

# Apogee Technology, Inc FSX Conference

***Bringing Nanotechnology to Life™***



**July 28, 2006**

# Forward-Looking Statements

This presentation contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. For this purpose, any statements contained in this presentation that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, the words “believes”, “anticipates”, “plans”, “expects”, and similar expressions are intended to identify forward-looking statements. Actual results may differ significantly from results discussed in the forward-looking statements. Factors that might cause such differences include those set forth from time to time in the Company's SEC filings, including in our annual report on Form 10-KSB.

# Apogee Technology, Inc.

***A Nanotechnology Company  
that Develops and Markets Proprietary  
Drug Delivery and Sensor Products***

- **Experienced Team with Proven Track Record**
- **2005 Revenue: \$5.2 Million**
- **Q1'06: \$4.6 Million Cash and Debt Free**
- **Shares Outstanding: 11.9 Million**
- **Headquarters: Norwood, MA**
- **AMEX:ATA**

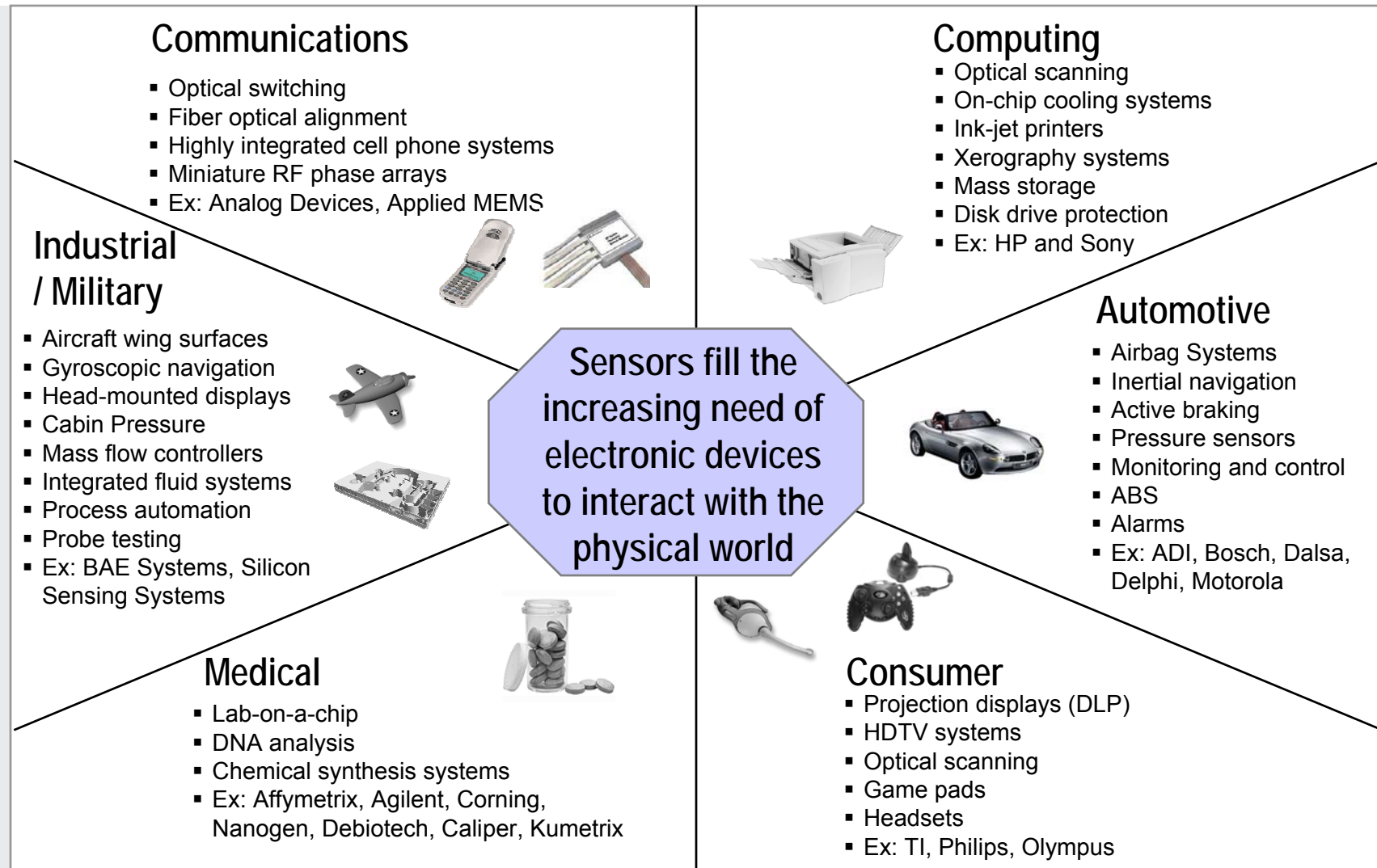
# Sensor Group

***Our mission is to be a leading provider of Micro-Electrical Mechanical Systems (“MEMS”) and Nanotechnology based sensor solutions that allow our customers to improve efficiency and reduce costs.***



