

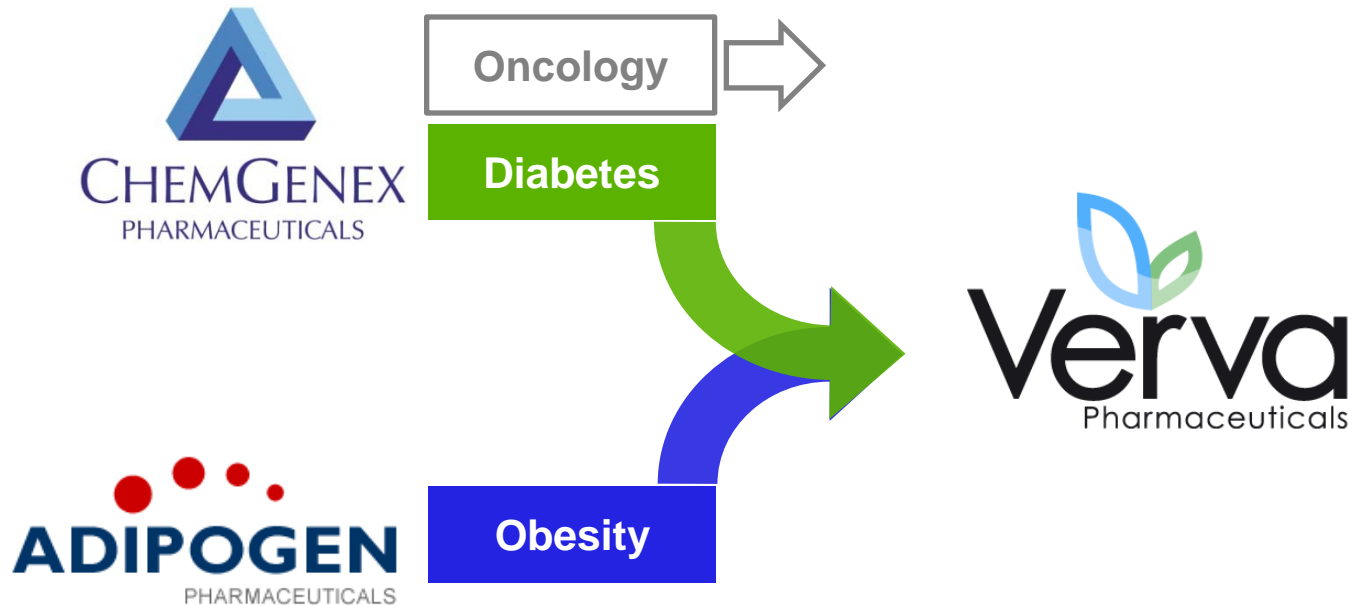


Novel Therapies for Metabolic Disease

Vince Wachter, CEO
vwacher@vervapharma.com

Verva Pharmaceuticals

- Clinical-stage pharmaceutical company formed Dec'07 to develop novel therapies for diabetes and obesity



Verva Leadership Team

■ Board of Directors

- **Ian Nisbet, PhD (Chair)**

- CEO Xenome Ltd.; ex-Millennium, CSL

- **Andrew Baker, PhD**

- GBS Venture Partners; ex-Genentech, Bayer, J&J

- **Michael Cowley, PhD**

- Director of the Monash University Obesity & Diabetes Institute; ex-CSO Orexigen® Therapeutics Inc.

