



cbio
LIMITED

Investment Presentation
February 2011

Why an investment in CBio?

- CBio is a Queensland based biotechnology company developing a novel drug, XToll[®], to address billion dollar markets
- XToll[®] appears to work with the body's own processes and is therefore predicted to be as effective - but safer - than other blockbuster drugs currently available

Why an investment in CBio?

- Multinational pharma companies are looking for novel drugs in development to fill their depleting revenues

Company	2010		2011		2012		Share of Revenues (%)
AstraZeneca	Arimidex	(\$2.2bn)*	Seroquel	(\$4.7bn)	Symbicort	(\$3.7bn)	38**
BMS			US Plavix Avapro	(\$4.8bn) (\$1.3bn)	Abilify	(\$2.1bn)	30
GSK	Advair	(\$3.8bn)			Avandia	(\$2.5bn)	23
Eli Lilly			Zyprexa	(\$4.8bn)			22
Merck	Cozaar/ Hyzaar	(\$3.2bn)			Singulair	(\$4.5bn)	22
Novartis	Femara	(\$1.1bn)			Diovan	(\$6.0bn)	14
Pfizer	Aricept	(\$800m)	Lipitor Xalatan	(\$12.1bn) (\$1.6bn)	Viagra Detrol Geodon	(\$1.7bn) (\$860m) (\$1.1bn)	41
sanofi-aventis	Taxotere	(\$2bn)	US Plavix Avapro	(\$3.8bn) (\$2.1bn)	Lovenox	(\$3.1bn)	34

Source: AXA Framlington

Notes: * Estimate of global sales in 12 months prior to patent signing

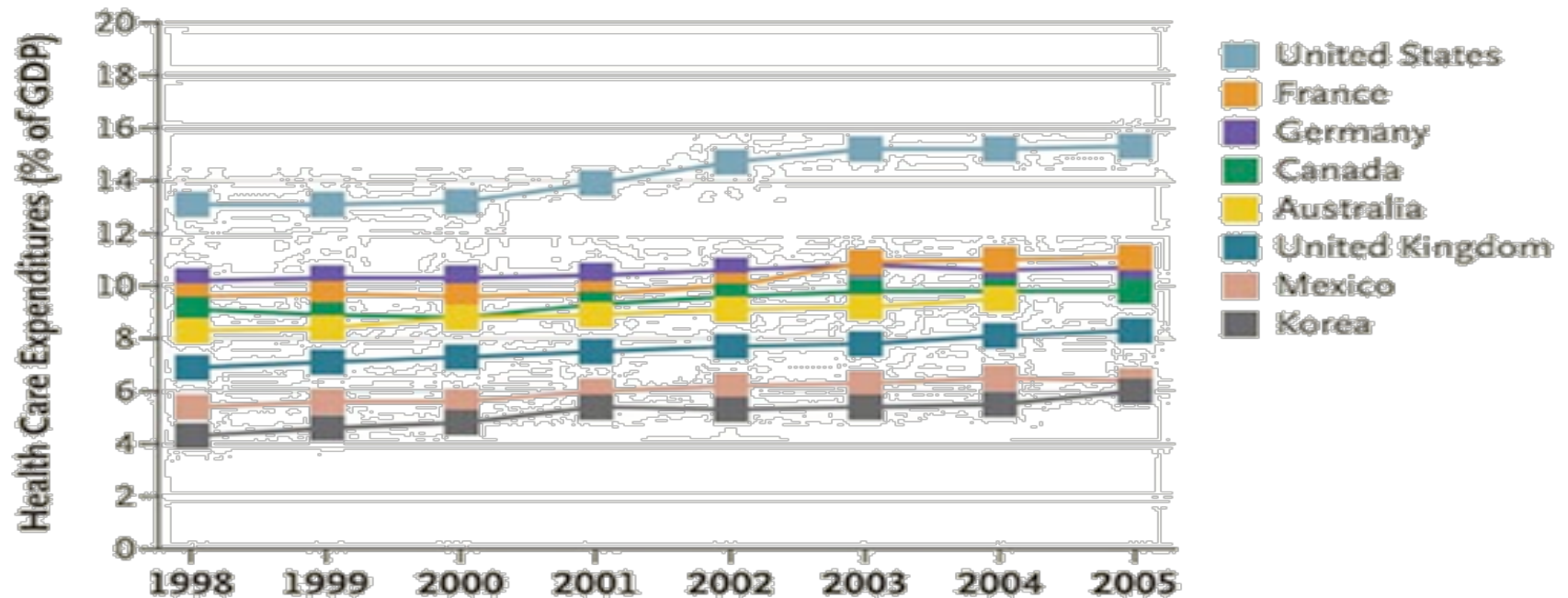
** Value of products losing patent protection as a percentage of total company sales over next five years

Why an investment in CBio?

