



On a mission to provide quality of life to patients
suffering from rare CNS diseases
Jefferies Global Healthcare Conference - June 2011

NEUROSEARCH



Forward looking disclaimer



This presentation contains certain “forward-looking Statements”, relating to NeuroSearch activities and business, which can be identified by the use of forward-looking terminology such as “estimates”, “believes”, “expects”, “may”, “are expected to”, “will”, “should” or other similar expressions, or by discussions of strategy, plans or intentions. Such forward-looking statements reflect the current views of the company with respect to future events and are based on data, assumptions and estimates that the company considers to be reasonable. Many factors could cause the actual results, performance or achievements of NeuroSearch to be materially different from any future results, performances or achievements that may be expressed or implied by such forward-looking statements. Such factors include, among others, risks associated with product discovery and development, uncertainties related to the performance and outcome of clinical trials, unforeseen product safety issues, issues relating to manufacturing, market approval or acceptance of NeuroSearch products, competition, intellectual property issues, market conditions and general economic conditions. Should one or more of these risks or uncertainties materialize, or should other risks or uncertainties not foreseen or not identified materialize or should underlying assumptions prove incorrect, the actual results of the company may be materially and adversely affected as compared the forward-looking statements described in this presentation. NeuroSearch does not undertake to meet, or give any guarantee that it will meet, the intentions or goals that may be described in this presentation.

Content



- Company introduction
- NeuroSearch specialty pharma division
- Huntington's Disease and Huntexil[®]
- NsDiscovery
- 12 months news flow
- Key financials and outlook



Company introduction



- Emerging specialty pharma company
- Specialised in treatment of central nervous system diseases
- Currently focusing on niche and orphan neurological diseases characterised by movement disorders
- Huntexil® for Huntington's disease as main, fully owned drug candidate
- Well-established drug discovery unit with world class ion channel capabilities
- Partnerships with big pharma, e.g.



202 employees with headquarters in Denmark

Market cap of DKK 1.3b (EUR 168m) by 1 June 2011

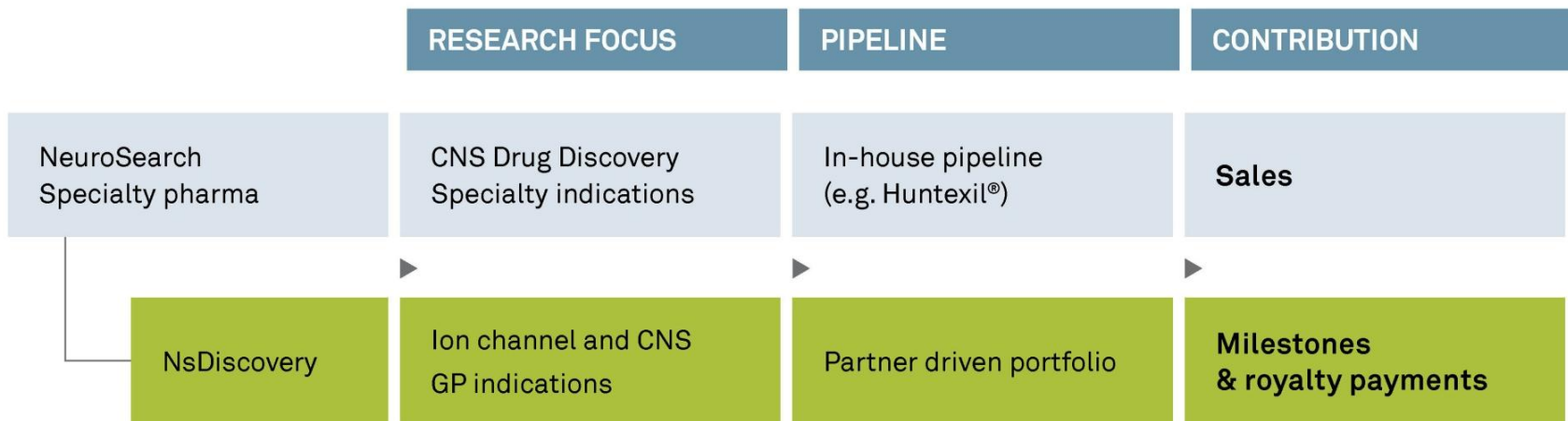
Cash position of DKK 412m (EUR 55m) by end March 2011



