



Company presentation

Q3 2010 Investor & Analyst meeting

-

18 November 2010

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➤ NeuroSearch

- Corporate profile
- Q3 financials
- Pipeline and business model
- Strategic priorities
- Share information

➤ Key products

- Huntexil[®] (Huntington's disease); Unique product opportunity
- Tesofensine (Obesity); Attractive drug profile in weight management
- Seridopidine & ordopidine; New CNS speciality drug candidates

➤ Expected 12 months news flow



Business overview

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NeuroSearch – Corporate profile



Late stage product candidates

- Huntexil® (pridopidine) for Huntington's disease: Shown beneficial effect on motor function in large Phase II/III program
- Tesofensine for obesity: Promising treatment profile

Pipeline

- 8 novel drugs in clinical development + portfolio of PC candidates
- Pipeline inflow: Own drug discovery and in-licensing/M&A

Other fundamentals

- Well-established drug discovery platform, focused on CNS disorders; Drug discovery and development alliances w/ Lilly and Janssen (J&J)
- Capital resources; EUR 95m (end Q3'10) - 240 employees in DK & SE

Building a CNS speciality pharma

- Huntexil® - A unique product opportunity, all commercial rights retained
- Aiming for long-term profitability based on the discovery, development and commercialisation of CNS speciality drugs

Q3 2010 financial reporting and full-year guidance



Group (DKK million)	Q1-Q3 2010	Q1-Q3 2009	FY 2009
Revenue	52	66	85
Total costs	(289)	(326)	(441)
Operating loss	(237)	(260)	(356)
Finance net	23	37	38
Associated companies	(4)	(8)	(13)
Tax	42	34	44
Net result after tax	(176)	(197)	(287)
Capital resources end period	709	704	968

FY 2010 financial guidance maintained:
Operating loss of approximately DKK 350 million

NeuroSearch

- Building a speciality pharma company



Focus pipeline - CNS speciality products

Product	Indication	Partner	Development stage
Huntexil®	Huntington's disease		Phase III
Seridopidine	Schizophrenia a.o.		Ready for Phase II
Ordopidine	PD dyskinesias (LID)		Phase Ib

+ in-licensing and M&A

CNS Drug discovery engine;
Pipeline of PC candidates

**With Huntexil® as the spearhead ;
Building expertise in:**

Regulatory processing

Marketing and sales

Leveraging on
Huntexil®

Commercial CNS speciality drug
franchise

Sales
revenue

Partnering pipeline - CNS non-speciality products

Product	Indication	Partner	Development stage
Tesofensine	Obesity		Ready for Phase III
ABT-894	ADHD	Abbott	Phase II
ABT-560	CNS disorders	Abbott	Phase I
NSD-788	Anxiety/depression		Phase I
NSD-721	Social anxiety disorder		Phase I

For products targeting non-
speciality CNS indications:
Share the financial risk with
partners with broader clinical and
commercial competences

Royalty
stream

Strategic top-line priorities



- Build in-house commercial competencies and get Huntexil[®] on the market as fast as possible as a new treatment to patients with Huntington's disease
- Advance other clinical speciality drug candidates to follow Huntexil[®]
- Increase the CNS speciality drug pipeline via inlicensing and M&A
- Focus and organise the R&D platform to optimally support the CNS speciality pharma business model
- Intensify partnering activities for non-speciality CNS pipeline programmes – tesofensine in particular



Share information



- Number of shares outstanding 24,553,947
- Share price (17 November 2010) DKK 94
- Market Cap DKK ~2.3 bill / € ~ 310 mill / \$ ~430 mill
- Capital resources (end Q3 2010) DKK ~710 mill / € ~ 95 mill / \$ ~133 mill

