



# Critical Outcome

Technologies Inc.

**The future of drug discovery has arrived**

Reducing development time, cost & risk

Company Overview | August 2014

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When used anywhere in this presentation, whether oral or written, the words expects, believes, anticipates, estimates and similar expressions are intended to identify forward-looking statements. Forward-looking statements may include statements addressing future financial and operating results of Critical Outcome Technologies Inc. (COTI).

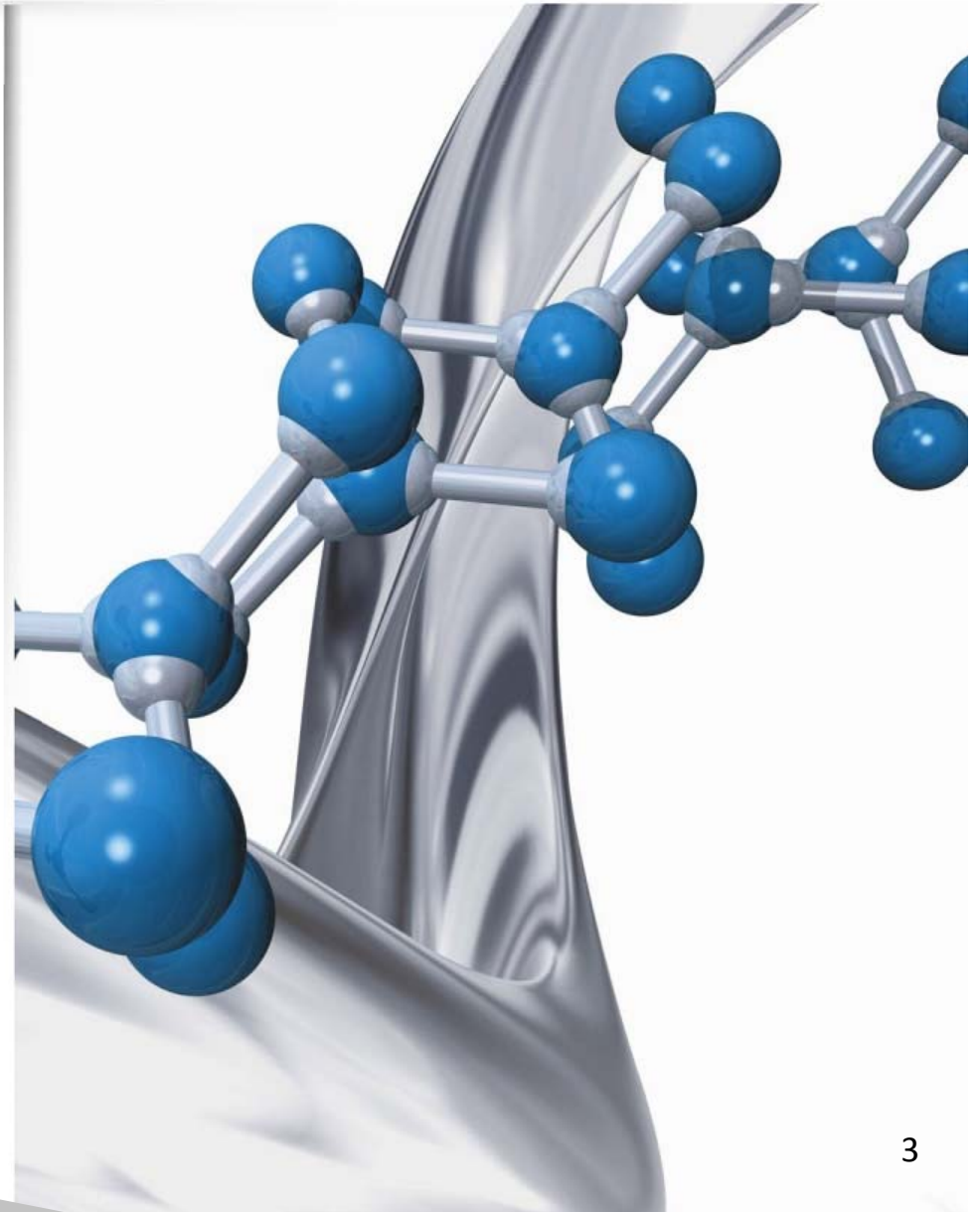
COTI bases these forward-looking statements on its current expectations about future events. Such statements are subject to risks and uncertainties including, but not limited to, the successful implementation of COTI's strategic plans, the acceptance of new products, the obsolescence of existing products, the resolution of potential patent issues, competition, changes in economic conditions, and other risks described in COTI's public documents such as press releases and filings with the Toronto Stock Exchange and the Ontario Securities Commission.

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# Critical Outcome Technologies Inc.