NeuroSearch is organised in two divisions



- Specialty pharma aiming for commercialisation of own drugs
- Partner driven NsDiscovery research unit based on innovative pioneering culture



NeuroSearch specialty pharma division



- Focuses on niche therapeutic areas and orphan diseases
- Currently focusing on movement disorders
- Complete pipeline with five novel specialty drugs in development
- Strengthening of in-house marketing and sales expertise

Huntexil®

Huntington's disease
Dopidine
Phase III

Ordopidine

Movement disorders*
Dopidine
Phase I

Seridopidine

Movement disorders*
Dopidine
Phase I

NSD-726

Inflammatory CNS diseases
Ion channel modulator
Preclinical

NSD-801

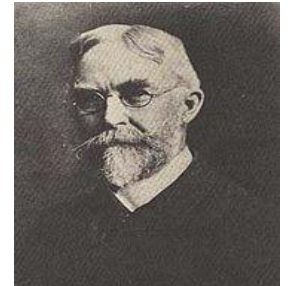
Ataxias
Ion channel modulator
Preclinical

*Freezing of Gait, L-DOPA induced dyskinesia, Tourette Syndrome and tardive dyskinesia are potential indications

What is Huntington's disease ?



- **Fatal, hereditary genetic disorder**
 - Mutant huntingtin gene
 - Nerve cell death in several brain areas
 - Circuitry disruptions
- **Symptom onset typically around 30–50 years of age**
 - Movement disorder
 - Cognitive impairment
 - Psychiatric and behavioural changes
- **Continuous disease progression for 10–20 years after symptom onset**
- **Patients in later disease stages require extensive daily care**



Huntington's disease has serious negative implications on quality of life for patients and their families

Large unmet medical need



➤ Large unmet medical need for HD

- Prevalence of symptomatic patients is estimated at 1:10,000 in most Western countries
- Approximately 110,000 symptomatic patients worldwide
- Severe and debilitating disease. Very high burden to society

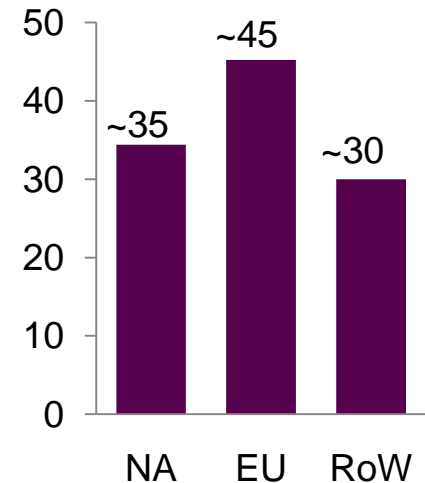
➤ Xenazine® is the only approved compound

- Indicated for chorea only
- Carries a premium price (30-50,000 USD/pt/yr)
- Associated with various side-effects

➤ Neuroleptics and antidepressants used off-label

HD prevalence

Patients (1,000s)



