



maxygen

Nasdaq: MAXY

Rodman & Renshaw 10th Annual
Healthcare Conference

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Chief Executive Officer
November 11, 2008

Safe Harbor Statement

Information in this presentation includes forward-looking statements that involve risks and uncertainties. Actual results could differ materially from the results discussed here. Factors that could cause or contribute to such differences include those discussed in Maxygen's Annual Report on Form 10-K for the year ended December 31, 2007 and in Maxygen's other SEC reports, all of which are available from the SEC at www.sec.gov.

Maxygen Has Shifted its Strategy



Our goal is to realize value for shareholders through sale of company, merger, or sale of non-cash assets, in the short term



Accordingly, we will reduce '09 cash utilization to \$17M

Details of Strategy Shift, Announced October 22, 2008

- ▣ Maxygen has retained Lazard to assist in exploring strategic alternatives
 - ▣ Business combination, or
 - ▣ Sale or disposition of one or more corporate assets
- ▣ Maxygen is reducing cash utilization
 - ▣ Further investment in MAXY-G34 postponed until partner identified
 - ▣ Plan required a significant commitment of funds in October with steadily increasing investment
 - ▣ Delay Phase III manufacturing expenditure; impacts project timeline
 - ▣ Phase IIb will not go forward without a partner
 - ▣ 30% reduction in workforce in Q1 2009
 - ▣ Operational focus on MAXY-4 program
 - ▣ Cash utilization for 2009 projected at ~ \$17M

Maxygen's Assets

▣ Programs

- ▣ MAXY-4 partnership w/ Astellas for autoimmune disease and transplantation
- ▣ MAXY-G34 program completing Phase IIa
- ▣ Vaccine discovery program funded by grants

▣ Cash Assets

- ▣ Approximately \$200M cash projected at December 31, 2008
- ▣ Potential \$30M milestone payment from Bayer hemophilia agreement
- ▣ Potential ongoing revenue from Biofuels Licensing Agreement with Codexis