- **John Kurek, PhD**

- Uniseed; ex-BioDiem, Amrad

- **Matthew Morgan, MBA**

- Queensland Investment Corporation

■ CEO

- **Vince Wachter, PhD**

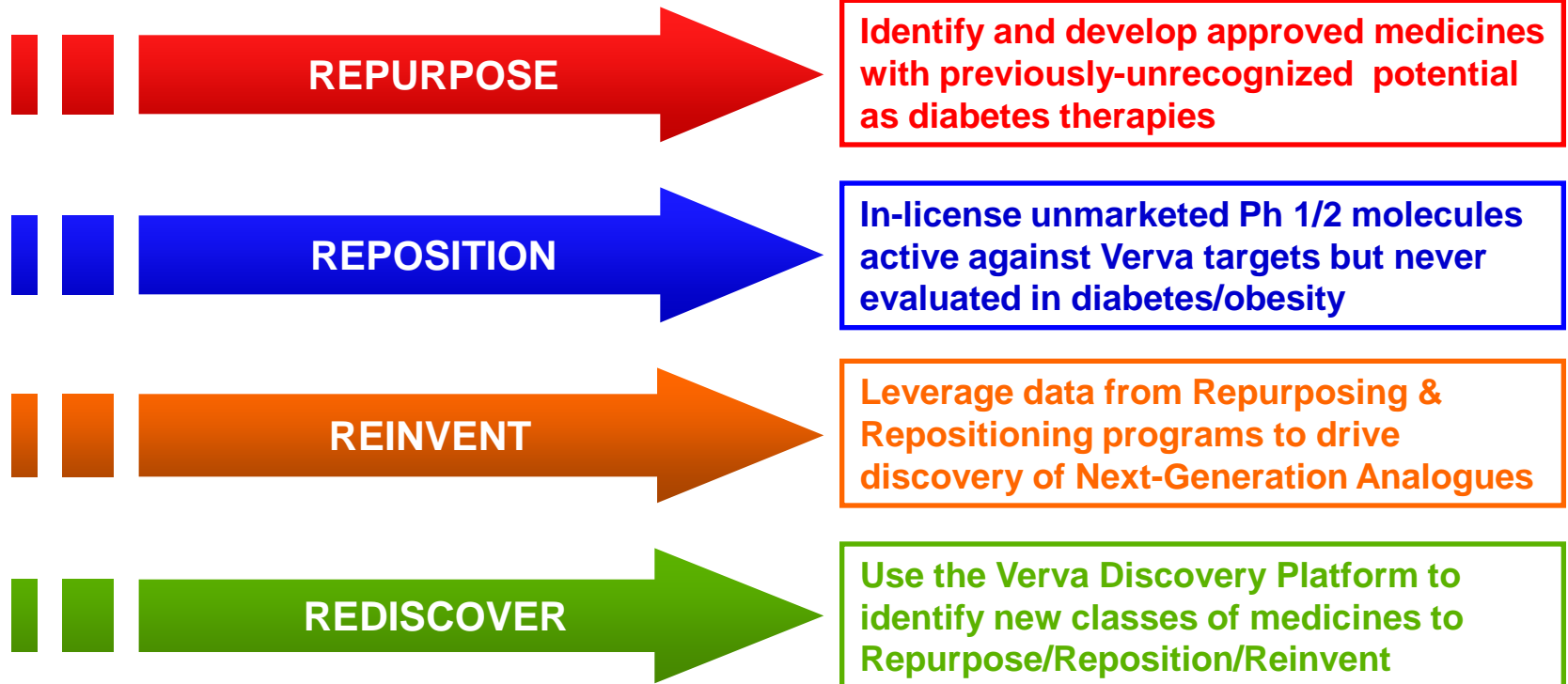
- 15 years US biotech; ex-Adipogen Pharmaceuticals (CEO), Eastman Chemical

Verva Expertise & Infrastructure



- Verva's founding laboratory
 - 10-year relationship
 - Ideal discovery partner
- Experienced scientific team
 - Decades of international metabolic diseases research
- Exceptional *in vitro* & *in vivo* capabilities
 - DIO mice/rats, *db/db* mice, Zucker rats, Israeli Sand Rats
- Verva Management & Board have extensive clinical trials experience

Multi-Tiered Value Generation Strategy



Verva Portfolio

PROGRAM	Discovery	Preclinical	Phase 1	Phase 2a	Phase 2b
VVP808 (diabetes)	Non-TZD Insulin Sensitizer *				
VVP100X (diabetes)	§				
GES Platform [■]					
FGFR (obesity)	ASOs				
IMPDH (obesity)	†				

* Off-patent molecule with extensive clinical experience in an unrelated indication

§ Next-generation insulin sensitizers based on VVP808 structure and mode-of-action

