

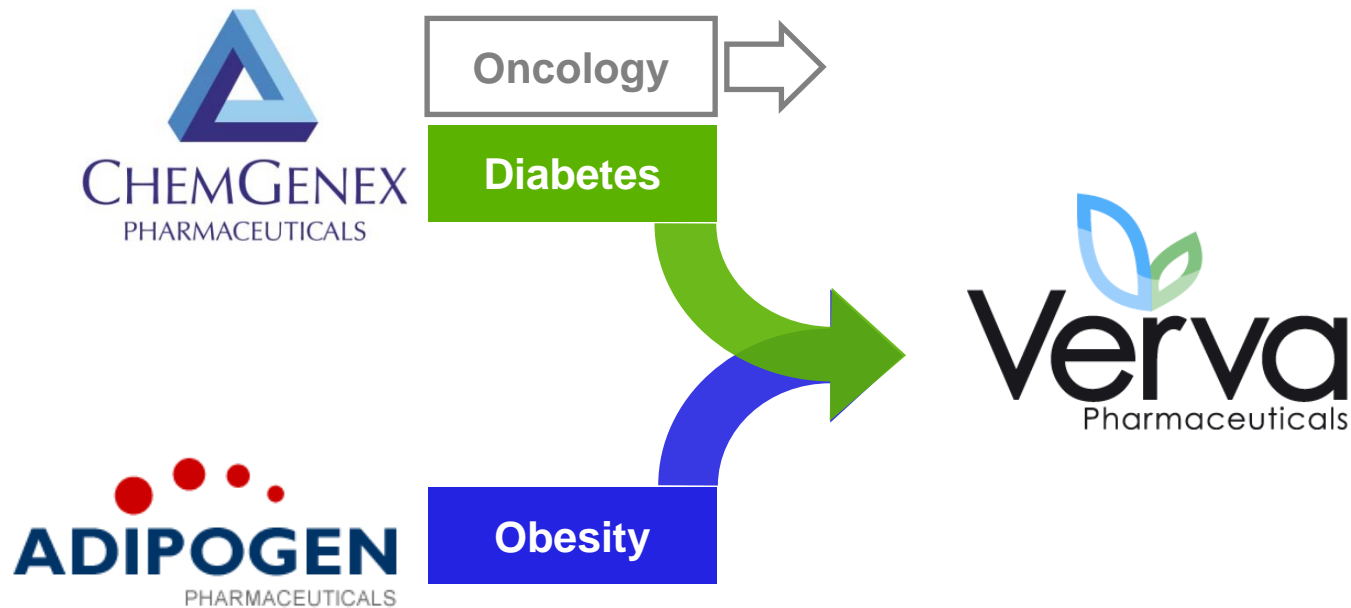


Novel Therapies for Metabolic Disease

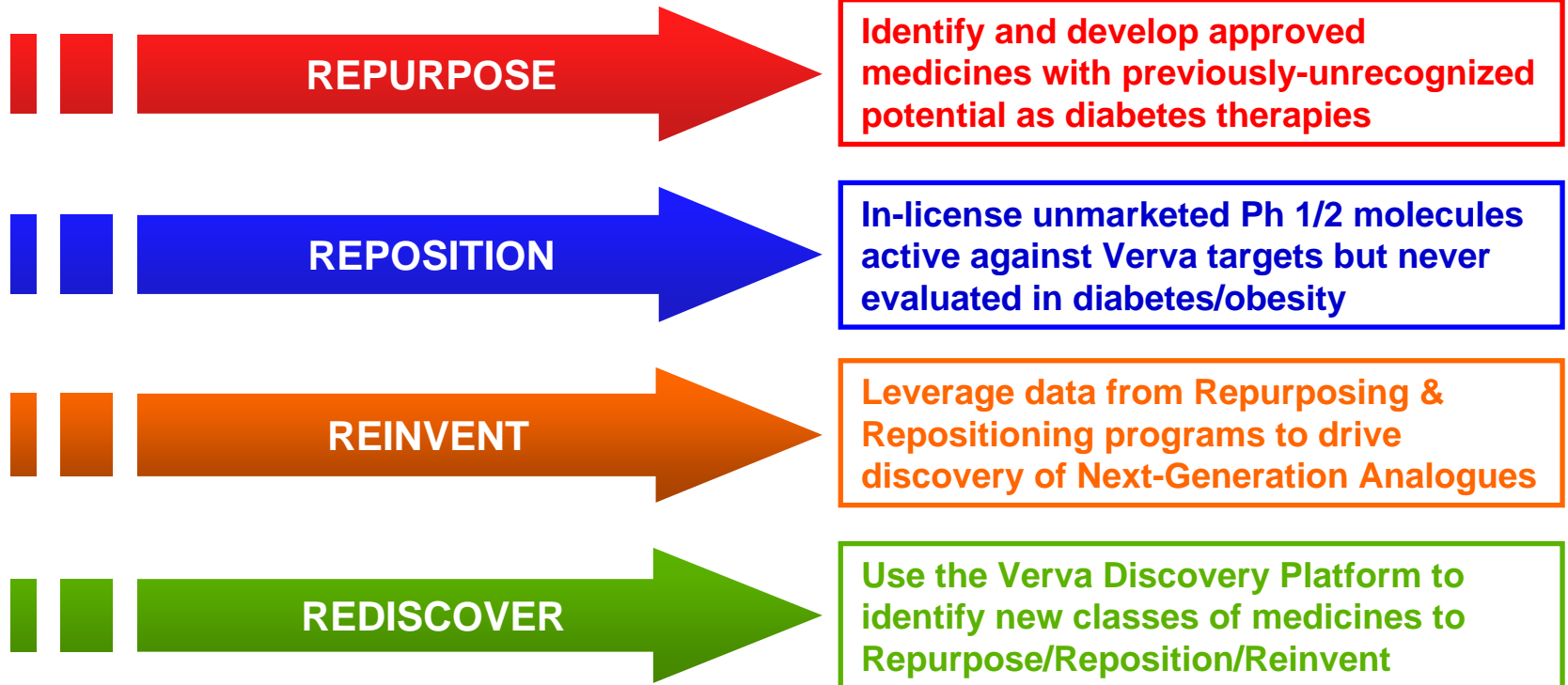
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Verva Pharmaceuticals

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



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

Verva Realities

- **Financing**

- Insufficient capital to advance all programs

- **Probability**

- Significantly greater chance of success in diabetes vs. obesity

- **Opportunity**

- Pharma interest in new, safer diabetes therapies
- Pharma values new targets and phase 2 clinical products

Focus on VVP808 !

Verva Investment - Use of Funds

- **Generate clinical proof-of-concept with VVP808**
 - Near-term product opportunity
 - Pharma demand for non-TZD/PPAR insulin sensitizers
 - Validates GES discovery platform
- **Define VVP808 mode-of-action**
 - Pharma keenly interest in new diabetes targets
 - Increased value with clinical-validation
- **Partner/license other assets and IP in Verva portfolio**
 - Obesity programs; VVP808 analogues



