



Company presentation - Annual Report 2010

10 March 2011

NEUROSEARCH

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Annual Report 2010



ANNUAL REPORT
2010



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ÅRSRAPPORT
2010



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2010 financial results and 2011 guidance



NeuroSearch Group (DKK million)	2010	2009
Revenue	69	85
Total costs	(397)	(441)
Operating loss	(328)	(356)
Net financial income/(expense)	24	25
Associated companies	(2)	(13)
Gains/(losses) financial assets	-	13
Tax	47	44
Net result after tax	(259)	(287)

Capital resources on 31st Dec 2010

- Cash and securities DKKm 481
- Fixed payments from existing Lilly and Janssen alliances DKKm 99
- Unused credit facilities DKKm 29

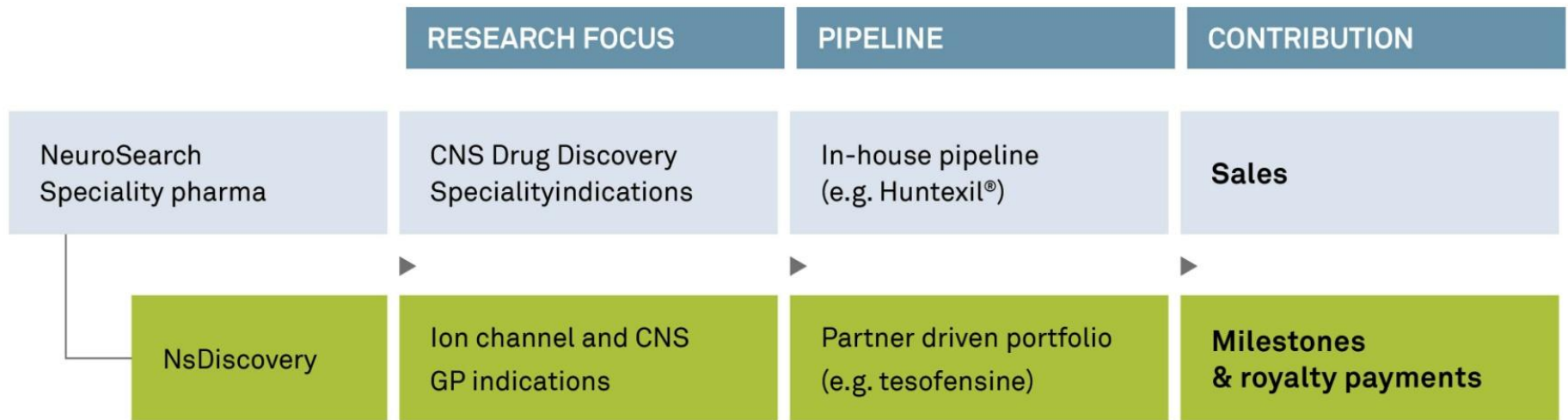
2011 financial guidance

- Operating loss of DKKm 325

Strategic focus strengthened early 2011



Business Model



NeuroSearch - a speciality pharma company



- Focused on CNS niche indications with an unmet medical need
- Leading drug candidate is Huntexil®
 - An ideal candidate with orphan status and attractive commercial profile
- Build in-house commercial competencies to take Huntexil® on the market in Europe and North America
- Successful Phase II/III studies (HART and MermaiHD)
 - However, primary endpoint was not met
- Pending FDA/EMA interaction and feedback