- Health Economics: the ever-expanding cost of healthcare has resulted in a change in focus by the FDA and EMA when assessing reimbursement of new drugs
- Cost competitiveness: XToll[®] has a very competitive cost of goods compared with current blockbusters - attractive drug to pharma companies

Why an investment in CBio?

The Cost of Health Care in Major Markets



Kuttner R. N Engl J Med 2008;358:549-551

Why an investment in CBio?

- Current XToll[®] clinical study due for completion March 2011 (last patient, last dose)
- Interactions with multinational pharma regarding licensing XToll[®] to intensify from this point
- CBio's Board includes pre-eminent pharmaceutical industry figures who have the experience of taking drugs to market

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

Key Non-Executive Directors

Dr Thomas Lönngren



- Former Executive Director of the European Medicines Agency
- Honorary Member of the Pharmaceutical Society of Great Britain
- Honorary Fellow of the Royal College of Physicians

Dr Terje Kalland



- Former Senior VP, Biopharmaceuticals, Novo Nordisk
- Former CSO, Biovitrium AB
- Former Global Head of Oncology, Pharmacia
- Has been leader in bringing over 40 drug candidates into development

Key Non-Executive Directors

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 pharmaceutical industry figures involved with CBio?

- They believe in the scientific and commercial potential of XToll®
- They are excited that XToll® may become 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 patent for XToll® issued in the US and other key territories
- Commenced phase IIa clinical trial of XToll® via subcutaneous injections (commercially acceptable delivery) in rheumatoid arthritis patients

Key Milestones

➤ 2010

- CBio Limited lists on Australian Securities Exchange (ASX:CBZ)
- Recruitment sites open in Central & Eastern Europe
- Completed recruitment into RA clinical trial
- Cornerstone patent for XToll® issued in Europe

➤ 2011

- Complete RA clinical trial
- Conclude a licensing transaction or collaboration with a partner
- Pre-IND meeting with FDA
- Scoping studies in other diseases (orphan indications), based on funding
- CMC scale-up (manufacturing), based on funding
- Prepare for long term toxicology, based on funding