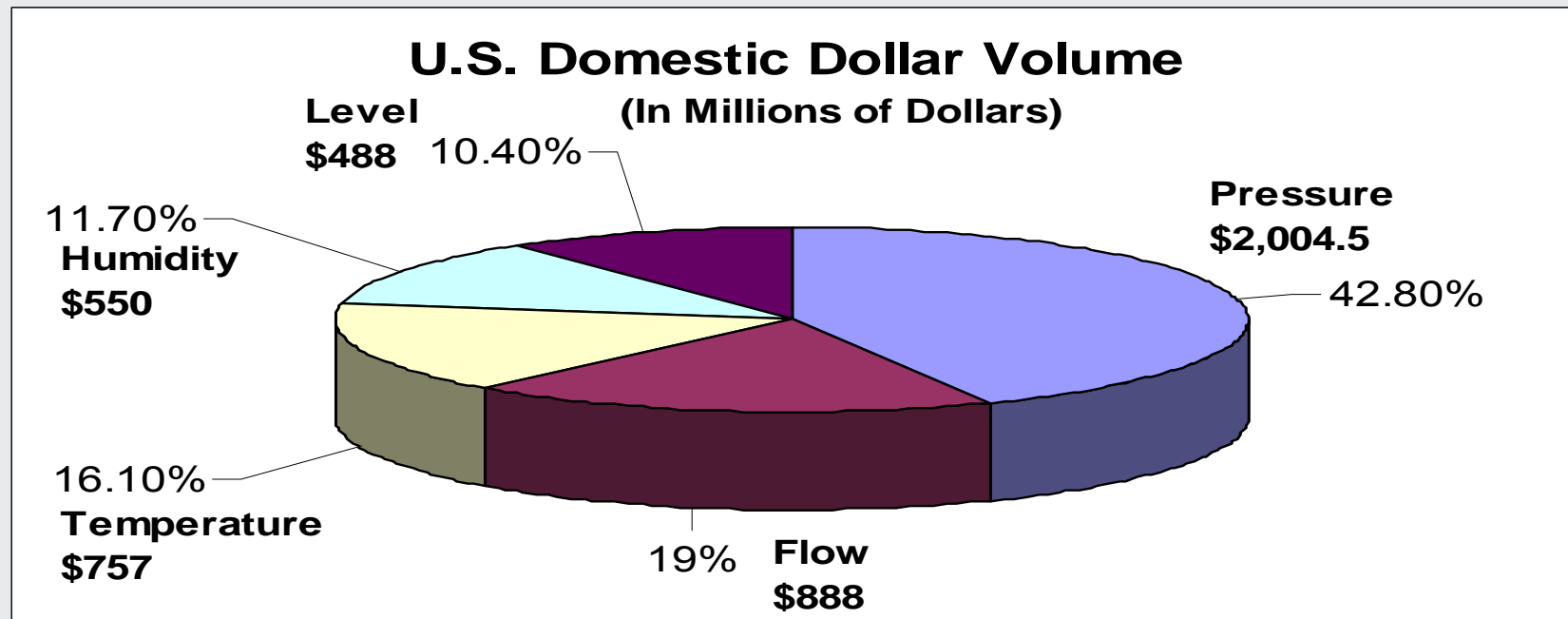
# MEMS Sensors

## Broad Markets, Applications, Suppliers



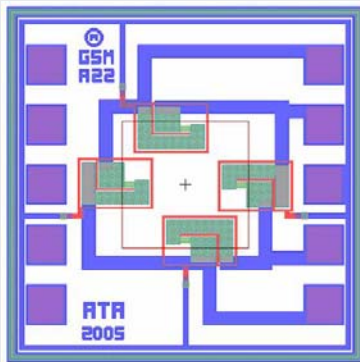
*Bringing Nanotechnology to Life™*

# MEMS/Nano Sensor Focus



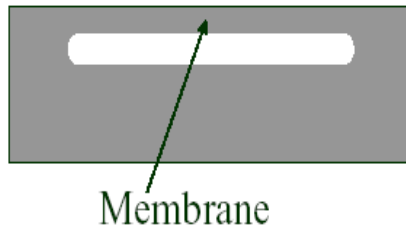
- **Initial Focus on Pressure Sensors (Largest Market)**
  - Market Growth: Tire Pressure, Security, Consumer
- **Increase Value by Adding Packaging/Electronics**
- **Developing New Nano Sensor Solutions**

# Apogee's Sensilica™ Advantage

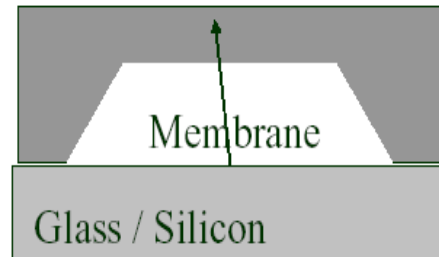


- Novel “All-Silicon” Pressure Die
- Small Sensor Size
- Low Cost Manufacturing
- High Reliability
- Meets Wide Pressure Range