Huntexil® - A unique product opportunity

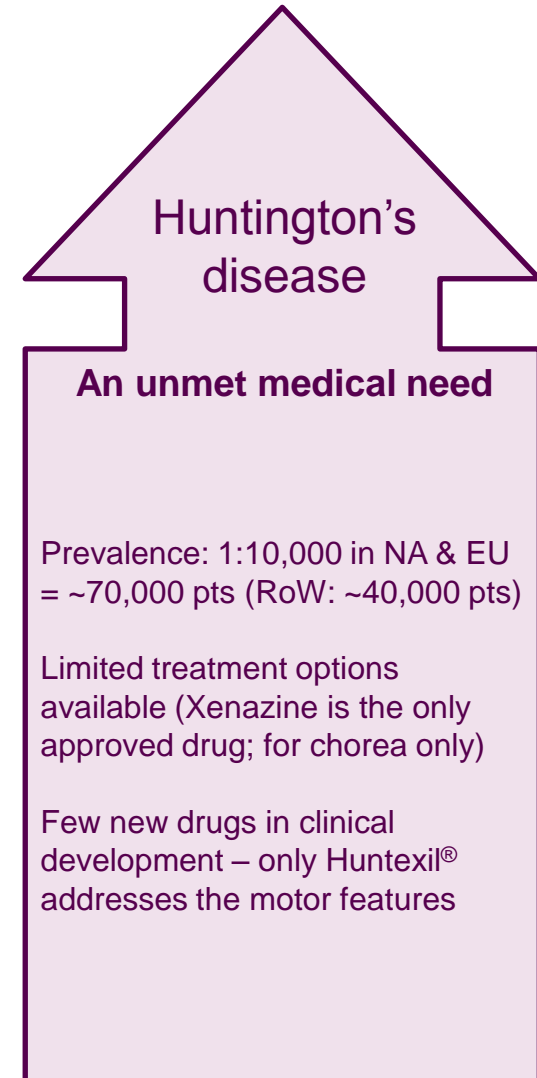


➤ Huntexil® - A novel and unique therapeutic offering

- Shown beneficial effects on patients' core motor symptoms
- First drug to improve both voluntary and involuntary movements with no apparent worsening of other disease signs and symptoms
- Favourable tolerability and safety profile (up to 12 months treatment)
- Belongs to a novel class of pharmaceutical agents *the dopidines* with unique properties

➤ Attractive commercial case

- Orphan Drug Status with both the FDA and the EMA
- Strong IP (Composition-of-matter patent runs till 2020 + up to 5 years extension); All commercial rights retained
- Highly centralised market: Expected HD sales force of 20-30 specialist reps



Highlights in 2010 - Huntexil®



- Huntexil® has demonstrated a unique and beneficial effect on core motor function in patients with Huntington's disease
- Effect on total motor function demonstrated in two clinical studies
 - Statistically significant effect seen on the Total Motor Score, TMS with improvements of both voluntary and involuntary movements
 - Strong effect trend seen on the modified Motor Score, mMS
- Dose-response relationship established (the HART study)
- Favourable safety and tolerability profile seen for Huntexil® including no apparent worsening of other HD signs or symptoms





- Founded on 20 years of success
- World leader within ion channel discovery
- Impressive track record of alliances
 - GSK, Abbott, Lilly, Johnson & Johnson
- We have two ongoing partnerships
 - Lilly
 - Johnson & Johnson
- We aim to build cash neutral/positive partnerships – with milestones and royalties
- NsDiscovery has an impressive portfolio of drugs for partnering, including tesofensine



Pipeline



Pipeline of CNS speciality drugs

Product	Indication	Mechanism of action	Partner	Phase	PC	I	II	III	Reg.
Huntexil®	Huntington's disease	Dopidine		Phase III					
Seridopidine	Tourette's & PD	Dopidine		Phase I					
Ordopidine	PD dyskinesias	Dopidine		Phase I					
NSD-726	Huntington's disease	Ion channel modulator		Preclinical					
NSD-801	Ataxia	Ion channel modulator		Preclinical					

Portfolio of drugs aimed for partnering

Product	Indication	Mechanism of action	Partner	Phase	PC	I	II	III	Reg.
Tesofensine	Obesity	MRI		Ready for Phase III					
ABT-894	ADHD	NNR modulator	Abbott	Phase II					
ABT-560	CNS diseases	NNR modulator	Abbott	Phase I					
NSD-788	Anxiety/depression	MRI		Phase I					
NSD-721	Social anxiety disorder	GABA modulator		Phase I					

Expected news flow in 2011



➤ Huntexil®

- Regulatory interactions in US and EU and decision on registration strategy in first half of 2011
- Publications of the results from the MermaiHD and the HART studies
- Conclusions from Cost-of-Illness study

➤ Seridopidine and Ordopidine

- Programme progress late 2011

➤ Tesofensine

- Partnering activities
- Feedback from FDA and EMA on regulatory path in first half of 2011

➤ Other news

- Potential new partnerships in NsDiscovery
- Advances and potential exit for the associated companies





For more information, please visit www.neurosearch.com or write
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