XToll[®] and Rheumatoid Arthritis

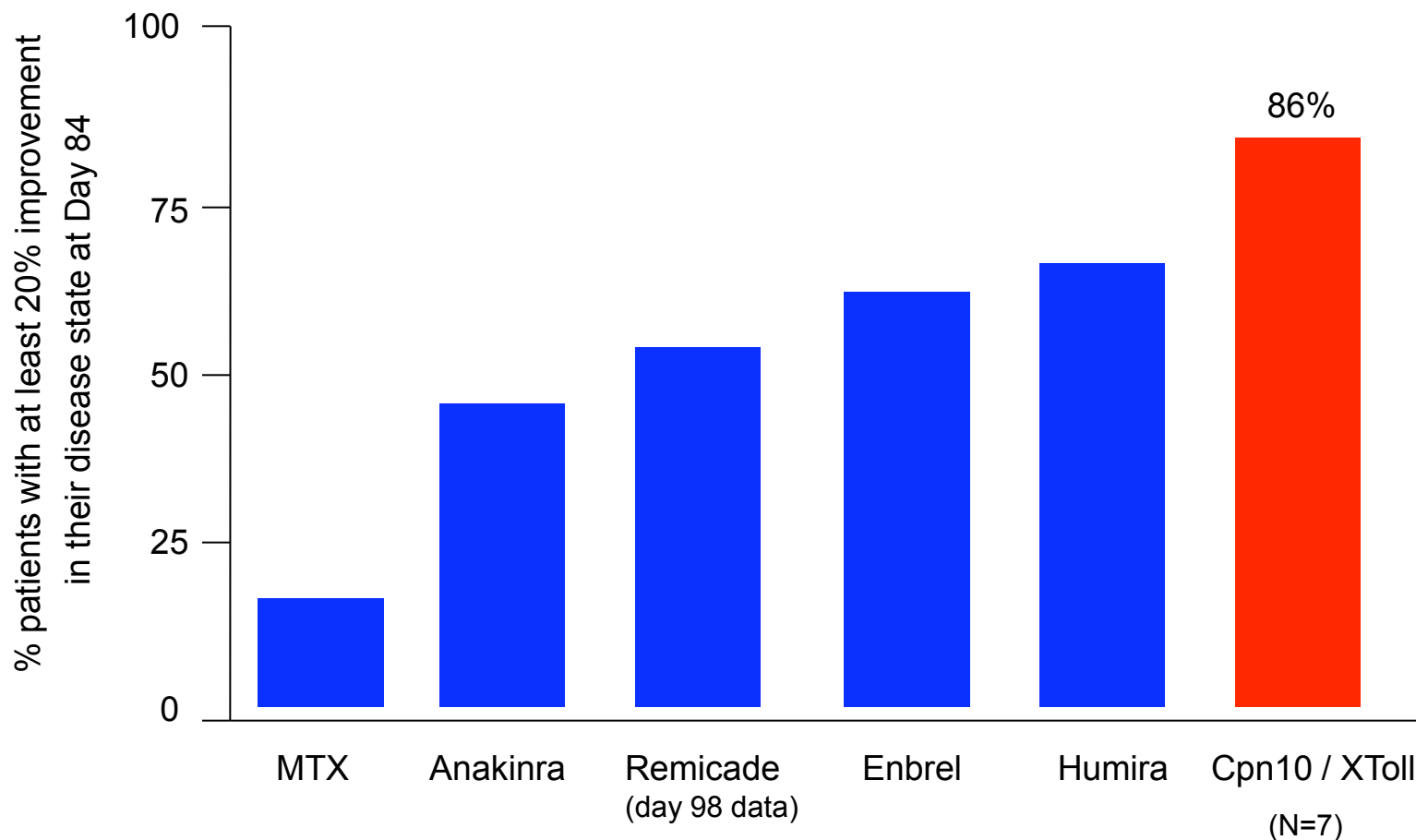
- XToll[®] will initially be developed as an RA drug but has shown potential to be used as a medicine for other diseases including psoriasis, multiple sclerosis (MS) and System Lupus Erythematosus (SLE or Lupus)
- Existing RA drugs generate significant income for global pharmaceutical companies - the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

Success already in clinical trials

- Clinical trial results and findings through peer-review published in medical journals - *The Lancet, Archives of Dermatology, Multiple Sclerosis, Current Opinion in Investigational Drugs*
- Evidence of clinical effect whilst being well tolerated demonstrated in early phase trial of patients with well-established RA
- Therapeutic benefits demonstrated in patients with psoriasis
- Good safety and a trend towards fewer lesions in the brain shown in patients with MS