- A bioinformatics and early-stage drug development company focused on efficient and accelerated drug discovery
  - CHEMSAS<sup>®</sup> - a proprietary, artificial intelligence based drug discovery platform technology
  - COTI-2 – a novel small molecule oncology drug candidate
  - CHEMFirm – a drug profiling & investment due diligence tool
- Listed on the TSX-V under the symbol COT since Oct 2006 and on OTC as COTQF since Jun 2014



# Committed leadership



## Management Team

### **Wayne Danter, MD, FRCPC**

- President, CEO & CSO
- Former Associate Professor of Medicine at the University of Western Ontario
- Co-founder of COTI

### **Gene Kelly**

- Chief Financial Officer
- Former VP Finance, Cuddy Farms
- Former VP Commodities & Industry Relations, Cuddy Foods
- Former VP Strategic Implementations, Cuddy Farms

## Directors

### **John Drake, LLB**

- President and Founding Shareholder Drake Goodwin Corporation

### **Wayne Danter, MD, FRCPC**

### **Douglas Alexander, CA**

- Professional Director
- Director- Hydrogenics Corporation

### **Bruno Maruzzo, MSc, MBA**

- President, TechnoVenture Inc.
- Professional Director - Pinetree Capital Ltd., Hamilton Thorne Limited, Strike Graphite Corp., Sintana Energy, Diagnos Inc. and AIM Explorations

### **Dave Sanderson, LLB**

- President & CEO of KFL Investment Management Inc.

# Investment highlights

- 1 Platform technology that reduces the time, cost & risk of bringing new drugs to market
- 2 Potential cancer breakthrough drug candidate – COTI-2
- 3 Many other revenue opportunities in our pipeline