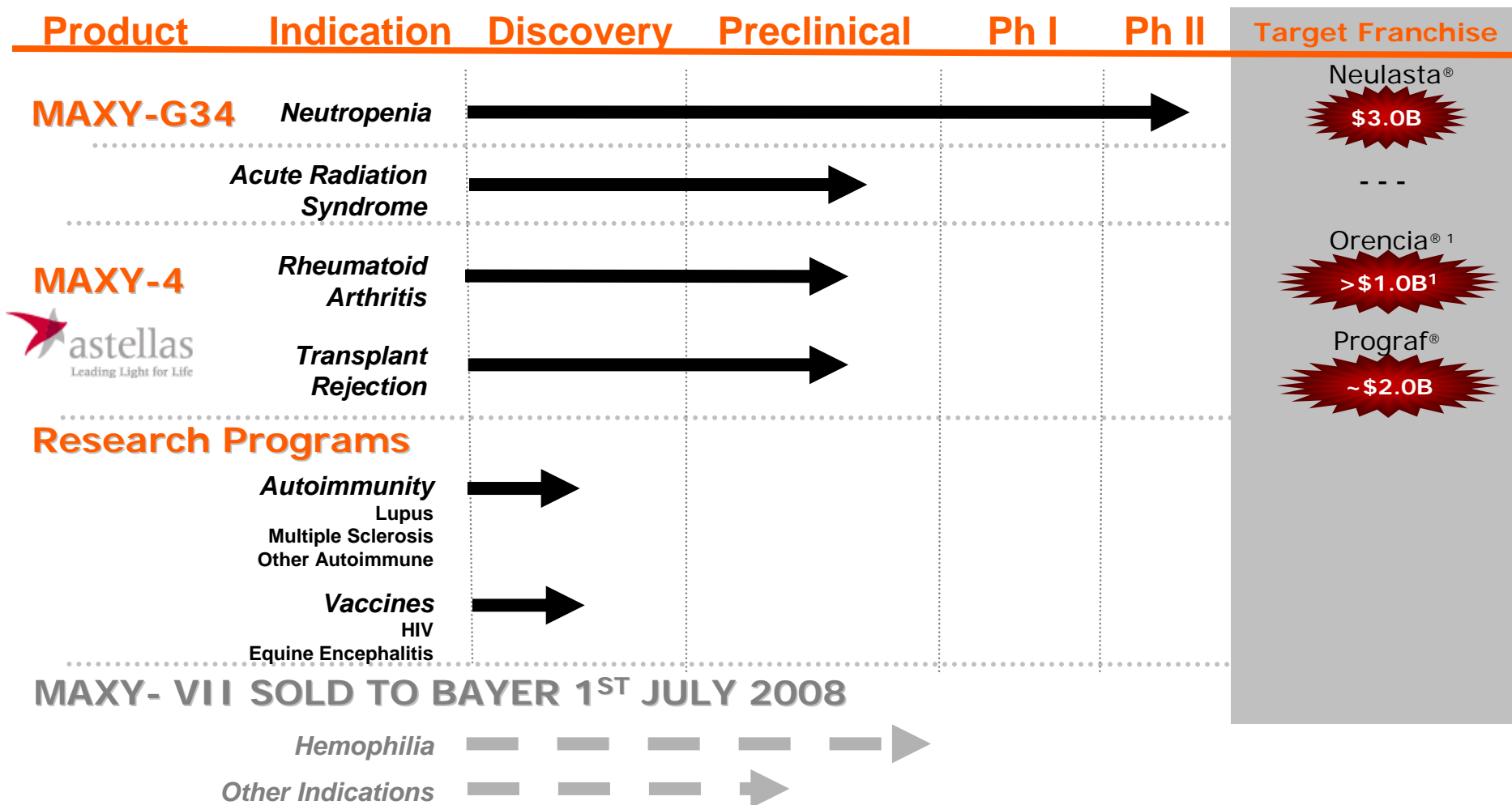
▣ Other Assets

- ▣ 25% ownership stake in Codexis
- ▣ MolecularBreeding directed evolution platform for protein and MAb discovery projects in autoimmune disease
- ▣ Widely cited intellectual property estate covering shuffling platform and programs

Maxygen's Technology Has Yielded a Consistent Stream of Collaborations and Technology Deals



Maxygen: Biosuperior Protein Products

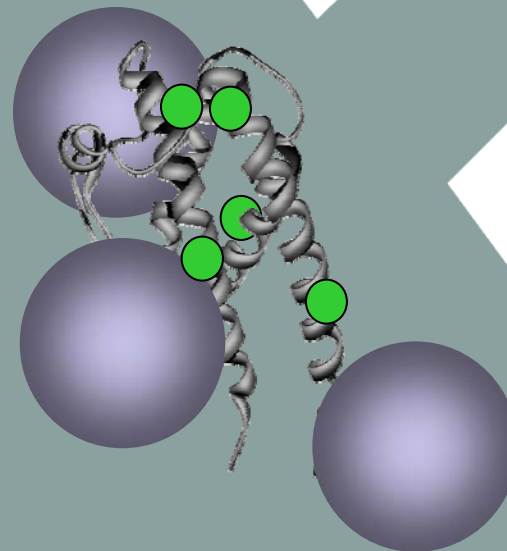


¹Analyst forecast for Orencia® sales in 2012. Sales for all RA drugs in 2007 were >\$10B

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MAXY-G34 A Superior Long-Acting G-CSF

Indication
Chemotherapy-Induced Neutropenia
(\$4.8B G-CSF market)