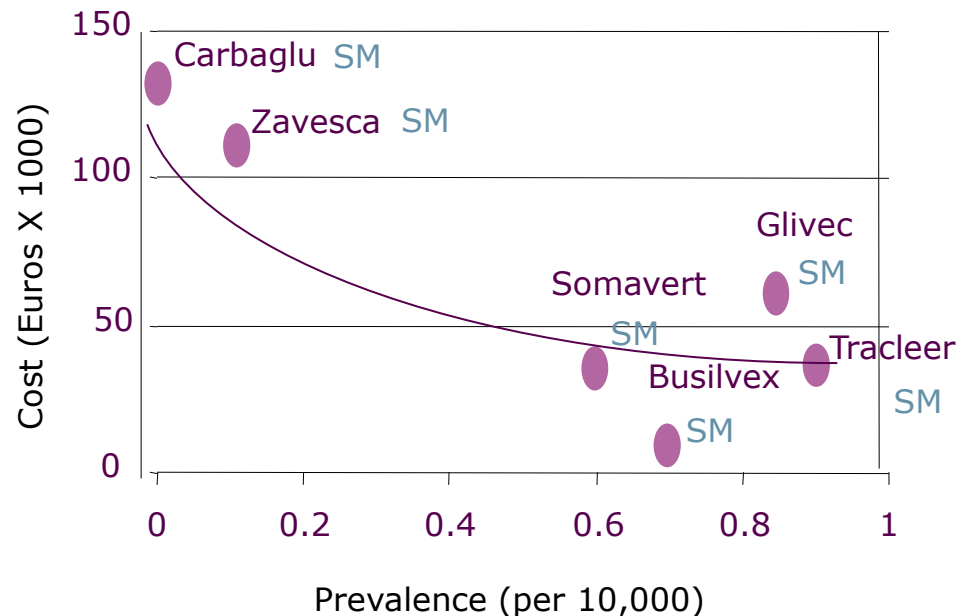
Prevalence sources: Rawlins M. Lancet 2010;376:1372-3;
Huntington Disease Society for America; European Huntington's disease associations

Orphan drug pricing applies to Huntexil®



- Prevalence is a key indicator for orphan drug pricing
- Attractive orphan pricing will likely apply to Huntexil®
- NeuroSearch expects pricing of USD 30-50,000 pt/yr in North America and EUR 15-25,000 pt/yr in Europe

EU orphan drug annual treatment cost trend versus prevalence



SM: Small molecule

Source: Amended from the European Commission – DG Enterprise and Industry, Orphan Drug Price Study

Competitor pipeline products



- **Few products in late-stage clinical development**
 - Tetrabenazine is the only approved compound and for chorea only
 - About 30 molecules in discovery
 - Focus mainly on neuroprotection

- **Huntexil® is the only compound in late-stage development addressing motor function**

Attractive commercial outlook for Huntexil®



- **All commercial rights retained**
- **Designated Orphan Drug status with both the FDA and the EMA**
 - Orphan drug exclusivity 10/7 (EU/US) years from approval
- **Strong intellectual property status**
 - Composition-of-matter patent (including extension) valid until 2025
- **Centralised market**
 - Can be covered with a limited sales force – 20 to 30 specialist reps to cover North America and Europe
- **Sales and marketing team in preparation for Huntexil® commercialisation**
- **First ever cost-of-illness study conducted**
 - Will form the basis for Core and Local Value Dossiers

Huntexil® - The Phase IIb/III programme in HD



The MermaiHD study – A European Phase III study

- Randomised, double-blind and placebo-controlled study in 437 patients
- Objective: Evaluate efficacy and safety of Huntexil® (45 mg qd or bid) after 26 weeks

The HART study – A North American Phase IIb study

- Randomised, double-blind, and placebo-controlled study in 227 patients
- Objective: Evaluate efficacy and safety of Huntexil® (10mg, 22.5mg or 45 mg – all bid) after 12 weeks + establish dose-response relationship

