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## **Annual General Meeting, 14 May 2010**

### **Chairman's Address**

A year ago, at last year's AGM, Verva shareholders passed a number of resolutions allowing the completion of a Series A financing. The objective of the financing was to raise sufficient funds to conduct a Phase IIa clinical study of Verva's lead compound, VVP808, in patients with diabetes. During the course of 2009 the company worked diligently at preparing regulatory documentation and submissions, manufacturing clinical trial materials, identifying trial sites, and obtaining the requisite clinical trial approvals. These efforts ultimately led to commencement of the study early in 2010. This was a significant achievement, and one for which we've been working since the formation of Verva in late 2007.

While the VVP808 clinical study has been the company's primary focus there have been additional achievements along the way. In August 2009 we announced the licensing of Verva's FGFR intellectual property to ISIS Pharmaceuticals, Inc. for the development of drugs to treat obesity and other medical conditions. ISIS has presented compelling animal data on antisense compounds based on Verva's IP at major international conferences and we are hopeful that the program will yield candidates suitable for moving into formal development.

In addition to the ISIS collaboration, Verva has continued to work closely with its long time collaborators at the Metabolic Research Unit (MRU) at Deakin University. The MRU has generated important data relating to VVP808 mechanism of action, along with the identification of follow-up compounds and further exploitation of Verva's underlying technology platform, the Gene Expression Signature (GES). We continue to seek partners to help exploit the GES platform.

Finally, during the year we completed a small share buy-back program. This was undertaken to provide an 'exit' for Verva shareholders who didn't want, or weren't able, to hold shares in a non-listed entity. Through the buy-back scheme, a number of shareholders were able to liquidate their holdings in Verva, with only a small impact on the company's cash position.

At a management level, Verva continues to operate as a virtual company, thereby keeping its cash burn rate to a minimum. This means that most of the heavy lifting falls to CEO Vince Wachter. Vince's enthusiasm and diligence have been critical to Verva's progress over the past year.

At last year's AGM we announced a number of changes at the Board level in association with the Series A investment. During the year we made one further change, with Prof Michael Cowley joining the Board in November. These changes to the Board are being ratified in the three resolutions for today's meeting. I thank the Verva Directors, both the ones who departed in May last year and the ones who subsequently joined the Board, for their efforts in support of the company.

Finally, at last year's AGM we noted the resignation of Rick Merrigan, who had served as Verva's founding Company Secretary. Sadly, Rick passed away not long after resigning. Rick was a valued colleague, a devoted family man and true gentleman, and we note his passing with great sadness.

2009 presented great challenges to companies, governments and individuals around the globe. I'm pleased to be able to say that Verva met its challenges head on and, with hard work, perseverance, (and a bit of luck), ended the year in a much stronger position than it started. The company's management and directors will be working hard to make sure that we can make the same statement at the end of 2010.

Ian Nisbet, PhD  
Chairman