MAXY-G34 Phase IIa Enrollment and Treatment Completed

- ▶ Phase IIa, Open-Label, Controlled, Dose-Ranging Study of MAXY-G34 as an Adjunct to TAC Chemotherapy in High-Risk Patients with Breast Cancer
 - ▶ 6 cycles of TAC chemotherapy, 21 days per cycle
- ▶ Study Goals
 - ▶ To evaluate safety, tolerability and pharmacokinetics
 - ▶ To select dose(s) to take forward to Phase IIb
- ▶ Enrollment and dosing completed in all arms
 - ▶ MAXY-G34: 10, 30, 45, 60 and 100 µg/kg (n = 6 patients per dose level, n = 3 at 100)
 - ▶ Neulasta®: 6 mg fixed dose (n = 8 patients)
- ▶ Clinical endpoints
 - ▶ Safety, tolerability and immunogenicity
 - ▶ Primary efficacy endpoint: duration of severe neutropenia in Cycle 1
 - ▶ Secondary efficacy endpoints (e.g., time to recovery, incidence of severe neutropenia)
 - ▶ Pharmacokinetic assessments

MAXY-G34: Safe, Well-Tolerated, with No Immunogenicity

▣ Safety and Tolerability

- ▣ MAXY-G34 safe and well tolerated in breast cancer patients
 - ▣ 27 patients
 - ▣ 153 MAXY-G34 administrations
- ▣ No MAXY-G34 related SAEs or Grade 3/4 AEs
- ▣ Adverse events consistent with known side effects of G-CSF
 - ▣ Bone pain most frequent AE – severity comparable to Neulasta
 - ▣ Transient increase in LDH, AST/ALT
 - ▣ Transient decrease in platelet counts

▣ Immunogenicity

- ▣ No immunogenicity seen in any patient at any dose

Primary and Secondary Efficacy Endpoint Definitions

▣ Primary Efficacy Endpoint

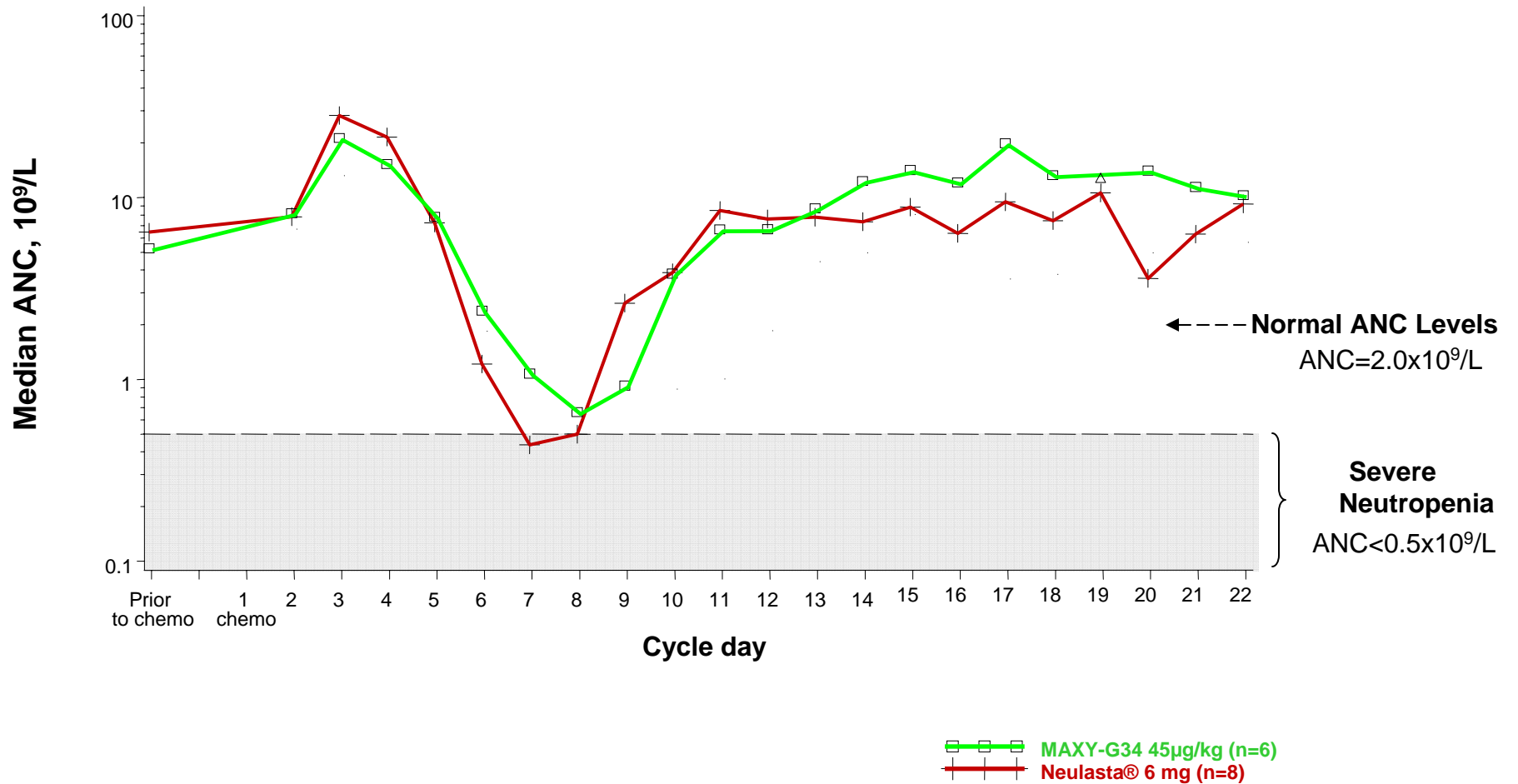
- ▣ Duration of severe neutropenia (ANC < 0.5×10^9 per L) in cycle 1
- ▣ Primary endpoint used in Neulasta registration studies

