



DALOS
BioPharma

www.dalosbio.com

Unique Topical
Products
for the Relief of
Skin Conditions

Southeast Virginia
Technology Partnership Forum
June 15, 2010

MRSA



43% of all reported skin infections are MRSA

Does not include home-treated common wounds

Redskin Brandon Noble had MRSA, which nearly required leg amputation. He was forced to retire

- Any scratch, rash, bug bite, cut, abrasion, skin break
- Contact with an infected person or any surface
- Surgery / hospital; elderly, nursing homes, diabetics, gyms

Molluscum Contagiosum



8% of US children and 20% of AIDS patients have Molluscum

Even more widespread in foreign countries

Spreading in healthy population as STD

- Contact with an infected person or any surface
- Day care centers, gyms, other child-friendly locations
- Extreme problem for pediatricians and dermatologists

MersaDerm™ – for MRSA and other skin infections

- 90% increase in 10 years; over 200 M reported cases
- More US deaths from MRSA than from AIDS
- Average cost - \$60 K / patient and \$5 M / hospital
- Drug resistance → Bactroban / oral antibiotics
- No topical MRSA products imminent
- MersaDerm meets the growing unmet need

PoxiDerm™ – for Molluscum Contagiosum

- 200 M cases worldwide and rising rapidly
- Normal treatment is to scrape, cut, burn, freeze, blister -> screaming children, scars
- Pox (smallpox) family – benign but persistent
- Dermatologists and Pediatricians at a loss
- No effective antiviral available until PoxiDerm

Dalos Business Description

- Founded in 2008
- BIO Award as “most innovative and commercializable” technology
- Direct to Market, evidence-based products
- 75% increase in sales from Year 1 to Year 2
- Trend continuing in Year 3

Competition

- MersaDerm
 - Other topical products
 - Bactroban – drug resistance; same with oral
 - Neosporin – no MRSA activity
- PoxiDerm
 - No active topical products (or oral)
 - Abhorrent in-office procedures
 - Internet “remedies” with no basis

Dalos Marketing Strategies

- Physicians and Pharmacies
 - Great responses at American Academy of Dermatology and American Academy of Pediatrics meetings
- Drive consumers to internet store – www.dalosbio.com
 - Google Adwords, physician referrals
- Traditional Distribution Channels (Chain stores)
- Social Networking (Facebook, WebMD, internet sites)

Dalos Partnering Strategies

- Like-focused companies in US and world
- Sports-focused companies
- Extended care facilities
- Military (many military applications)

Other Dalos Products

- DaloClean™
 - Shampoo, body wash, hand soap
 - Now being purchased with MersaDerm and PoxiDerm
- DaloClear™
 - Psoriasis, eczema, atopic dermatitis
- DaloClenz™
 - Acne
- Other skin care products in pipeline

Management Team

- Dr. Gary Pekoe – President & CEO
 - 28 years pharma / biotech product development
- Lindsey Nathaniel – VP Operations

Scientific Advisory Committee

- James Leyden, MD, U of Pennsylvania
- Judith Williams, MD, Eastern Virginia Medical School
- Dennis West, PhD, Northwestern University
- Arnold Oppenheim, MD, VA Beach Dermatology
- Knox Van Dyke, PhD, West Virginia U

U.S. Projections

<u>Product</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenue	\$ 1.2 M	\$ 12.3 M	\$ 38.9 M	\$68 M
EBIT	(\$ 266K)	\$ 3.4 M	\$ 10.9 M	\$ 19.1 M

Market Size

MersaDerm Skin infections \$ 1.2 B

PoxiDerm Molluscum \$ 480 M

- All other products in pipeline add to upside
- Figures based on achieving investment goals

Funding

- Self-funded (CEO, sales)
- One Angel Investor – March 1
- Up to \$ 2 M sought initially
- Use of Proceeds:
 - Expanded Marketing
 - Manufacturing
 - Clinical Development

Conclusions

- We solve the problem with MRSA, Molluscum
- Excellent experience in this field
- Sales underway
- Fund-raising underway
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