■ Gene Expression Signature technology applied to discovery of diabetes therapies

† Preclinical proof of concept with existing commercial product

Achievements since May'09

- **Completed Series A Financing (AUD 2M)**
- **Licensed FGF/FGFR technology to ISIS Pharmaceuticals**
 - **Carlsbad, CA (NASDAQ: ISIS)**
- **Completed voluntary buyback of ordinary shares**
 - **Fully subscribed 10% of Company's ordinary share capital**
- **Commenced VVP808 phase phase 1b/2a clinical trial**
 - **Geelong, Box Hill, Austin Health**
- **ARC Linkage grant to support VVP100X program**
 - **Next generation VVP808 analogues**

Verva Current Focus

- **Equity financing completed May, 2009**
 - **AUD 2M - Series A preference shares**
- **Generate clinical proof-of-concept with VVP808**
 - **Near-term product opportunity**
 - **First-to-market opportunity ex-US**
 - **Pharma demand for non-TZD/PPAR insulin sensitizers**
 - **Worldwide interest in VVP808 clinical data**
 - **Two international pharma have signed CDAs**
- **Define VVP808 mode-of-action**
 - **Pharma keenly interest in new diabetes targets**
 - **Increased value with clinical-validation**



VVP808 – A New Insulin Sensitizer

Verva Diabetes Opportunity

- **Multi billion dollar worldwide diabetes therapy market**
 - **Expected to double in the next 7 years**
- **Current therapies limited by safety, cost and loss of efficacy**
 - **Developmental products primarily “me too” drugs directed towards existing targets and modes-of-action**
- **Significant market demand for novel insulin sensitizers**
 - **TZD/PPAR insulin sensitizers (Avandia, Actos) dominated the oral therapy market prior to identification of cardiovascular safety issues**

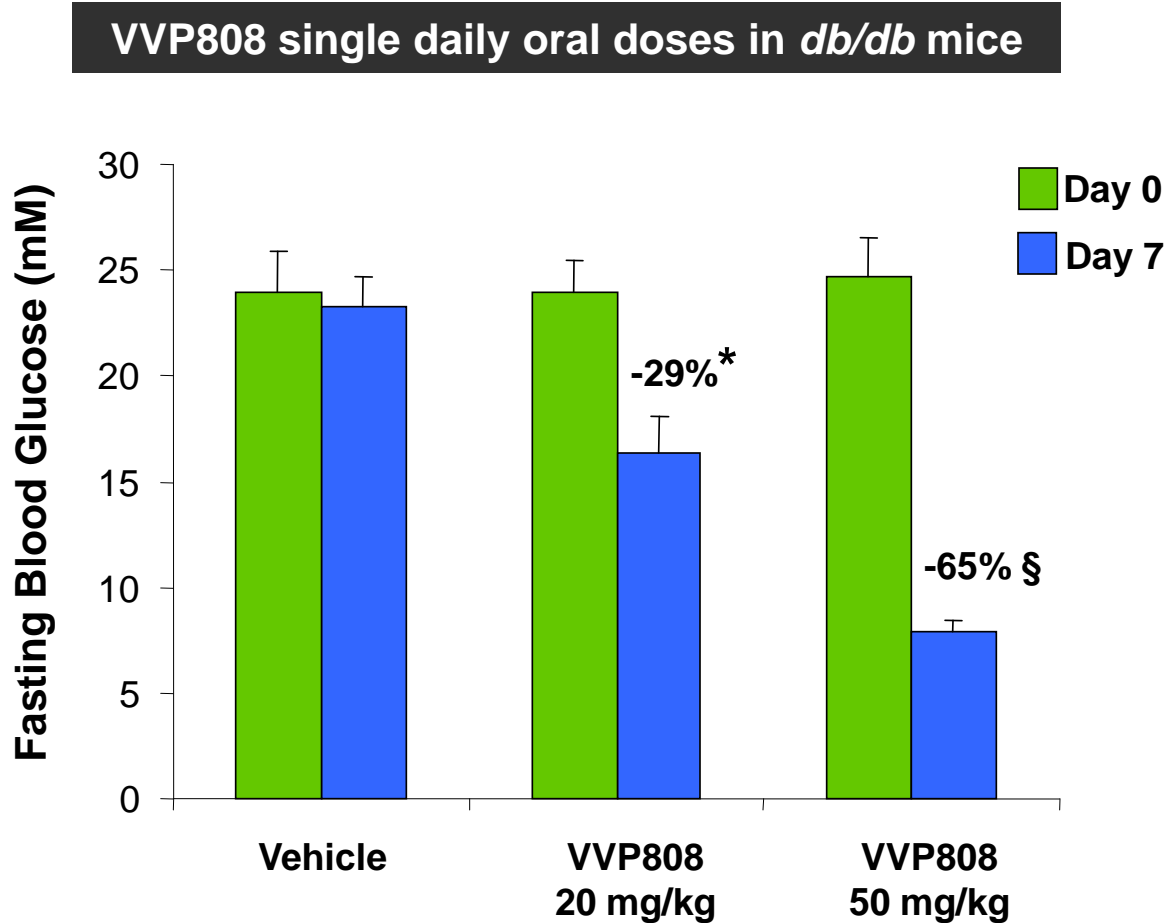
VVP808 is a new non-TZD/non-PPAR insulin sensitizer

