POZEN®
INC.
The Pharmaceutical Development Company

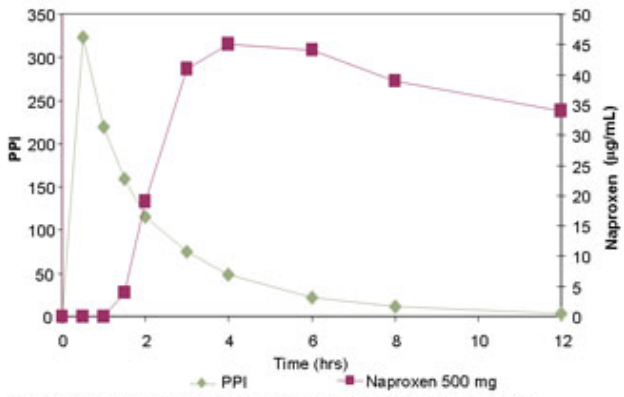
1414 Raleigh Road, Suite 400
Chapel Hill, North Carolina 27517
Main: 919-913-1030
www.pozen.com

Proposed Next Generation Arthritis Therapy

POZEN's patented PN 400 fixed dose product candidate is designed to provide the coordinated delivery of a pH sensitive Naproxen core with an outer layer of immediate release esomeprazole (PPI) in the film coat in a single tablet. PN 400 is an investigational product under clinical development in patients who require chronic NSAID treatment for chronic arthritis pain and are at risk of NSAID associated gastic ulcers.

If approved, this fixed dose combination product will ensure co-therapy adherence because with every dose of the medication, the patient will receive the PPI. It has been previously demonstrated that up to 60% of patients will not adhere to recommended PPI co-therapy after the third NSAID prescription. (Goldstein, J Clinical Gastroenterology and Hepatology 2006:4:1337-1345; Van Soest EM, APT 26:265-275)

PN Delivers PPI Before the Offending Agent is Released



PN 100-103 Plasma Time – Concentration Curves for Naproxen and PPI on Day 1 Proof of Concept study

PN 400: Potential New Treatment for Osteoarthritis

Osteoarthritis is one of the most frequent causes of physical disability among adults. Nearly 21 million people, age 25 or older, in the United States have the disease. By 2030, 20 percent of Americans—about 72 million people—will have passed their 65th birthday and will be at risk for osteoarthritis. (National Institute of Arthritis and Muscoloskeletal and Skin Diseases, May 2006)

In the United States alone, there are approximately 16,500 NSAID-attributable deaths and 100,000 hospitalizations yearly.

POZEN's PN 400 product candidate is being developed for the relief of the signs and symptoms associated with conditions such as osteoarthritis, rheumatoid arthritis and ankylosing spondylitis in patients who are at risk for developing NSAID-associated gastric ulcers. The product candidate PN 400 being developed potentially offers a different mechanism of gastroprotection than the COX-2 selective NSAIDs and could potentially provide an alternative pain therapy. POZEN's PN 400 is designed to provide gastroprotection with the added benefit of ensuring adherence since the PPI is administered with every dose of NSAID.

PN 400: Development Timeline

POZEN initiated the PN 400 Phase III trials in September of 2007. The NDA was submitted in June 2009.

Collaboration With AstraZeneca

POZEN entered into an exclusive global collaboration agreement with AstraZeneca on August 1, 2006 for the co-development and commercialization of a proprietary fixed dose combination of the proton pump inhibitor (PPI) esomeprazole magnesium, with the non-steroidal anti-inflammatory drug (NSAID) naproxen, in a single tablet. PN 400 is being developed for the relief of the signs and symptoms associated with conditions such as osteoarthritis, rheumatoid arthritis and ankylosing spondylitis in patients who are at risk for developing NSAID-associated gastric ulcers. In September 2007, POZEN and AstraZeneca amended certain terms of the August 2006 collaboration agreement. Under the amended terms, AstraZeneca will pay POZEN up to $345 million, in aggregate, for the achievement of development, regulatory, and sales milestones. POZEN has received $70 million, which included upfront payments and recognition of successful proof of concept, $55 million will be paid upon achievement of certain development and regulatory milestones, and $260 will be paid as sales performance milestones if certain aggregate sales thresholds are achieved. In addition, POZEN will receive royalties in net sales.