

# AVEXA

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# Welcome

## Annual General Meeting

### 18<sup>th</sup> November 2010



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# Forward Looking Statement

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***This presentation includes forward-looking statements that are subject to risks and uncertainties. Such statements involve known and unknown risks and important factors that may cause the actual results, performance or achievements of Avexa to be materially different from the statements in this presentation.***

***Actual results could differ materially depending on factors such as the availability of resources, the results of pre-clinical and clinical proof-of-concept studies, the timing and effects of regulatory actions, the strength of competition and the effectiveness of patent protection.***

***Additional information regarding risks and uncertainties is set out in the company's 2010 annual report which is available from Avexa on request or via the company website [www.avexa.com.au](http://www.avexa.com.au).***



# New Board & New Vision – July 7<sup>th</sup>, 2010

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- Three strong commitments
  - Undertake an Independent Expert Review
  - Better communication
  - Pursue a meeting with Regulatory authorities
    - To discuss the latest ATC data
    - To seek a better path forward for ATC



# Driving Results for Shareholders

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Since July 7<sup>th</sup>:

- Announcement of 2 licensing deals
- Announcement of Independent Reviewer
- Announcement of strategic investment
- A company newsletter
- The 2010 annual report



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# Independent Expert Review

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- The review was led by Mr John Grew of *the bioadvisory group*
  - Mr Grew has over 30 years experience in technology commercialisation
  - Specialises in providing advice on operational improvement, market analysis and strategic reviews for companies in the life sciences sector
- An independent review encompassing of Avexa's portfolio has been completed
- The review is assisting the Board to consider potential strategic options available to the Company



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# Independent Expert Review

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- Key Independent Expert Review Findings:
  - ATC has potential as an asset
    - If positioned and partnered appropriately will generate significant returns
  - The value of the HIV Integrase program can be enhanced considerably in the next 12 months
    - Work to identify a 2<sup>nd</sup> Generation preclinical lead
  - The antimicrobial program has potential and would benefit from a anti-bacterial focused partner
  - The HCV program while technically successful, had not reached a stage where significant value can now be realised



# Independent Expert Review

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In the light of the Independent Review the Company will:

- Seek a meeting with FDA for ATC to discuss:
  - The data from the ATC Phase II/III
  - Possible path(s) forward for ATC
- Subject to FDA outcomes, seek a partner for ATC based on the cost and risk effectiveness of a new clinical development paradigm
- Pursue a 12 month period of lead optimisation in the HIV Integrase area
- Cease further activity in the HCV area
- The Board has licensed the antibacterial program



# The FDA Plan

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- Data from the Phase II/III trial analysed and collated
  - Submission to FDA over 17 thousand pages long
- Request to meet with FDA submitted
- Meeting expected to be held early 2011
- Topics for discussion
  - Utility of data gained to date
  - Possible path forward to approval for ATC
- Avexa will update shareholders and the market when outcomes known



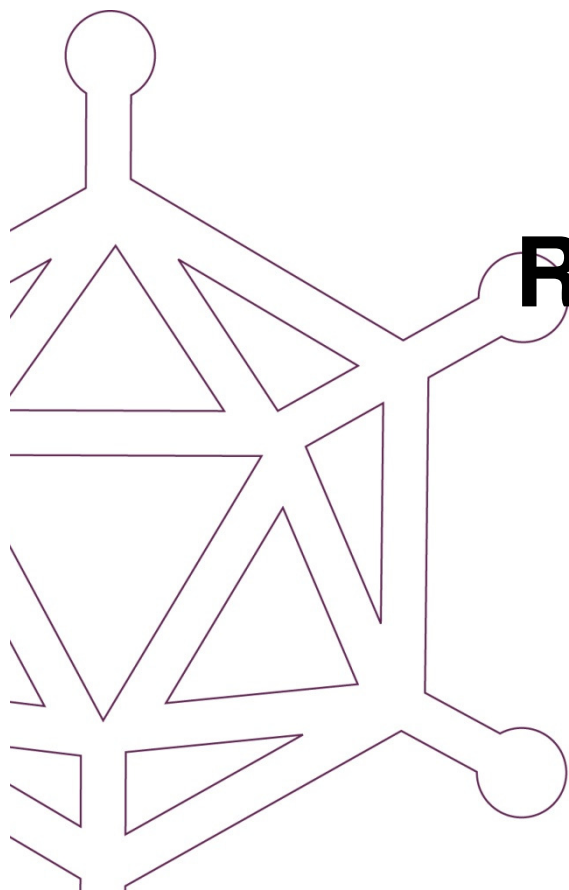
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# Apricitabine (ATC)