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

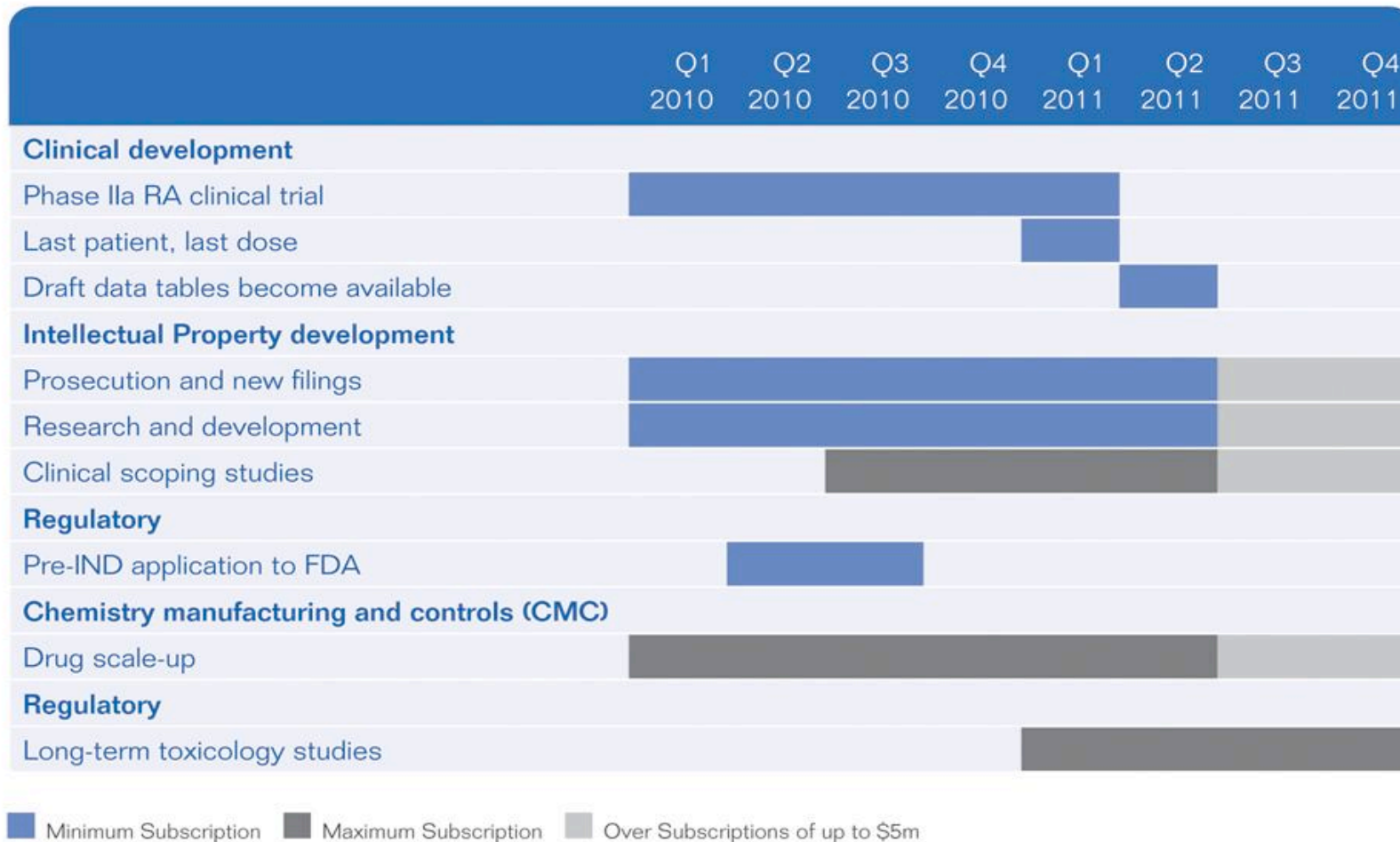
Cpn10 treatment with highest dose (10mg 2x/week) compares well to published ACR for current therapies. Competing biologicals data is taken from registration studies. The Cpn10 data is from the proof of concept trial. ACR20 response demonstrates the percentage of patients who, at Day 84, had at least a 20% improvement in disease indicators. Data as published in *The Lancet*.



Strong IP position

- CBio has patent coverage in all the major global markets providing strong protection of its lead drug XToll®
 - 2026 in USA
 - 2023 in Europe
 - potential extension to 2028 in most jurisdictions
- CBio also has a significant number of patents pending that, if issued, will provide patent protection for other potential drugs under development

Development Plan



Source- CBio IPO Prospectus, November 2009. For illustration purposes only

Current Clinical Trial

- Total patients enrolled – 155
- All patients have now been recruited into the trial
- Rheumatologist's feedback – as good as other registered drugs on the market
- Expected trial completion date – March 2011 (last patient, last dose)

XToll[®] in other 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
- Suggestive of potential new platform for treating multiple autoimmune, inflammatory disease states

Scoping studies under consideration - Lupus

- Lupus scoping study
- 60-65 patients, up to three arms
- Time estimate to complete study: 12 months
- Incremental value to IP if successful, approx. US\$500M – US\$1B (*based on Human Genome Sciences IP valuation for their Lupus drug in development*)

Lupus Market

- Lupus is a disease where the body's immune system attacks all organs and often results in death
- Approximately 5 million people worldwide including 1.5 million people in the US suffer from Lupus
- Market size est. \$4B by 2012

