



cbio
LIMITED

Investment Presentation
September 2010

Why an investment in CBio

- CBio is a Queensland based biotechnology company developing XToll[®], a potential drug to address billion dollar markets
- XToll[®] works with the body's own processes, and is therefore likely to work as good as but more safely than other available drugs currently on the market
- CBio's Board includes pre-eminent drug developers who have the experience of taking drugs to market
- CBio will complete the current clinical study within 9 months when it can then start discussions with multinational pharma companies about licensing XToll[®]

Key Non-Executive Directors

Dr Göran Ando



- **Vice-Chairman, Novo Nordisk;**
- **Board of Directors, Novo A/S;**
- **Senior Advisor, Essex Woodland Health Ventures;**
- **Medical doctor and rheumatologist.**

Dr Peter Corr



- **General Partner, Celtic Therapeutics;**
- **Formerly Board of Governors, New York Academy of Sciences;**
- **Formerly President and Worldwide Head of R&D at Pfizer;**
- **Former President R&D, Warner Lambert.**

Professor John Funder, AO.



- **Professor of Medicine, Monash University;**
- **Senior Fellow, Prince Henry's Institute of Medical Research;**
- **Honorary Appointment at the Institute for Molecular Biosciences, University of Queensland.**

Why are pre-eminent drug developers involved with CBio?

- They believe in the potential of XToll®
- They are excited about how XToll® may be a potential medicine for the long-term treatment of autoimmune diseases, like rheumatoid arthritis
- They believe that CBio has the ability to develop this drug through to commercialisation

Key Milestones

➤ 2004

- Two Australian Federal Government grants awarded to fund academic and industry collaboration

➤ 2005

- Commonwealth Government Pharmaceutical Partnership Grant of AUD\$6m over 4 years awarded

➤ 2006

- Completed first Phase II Clinical Trials with XToll® via intravenous injection in Psoriasis, Rheumatoid Arthritis and Multiple Sclerosis

Key Milestones

➤ 2007

- Toxicology studies to support clinical program completed

➤ 2008

- Confidential option agreement with Novo Nordisk completed

➤ 2009

- Cornerstone IP for XToll® issued in the US and other key territories
- Started first phase II Clinical Trials with XToll® via subcutaneous injections (commercially acceptable delivery) in Rheumatoid Arthritis patients

Key Milestones

➤ 2010

- Commence recruitment in Europe for RA clinical trial
- Pre-IND meeting with FDA
- CMC scale-up (manufacturing), based on funding
- Prepare for long term toxicology, based on funding

➤ 2011

- Complete RA clinical trial
- Conclude a licensing transaction or collaboration with a partner