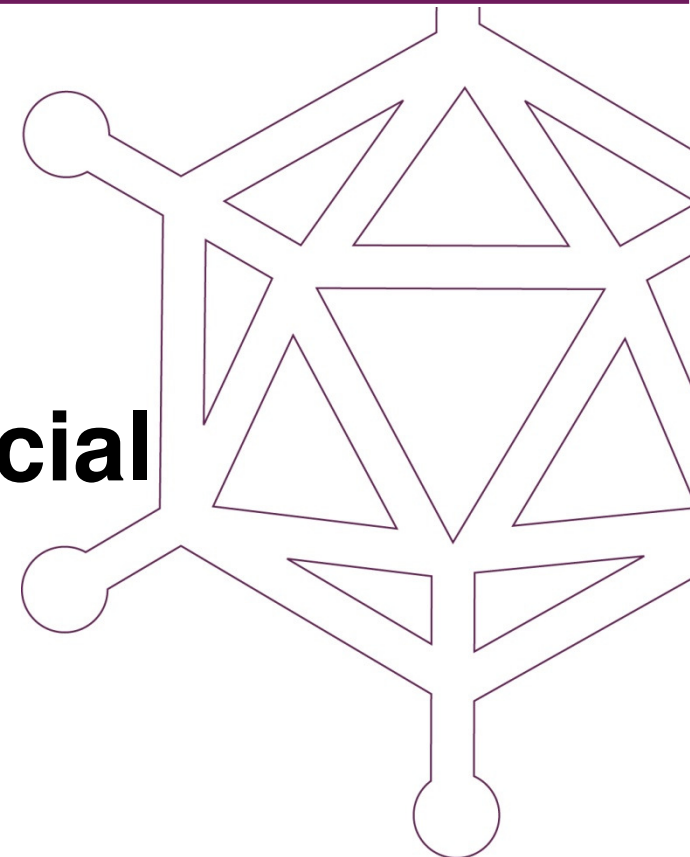
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- There is a developing medical need for a novel and safe NRTI
  - To support the new less robust antivirals in market
- Can be formulated with other agents as a fixed dose combinations
- The twice a day dose is appropriate for second line therapy
- Active against drug-resistant HIV as well as wild-type HIV
- Excellent safety profile





# Recent commercial activities



## HIV Integrase program

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- **Licence deal with Shanghai Institute of Organic Chemistry (SIOC)**
  - All future development costs for China covered by the partner
  - Avexa to receive 50% of all net revenues in China
  - Avexa to retain all development and marketing rights for the rest of the world
- **First generation HIV Integrase Inhibitors**
  - One of the first series discovered by Avexa and shows considerable potency and a relatively simple synthesis route.
  - Potential in emerging markets and may provide further competitive opportunities in traditional markets.



# Strategic Investment

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- **Investment in Allied Medical Limited**
  - Profitable base business in medical device sales
  - Access to exciting R&D opportunity through Coridon Pty Ltd & Professor Ian Frazer
  - Major shareholder Andrew Forrest of Fortescue Metals Group
  - Strong fit with Avexa's focus on infectious disease treatment
  - Investment of up to \$1.5m
  - Two tranches of \$750k
  - 2<sup>nd</sup> tranche contingent on Allied Medical committing to ASX listing
  - Up to 24% interest in Allied Medical
  - Avexa representation on Allied Medical board