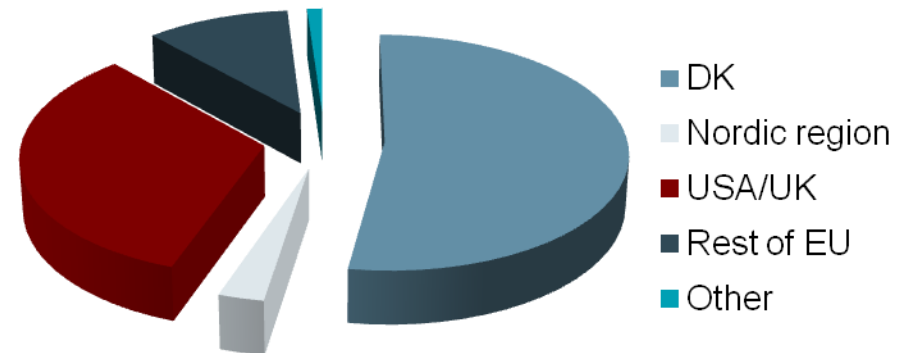


Broad shareholder base

- Corporate shareholders ~11%
 - hereof GSK > 5%
- Institutional investors ~ 65%
 - hereof ATP >10%
- Retail investors ~ 24%

100% free float

Geographically well distributed



Key products

Huntexil® in Huntington's disease

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Huntexil - A unique product opportunity



- **Huntington's disease: Represents a huge unmet medical need**
 - Prevalence: 1:10,000 in most Western countries (NA & Eu: ~70,000 pts, RoW: ~40,000 pts)
 - Very limited treatment options available; Xenazine is the only approved drug (chorea only)
 - Few new drugs in clinical development – only Huntexil[®] addresses the motor symptoms

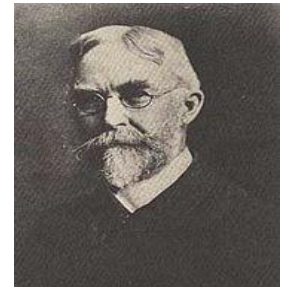
- **Huntexil[®] - A novel and unique therapeutic offering**
 - Shown beneficial effects on patients' core motor symptoms
 - First drug to improve both voluntary and involuntary movements with no apparent worsening of other disease signs and symptoms
 - Favourable tolerability and safety profile (up to 12 months treatment)
 - From a novel pharmaceutical class with unique dopaminergic stabilising properties

- **Attractive commercial outlook**
 - Orphan Drug Status with both the FDA and the EMA – All commercial rights retained
 - Strong IP: Composition-of-matter patent until 2020 + extension
 - Centralised market: Can be covered with a limited sales force of about 20 specialist reps

What is Huntington's disease?



- Fatal, hereditary genetic disorder (mutant Huntingtin gene)
 - ➔ Causing nerve cell death in several brain areas, leading to circuitry disruptions
- Symptoms onset typically around 30-50 years of age
 - Serious motor disturbances/loss of motor function
 - Cognitive impairment
 - Psychiatric and behavioural changes
- Continuous disease progression over 10-20 years after symptoms onset, eventually leading to the patient's death
- Patients in mid to final disease stages require extensive daily care



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

Overview of the Phase II/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 q.d or b.i.d) 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 og 45 mg – all b.i.d) after 12 weeks + establish dose-response relationship

Endpoints for both studies:

the modified Motor Score, mMS (PE); the Total Motor Score, TMS; sub motor domains;
the Unified HD Rating Scale, UHDRS

The MermaiHD extension

- 26 week open-label study in 353 patients (who completed the randomised study)
- Objective: Evaluate the safety/tolerability of Huntexil® (45 mg b.i.d) for up to 12 months

Huntington's disease: Clinical motor scores and efficacy endpoints



The Total Motor Score, TMS

- the motor part of the Unified HD Rating scale (UHDRS)
- Measures 15 items of motor function
- Disease progression: ~4-5 pts increase p.a.



1. Ocular pursuit
2. Saccade initiation
3. Saccade velocity

Eye movements

- 3 items from the TMS

4. Dysarthria
5. Tongue protrusion
6. Finger taps
7. Pronate/supinate hands
8. Fist-hand-palm sequencing
9. Rigidity - arma
10. Body bradyskinesia

The modified Motor Score, mMS

- measures voluntary motor function
- 10 items from the TMS
- Disease progression: ~2 pts increase p.a.