▣ Secondary Efficacy Endpoints

- ▣ Duration of severe neutropenia (ANC < 0.5×10^9 per L) in cycles 2-6
- ▣ Incidence of severe neutropenia in cycles 1-6
- ▣ Incidence of febrile neutropenia (oral body temperature > 38.2°C and ANC < 0.5×10^9 per L)
- ▣ Utilization of antibiotics to treat febrile neutropenia
- ▣ Time to ANC recovery (first two consecutive days with ANC > 2.0×10^9 per L)

Measurement of Neutrophil Counts in Breast Cancer Patients

Median ANC Profiles - Cycle 1



MAXY-G34: Potent and Efficacious Across Broad Range of Doses

Cycle 1 Summary Results	Neulasta	MAXY-G34				
	6 mg	10 µg/kg	30 µg/kg	45 µg/kg	60 µg/kg	100 µg/kg*
No. of Patients (eligible)	7	5	6	5	5	3
No. of Patients (%) with Severe Neutropenia	5 (71.4%)	3 (60.0%)	4 (66.7%)	2 (40.0%)	5 (100%)	3 (100%)
Mean Duration of Severe Neutropenia**	2.0	2.2	1.8	0.8	2.2	1.7
Standard Deviation of mean	1.7	2.0	1.8	1.1	0.4	0.6
Median Duration of Severe Neutropenia	2.0	3.0	2.0	0.0	2.0	2.0

*Second cohort not enrolled due to no efficacy advantage and elevated ANC levels in cycle 2+

