

## COMPANY RELEASE



### Verva Pharmaceuticals Signs Deals with Two Biotechs.

Melbourne, Australia – 20 July 2015 – Verva Pharmaceuticals Limited, a public unlisted Australian biotechnology company developing a novel class of insulin sensitizers to treat patients with diabetes, today announced it had signed separate agreements with two biotechnology companies to sell its intellectual property (IP) related to lead drug VVP-808, its chemical library and drug target intellectual property.

The first transaction with a US biotechnology company (name undisclosed under terms of the agreement), was for Verva's IP relating to VVP808 and its use in metabolic diseases. This deal was structured as an asset purchase with financial terms including an up-front fee, equity and milestones payments contingent on achievement of certain development and commercial milestones.

VVP808 is a new class of insulin sensitizer that has a different mode-of-action and a superior safety profile to the thiazolidinedione class of compounds (TZDs). Verva previously completed a Phase 2a clinical trial with VVP808 demonstrating a statistically-significant reduction in HbA1c from baseline after 24 weeks treatment and the added benefits of weight loss and improved liver function. These are particularly desirable and useful additional benefits in a diabetes therapy as obesity and fatty liver are endemic co-morbidities of type II diabetes.

The second transaction, an equity-based technology assignment, related to Verva's IP around its novel drug target and chemical library, was with Australian biotechnology company Reverx Pty Ltd. Reverx, led by Professor Michael Cowley, Dr Mark Sleeman and Dr Andrew Wilkes, will focus development on developing new drugs for both diabetes and liver disease through Reverx shareholder SYNthesis Med Chem.

Verva Chairman, Dr Ian Nisbet said "We are pleased to be able to pass the baton to our two partner companies for the development of new treatments for diabetes and other metabolic diseases based on Verva's IP."

Reverx Director, Dr Michael Cowley said "The proprietary biology around the novel drug target for diabetes and liver disease is particularly compelling. This biology, combined with SYNthesis strength in medicinal and synthetic chemistry, should allow us to unlock value from the programme, and benefit a broad range of patients with these serious conditions".

As a result of these transactions, Verva has assigned or sold all of its IP and, at the Company's 2015 Annual General Meeting, shareholders voted in favour of a Member's Voluntary Liquidation of the company. PKF Australia has been appointed as liquidator.

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## Background: Verva History

Verva Pharmaceuticals Limited was formed in 2007 after the merger of Adipogen Pharmaceuticals Pty Ltd (a spin-out of the University of Queensland supported by UniQuest, Uniseed, GBS Ventures and QIC BioVentures) and Autogen Research (a subsidiary of ASX-listed Chemgenex Pharmaceuticals Ltd).

Uniseed was the sole investor in Adipogen when it was formed in 2003, based on work led by the University of Queensland's Dr Jon Prins, who discovered that fibroblast growth factor receptors were important in fat cell formation and regulation. QIC BioVentures and GBS Ventures subsequently invested in Adipogen.

The Adipogen investors have continued to support Verva since the merger, having participated in multiple investment rounds that financed the merger and subsequent clinical development of Verva's diabetes drug VVP808. The Medical Research Commercialisation Fund (MRCF) also invested in 2011.

In 2008, Verva's obesity-related intellectual property involving the modulation of fibroblast growth factor signalling to alter fat cell formation (developed by Adipogen) was licensed to U.S. biotechnology company Isis Pharmaceuticals Inc under a royalty and milestone payment licensing agreement. In 2012, Isis Pharmaceuticals announced the completion of Phase I study of its obesity drug based on Adipogen's intellectual property (ISIS-FGFR4Rx). The drug specifically reduces the production of fibroblast growth factor receptor 4 (FGFR4) in the liver and fat tissues, which decreases the body's ability to store fat while simultaneously increasing fat burning and energy expenditure. In animal models, inhibition of FGFR4 lowered body weight when administered as a single agent and in the presence or absence of a calorie-restricted diet.

Verva's lead compound, VVP808, is a new type of insulin sensitizer that has a different mode-of-action to the TZDs, and an improved safety profile. Verva's Phase 2a clinical trial with VVP808 demonstrated that it reduced levels of the diabetes marker HbA1c and had the added benefit of causing weight loss and improving liver function.