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

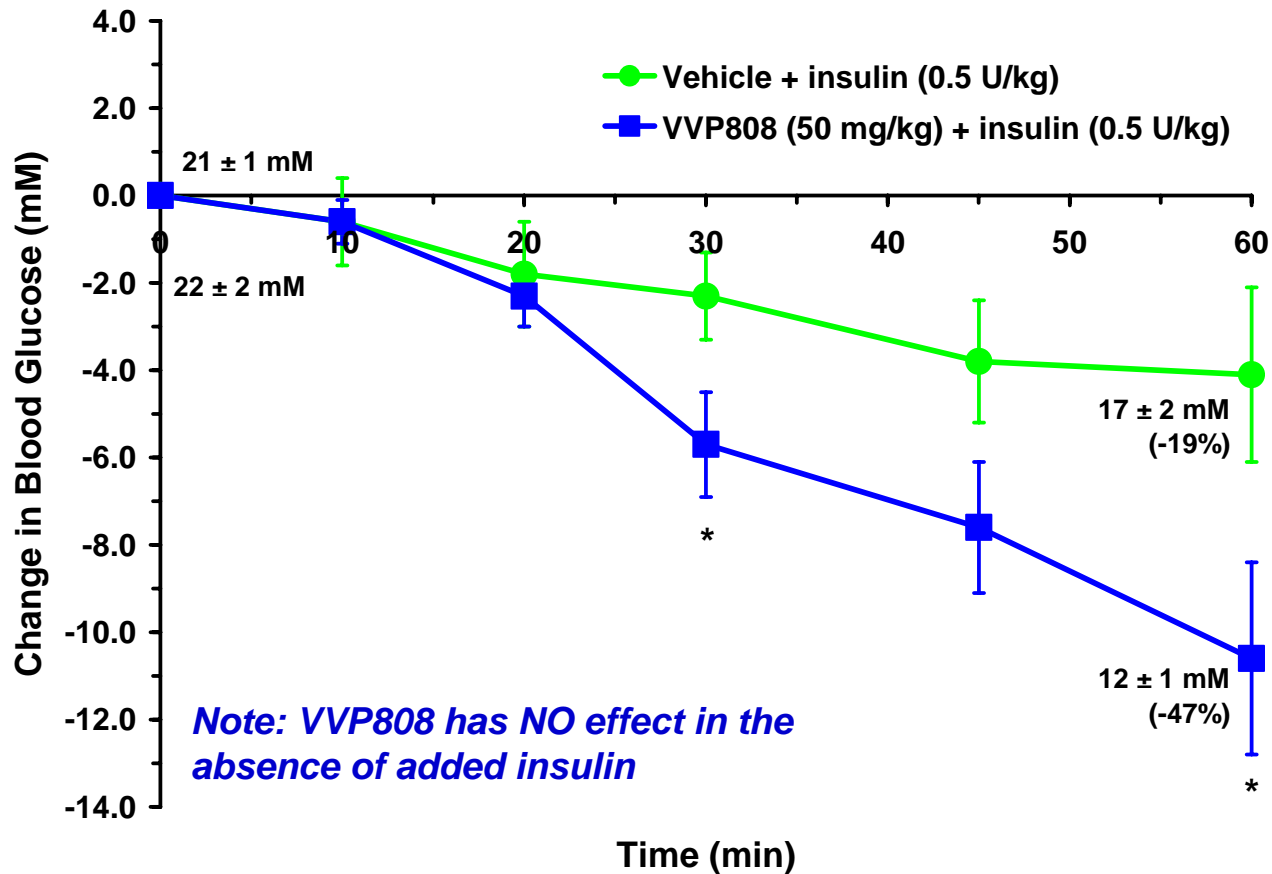
VVP808 Clinical Repurposing

- **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 - 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