# Conventional drug development is a long & expensive process characterized by a high risk of failure

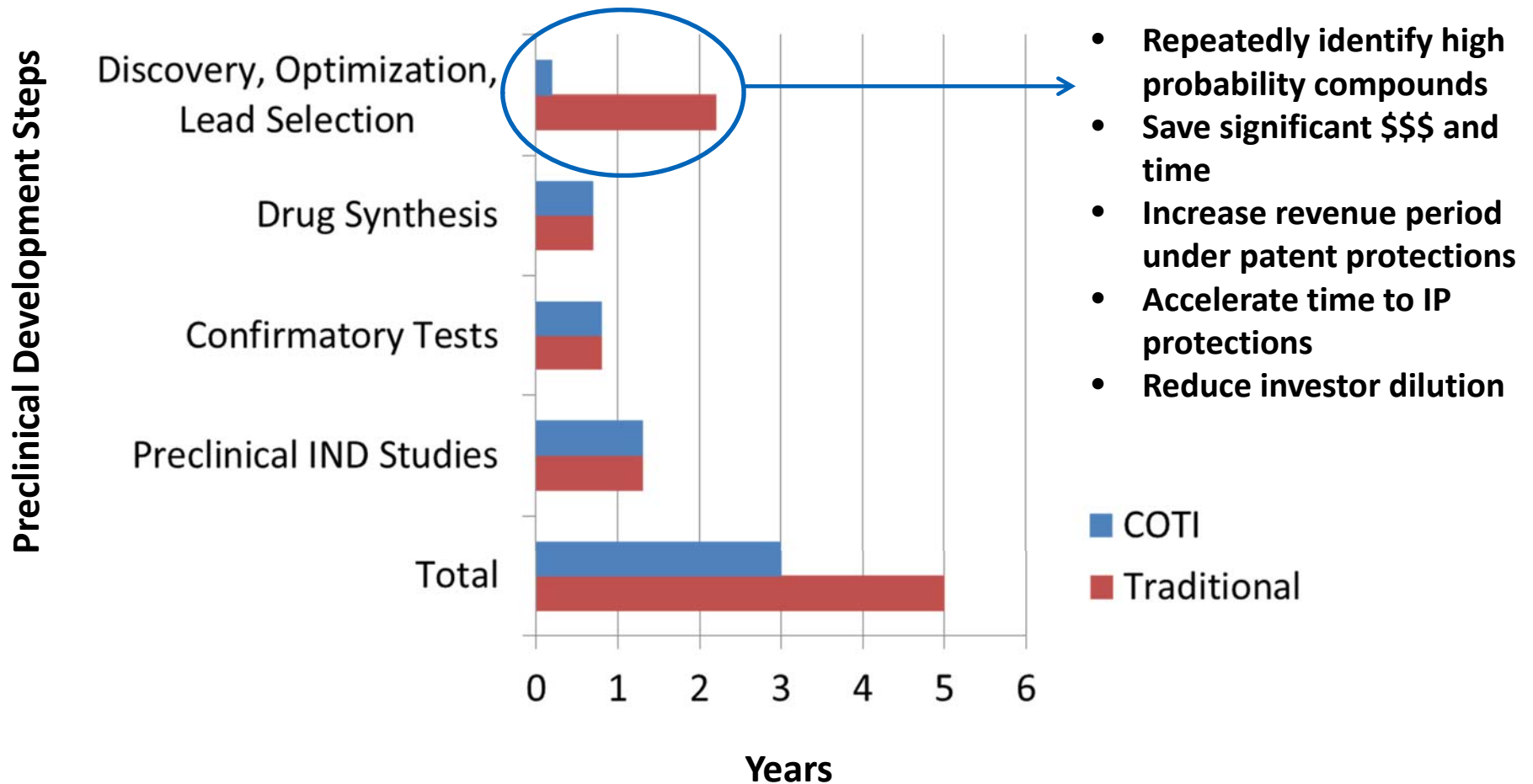


**11 – 15  
years**

**\$1 billion  
or more**

**1 FDA  
approval**

# What we do



# How we do it – CHEMSAS®

- Proprietary, machine learning (AI) based drug discovery platform technology
- Big Data analysis solutions





# Advantages of CHEMSAS®

Database driven  
computational  
replication of  
traditional  
'wet lab' drug  
discovery process

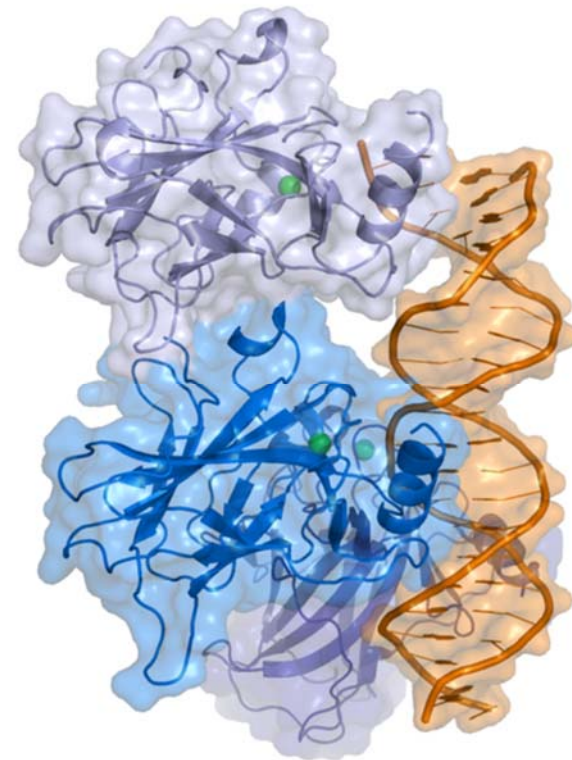
Costly failed attempts  
occur **quickly & cheaply**  
in computer simulations,  
not the 'wet lab'

**Increased probability** of  
clinical & commercial  
success

# CHEMSAS<sup>®</sup> Technology Validation: COTI-2

Effective against many common cancers with a p53 gene mutation

Potential cancer breakthrough - > 50% of all human cancers have a p53 mutation (eg. ~ 95% of serous ovarian cancers)



# COTI-2: Promising Advance

- Easy three step synthesis; kilogram scale-up completed
- Orally bio-available and effective at low dose
- Low toxicity in preclinical development
- Novel mechanism of action (MOA), first-in-class
  - P53 dependent MOA confirmed by thought leader Dr. Gordon Mills at MD Anderson Cancer Center (June 2013 and July 2014)
- Opportunity for single agent and combination therapy
- Strong IP protection in place – 5 issued US patents

# COTI-2: Promising Advance

- Final 2-species toxicity studies completed
- Orphan drug status for ovarian cancer granted by FDA in June 2014
- Phase 1 planning:
  - FDA IND filing expected by mid October of 2014
  - Begin -> early 2015
  - Completed -> mid 2016
- Currently evaluating potential strategic partners for optimal clinical development