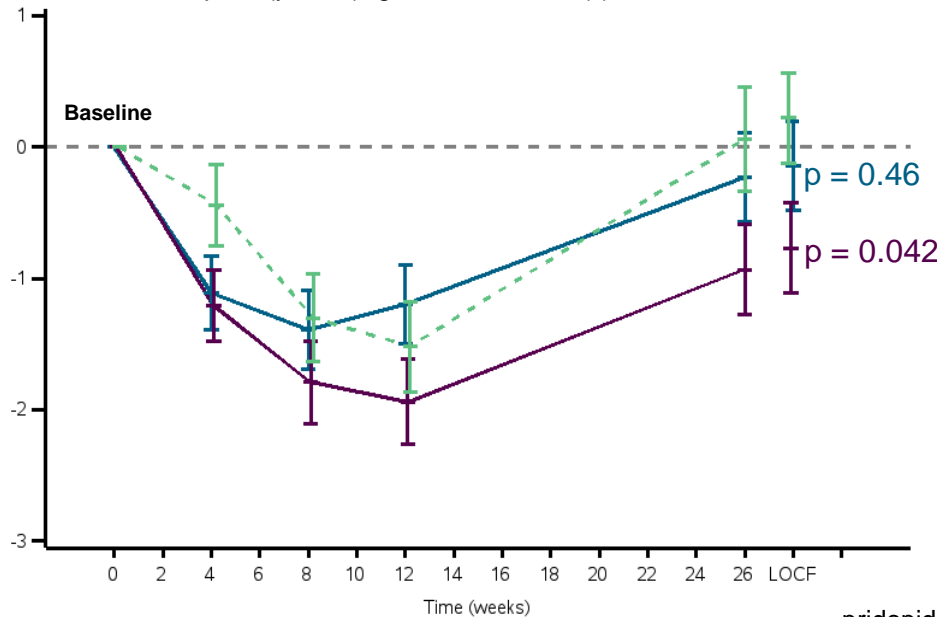
The MermaiHD study: Efficacy results



In the MermaiHD study, significant effects on total motor function were seen after 26 weeks of treatment with Huntexil® (45 mg twice daily), but the pre-defined significance level of $p < 0.025$ for the primary endpoint was not met

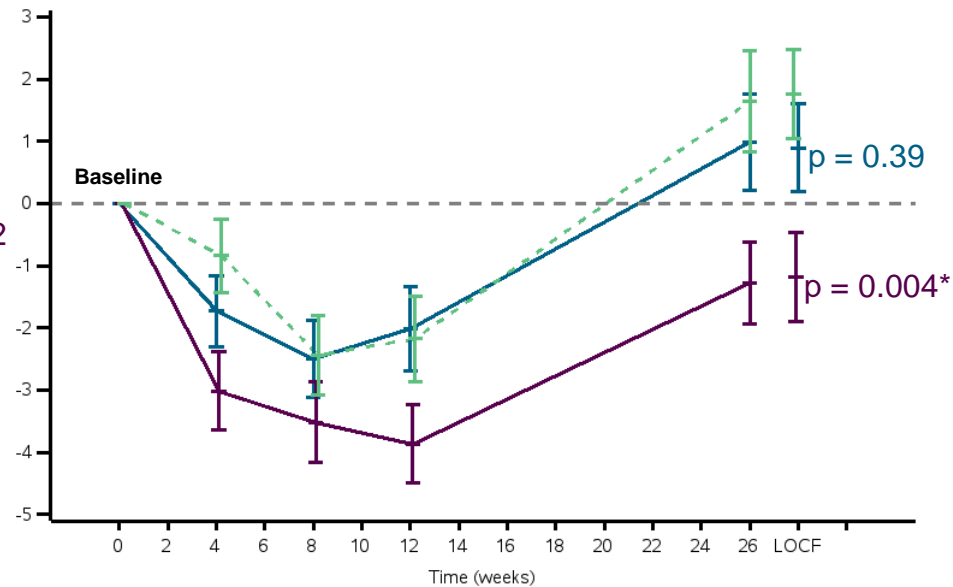
The modified Motor Score, mMS (PE)

(mean \pm SEM, p values (ANCOVA (ITT, LOCF); adjustment for baseline score, neuroleptics (yes/no), gender, treatment))