Involuntary movements

- 2 items from the TMS

11. Dystonia
12. Chorea

13. Gait
14. Tandem walking
15. Retropulsion pull test

The MermaiHD study: Efficacy results

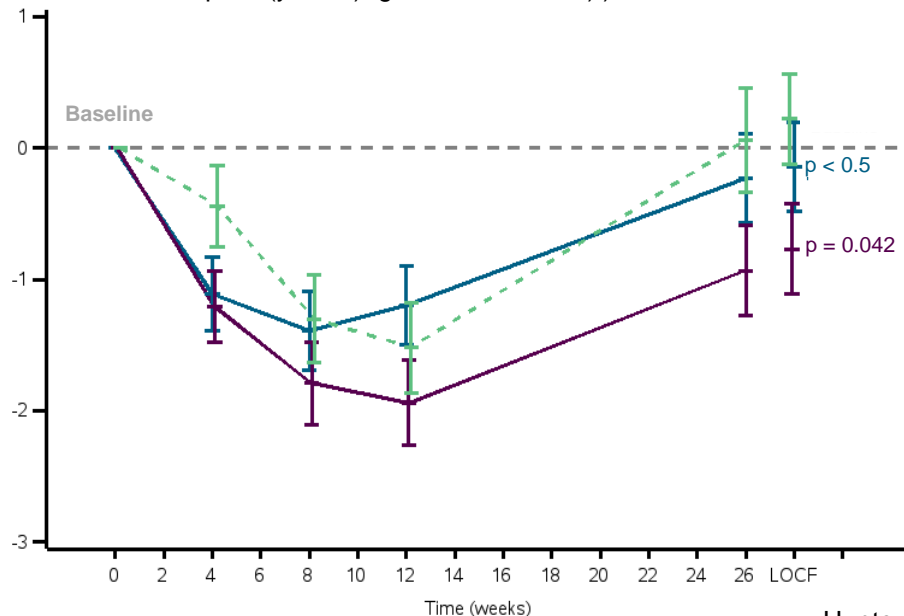


In the MermaiHD study, significant effects on total motor function was seen after 26 wk of treatment with Huntexil® (45 mg twice daily)

– yet, the pre-defined significance level of $p < 0.025$ for the PE was not met

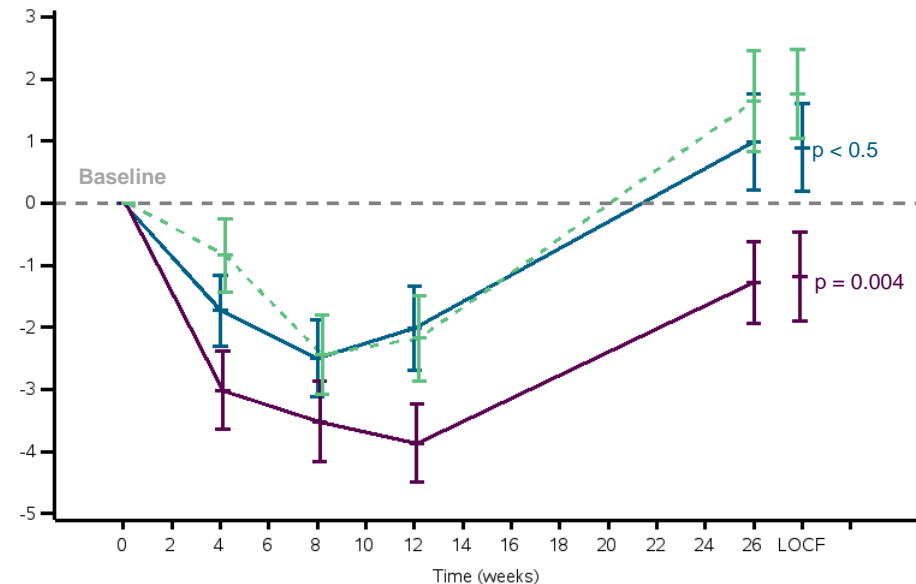
The modified Motor Score, mMS (PE)

