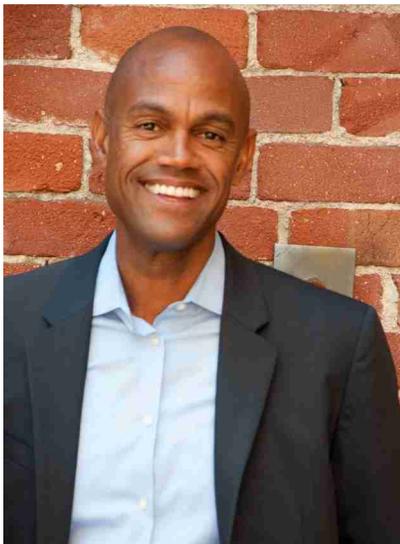


AntriaBio is in Preclinical Development with their Lead Product Candidate AB101, A Long Acting Basal Insulin with the potential to be a Weekly Injection offering Significant Advantages in the Treatment Regimen for Individuals with Diabetes

**Healthcare
Diabetes**

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Nevan Elam
CEO

BIO:

Mr. Elam joined the company in October 2012 and he is a Managing Director of Konus Advisory Group, a boutique healthcare firm.

About AntriaBio:

AntriaBio's lead diabetes product candidate, AB101, is a once-a-week injectable basal insulin that is currently in preclinical development. AB101 is administered by subcutaneous injection and targets patients with type 1 and type 2 diabetes who re-

quire basal insulin for the control of hyperglycemia.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine

CEOCFO: Mr. Elam, what attracted you to AntriaBio?

Mr. Elam: AntriaBio is an exciting company that has the potential to introduce a new product for the treatment of diabetes that could transform the delivery of basal insulin to improve patient compliance as well as convenience.

CEOCFO: What is the basic concept at AntriaBio? What have you figured out that others have not?

Mr. Elam: We are a diabetes focused company and our lead product candidate, AB101, is a long acting basal insulin in preclinical development. There are two types of insulin therapy. One type is bolus insulin, or meal time insulin and the second type is basal insulin, or baseline insulin. The basal insulin market is \$8 billion and is dominated by two competing therapies, one of which is a daily injection and the other is twice a day injection. At AntriaBio, we have developed a proprietary basal insulin formulation that has the potential to be a weekly injection which would offer significant advantages to the treatment regimen for individuals with diabetes. Specifically, patient compliance is a big issue given the various medications that patients take and a weekly injection would be a significant advancement.

CEOCFO: How are you able to do once a week what people have not as of today?

Mr. Elam: The key to our formulation is that unlike the existing commercial insulin analog therapies, we use human insulin. Additionally, we discovered a particular site on the insulin molecule where we can attach a specific polymer to improve the overall solubility of the molecule. We then put our formulation through a proprietary emulsification process to create microspheres that over time release insulin into the patient following injection. As you might imagine, it took us years to develop this formulation and to hone our manufacturing process.

CEOCFO: Was it mostly trial and error? Were there certain kinds of indications that led you? Can you tell me a little more specifically about where in the body it is going that it is able to stay for a week?

Mr. Elam: The discovery process definitely involved a lot of trial and error. In addition, while others have been able to attach polymers to the insulin molecule in the past, to our knowledge, we are the first to do discover how to significantly improve the solubility of the molecule to allow it to mix in a formulation to be delivered by injection. Our microspheres are engineered to release insulin slowly through hydrolysis—as the microsphere breaks down in your body, insulin is released. One of the advantages of our microsphere technology is that we are able to uniformly and evenly distribute insulin which leads to a controlled and sustained release. One way to think about the microspheres that we create is that they are

analogous to a chocolate cookie where the chocolate, which represents the insulin, is spread throughout the cookie versus a chocolate chip cookie where the individual chips are unevenly distributed. If we did not have our unique formulation, our microspheres would be more like chocolate chip cookies, where it would be unpredictable how much chocolate you get in each bite, if any—in the case of insulin delivery, too much chocolate or too little chocolate could be very problematic.

CEO CFO: Where are you in the process?

Mr. Elam: We have successfully produced the microspheres and tested them in animal studies where we have observed the effect of the sustained release of insulin. We are gearing up for our first human clinical studies that we are planning to conduct in Russia in the second half of the year. In order to enable our clinical studies and other activities, we will be raising as much as \$20 million this year.

CEO CFO: Is the medical community aware of the research and have they been paying attention, or is it too early or confusing for them?

Mr. Elam: The diabetes community is aware of our story and patients and physicians are eager to see us succeed to help improve clinical outcomes as well as quality of life for those who are living with diabetes and require basal insulin.

CEO CFO: Often when you are coming up with something to replace a well-entrenched market, the people that have the franchise with entrenchment are not too happy. How do you get around the fact that people have been selling insulin for many years and probably do not want to give up daily shots from the business perspective?

Mr. Elam: That is a great point and touches on a very important subject. The commercial diabetes market is controlled by a few, very large players who may have a lot to lose if a superior therapy is introduced. At this stage, we are executing on our plans to take our formulation into the clinic

“Our mission is to improve the treatment regimen and quality of life for those of us who live with diabetes—if we achieve that goal, we are confident that we will create a successful enterprise.”- Nevan Elam

and hopefully achieve a successful outcome. If it turns out that we are able to bring forward a more advanced therapy, we are confident that the market dynamics will sort themselves out. Our mission is to improve the treatment regimen and quality of life for those of us who live with diabetes—if we achieve that goal, we are confident that we will create a successful enterprise.

CEO CFO: What is happening in the next six months? What is happening today in the lab, or are you just in a wait and see mode?

Mr. Elam: Today, a lot is happening! Our key objectives are to get a new

manufacturing facility in the greater Denver, Colorado area and to prepare our clinical supplies in anticipation of launching our studies later this year.

CEO CFO: We know there are going to be changes with your structure. Why should people pay attention? What sets you apart?

Mr. Elam: We are poised to take advantage of all of the early work that has been done over the last 10 plus years to now take AB101 forward into clinical trials. In a relatively short period of time— hopefully within 24 months-- we will be able to demonstrate that AB101 is an efficacious alternative to existing therapies.

CEO CFO: It is a huge market. What is the opportunity? Can you quantify it?

Mr. Elam: There are several facts about diabetes which are staggering and unfortunate. Today there 26 million individuals living with diabetes in the US and there are another 80 million plus Americans who are pre-diabetic-- this means that roughly one-third of the U.S. population is either diabetic or pre-diabetic, which is truly an epidemic. Given the changes in diet and lifestyle worldwide, we have also seen a steady increase in the rate of diabetes all over including in places where only a generation or two ago people could not get enough to eat. The insulin market is more than \$13 billion, of which about \$8 billion is basal insulin.