**Note: Duration of Severe Neutropenia is typically 7-8 days w/out G-CSF support and 1.7-1.8 days w/ Neulasta support

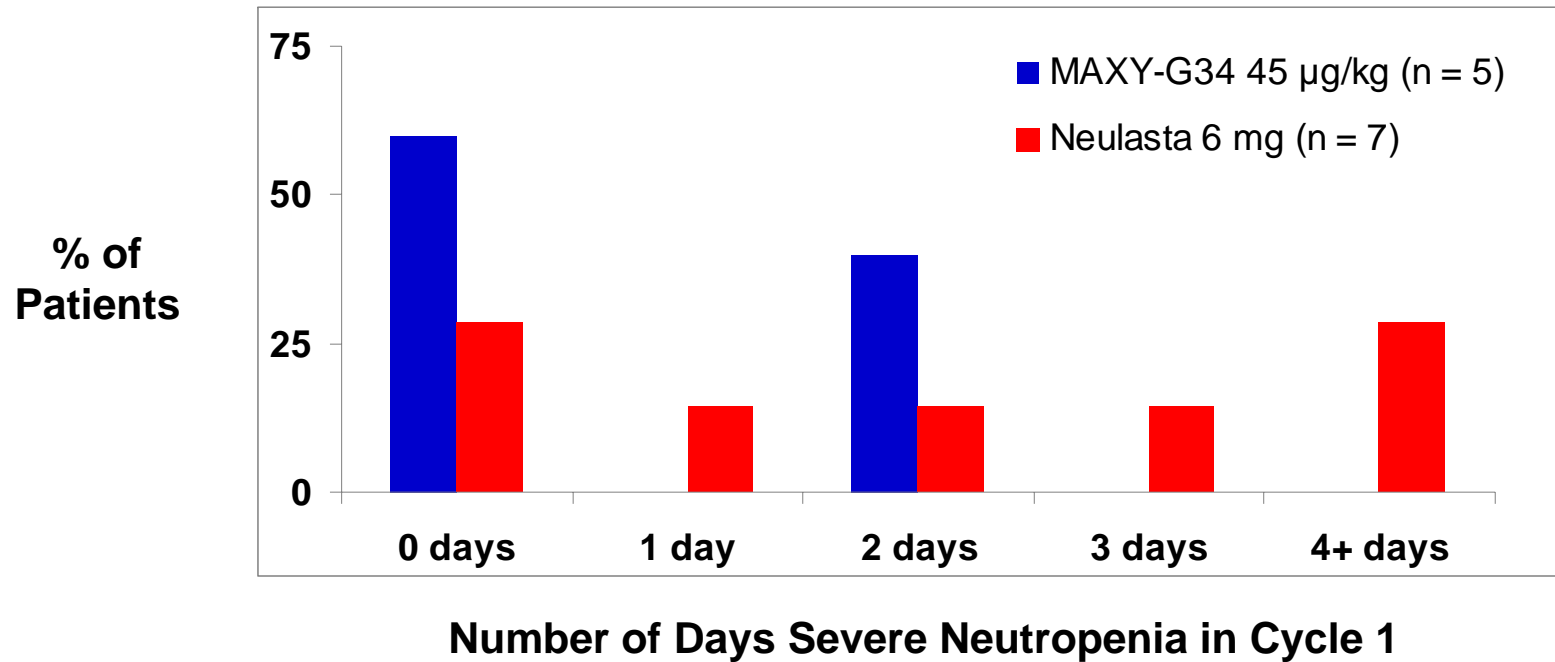
MAXY-G34: 45 µg/kg Appears to Be Most Effective Dose

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MAXY-G34: 45 µg/kg Appears to Be Most Effective Dose



MAXY-G34: Similar to Neulasta Across Multiple Secondary Endpoints

Secondary Endpoints	MAXY-G34	Neulasta
	All Doses (10, 30, 45, 60 ,100 µg/kg)	6 mg
Mean Duration of Grade 4 Neutropenia <i>Any Cycle 2 through 6</i>	0.5 to 3.4 days	0.1 to 1.0 days
Incidence of Grade 4 Neutropenia (in cases of neutropenia) <i>Any Cycle</i>	25 to 100%	12.5 to 71.4%
Incidence of Febrile Neutropenia (in cases of neutropenia) <i>Any Cycle</i>	0%	14.3%
Utilization of Systemic Antibiotics to treat Febrile Neutropenia <i>Any Cycle</i>	0 days	5 days
Mean Time to ANC Recovery <i>Any Cycle</i>	9 to 12 days	8 to 9 days