The Total Motor Score, TMS

(mean \pm SEM, p values (ANCOVA (ITT, LOCF); adjustment for baseline score, neuroleptics (yes/no), gender, treatment))



Treatment: — pridopidine 45 mg qd — pridopidine 45 mg bd - - - Placebo

3 points on the TMS scale corresponds to approximately 8 months of motor symptom progression

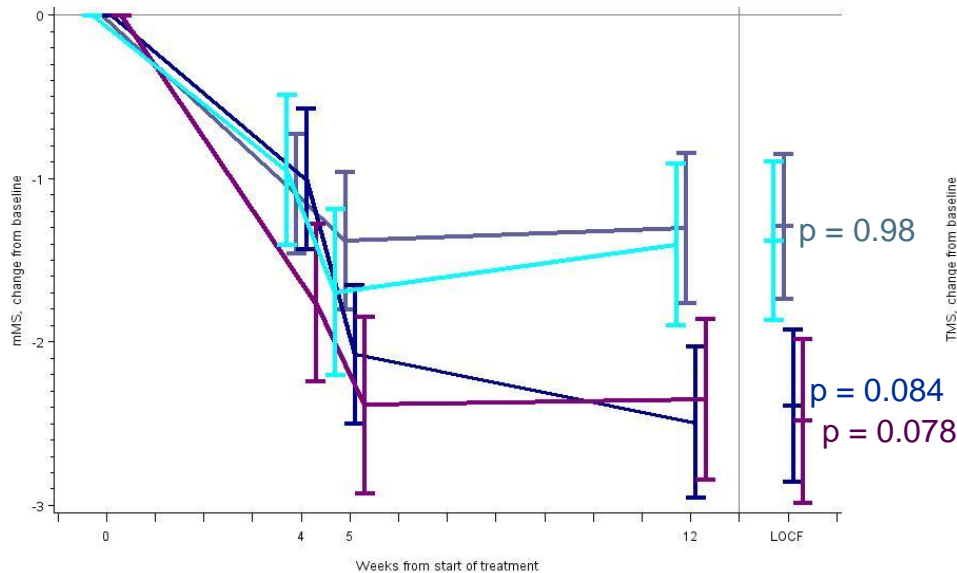
The HART study: Efficacy results



12 weeks of treatment with Huntexil® (45mg twice daily) showed significant effect on total motor function (TMS), but the primary endpoint (mMS) was not met

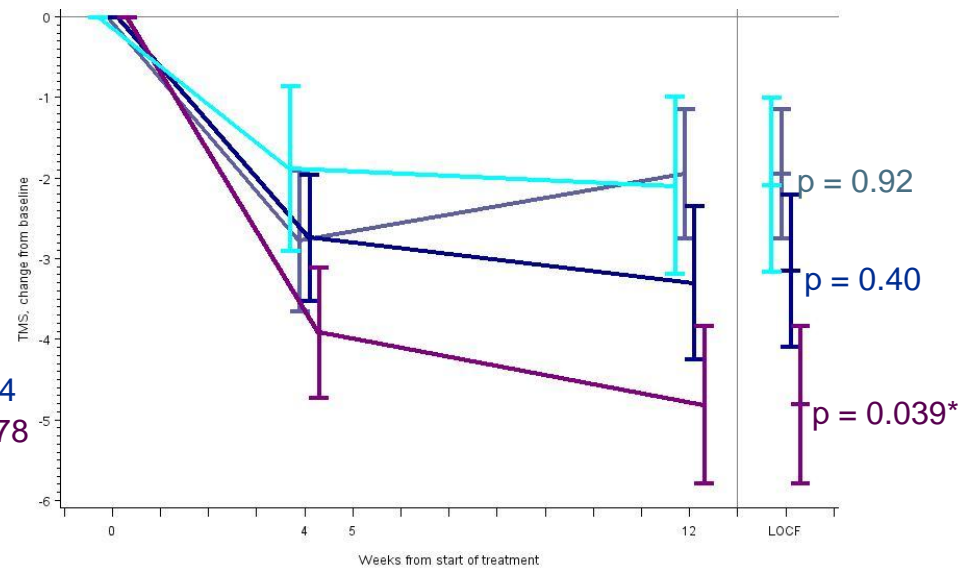
The modified Motor Score, mMS (PE)

