Million per annum.

Non Recurring Costs:

- ❏ Fitting out of new premises – to provide state-of-the-art chemistry labs and corporate headquarters;
- ❏ Establishment of a new company with operations in the US (DNT);
- ❏ Funding the development cost of our vaginal microbicide project.

\$9M in the bank at the end of June 2003
Sufficient cash for a two year period beyond June 2003

Capturing Shareholder Value

- ❖ **Licensing income**
- ❖ **Starpharma's shareholding in DNT**
- ❖ **Strategic technology buyout**
- ❖ **Short term cash opportunities**
- ❖ **Products and services**

The Year Ahead

- **Successful US fundraising by DNT**
- **Achievement of regulatory milestones**
- **Strategic deals with other companies**
- **Licensing deals with other companies**