Lupus Market

- An effective Lupus therapy should attract a high price for reimbursement, similar to orphan disease therapies, which are reimbursed up to \$500k per patient per annum
- There are no effective treatments for Lupus currently registered today
- Treatments in development have shown little therapeutic benefit compared with current Lupus treatments and have significant side effects

XToll® and Lupus in mouse model

XToll® treatment of SLE mice (Lupus) resulted in:

- Increased survival in treated mice
- Significantly reduced signs of clinical inflammation in organs
- Improvement in cellular markers of inflammation
- Significantly reduced the clinical, biochemical and histological signs of lupus nephritis – the major cause of mortality in humans

XToll® has an effect on Cutaneous Lupus



Untreated

XToll® treated

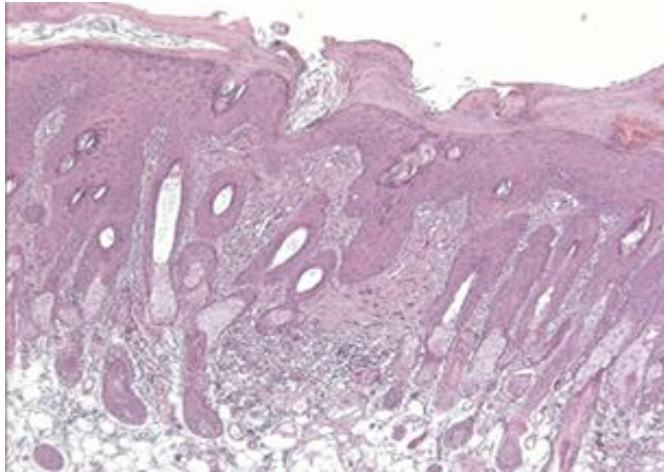


Untreated

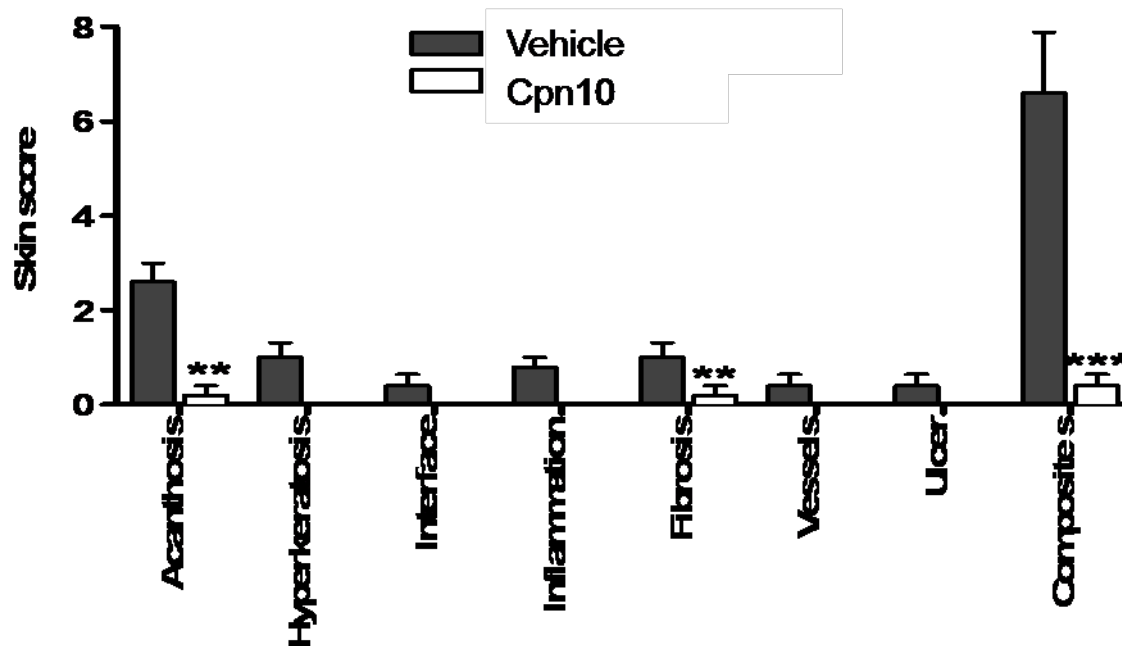
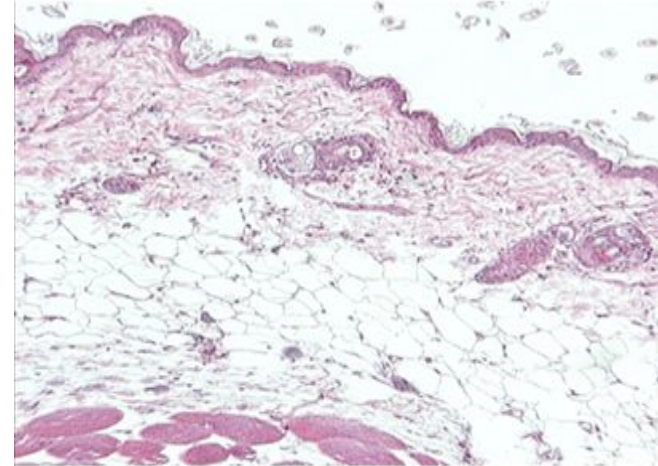
XToll® treated