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



The Total Motor Score, TMS

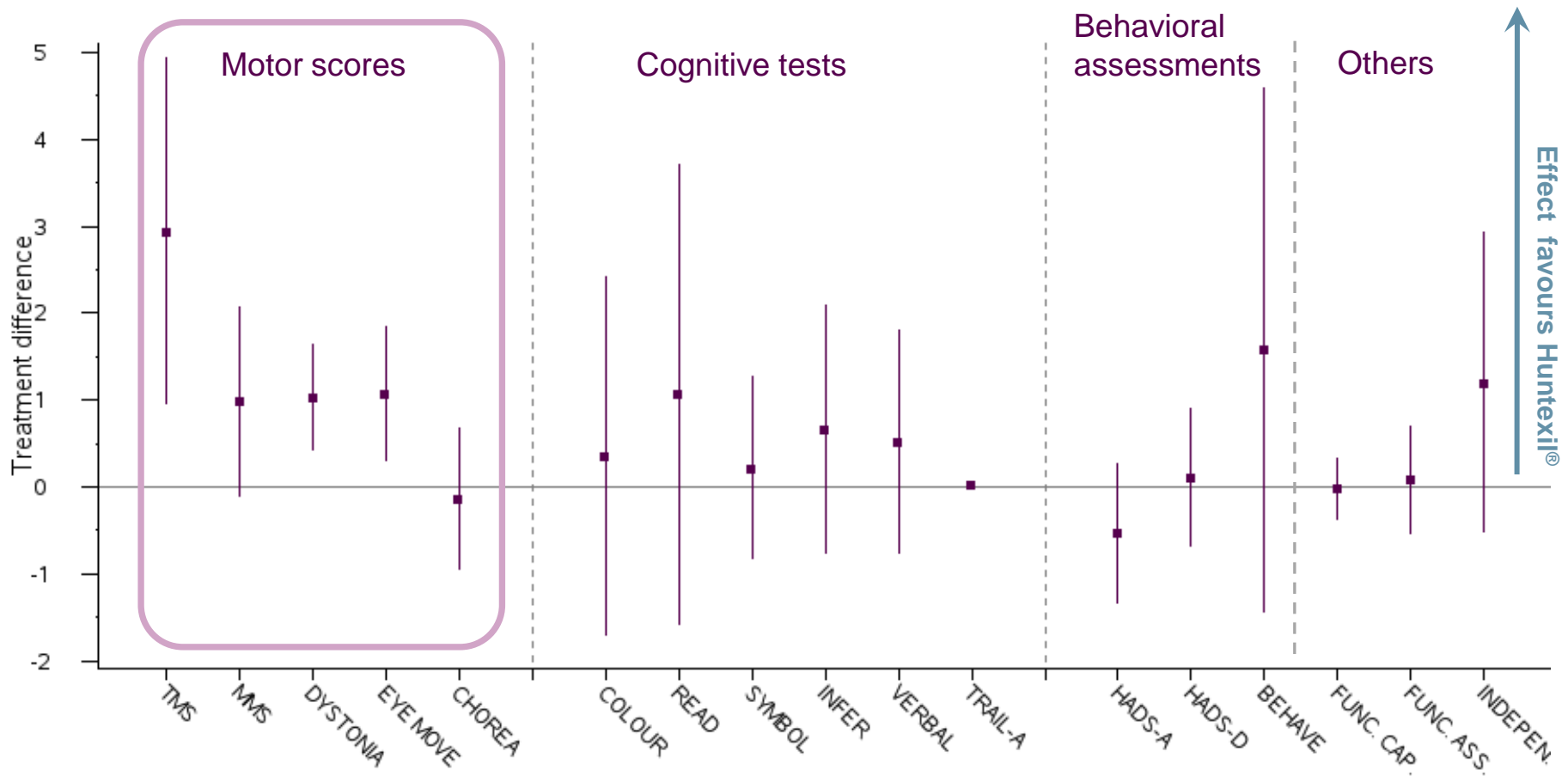
(mean +/- SEM , p values (ANCOVA (ITT, LOCF); adjustment for baseline score, neuroleptics (yes/no), gender, treatment))



Treatment: — Huntexil® 45 mg q.d. — Huntexil® 45 mg b.i.d. - - - Placebo

The 26 wk effect on mMS and TMS corresponds to an average clinical improvement of 6-8 months