VVP808 Clinical Repurposing

- **Off-patent enzyme inhibitor**
 - Identified using the Verva GES discovery platform
 - 40+ years of clinical use solely in North America in an unrelated indication
 - Established long-term safety profile
 - Limited current use; never evaluated as a diabetes therapy
 - No reported cardiovascular side-effects

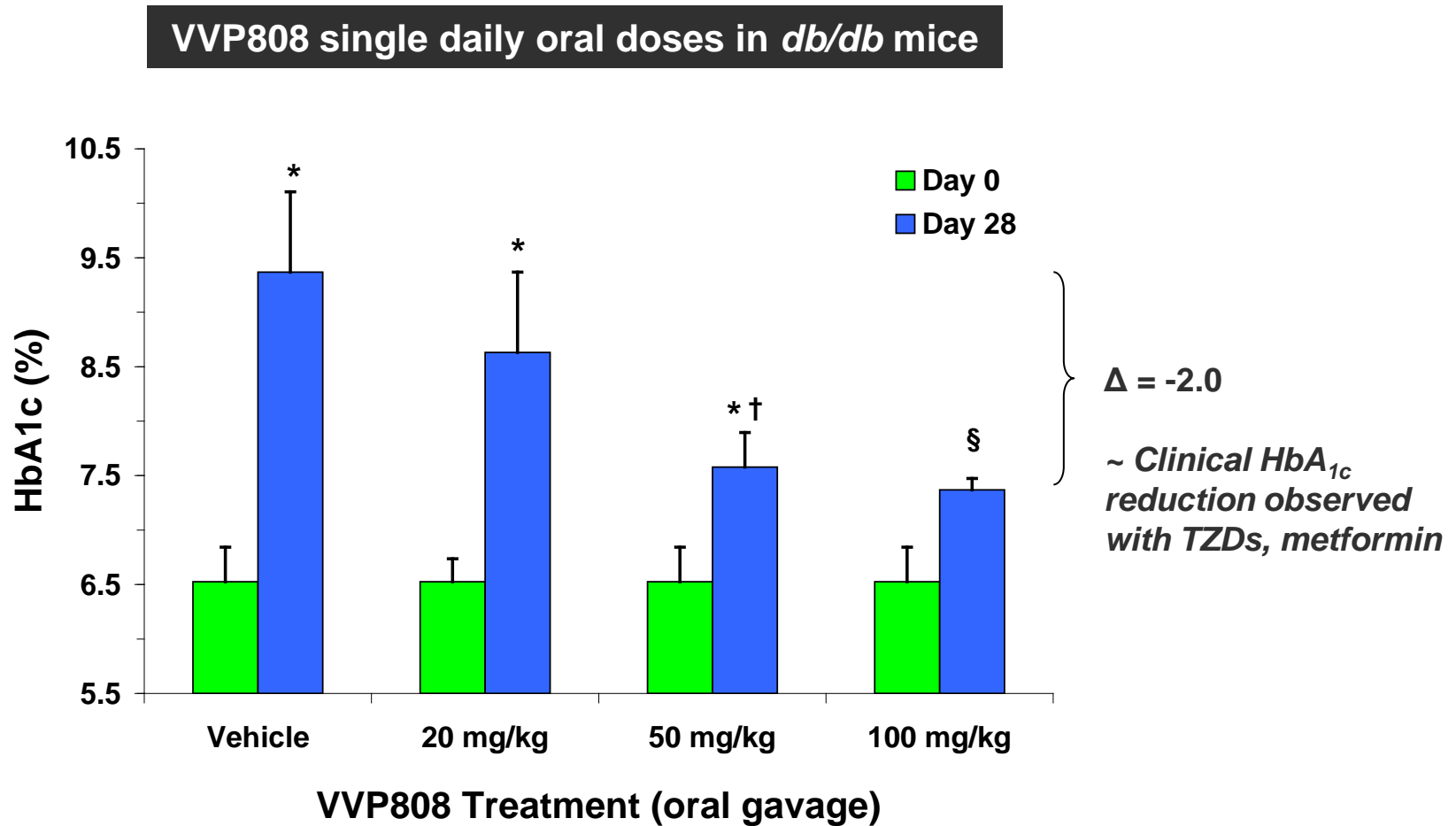
- **Diabetes activity is not due to the known enzyme inhibition**
 - Opportunity for dose-differentiation
 - Avoid effects associated with known enzyme inhibition