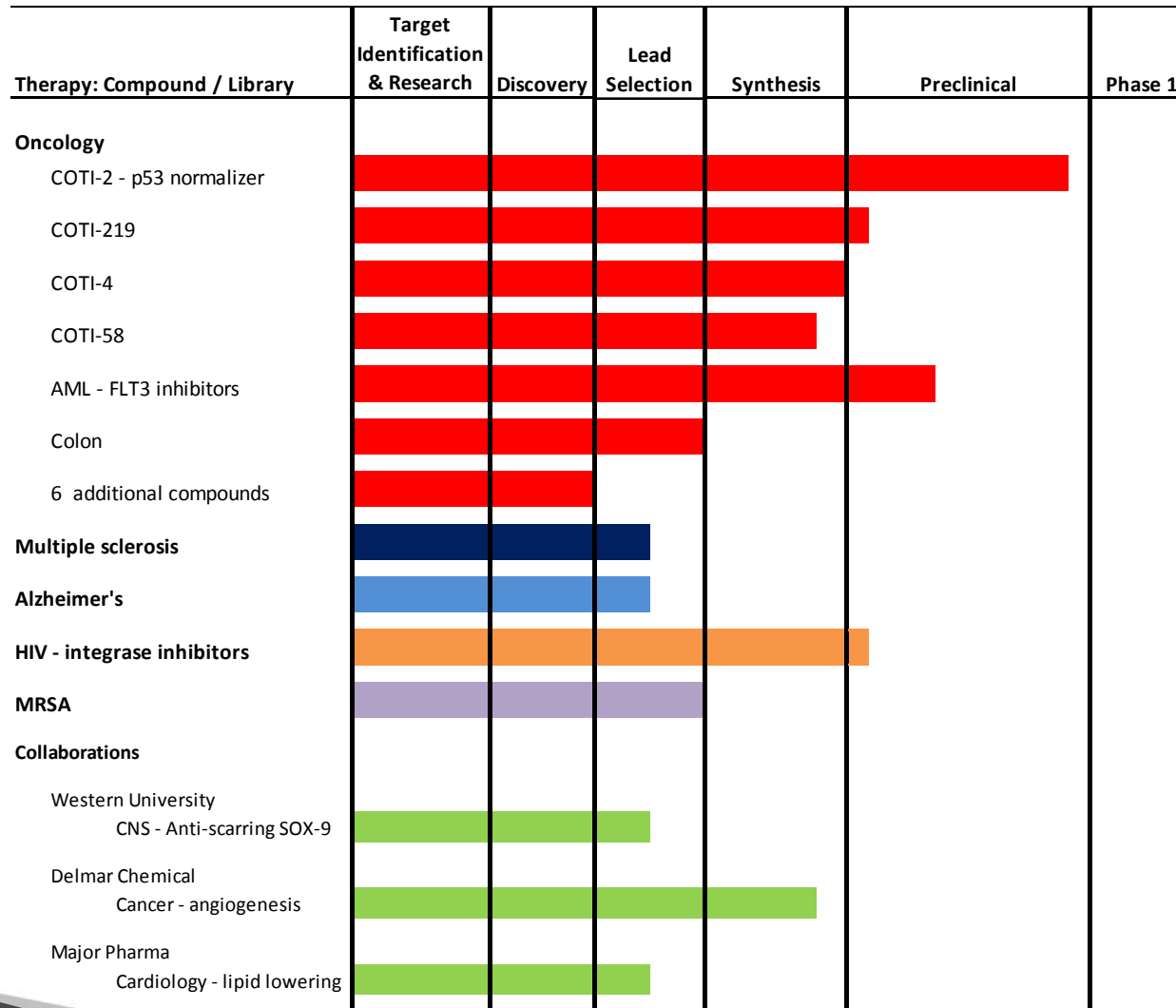
# COTI-2 = significant revenue potential

- For five years ending June 30, 2014, there were 20 Phase 1 cancer licensing deals where financial terms were disclosed
  - Avg. upfront payment \$21m USD
  - Avg. total deal size \$422m USD

# Other revenue opportunities

- Robust internal pipeline of drug candidates
  - AML, MRSA, colorectal and other cancers, MS, etc.
  
- 3 existing R&D collaborations expected to bring in milestone payments beginning late 2014 / 2015
  - Western University
  - Delmar Chemicals
  - Major Pharma Co.

# COTI's Product Pipeline



- A small molecule profiling & investment due diligence tool leveraging CHEMSAS<sup>®</sup>
- Provides detailed report on compound attributes and specific areas for further assessment
  - Identifies properties outside the optimal range that may represent development challenges



# Benefits of CHEMFirm

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- Enables institutions, investment banks, funds and biotechnology companies to make more knowledgeable investment decisions
- Provides critical information for assessing both risk and value
- Supports a lower risk and higher return investment strategy

# Other future CHEMSAS® applications

- Drug library profiling  
Based on customer identified criteria
- Drug repurposing  
Finding new purposes for drugs coming off patent



# Key company facts



Trading	
TSX Venture	COT
Recent Closing Price <sup>(1)</sup>	\$0.325
52 Week Range <sup>(1)</sup>	\$0.12 – 0.38
Capital	
Cash <sup>(2)</sup>	\$830,275
Basic Shares Outstanding <sup>(1)</sup>	103,056,758
Options Outstanding <sup>(1)</sup>	6,082,916
Warrants Outstanding <sup>(1)</sup>	58,306,053
Fully Diluted Shares Outstanding <sup>(1)</sup>	167,445,727
Contingent Rights Outstanding <sup>(3)</sup>	715,720
Board & management control <sup>(4)</sup>	16.0%

(1) As at July 30, 2014

(2) Cash = cash and cash equivalents at April 30, 2014

(3) Contingent rights not included in fully diluted under IFRS

(4) On a fully diluted basis at July 30, 2014



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