Total motor improvement and no symptoms worsening



Mean differences (95% CI) between Huntexil® (45 mg twice daily) and placebo

The HART study – Compliance and safety



- Randomised population, Intention to treat (ITT) = 227 pts (100%)
- Completers = 94% (213 pts)
 - Placebo = 95%; 10 mg b.i.d = 91%; 22.5 mg b.i.d = 95%; 45 mg b.i.d. = 95%
- Withdrawals from the study due to AE = 1% (3 pts)
 - Placebo = 1 pt; 10 mg b.i.d = 1 pt; 22.5 mg b.i.d = 1 pt; 45 mg b.i.d. = none
- Treatment discontinuation due to AE = 7% (16 pts)
 - Placebo = 5%, 10 mg b.i.d = 9%, 22.5 mg b.i.d = 4%, 45 mg b.i.d. = 10%
- Huntexil[®] was found to be safe and well tolerated
- Most frequently reported AEs (falls, headache, diarrhoea and nausea) had no apparent pattern
- Completers in full compliance, Per Protocol (PP) = 69% (186 pts)

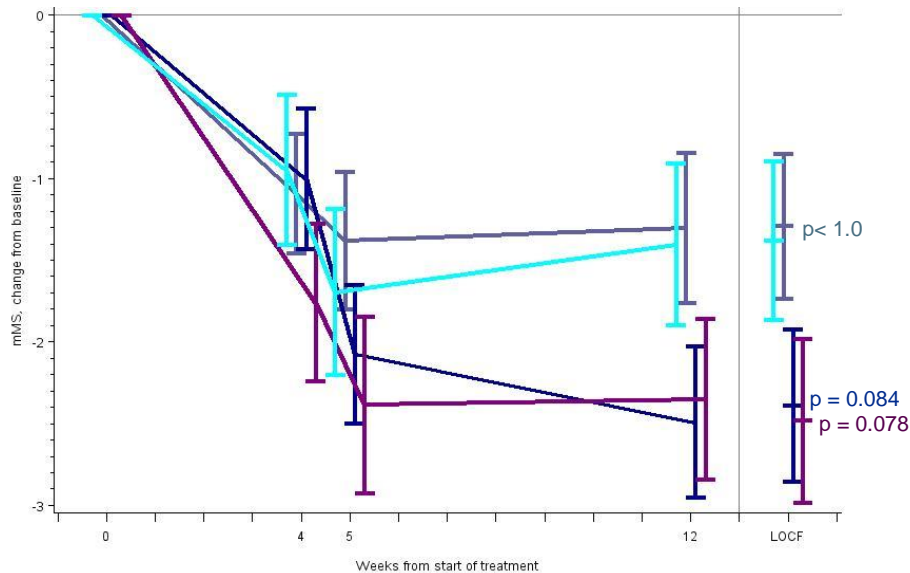
The HART-study: Efficacy results



In the HART study, 12 wk treatment with Huntexil® (45mg twice daily) showed significant effect on total motor function and the findings strongly support the results in the MermaiHD study. The PE of the HART study was not met.

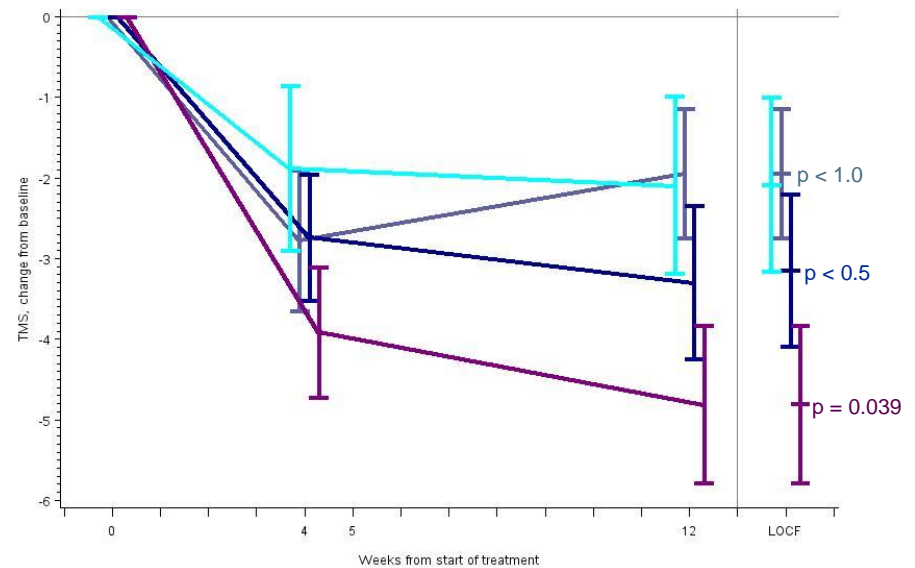
The modified Motor Score, mMS (PE)