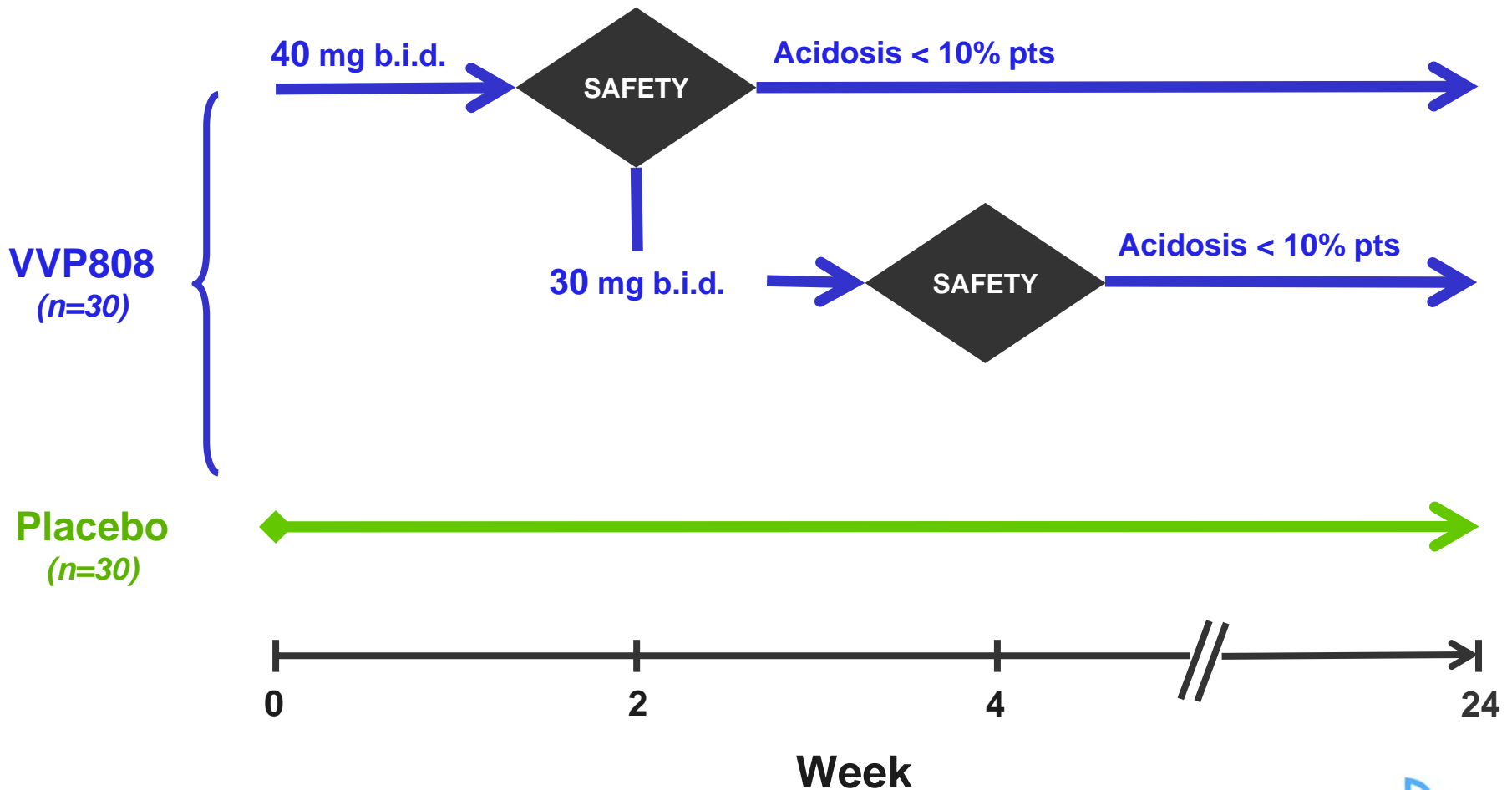


VVP808 Clinical Development

- **Phase 1b/2a clinical proof-of-concept study**
 - Safety and efficacy of VVP808 in diabetes patients
 - Ethics approval obtained under the Australian CTN system
 - Primary site Geelong Hospital (PI Dr. Geoff Nicholson)
 - Evaluating additional sites

- **Key objectives**
 - Safe administration In diabetes patients
 - Efficacy at lower doses than used in the approved indication
 - Reductions in HbA1c (0.5%), fasting blood glucose, post prandial glucose
 - Weight loss, improved lipid profile

VVP808 Clinical Trial



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

VVP808 Differentiators

Feature	VVP808 Advantage
New diabetes MOA	→ Non-TZD/PPAR insulin sensitizer Decreased HGP
Long history of clinical use	→ Favourable safety profile Improved with lower doses
Additional benefits possible	→ Weight loss Synergy with metformin
Only approved in N. America Limited current use	→ First-to-market opportunity ROW Low risk of off-label prescribing
Simple structure; low COGS	→ Competitive, 'reimbursement friendly' pricing at good margin
IP differentiation	→ Lower doses; combinations; modified-release forms

VVP808: Multiple Value Opportunities

- **Clinical trial validates the diabetes target**
 - **Novel insulin sensitiser**
 - **Increased opportunity for pharma partnering**
- **VVP808 is a nearer term clinical product opportunity**
 - **Potential Specialty Pharma opportunity**
- **Clinical success validates the GES discovery platform**
 - **Facilitates R&D collaborations using the platform**
- **Target identification and validation enables discovery and development of VVP808 analogues**
 - **Improved, proprietary next-generation medicines derive higher value**

Key Milestones & Newsflow

Event	Time
▪ Financing	Q2'09
▪ FGFR program out-license	Q2'09
▪ VVP808 1b/2a clinical - start manufacture	Q2'09
▪ VVP808 phase 1b/2a clinical - initiate study	Q4'09
▪ VVP808 mode-of-action & target confirmed	Q1/2'10
▪ VVP808 phase 1b/2a clinical – final data	Q2/3'10
▪ Partnership, license, M&A	On-going