VVP808 Lowers Blood Glucose



Compared with Day 0: * $p=0.0008$, § $p=0.00004$

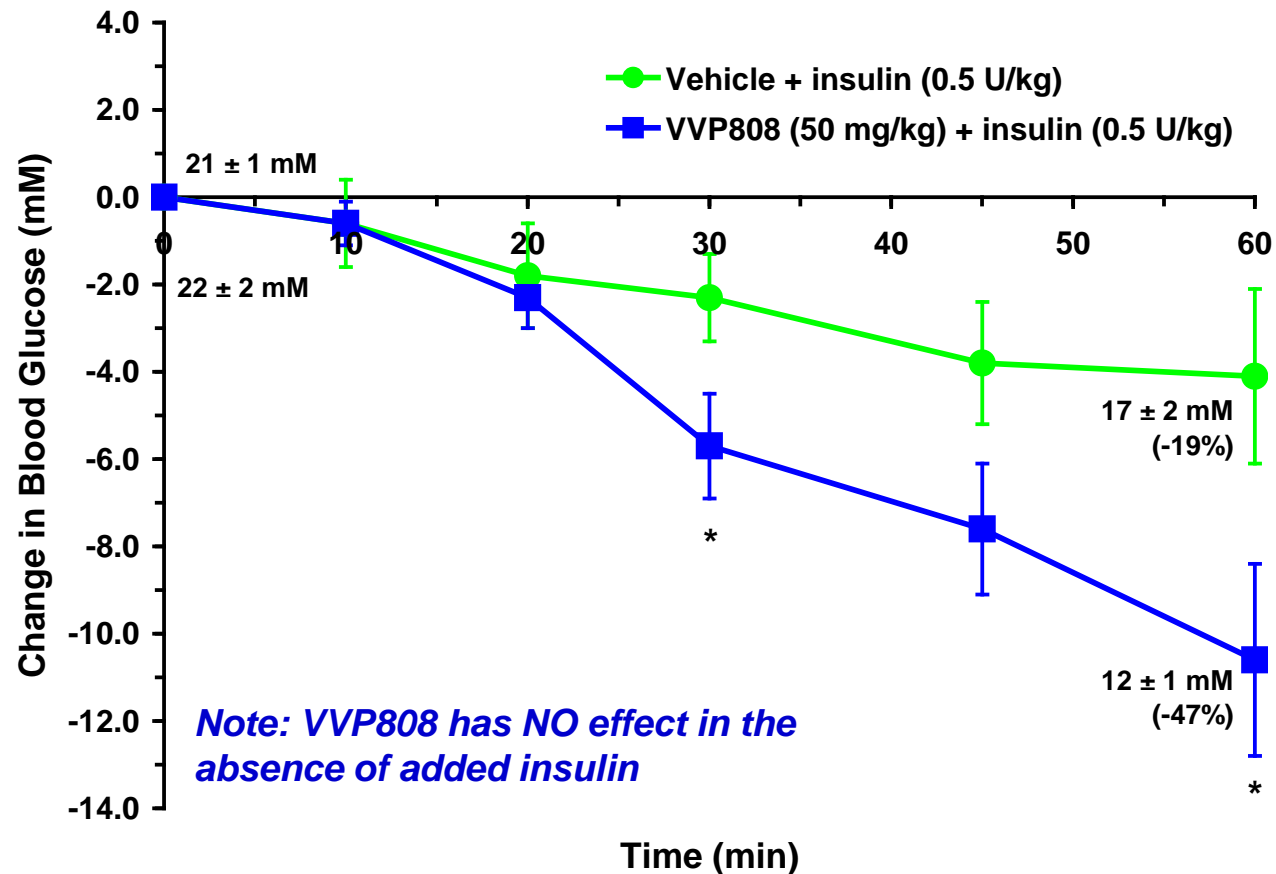
VVP808 Lowers HbA_{1c}



* $p \leq 0.04$ vs. day 0 † $p = 0.06$ vs. vehicle § $p = 0.04$ vs. vehicle

