

Harnessing the Power of Cold with their Focused Cold Therapy™ for the Safe and Effective Way to Treat Nerves, Myoscience, Inc. is preparing to bring to market their product for the Pain, Aesthetics and Movement Disorders Markets

**Healthcare
Peripheral Nerve Conditions**

**Myoscience, Inc.
1600 Seaport Blvd., Suite 450
Redwood City, CA 94063
650-474-2600
www.myoscience.com**



**Clint Carnell
CEO**

BIO:

Clint was born in Anchorage Alaska but receives no royalties from the pipeline, thus he works for a living as our Chief Executive Officer. He grew up in Washington State and chased a soccer ball well enough to attend Duke University on a scholarship where he received grades good enough to land jobs with the likes of Johnson & Johnson, Chiron, Gambro Healthcare and Bausch & Lomb. He's always been an entrepreneur starting in his early days when he would skip

the school bus, buy jolly ranchers for a nickel and sell them for a quarter. At thirty, he founded Charleston Renal Care, which was acquired by DaVita. This gave him the ability to take a chance and join a VC backed company named Thermage, which went public, made acquisitions, and is now called Solta Medical. In his very spare time, Clint and his wife are busy raising two kids in Park City, Utah. The family has lots of animals affectionately called "the farm". His biggest fear is breaking all his bones trying to race his kids down the ski slope!

About Myoscience, Inc.:

Founded in 2005, Myoscience is an innovation-driven medical technology company based in Silicon Valley, California. We are dedicated to establishing our proprietary platform technology - Focused Cold Therapy™ - as the preeminent treatment for conditions involving nerves. We are equally dedicated to creating a work environment that produces such innovative thinking - and proud that we are putting our name on a product that we ourselves would use.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

CEOCFO: Mr. Carnell, your website indicates that Myoscience is harnessing the power of cold; what are you doing?

Mr. Carnell: We have developed a technology called Focused Cold Therapy™, and we are looking to make it the standard of care in peripheral nerve conditions. Anything from aesthetics, similar to what neurotoxins

like botox do, to pain and movement disorders, similar to what opioids and surgical procedures accomplish, but without any downtime or systemic side effects.

CEOCFO: How does it work?

Mr. Carnell: In essence, we have developed a small hand-held device that creates a zone of cold when positioned over a sensory or motor nerve. The focused cold puts the nerve to sleep; it cools to a temperature that causes the nerve axon to undergo second-degree Wallerian degeneration, followed by regeneration, because we only disrupt the signal in part of the nerve. If you imagine a copper wire with a plastic coating (insulation), Focused Cold Therapy effectively degenerates the copper wire while leaving the plastic coating unaffected. As the "copper wire" (a.k.a nerve axon) regenerates, it follows along its original path - the scaffolding left in place by the plastic coating. It is a way of alleviating pain for a period of time or relaxing a muscle that will contract in a strange way.

CEOCFO: How have you figured out what is the right amount of cold?

Mr. Carnell: We have built the proper sensors into the hand piece, so that when the smart chip goes on, it takes all of the guess work out of the physician's hands. We have worked in the clinic to perfect the dose, which is administered with a single touch of a button. It is a very sophisticated piece of technology, but we really just use the one button to use the perfect amount of dose for that given nerve.

CEOCFO: Every nerve would have a different amount of cold?

Mr. Carnell: Yes, what we do is deliver the proper dose to create a sweet spot; it is called second degree. If you think of first degree, it is like putting ice on a wound. It numbs you for a little while, it numbs the sensory nerve, and if you look at third degree and fourth degree, that actually harms the nerve. We have actually been able to create a revolutionary technology that is kind of a sweet spot putting that nerve to sleep, and around it is awake in a very predictable manner.

CEO CFO: Would you give us the history of cold therapy, and how have you figured out how to use it when perhaps others have not?

Mr. Carnell: Cryotherapy has been around for four or five decades. Cold has obviously been used in medicine for thousands of years. What we have been able to do is overcome vapor lock, because cryotherapy was previously used with very big needles, very painful, you needed general anesthesia just to be able to insert the probe. Through our technology, we have been able to create very, very small needles making treatment comfortable. To do that, and it is a little geeky, we have gone from creating a liquid nitrous oxide, going through a phase change in the gas, and that gas allows us to cool this amount of tissue from a closed-end needle. What nobody has been able to do until now is create these small needles, and without creating vapor lock; and that is part of the magic we have in technology.

CEO CFO: Are your products in use or are they still in development? Where are you in the process?

Mr. Carnell: We have just finished our commercial product, and we are awaiting CE approval for Europe, and 510k in the U.S. We expect to get those in January and February this year, 2013.

CEO CFO: Wrinkles is first for Myoscience?

Mr. Carnell: Wrinkles is first in Europe, and we have three clinical trials

going on right now for pain, knee pain, foot pain, and headache pain called occipital neuralgia. It is a platform technology, utilizing different tips for nerve indications throughout the body.

CEO CFO: Are you doing wrinkles first because that is easiest to get through?

Mr. Carnell: The first \$30 million of development was really optimizing the aesthetic outcome, and that is where we focused our efforts. It is private pay, so it is easier to find those patients in plastic surgeon or dermatologist office, you do not have to worry about reimbursement. The message to a consumer is simple: no toxins, no wait, no worry.