(mean +/- SEM , p values (ANCOVA (ITT, LOCF); adjustment for baseline score, age, treatment)



The Total Motor Score, TMS

(mean +/- SEM , p values (ANCOVA (ITT, LOCF); adjustment for baseline score, age, treatment)



Treatment — pridopidine 10 mg b.i.d. — pridopidine 22.5 mg b.i.d. — pridopidine 45 mg b.i.d. — Placebo

Huntexil[®] clinical data



- **Favourable safety profile, including no worsening of other symptoms**
- **Adverse event profile similar to placebo**
- **Huntexil[®] (45 mg b.i.d.) improves motor symptoms**
 - Primary endpoint (mMS) not met
 - Significant improvement in total motor function (UHDRS–TMS)
 - First compound to show an improvement in UHDRS–TMS
- **Dose-response relationship established in HART**

Variable	HART (12 weeks)	MermaiHD (26 weeks)
mMS (PE)	-1.2 points	-1.0 points
TMS (SE)	-2.8 points*	-3.0 points*

**Significant improvement from baseline, versus placebo*

Huntexil[®] – Next steps



- New confirmatory Phase III programme is being designed based on scientific advice from the EMA and FDA
- Agreement on total motor score (TMS) as a primary endpoint
- Additional supportive measures of clinical relevance to be included
- New programme and timelines will be announced by end of June 2011

NsDiscovery – Innovative drug discovery engine



- Leading ion channel discovery platform
 - More than 30 compounds have been selected for preclinical development
- Long track record with big-pharma partnerships
- Actively seeking collaborations on a broad range of drug discovery and development programmes
- Therapeutic targets relevant to CNS diseases
 - Obesity, ADHD, anxiety, etc.
- Stand-alone cash neutral by end 2012
- Main partner agreements with Eli Lilly and Janssen
- Approximately 100 employees in NeuroSearch

Selected historic partners



NsDiscovery – Current strategic alliances



- Established 02/2009
 - Minimum 3 years
 - Up to USD 13 million up-front and research funding
 - USD 17 million equity investment
 - Royalties
- Established 08/2009
 - Extended until 08/2013
 - Total value USD 32 million
 - Royalties

Expected 12 months news flow



➤ **Huntexil®**

- Final decisions on the next phase III programme
- Publications of the results from the MermaiHD and the HART studies
- Conclusions from Cost-of-Illness study

➤ **Tesofensine**

- Potential partnering activities

➤ **Seridopidine and Ordopidine**

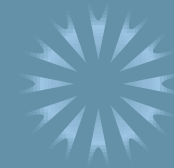
- Evaluation for different indications

➤ **Other news**

- Financing of NeuroSearch
- Potential partnerships in NsDiscovery, late 2011
- Advances and potential exit for the associated companies
- Other pipeline news



First quarter 2011 financial results and guidance



NeuroSearch Group (DKK million)	Q1'11	Q1'10	2010
Revenue	16	18	69
Total costs	(98)	(98)	(397)
Operating loss	(82)	(80)	(328)
Associated companies	(3)	(2)	(2)
Other financial items, net	(8)	11	23
Tax	-	15	47
Net result after tax	(93)	(57)	(259)

Capital resources on 31st Mar 2011

- Cash and securities DKKm 412
- Fixed payments from existing Lilly and Janssen alliances DKKm 64
- Unused credit facilities DKKm 29

2011 financial guidance

- Operating loss of DKKm 325



NEUROSEARCH

www.neurosearch.com

ns@neurosearch.com