Marked effect on Skin Histology

Untreated

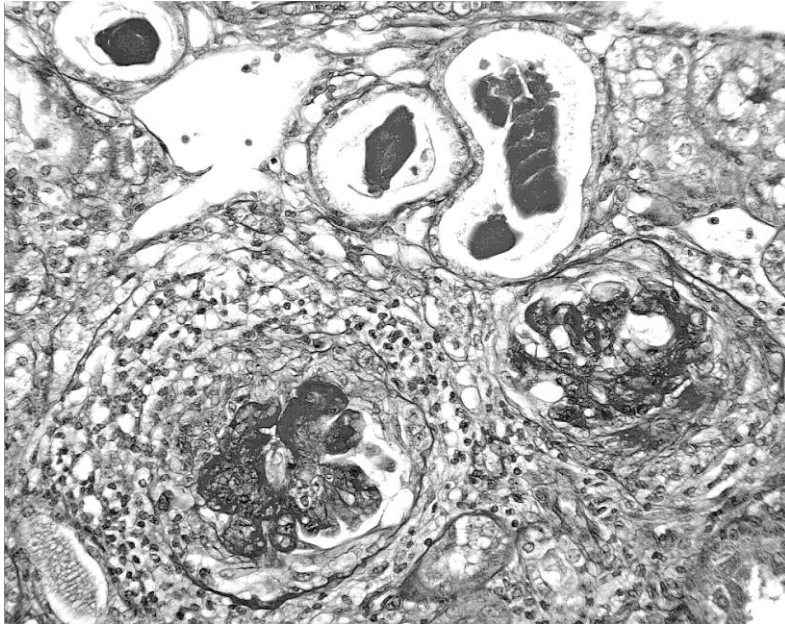


XToll®
Treated

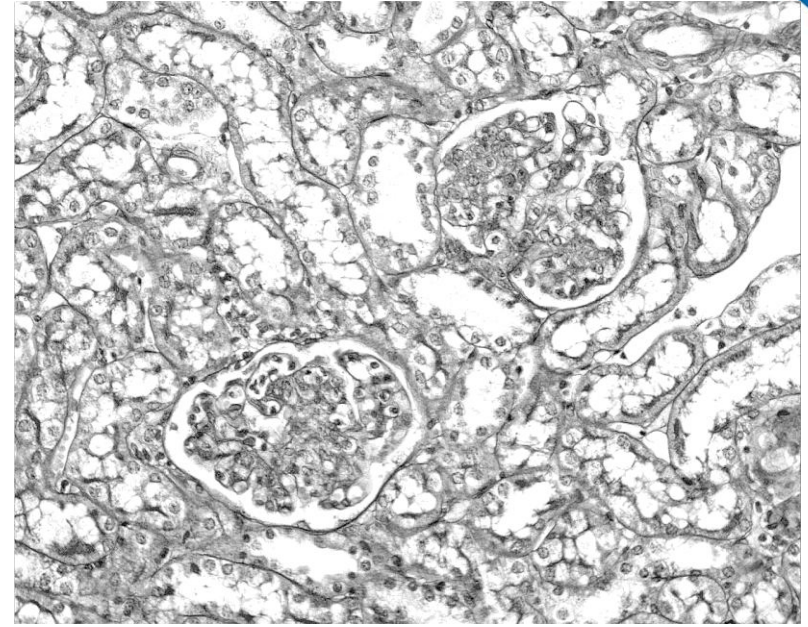


XToll[®] has a marked effect on Lupus Nephritis

Kidneys (PAS stain)