VVP808 - A Novel Insulin Sensitizer

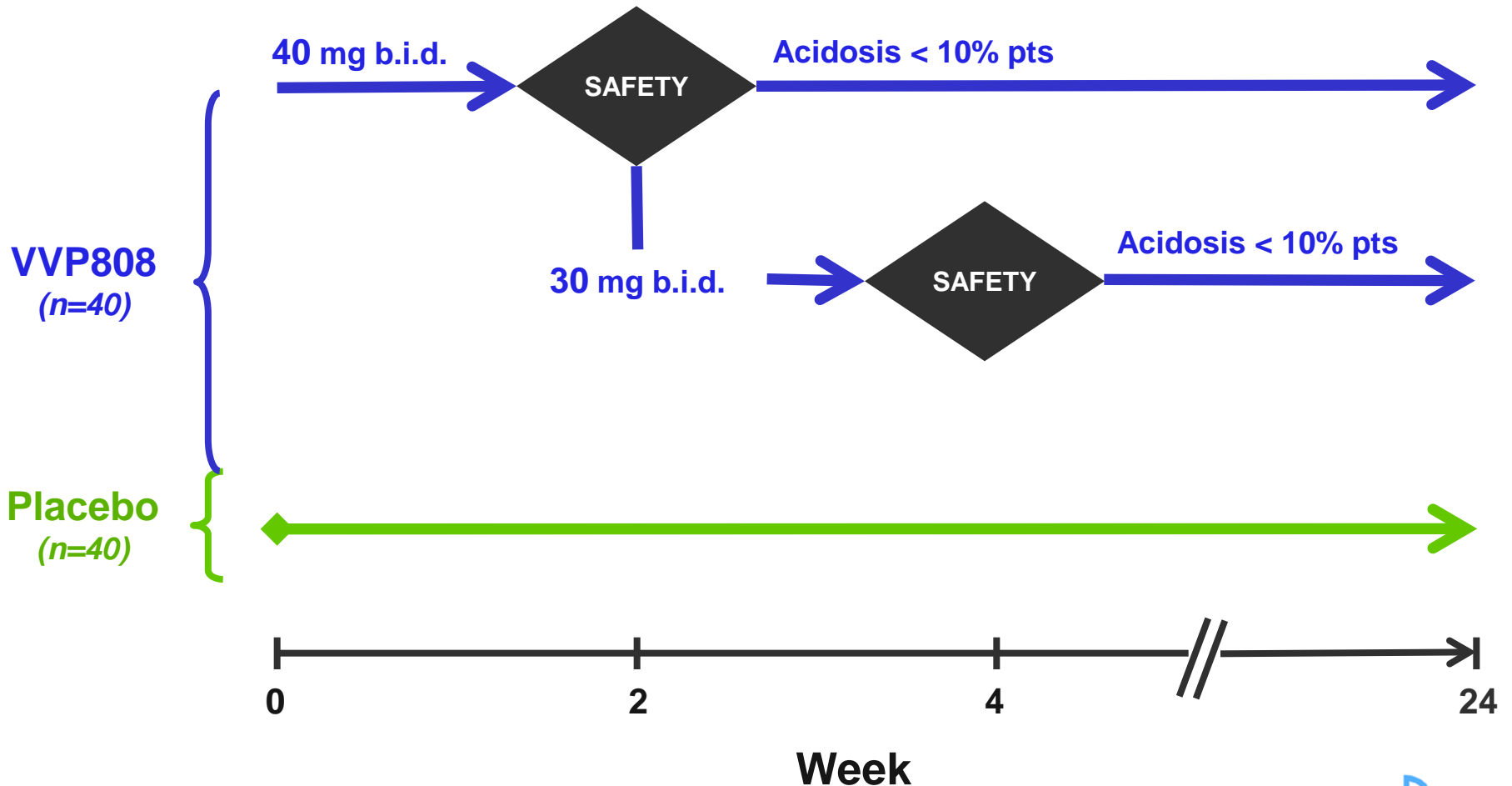
SD rats rendered diabetic (no insulin production) by STZ injection 60 mg/kg/day x 8 days) prior to 14 days VVP808