(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 ——— Huntexil® 10 mg b.i.d. ——— Huntexil® 22.5 mg b.i.d. ——— Huntexil® 45 mg b.i.d. ——— Placebo

The MermaiHD & HART studies: Consistent efficacy findings for Huntexil®



- Placebo-corrected changes from baseline in TMS and all sub domains there off, including the most important sub domains of mMS

Huntexil® (45 mg b.i.d)	The HART study After 12 weeks	The MermaiHD study At week 12	The MermaiHD study After 26 weeks
TMS	-2,8 (p= 0,039)	-2,0 (p= 0,032)	-3,0 (p= 0,004)
mMS	-1,2 (p= 0,078)	-0,6 (p= 0,2)	-1,0 (p= 0,042)
- <i>Balance and gait</i>	-0,48 (p=0,042)		-0,35 (p=0,028)
- <i>Hand Movements</i>	-0,93 (p=0,019)		-0,70 (p=0,015)
Dystonia	-0.21 (p=0.60)		-1.03 (p=0.001)
Chorea	-0.90 (p=0.11)		0.14 (p=0.74)
Eye movements	-0.62 (p=0.16)		-1.07 (p=0.007)

The Phase II/III programme - Conclusions



- Huntexil® has unique and beneficial effect on core motor function and a favourable safety profile 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
 - Significant effect on important sub motor domains relating to functionality : Balance & gait - Hand movements
 - Dose-response relationship established with high statistical significance (the HART study)
- Favourable safety and tolerability profile seen for Huntexil® including no apparent worsening of other HD signs or symptoms

Regulatory strategy and other activities



➤ Regulatory plans

- Prepare a regulatory meeting package on Huntexil® (including all results from both the MermaiHD and the HART studies)
- Q1 2011: Plan for dialogue with regulators in the US and in Europe to get initial feedback on the clinical package
- Based upon regulatory feedback, define the most appropriate route towards market registration of Huntexil® as a new treatment for patients with Huntington's disease

➤ Other activities

- Cost-of-illness study ongoing in major EU markets to help support pricing
- Planning for an Early Access Programme in Europe to cover also patients outside the MermaiHD study
- Publications of the MermaiHD and HART study results in preparation
- Compassionate Use programmes for ex-MermaiHD and ex-HART study patients

Huntexil® – Aiming for market registration as fast as possible

Cost-of-illness study in Huntington's disease



- NeuroSearch is one of the initiators behind the first ever HD cost-of-illness study, conducted by University of Lyon
 - Supported by an unrestricted research grant from NeuroSearch
- The study currently covers five European countries
 - Five additional countries currently preparing
 - International interest from clinicians (EU, US, AUS)
- **Objectives:**
 - Document the societal costs of Huntington's disease and identify primary regional cost drivers
 - Help ensure appropriate pricing based on clinically proven benefits of Huntexil®
 - Facilitate reimbursement