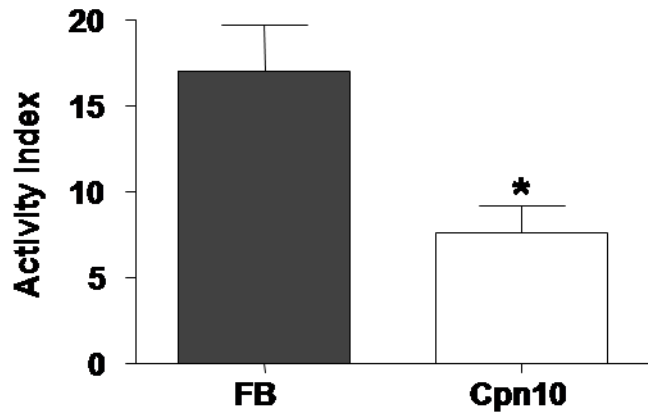
Vehicle



XToll[®]

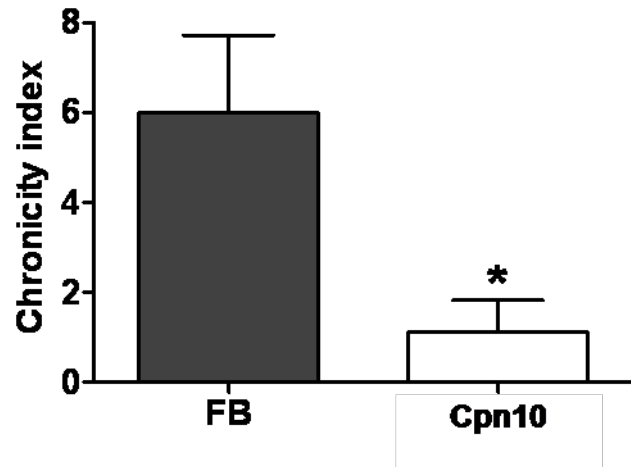
XToll[®] treatment significantly reduced the activity, severity and kidney damage of lupus nephritis – resulting in increased survival of treated animals

Reduces histological signs of renal disease



Renal pathology:
Activity index

Histological markers of acute kidney disease show a statistical improvement



Renal pathology:
Chronicity index

Histological markers of chronic kidney disease show a statistical improvement – reflected in increased kidney function

Other scoping studies under consideration

- Ankylosing spondylitis / psoriatic arthritis
- 20-25 patients, three arms
- Market size est. \$4B by 2012
- Current therapies only effective for 50% - 60% of patients and have significant side effects
- XToll® already shown to be effective in an early clinical trial in psoriasis and rheumatoid arthritis
- Time estimate to complete study: 12 months

Other scoping studies under consideration – TA

- Temporal Arteritis
- 20-25 patients, three arms
- Market size est. over \$1B in 2010
- Current therapies are effective for most patients however they have significant side effects
- Time estimate to complete study: 6 months

Commercialisation pathway

- CBio has granted an option to Novo Nordisk (a global top 20 pharma company with over 30,000 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

Commercialisation pathway

- Novo Nordisk Option Agreement
- In discussion with a number of other drug companies
- Possible phase IIb study in an orphan indication through a collaboration

Finance Position

- CBio is fully funded to complete all clinical trial activities for the current RA clinical trial
- CBio has the option to proceed with additional value add development activities as follows -
 - Scoping studies in disease markets with significant unmet needs (drug already available for these studies)
 - Scale-up manufacturing to provide drug for long term toxicology and drug required for registration clinical studies
- These value add development activities will be viewed very favourably by global pharma in terms of reducing the time to market and identifying further uses for XToll®

Capital Structure

➤ Number of Shares currently on Issue	143.6M
➤ Current Market Capitalisation ¹ at \$0.36	\$51.7M

¹ Undiluted in AUD as of 07/02/2011

Broker Coverage

- Lodge Partners – Independent Research Report
- 12 Month Target = 82 cents¹

¹ Refer to Lodge Partners Research Report dated 19 Jan 2011



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