MAXY-G34 Summary

- ▶ Phase IIa Results
 - ▶ MAXY-G34 was safe and well-tolerated, with no immunogenicity seen in any patient at any dose
 - ▶ MAXY-G34 potent and efficacious across broad range of doses
 - ▶ Optimal dose appears to be around 45 µg/kg
 - ▶ Small sample size precludes demonstration of statistically significant superiority over Neulasta
- ▶ MAXY-G34 ready for Phase IIb development with respect to safety, efficacy, and immunogenicity
- ▶ Significant investment required to pursue a Phase IIb trial to potentially validate a statistically differentiated MAXY-G34

MAXY-G34 Status

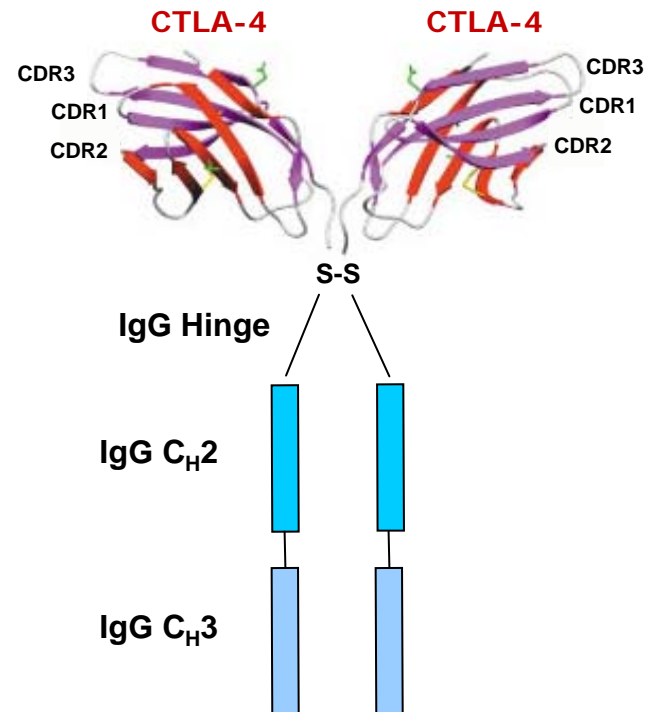
- ▶ Decision to partner before committing funds to Phase III manufacturing or Phase IIb trial
- ▶ Based on Phase IIa results, Phase IIb can be designed to demonstrate statistically significant superiority to Neulasta
- ▶ Regulatory feedback anticipated in Q1'09 to confirm development plans, including Phase IIb design
- ▶ Maxygen believes the patent recently issued to Amgen is invalid and we are pursuing interference and other options to invalidate it

MAXY-4

A Next-Generation CTLA4-Ig
designed to be superior to Orencia® and
Belatacept

Indications

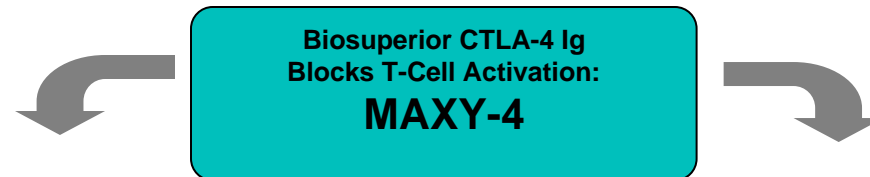
Autoimmunity (Rheumatoid Arthritis)
Solid Organ Transplant Rejection



Recent News: Maxygen and Astellas to Co-Develop MAXY-4 for Autoimmune and Transplantation Indications

- Deal provides Maxygen with strong commercial partner, attractive revenue potential, and reduced cash burn
- Astellas is a leader in immunology therapeutics with a global development commercialization infrastructure, particularly in the field of transplantation
 - ▣ Sales of Prograf® at 203B ¥ (\$1.7B USD) in 2007*
- Co-development collaboration with cost sharing in autoimmune diseases
 - ▣ \$10M upfront, \$160M potential milestone payments
 - ▣ Double-digit tiered base royalty on all sales
 - ▣ Profit sharing option if we opt to co-promote autoimmune disease in N. America