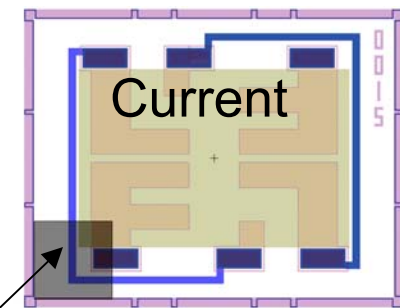
Sensilica™  
All-Silicon Design



Traditional  
Two Piece Design



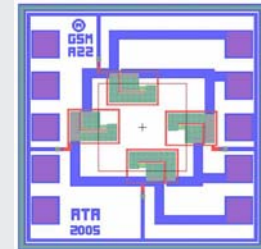
Size Comparison



Sensilica™

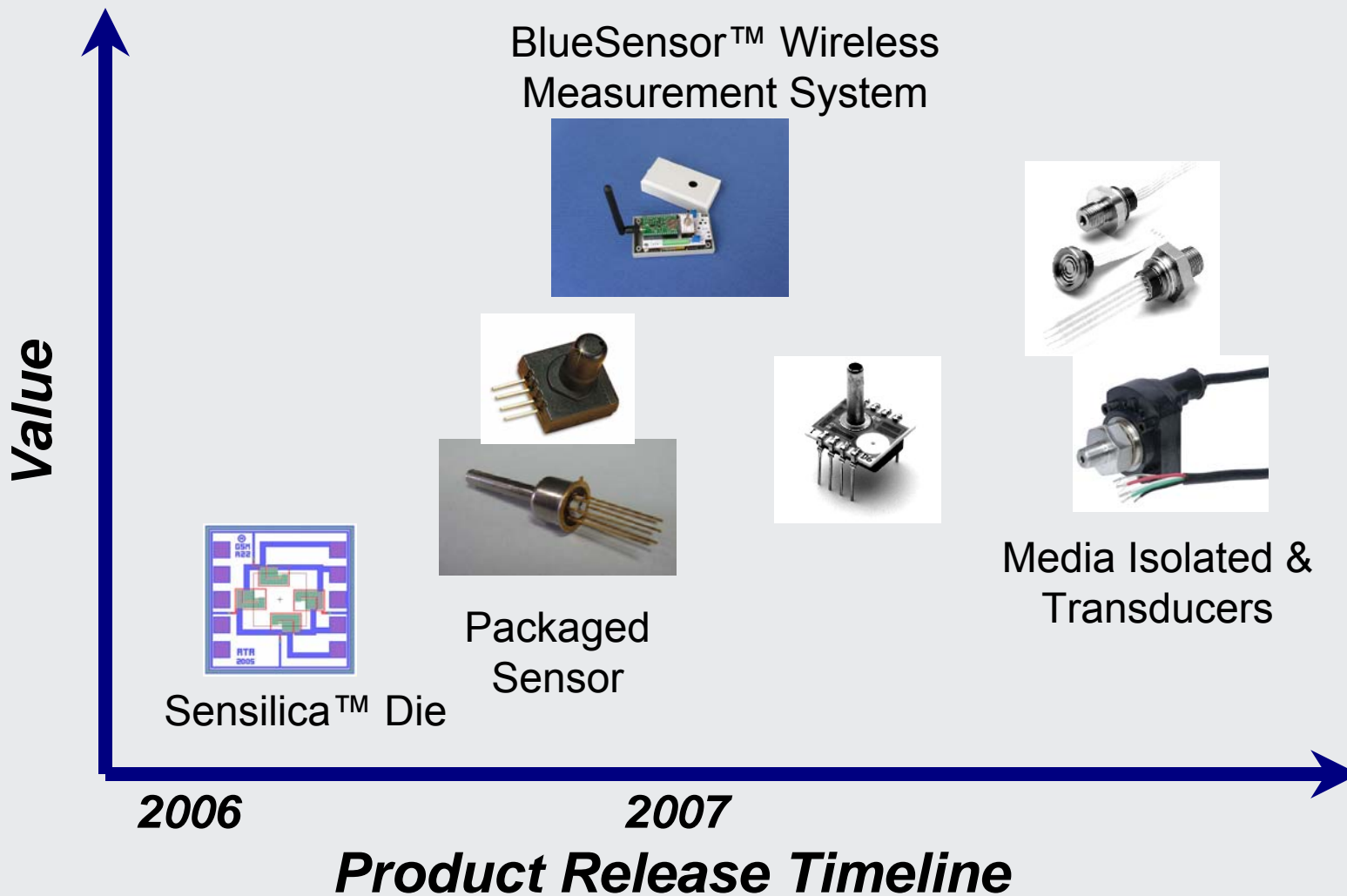
# Sensilica™ Die Family/Applications

- **Low Pressure (15 PSI)**
  - Altimeters, Barometric, Blood Pressure, HVAC
- **Medium Pressure (45, 600, 100 PSI)**
  - Engine Control, Tire Pressure, Scuba, Industrial Process Control (IPC)
- **High Pressure (200, 300, 500, 750, 1000 PSI)**
  - IPC, Diesel Engine Control, Natural Gas





# Move Up the Value Chain



# Action Plan

## Product Development

- Released Nine Sensor Die
- Developing Packaged Products

## Adding Rep/Distributors

- Adding US & Europe Focus
- Leverage Former Asia Distributors

## Marketing/Sales Efforts

- Exhibited at Two Leading Shows June'06
- Shipped Sample Orders

sensors expo  
& conferen

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Die Messtechnik-Messe

*Hear that Buzz? It's the sound of someone new at Sensors Expo?*



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Pressure  
Strain  
Position  
Wireless

Ever hear of Apogee? Audiophiles have been listening to us for almost 20 years. *After all, a speaker is just a transducer that grew up to say something!* Apogee brings our experience in consumer audio and digital electronics to the world of Sensors.

