M3 has developed orally administered therapies designed to regenerate brain tissue destroyed by Alzheimer's or Parkinson's diseases. Currently, all of the FDA-approved drugs for these brain disorders provide symptomatic relief only. The Company's plan is to start a small-scale human trial next year and we expect to enter into a formal licensing agreement with a major pharmaceutical company (Q3 2016) to complete the human trials required for FDA approval and subsequent preparation for manufacturing, marketing and sales of the therapy.

**Product:** M3's lead asset, MM-201, is being advanced as a first-in-class, disease-modifying treatment for Alzheimer's disease and Parkinson's disease. It has demonstrated efficacy in numerous animal models of neurodegenerative disease (NDD) including the rat scopolamine dementia model, the aged rat dementia model and the Rat 6-OHDA models of AD and PD. MM-201 is a simple non-invasive oral therapy expected to be available in a pill form rather than through other more invasive technologies that are expensive and utilize complex external delivery methods directly into the brain. M3 Bio has a strong IP suite with favorable valuation and no direct competition.

**Market:** The total Global CNS (Central Nervous System) therapeutics market was valued at $53.1 billion in 2010. The global market for symptomatic Alzheimer's Disease (AD) treatments will more than double in value from $4.9 billion in 2013 to reach an estimated $13.3 billion by 2023, with CAGR of 10.50%. The global symptomatic Parkinson's disease (PD) market is expected to reach $3.4 billion by the end of 2016. Due to the unique characteristics of MM-201, M3 anticipates the drug will dominate the disease-modifying therapeutics market. As MM-201 has a different mechanism of action, we expect to become the standard of care favored by the physicians and patients.

**Competition:** Currently, there are two categories of therapies, symptomatic and neuroprotective, which are making their way through clinical trials for AD and PD. MM-201, is the only drug candidate in development that is expected to be both disease modifying and practically deliverable. The vast majority of pharmaceuticals are designed to provide only symptomatic relief. Those few therapies with putative disease-modifying activity rely universally on viral or cell-based genetic delivery methods that are complex, invasive, and/or unproven. M3 does not anticipate MM-201 competing with currently FDA-approved treatments are all confined to symptomatic relief only.

**Technology:** M3's technology is a novel platform of small-molecule therapies that activate natural growth factor systems to promote brain cell growth and connectivity. M3 will request that the FDA accord fast track status (Breakthrough-designation) for MM-201 based on the mechanism of action, clinical indication and degree of unmet medical need.

**Funding:** M3 Biotechnology, Inc., is a Seattle-based biopharma that launched with an oversubscribed seed round in addition to having received early funding from the Alzheimer's Drug Discovery Foundation and recently from the Life Science Discovery Fund, with total funding raised to date of $2.3 million. After successfully completing animal trials on its lead drug (MM-201), the company is now seeking $8 million to complete preclinical work in preparation for human trials to qualify for an FDA Fast-track and Breakthrough designation.

**Exit Strategy:** The combination of the current dearth of CNS therapies, uniqueness of M3’s drug candidate (MM-201) with the potential to change the course of Alzheimer's and Parkinson's, and the pharmaceutical industry's intense focus on this space very favorably positions M3 for an expected case exit of the form of a licensing/royalty agreement. M3 intends to enter into a licensing agreement with a large Pharmaceutical company following the completion of its preclinical phase (Q3 2016). Based on the structure and dollar amounts of recent transactions in this space we expect that the nonrecurring license fee will be no less than $500 million ($200 million on closing Q3 2016 at the beginning of Phase I clinical trials and $300 million in milestone payments between 2017 and 2022). Following our timeline, we expect the commercial introduction of MM-201 in 2022. If proven safe and effective, the drug should quickly rise to a 60% market penetration, as it is expected to become the standard of care with no reimbursement issues. At an expected royalty of $1 (4% royalty)/daily oral dose, recurring annual revenues is expected to be $300MM / yr through 2032.
Summary:

- Strong track record of peer reviewed non-dilutive grant funding >$1.5M
- Oversubscribed seed round $1.3M
- Strong intellectual property, 11 patents issued and pending in the US and in all major markets
- Innovative capital efficient R&D model with a network of talented and experienced consultants
- Unique mechanism of action addressing a $BB market of unmet medical need in Alzheimer’s and Parkinson’s
- Efficacy in pre-clinical animal models
- Seeking $8M in equity financing to complete pre-clinical testing of MM-201 to initiate FDA mandated clinical trials in man
- Expected near term value creation and partnership with one of the major pharmaceutical companies or an exit through acquisition

For further information about M3 please contact us:

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