Partnership with Astellas Targets Two \$Multi-Billion Markets



Autoimmune (AI) Indications

- Maxygen and Astellas will co-develop autoimmune indications in NA and Europe
 - ✦ Maxygen does preclinical development
 - ✦ Maxygen option to participate in clin dev
 - ✦ Astellas will develop AI indications outside of NA and Europe

Transplantation

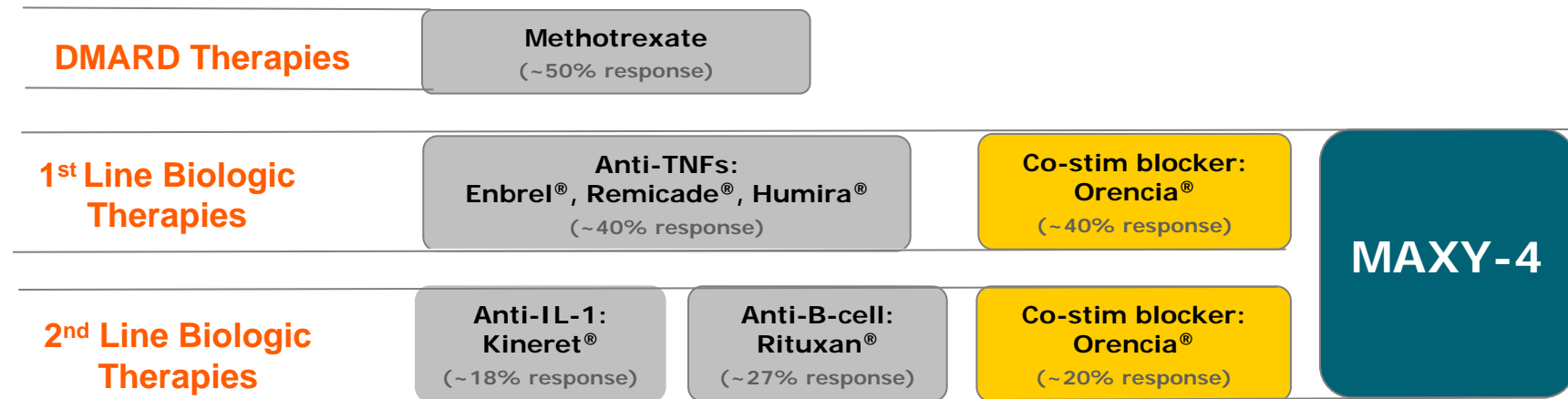
- Astellas to develop transplantation indications

For Both Indications

- Manufacturing responsibilities
 - ✦ Maxygen to provide all finished drug product through Phase II
 - ✦ Maxygen to manufacture and supply of all bulk drug throughout term, including commercial supply
- Commercialization
 - ✦ Astellas to market and sell all products worldwide
 - ✦ Maxygen retains option to co-promote products for AI in North America

MAXY-4 Positioning and Opportunity in RA

1.3 million RA patients in the US¹



- ▣ Orencia sales predicted to be >\$1B by 2012²
- ▣ MAXY-4 designed for more convenient administration and/or improved efficacy

Maxy-4 Positioning and Opportunity in Transplantation

- ❖ Current therapies: Prograf®, CellCept®, Cyclosporine, serve ~200,000 solid organ transplant patients in the US¹
- ❖ Belatacept, currently in Phase III; sales predicted to be >\$1B by 2014²
- ❖ MAXY-4 designed for more convenient administration and/or improved efficacy

(1) Organ Procurement and Transplantation Network Database
(2) Four independent analyst reports published during H1 2008

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- ▣ MAXY-G34 program completing Phase IIa for chemotherapy-induced neutropenia
 - ▣ Preclinical survival benefit in acute radiation syndrome model
- ▣ Vaccine discovery program funded by grants

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BIOSUPERIORS