



Equitable Biomedicines™

Aequus BioPharma, Inc.

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Developing Equitable Biomedicines™

Exceptional biopharmaceuticals delivering superior value to patients

Aequus BioPharma, Inc. was formed in May 2007 as a majority-owned subsidiary of Cell Therapeutics, Inc. (CTI: NASDAQ and MTAX: CTIC) to discover, develop and market biotherapeutics based on the proprietary Genetic Polymer™ technology platform invented at CTI. Aequus' Genetic Polymer technology addresses many of the traditional problems encountered during the development and commercialization of protein-based biopharmaceuticals, including optimizing plasma half-life and bioavailability. Aequus believes this recombinant DNA technology can be applied to the development of both biosimilars and novel biologics, with application in a wide array of human diseases.

Therapeutic Protein Development Now

With current worldwide sales of \$51 billion, ramping to \$87 billion by 2010, therapeutic proteins represent 64% of all biopharmaceutical sales and 8.5% of the \$602 billion world pharmaceutical market (2005 data).

Frequently, therapeutic proteins have a substandard pharmacological profile, including a relatively short plasma half-life with limited bioavailability. Moreover, many of the earliest approved biologics, including some blockbusters with over \$1 billion in annual sales, are facing patent expiration, which should open the market to generic competition, commonly referred to as follow-on protein products in the US and biosimilars in Europe.

Traditionally, in an effort to improve the pharmacological profile of both follow-on and novel protein drugs, firms have developed a set of trial and error approaches, including site-specific amino acid substitution, conjugation to carrier domains and post-expression chemical conjugation, most often to monomethoxypolyethylene glycol (PEG). While these approaches can be successful, they are time consuming and costly to develop, and often are significantly encumbered by existing intellectual property.

How Aequus Makes Development Easier

Genetic Polymers comprise a specified range of repeating, identical amino acid peptide sequences attached to a biologically active peptide or protein. To construct a Genetic Polymer, the DNA sequence encoding a specific amino acid polymer is ligated to the DNA sequence encoding a biologically

active peptide- or protein-based drug moiety in an expression vector designed for use in a recombinant protein expression system. The amino acid polymer can be attached to either the N-terminus, C-terminus or both termini of a protein. Typically, DNA encoding a secretion leader sequence is included in the expression vector to facilitate recovery and purification of the expressed protein.

Data obtained using Aequus' Genetic Polymer technology suggests that a follow-on protein drug with an improved pharmacological profile can be quickly and efficiently developed. This, in turn, may eliminate the need to develop an individualized technology for optimizing the pharmacological profile of each peptide- or protein-based biopharmaceutical, thereby reducing development time and costs. Therefore, our Genetic Polymer technology platform is likely to also simplify and streamline the development and manufacture of novel peptide- and protein-based pharmaceuticals.

What Aequus Can Do For You

Aequus and CTI are collaborating on the development of our initial Genetic Polymer product, AQB-101, a follow-on protein product or biosimilar based on granulocyte-colony stimulating factor (G-CSF) ligated to a Genetic Polymer carrier domain. We believe that AQB-101 provides an elegantly simple solution to the plasma half-life and bioavailability issues that have been observed with the original formulations of G-CSF-based biomedicines, which have been addressed by others using traditional post-expression chemical conjugation approaches in their G-CSF-based biosimilars.

Aequus has an experienced management team ready to collaborate with academic and corporate partners seeking to optimize the pharmacological properties of their protein therapeutic as a component of their commercialization strategy. We are located on Bainbridge Island, a short ferry ride from downtown Seattle.

Please contact us for further information regarding how our Genetic Polymer technology platform can improve the pharmacological profile of your protein therapeutic candidate:

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