



# Unconventional Capital: Alternative Financing Options

BayBio2009: Navigating the Storm

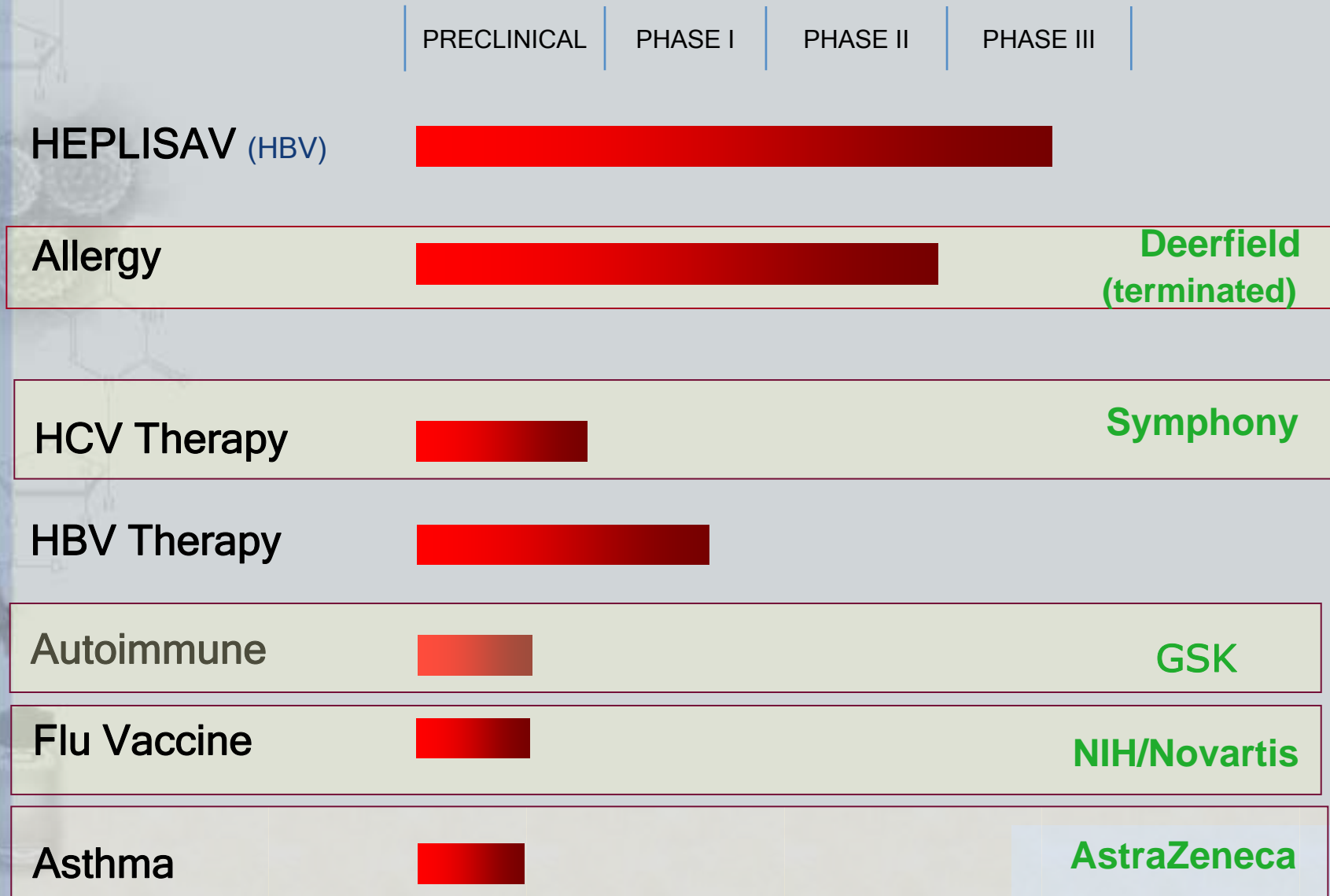
April 16, 2009

Michael Ostrach, Chief Business Officer

# Celebrating Financing Diversity at Dynavax

- Multiple, diverse product opportunities
- Challenge: financing until Goldilocks moment
- Solution: multiple, diverse vehicles
  - Partnering:
    - “Classic”: Exclusive R&D and License Agreement with AstraZeneca
    - “Next gen” partnering: Option agreement with GSK
  - Financing vehicles:
    - Novel Deerfield loan facility for allergy franchise
    - Symphony R&D partnership
  - “Grants”

# Diverse Financing Vehicles



# AstraZeneca: Asthma & COPD

- **TLR9 validation by pharma leader**
  - Multi-billion \$ market potential
- **Exclusive worldwide research and licensing**
  - AZ: development & commercialization, WW
  - DVAX co-promotion option, U.S.
- **\$10M upfront, \$27M in committed funding**
- **Milestones and royalties**

# GSK Option Agreement

- Multiple programs
- DVAX manages development through Proof of Concept
- \$10M upfront; milestones to defray cost of achieving PoC
- Option exercise fee and later milestones and royalties
- Pros and cons

# Deerfield Allergy Franchise Commitment

- **\$30 million**
  - ▣ TOLAMBA (Phase 2)
  - ▣ cat and peanut (preclinical)
- **\$9M at Deerfield risk**
- **Warrants**
  - Milestone based
  - Premium to market price
- **Commitment fee**
- **Dynavax retains royalty-free rights**

# Symphony Dynamo: HCV

*Funded 2nd Generation ISS Pipeline*

- \$50 million commitment fund R and D
- Symphony Dynamo owns rights to Programs
- Dynavax has 5-year option to purchase Programs for a compounded annual rate of return of 27%, in cash or stock
- Dynavax has additional option to purchase either the hepatitis B or hepatitis C program during first year

# “Grants”

- “In kind” collaborations
  - Novartis flu vaccine agreement
- “Traditional”, e.g., NIH/NIAID
  - Flu
  - Anthrax
  - Adjuvant technology
- Foundations
  - Lupus, others
- Government contracts and special purpose grants
  - BARDA
  - DARPA
  - Economic recovery
  - Local governments

# Dynavax: Celebrating Diversity

- AstraZeneca: classic partnership
- GSK: license option partnership
- Deerfield allergy project financing
- Symphony HCV project financing
- NIH and other non-dilutive sources

# DYNAVAX

DYNAVAX TECHNOLOGIES