CEO CFO: How will you be marketing in Europe; will it be with distributors? Do you have a plan in place?

“We have harnessed the power of cold. Our technology is very innovative, safe and an effective way to treat nerves. Our markets: pain, aesthetics, and movement disorders, are large markets. In each one, we have either a competitive price advantage, a better treatment, a more simple way to treat, or a healthier approach to serving the patients’ needs.”
- Clint Carnell

Mr. Carnell: Yes, a combination of two. We have some very good partners in Amsterdam, Paris, and in Munich, and we will have a local presence in various countries throughout Europe. There are about fourteen cities in Europe, all of the major cities you can imagine that count for about 80% of the aesthetic business in Europe.

CEO CFO: How long will it last, and how does the cold therapy on the wrinkle side compare with Botox?

Mr. Carnell: It is very similar, about three to four months. Basically, the nerve regenerates at about a millimeter per day, so you get roughly ninety to a hundred millimeters of degeneration and regeneration. Three to four months, and we expect that may get longer as people lose the ability to form those wrinkles. Our effect is immediate and we leave nothing in the

body. It is a treatment option for those seeking a toxin free option.

CEO CFO: In terms of the more medical side, has the medical community paid attention to myoscience, or is it too early?

Mr. Carnell: Those in the know are very intrigued by it. We have stayed purposely under the radar, but we have had no problem getting some of the world’s best in respected fields to work with us; both in clinical trials, as well as in the strategy. Doctors in other specialties outside of plastic surgery and dermatology quickly recognize the ability to treat peripheral nerves in this manner, and the opportunity for physicians to use this all over the body—there are forty-five miles of nerves in your body, and so far, we have not found one that we cannot treat.

CEO CFO: What is your plan in the United States?

Mr. Carnell: In the U.S., we are approved for general pain and general tissue ablation indication, and we will be working on a U.S. pivotal file for dynamic facial lines or wrinkles. At this point, we have not decided whether we will commercialize, or whether we will look for a

strategic partner, because obviously, the US is a big market, and tends to be fragmented, so we are open to potentially having a distribution partner to enter the U.S. market with.

CEO CFO: Are you financed to get through the next steps, or will Myoscience be looking for funding?

Mr. Carnell: We are. We are financed through mid 2014, and the board wants to make sure we have the right resources in the bank, so we are open to another raise; but at this point, we can get to break even with the aesthetics launch only with the funds we have.

CEO CFO: What attracted you initially to the company, and what surprised you most as you have been working with the products?

Mr. Carnell: Yes, it is indeed real simple, and it is their marketing message to the world, and that is in neat results. There is no worry, because we do not leave anything in the body, and it is nontoxic. It is a really elegant way to address very large markets that have an unmet clinical need, and a way that is really a very safe and effective approach to treating these peripheral nerve conditions. If you think about pharmaceuticals that cause systemic side effects when you are trying to treat a focal pain point, the ability to do this, and treat right at the source is really a pretty breath taking approach that the patients worldwide should benefit from.

CEO CFO: What was the biggest challenge in putting it altogether?

Mr. Carnell: I recently saw Elan Musk, founder of Tesla, quoted as saying, "If you like staring into the black abyss, start a business." At least eighteen months ago, we started with less than ten employees, we were limited on funds. CEOs are responsible for strategy, hiring good people and putting resources in bank. We had to do it all, and we are real pleased with the progress we have made in the last eighteen months as I look back and reflect this year.

CEO CFO: What surprised you most?

Mr. Carnell: I guess what has surprised me is that the company struggled to find its way for a while, and in my mind, this is a technology that really could play across many different medical fields with enormous potential. It goes to show that clarity of purpose and good people can take a company a long way.

CEO CFO: With so many applications, how do you keep from "running amuck" and trying to do too much at one time?

Mr. Carnell: Actually, as a team, we are focused on results. We keep our goals very specific; we share them throughout the organization. Everyone is incented and is a shareholder of the company. In fact, this year we have only asked the board for a first half approval with first half goals for the incentive bonus to keep everybody very focused on the immediate milestones. There is an ancient Chinese proverb, "He who chases two rabbits catches none", so that is why we are very, very disciplined about the European aesthetics launched first, a very small team working on the clinical trials on pain, and we are about to embark on movement disorders with another very small team. It is imperative we stay focused on the

milestones, measure them, communicate them, and work towards building a great company.

CEO CFO: Why should investors and people in the business community pay attention to Myoscience?

Mr. Carnell: We have harnessed the power of cold. Our technology is very innovative, safe and an effective way to treat nerves. Our markets: pain, aesthetics, and movement disorders, are large markets. In each one, we have either a competitive price advantage, a better treatment, a more simple way to treat, or a healthier approach to serving the patients' needs. If you look at healthcare, you want big markets, you want to make sure that you can make money doing it, and you want to provide great patient outcomes, and Myoscience checks off all three of those boxes.

CEO CFO: What should people remember about Myoscience?

Mr. Carnell: Just watch for Myoscience. We have something special here, and with a little bit of luck and a lot of hard work, we should make this company something very special.



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