VVP808 Clinical Development

- **Phase 1b/2a clinical proof-of-concept study**
 - **Safety and efficacy of VVP808 in diabetes patients not taking other anti-diabetic medications**
 - **Ethics approval solicited under the Australian CTN system**
 - **Primary site Geelong Hospital, Victoria (PI Dr. Geoff Nicholson)**
 - **Second site Box Hill Hospital, Victoria (Dr. Richard Simpson)**
 - **Third site Heidelberg Repatriation Hospital, Victoria (Prof. Joseph Proietto)**
- **Key objectives**
 - **Safe administration to diabetes patients**
 - **Efficacy at lower doses than used in the approved indication**
 - **Reduction in HbA1c (0.5%), FPG, PPG**
 - **Weight loss, improved lipid profile**

VVP808-002 Clinical Trial



* Current approved doses are 50-100 mg b.i.d. or t.i.d.

VVP808 Product Development

- **Ideal VVP808 diabetes product employs a significantly lower dose than currently used**
 - IP protection
 - Avoid generic competition
 - Minimize CA inhibition and related side-effects
- **Ideal VVP808 diabetes product is a modified release dosage form**
 - Once-a-day dosing e.g. XR formulation
 - IP protection
 - Potential efficacy & safety improvements?
- **VVP808 + metformin combination product**
 - IP protection
 - Avoid generic competition
 - Potential synergy allows efficacy & safety improvements?

Diverse Asset Portfolio

- **VVP100X**
 - **Optimized, proprietary next-generation diabetes therapies based on VVP808 structure and mode-of-action**
 - **5 new scaffolds identified**
- **GES diabetes discovery platform**
 - **Ideal screening tool to unlock value in partner libraries and products**
 - **Used to discover VVP808**
- **Two fat blocking technologies with preclinical proof-of-concept**
 - **Pharma interest**
 - **Aspects of FGF/FGFR technology licensed to ISIS Pharmaceuticals**

Key Milestones & Newsflow

Event	Time
▪ VVP808 phase 1b/2a clinical - initiate study	✓
▪ VVP100X ARC Linkage discovery program	Q2'10
▪ VVP808 mode-of-action & target confirmed	Q3/4'10
▪ VVP100X in vivo efficacy (preclinical)	Q4'10
▪ VVP100X discovery partnership/collaboration	Q4'10
▪ VVP808 phase 1b/2a clinical – final data	Q2'11
▪ VVP808 partnership/license	Q2'11