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# Antibacterial Program

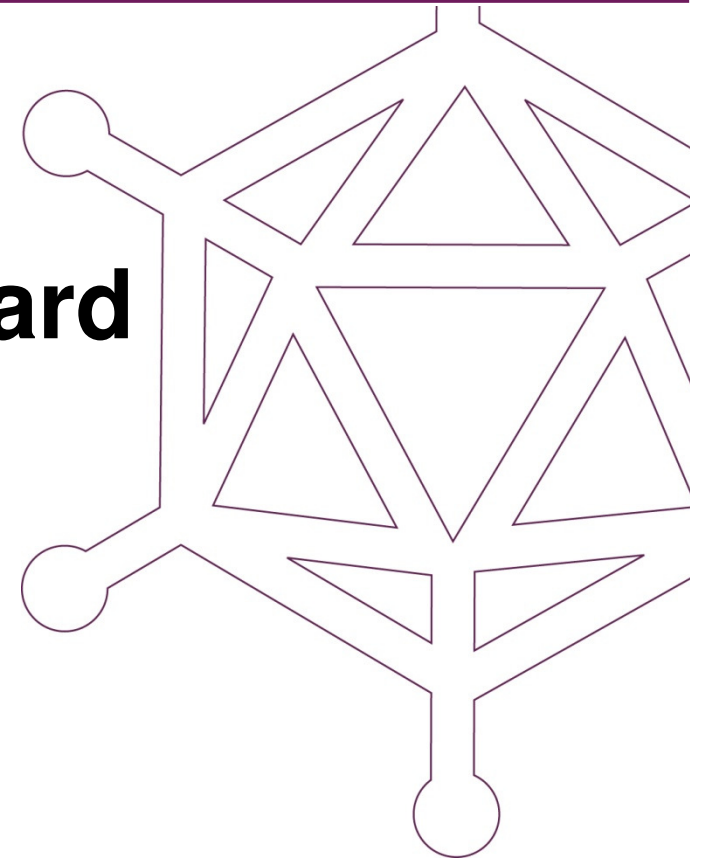
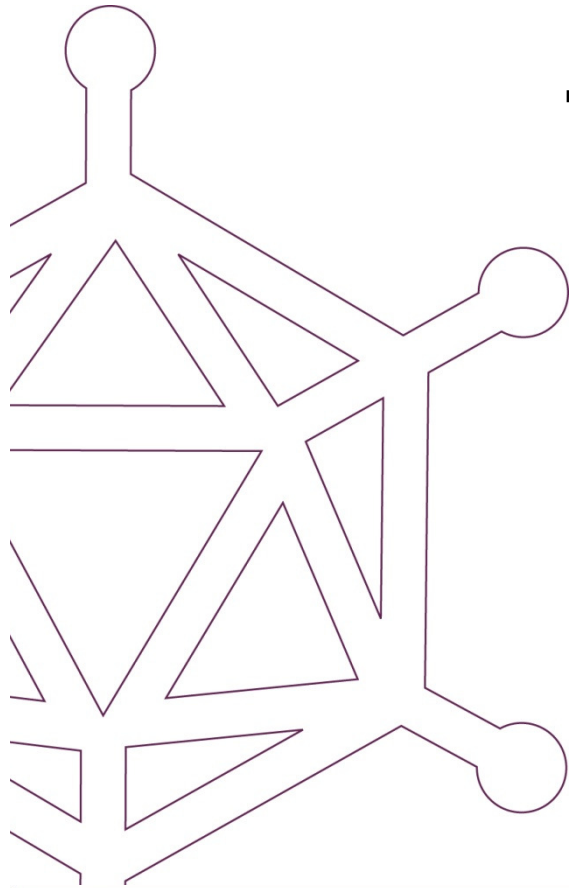
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- **US\$65M Licence deal with Valevia**
  - As announced to ASX this morning
  - Avexa is entitled to receive up to US\$65 million in milestones and royalties for the lead program
  - Valevia scientists have extensive experience and understanding of developing antibacterial drugs
  - Valevia will fund all future development of Avexa's antibacterial drug program
  - The licence covers the entire Avexa antibacterial portfolio
  - Potential for additional milestone and royalty payments from earlier compounds
  - Avexa will initially retain control of managing the intellectual property
  - Other terms and conditions remain confidential



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# The Path Forward



# Avexa's commitment to shareholders

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- Ongoing focus on drug discovery and development
- Implementing the Board's Strategy in the light of the findings of the Independent Review
  - Seek regulatory authority advice on ATC path forward
  - Obtain a “yes” / “no” outcome for the future of ATC
- Optimise the potential value of the program assets
  - Seek to identify an HIV Integrase preclinical candidate
  - License programs at the right time
- Leverage the potential value of the cash reserves



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[www.avexa.com.au](http://www.avexa.com.au)

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