See our Sensors olutions for: *PRESSURE, POSITION, STRAIN and BlueSensor™ WIRELESS CONNECTIVITY.*

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TECHNOLOGY, INC.

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[www.apogeemems.com](http://www.apogeemems.com)

# Medical Group

***Our mission is to address unmet medical needs by commercializing nanotechnology based drug encapsulation and therapeutic delivery products.***



# Apogee's Medical Products Objective

- **Meet Patient's Needs**
  - Unmet medical needs
  - Reduce pain, recovery time, hospital visits
- **Meet Commercial Needs**
  - Extend drug patent life (2006, \$20 billion generic)<sup>1</sup>
  - Reduce side effects
  - Extend product shelf life
- **Meet Health Insurers Needs**
  - Reduce cost per treatment

[1] Furness, 2004

# Commercial Prospective

- **Rapidly Growing Transdermal Market**
  - \$13 billion today (small molecule drugs) expected to grow to \$32 billion in 2015<sup>1</sup>
  - Transdermal only 2.3% of the \$550 Billion Drug Market
- **Expand Markets With New Technologies**
  - Delivery of large molecule drugs (proteins, peptides)
  - 2003 US: \$9 billion for peptides, \$37 billion for proteins<sup>2</sup>
  - 2010 US: projected sales to exceed \$90 billion<sup>3</sup>

[1] Jain PharmaBiotech, "Transdermal Drug Delivery – Technologies, Markets and Companies", December 2005

[2] MedAd News, 2003

[3] Parmar, 2004

# Large Molecule Delivery

- **Advantages of Protein/Peptide Drugs**
  - Useful and effective
  - Cardiovascular, Inflammation, Cancer, Autoimmune...
  - Low chemical toxicity
- **Disadvantages of Protein/Peptide Drugs**
  - Short shelf life
  - Delivered by injection
- **Need for Effective Drug Delivery System!**

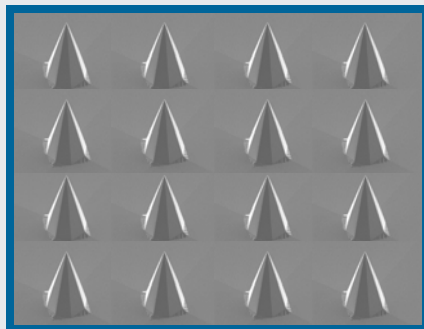
# Partnering With “Big Pharma”

- **Pharmaceutical Companies Moving to Earlier Stage Deals**
  - High cost of bringing new drug to market: \$880 million and 15 years
  - Long time to develop new delivery system for already existing drug: 4-8 years
  - Demonstrating feasibility of new drug delivery system: \$200-800K and 12 months
- **10 pre-clinical deals over \$100 million each in 2005**

# What is PyraDerm™?

- **Proprietary Intradermal Drug Delivery Platform**
  - Silicon Micro-Pyramid Array
  - Nano-encapsulated Drug Coating
  - Applicator Patch

