Armetheon Announces FDA Agreement on SPA for Potential Best in Class Oral Anticoagulant for All Patients, including those with Prosthetic Heart Valves

Recently Released ACC/AHA Practice Guidelines Reinforce Unmet Need

Menlo Park, CA – April 29, 2014 --- Armetheon, Inc., today announced that it has reached agreement with the U.S. Food and Drug Administration (FDA) on a Special Protocol Assessment (SPA) for the final pivotal trial of tecarfarin. Tecarfarin is positioned to be the only oral anticoagulant (OAC) therapy for patients with prosthetic heart valves (PHV) specifically identified in the label. In addition, the pivotal trial will enroll predominantly patients with all indications for anticoagulation, not just those with PHV, thereby supporting a broad label if the product is approved. Despite many issues with warfarin which tecarfarin was designed not to have, and the introduction of non-monitored OACs several years ago, warfarin continues to be the major OAC in the market for all indications. Tecarfarin is designed to compete favorably with warfarin in this market since in previous clinical trials tecarfarin appeared superior to warfarin both in the overall population and in the significant percentage of patients with compromised warfarin clearance.

In March 2014, the American Heart Association (AHA) and the American College of Cardiology (ACC) updated their practice guidelines for managing patients with valvular heart disease. The guidelines now state that patients with PHV requiring anticoagulation should not use the recently approved direct thrombin inhibitors or Factor Xa inhibitors. This leaves warfarin, and potentially tecarfarin, as the only options for patients with PHV.

“Currently, there is a tremendous unmet need to provide adequate anticoagulation for patients with prosthetic heart valves,” said M. (Ken) Kengatharan, PhD, Co-Founder, President & COO. “Our tecarfarin product candidate, with a projected patent term exclusivity period close to 2029, represents a robust commercial opportunity in this patient population estimated to be more than $500M annually in the US alone.”

We believe tecarfarin, if approved, could become the best-in-class vitamin K antagonist (VKA) where today warfarin is the main choice. Currently, existing OACs, such as warfarin, are suboptimal due to their propensity to interact negatively with commonly prescribed drugs, and due to widespread genetic variability in clearance. Tecarfarin was specifically designed to avoid these problems, in particular because it is metabolized differently to avoid interactions with other medications. Thus,

tecarfarin may present fewer complications and allow for a more uniform and predictable response to therapy.

“The key element here is allowing all patients, and in particular the difficult to manage patients with prosthetic heart valves to have a better anticoagulant than any available today. It will be a significant advance in patient care not to have to worry about other drugs or genetics causing problems such as accidental overdoses and to remove the uncertainty that exists when prescribing the currently available oral anticoagulants,” said Peter Milner MD, FACC Co-Founder and Chairman of Armetheon. Milner previously co-founded both CV Therapeutics (NASDAQ: CVTX) and ARYx Therapeutics (NASDAQ: ARYX), and is currently CEO of Heart Metabolics Ltd (Ireland). “We are also particularly grateful for the timelines, clarity and consistency of the FDA’s guidance throughout the process.”

“Over the last two years it has become apparent that there is a large unmet medical need for a better chronic oral anticoagulant for patients who need a VKA in particular those with mechanical heart valves; one that can be monitored using widely available technologies and, if necessary, reversed. Tecarfarin has the potential to address this need,” said Jeffrey Weitz, MD, Professor of Medicine and Biochemistry, Heart and Stroke Foundation/J.F. Mustard Chair in Cardiovascular Research, McMaster University, and Executive Director of the Thrombosis & Atherosclerosis Research Institute (TaARI).

About Tecarfarin

Tecarfarin is potentially a best-in-class orally active Vitamin K epoxide (VKOR) inhibitor specifically designed to avoid CYP450-dependent metabolism, to avoid renal elimination and to avoid transport by P-gp. While tecarfarin still requires INR monitoring, which in many cases is desirable as a measure of compliance, it will obviate the need for genotyping. Tecarfarin may require less frequent monitoring than warfarin since it is not subject to wide fluctuations due to genetic variability or interaction with other concomitant medications. Unlike the novel non-monitored OACs such as the direct thrombin inhibitors or Factor Xa inhibitors, the anticoagulant effect of tecarfarin can be reversed by readily available existing antidotes for Vitamin K antagonists, thus adding another level of safety for the patient. Studies have shown that these antidotes can rapidly reverse the anticoagulation effect of tecarfarin should there be an emergency.

About Tecarfarin SPA

The SPA that was recently signed by FDA has several key attributes streamlining the advanced development of tecarfarin. Specifically, it allows Armetheon to conduct a single, open-label, pivotal

Armetheon, Inc. Menlo Park, CA 94025
Phone and Fax: 650-646-3898 (www.armetheon.com)

trial of 3,000 patients with any indication that requires an OAC, but enriched with the most responsive patient populations. Perhaps more importantly, the FDA has agreed to allow Armetheon to submit tecarfarin for approval if successful in meeting a primary endpoint based on a widely-validated surrogate marker, time in the therapeutic range (TTR) of the international normalized ratio (INR) in the most difficult to control patients, with any indication for anticoagulation including PHVs. In prior studies, the predefined primary endpoint population patients responded significantly better to tecarfarin than to warfarin. Armetheon is hoping to get a superior label to warfarin and will focus its initial marketing efforts on areas of highest unmet medical need. These areas include patients with PHV, and in particular mechanical heart valves, where warfarin is currently expected to remain the only or best option and where direct thrombin inhibitors or Factor Xa inhibitors are either contra-indicated or not recommended.

About Armetheon

Armetheon, Inc. is a privately held San Francisco Bay area based biopharmaceutical company with late-stage clinical drug candidates in development for cardiovascular diseases. The company was founded in 2011 by M. (Ken) Kengatharan, PhD, Peter Milner, MD and Pascal Druzgala, PhD, all experienced, successful biotech entrepreneurs and drug developers and the board of directors include industry veterans, Jon Saxe, JD and Steven P. James. Armetheon's two late-stage small molecule drug candidates are for use in the areas of oral anticoagulation and atrial fibrillation. The company's current investors include AshHill Pharmaceutical Investments and Atheneos Capital. For more information: www.armetheon.com.

Contact:

Binay Curtis (Galaxy Six Strategies): Binay(at)galaxysix(dot)com (for general inquiries)
Chris Ehrlich (Locust Walk Partners): Chris(at)locustwalkpartners(dot)com (for partnership inquiries)