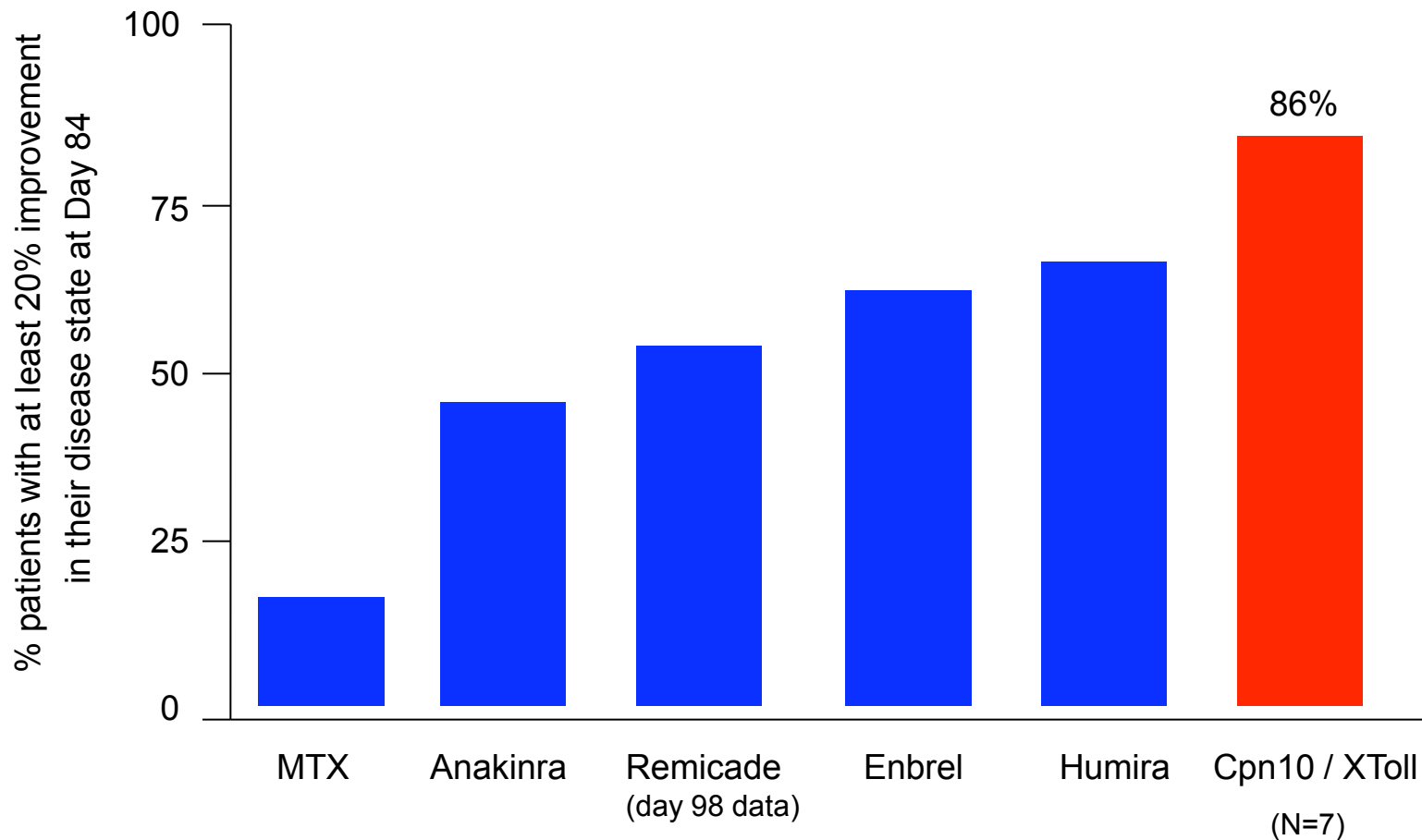
XToll[®] and Rheumatoid Arthritis

- XToll[®] will initially be developed as an RA drug but has shown potential to be used as a medicine for other diseases including psoriasis, MS, and Lupus.
- Existing RA drugs generate significant income for global pharmaceutical companies - the top 3 drugs generated a combined income of approximately US\$19 billion in 2009.
- These drugs however only work for 60% to 70% of patients and they also have significant safety issues.

Success already in clinical trials

- XToll[®] has already shown to work in completed clinical trials in psoriasis and RA
- As XToll[®] works differently to the current RA drugs on the market it has the potential to be effective in both responders and non-responders to these current drugs
- The successful clinical trials completed so far have all been written up in medical journals where reviewers have concluded that XToll[®] has significant potential as a drug

Comparison of XToll[®] from first i.v. trial with other registered therapies



Commercialisation pathway

- CBio has granted an option to Novo Nordisk (a global top 20 pharma company with over 29,000 employees)
- This Option allows Novo to have the first right to negotiate a licensing agreement on or before the completion of the current clinical trial. If CBio is unhappy with the terms CBio can transact with another pharma company at that time.

Strong IP position and very competitive cost of goods

- CBio has issued patents in all the major global markets providing strong protection of its lead drug XToll[®]. It also has a significant number of patents pending that, if issued, will provide patent protection for other drugs CBio are developing
- The manufacturing cost of goods for XToll[®] is very low compared with the current registered RA drugs

Current Clinical Trial update

- Total patients enrolled – 150
- All patients have now been recruited into the trial
- Patients that went from trial to long term follow up – above 85%
- Rheumatologist's feedback – as good as other registered drugs on the market
- Expected trial completion date – Q1 2011

XToll[®] in other Disease States

- Suggestive of potential new platform for treating multiple autoimmune, inflammatory disease states
- Psoriasis – positive results in human clinical trials, effective remission in some
- Multiple Sclerosis – positive results in animal model and human clinical trials
- Lupus
 - positive results in animal model
 - IP suggests that human SLE is an appropriate clinical target disease

Additional Development Activities

- Other studies for new treatments, under development
 - IBD (Inflammatory Bowel Disease)
 - Atherosclerosis (hardening of arteries)
- Further Method of Action studies (how the drug works)
- IP (Patent protection activities to continue strengthening IP position)

Commercialisation

- Novo Nordisk Option Agreement
- Collaboration discussions with a number of major drug companies already underway
- In discussion with a number of other drug companies

Finance Required

- Shortfall from IPO was ~\$7M required to complete RA study and related activities
- Therefore ~\$8-9M working capital required to fund the completion of these activities and provide working capital through to end of Q2 2011
- Committed funding from existing directors and shareholders – \$2M
- Commitments from other investors - \$6.4M
- Total Shortfall commitments received to date - \$8.4M

Share Capital

➤ Number of Shares currently on Issue	81.6M
➤ Shares to be issued via \$9.3M Rights Issue	<u>58.3M</u>
▪ Non-Renounceable	
▪ 5:7 at an issue price of 16 cents	
➤ Total Shares on Issue post Rights Issue*	<u>139.9M</u>

* Total shares on Issue post Rights Issue does not include shares if Convertible Notes are converted into shares (11.3M shares).

Note: the share capital shown above does not include options issued by the company



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