PyraDerm™ Array

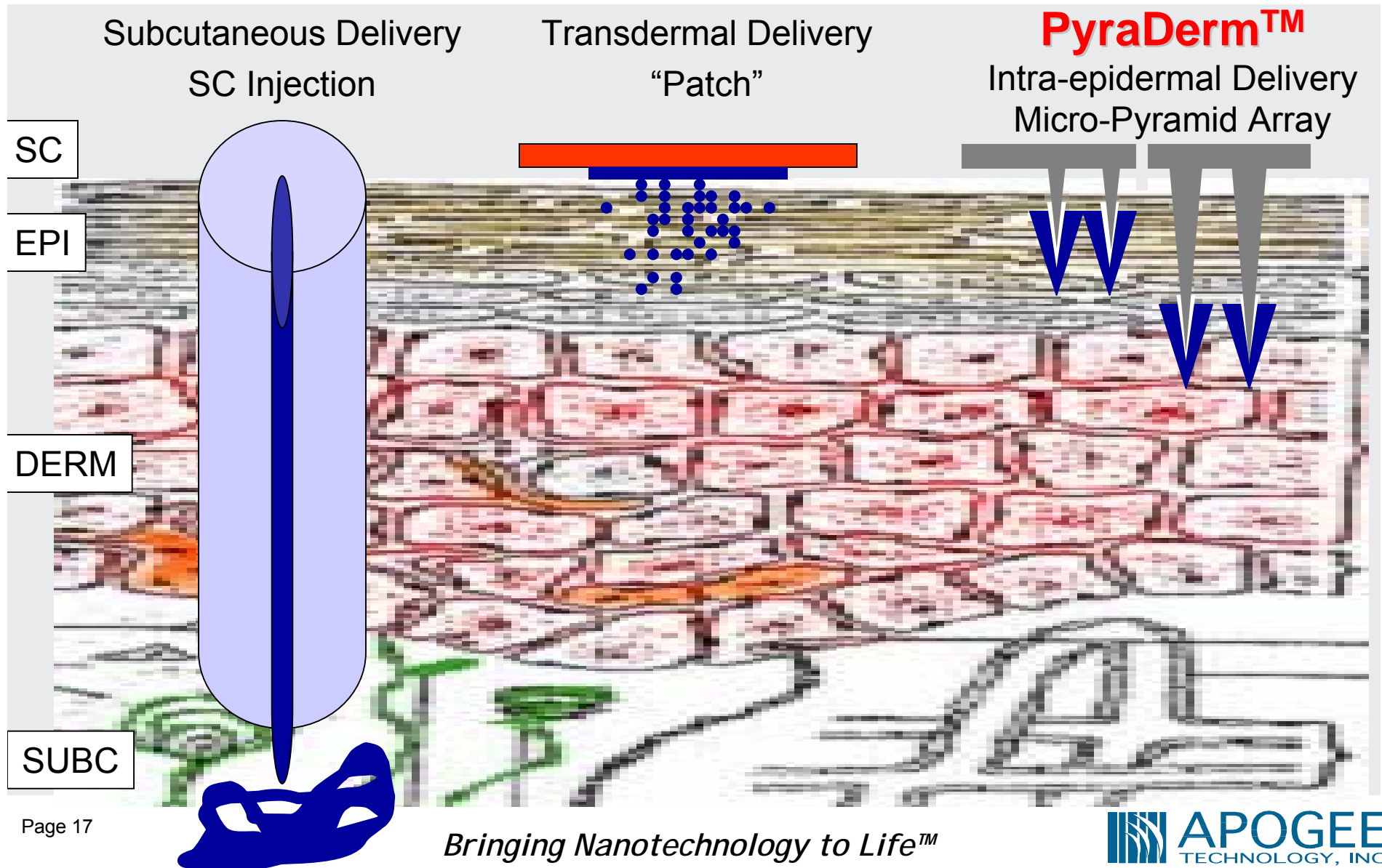


Sample Patch

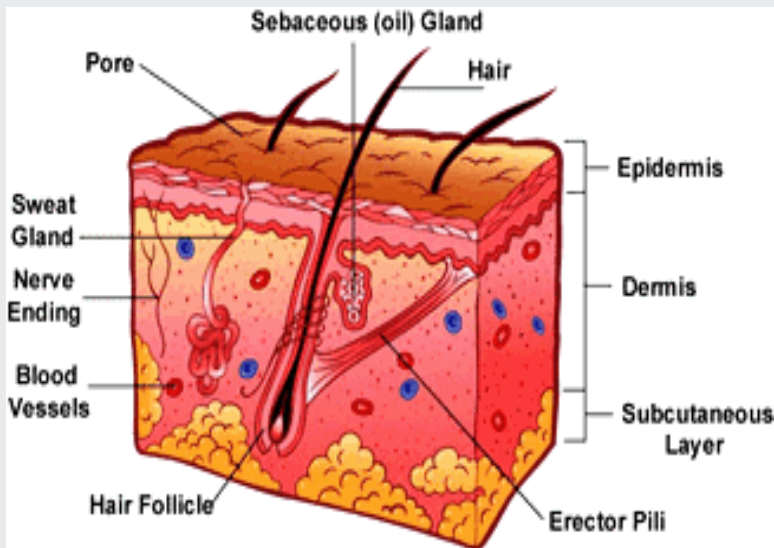
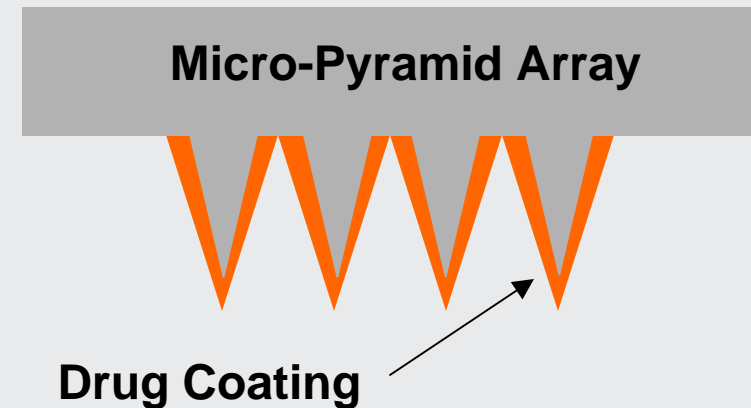




# Through-Skin Routes of Delivery



# Apogee's PyraDerm™ Advantages



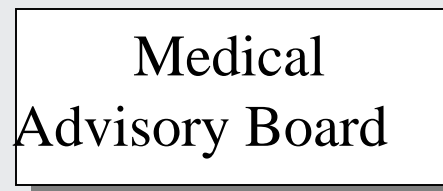
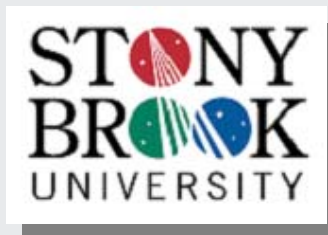
## ***Micro-Pyramids Create Pores in Skin to Enable Delivery of Therapeutic Compounds***

- Delivery of large molecule biotech drugs via drug coatings
- Immediate and timed release
- Drug preservation for longer shelf life
- Avoids digestive system and has potentially fewer side effects
- Targets active cells and potentially reduces required dosage
- Self administration
- Painless

# Company Expertise



- **Micro-Pyramid Manufacturing**
- **Nano-Encapsulated Drug/Carrier Formulation Development**
- **Pre-clinical and Clinical Testing**
- **Product Manufacturing**



# Business Strategy

- **Initiate Strategic Pharma Relationships for Products Based on Branded Drugs**
  - **Apogee:** Product development and regulated manufacturing
  - **Pharma:** Drug development, product registration, marketing and distribution
  - **Revenue Potential:** Development/Licensing Fees with potential Product sales to Pharma (Short/Long Term)
- **Leverage Technology for Minimally Regulated Transdermal Products**
  - Target Dermatological, Cosmeceutical, Neutraceutical Markets
  - Revenue Potential: Product Sales (Short/Mid Term)

# 2006-2007 Action Plan

- **Generate Robust Multiple Medical Product Pipeline**
  - Complete pre-clinical/clinical testing with 3 drugs with a market value over \$12 billion
  - Secure strong IP position for exclusive marketing rights
  - Execute key strategic alliances
  - Establish commercialization partnerships
- **Generate Business Model for Cosmeceutical and Netraceutical Family of Products**

# Summary

- **Public Company with Experienced Team**
- **Proprietary Nanotechnologies**
- **Focus on Vertical Multi-Billion Dollar Markets**
  - Sensor: Released First Pressure Sensor Products
  - Medical: Feasibility Demonstration of Novel Drug Delivery Platform => Partnership Plan
- **Organic Business Strategy for Short, Mid and Long Term Revenue**

**Thank You**

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