Key products

Tesofensine – A highly efficacious weight-loss drug

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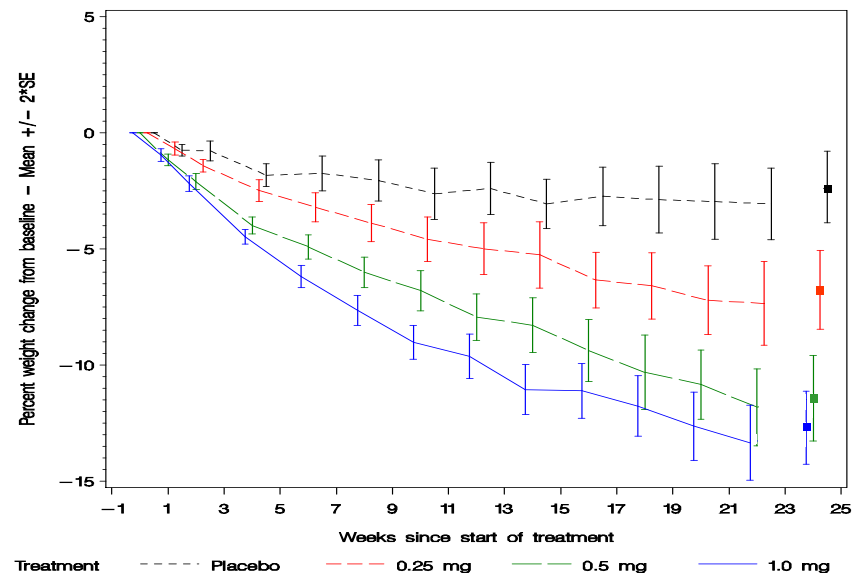
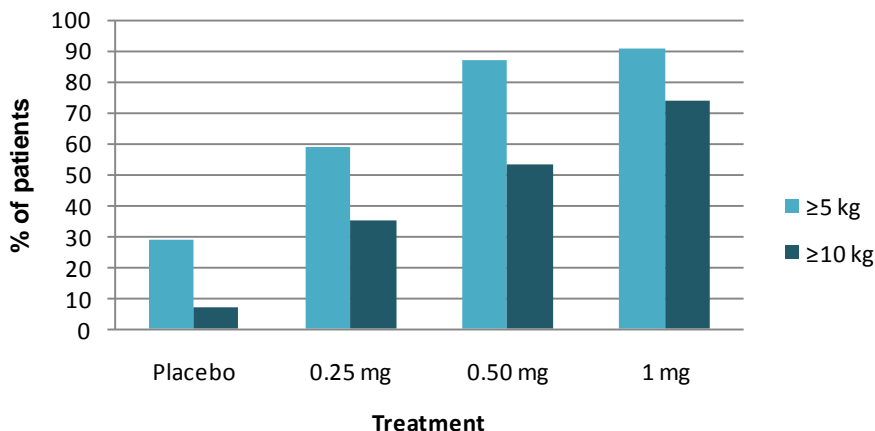
Tesofensine – Very attractive weight loss effect



In a Phase II study, TIPO-1 (203 pts, BMI > 30), 24-w treatment with therapeutically relevant doses of tesofensine (0.25 mg and 0.5 mg) resulted in

- A highly significant weight loss of 6.5% and 11.2%, respectively (vs 2% for placebo)
- On 0.5 mg: 87% lost $\geq 5\%$ and 53% lost $\geq 10\%$
- On 0.25 mg: 59% lost $\geq 5\%$ and 35% lost $\geq 10\%$
- Good tolerability and acceptable safety profile; Pulse increases of up to 7-8 bpm.

Weight loss in TIPO-1



Obesity:

A growing threat, but regulators remain cautious



WHO names obesity as the main health threat of the 21st century

- Across all the countries represented in the OECD, 50% of adults are overweight or obese
- Increasing obesity in industrialised countries has led to rises in heart disease, cancer and diabetes
- Obesity surgery rates soar
- Low-income countries cannot cope with the health consequences of wide scale obesity: Rates in Brazil and South Africa already outstrip the OECD average



- but the regulatory environment for obesity drugs remains very challenging

- US regulatory authorities demonstrate high caution on obesity drugs
- A strong focus on risk
- Current FDA/EMA obesity drug guidelines do not truly dictate what is required today – Updates are warranted

Tesofensine: Strong panel of expert advisors



Panel of experts consulted on the existing clinical data on tesofensine and as basis for the preparation of the revised Phase III programme

- **Louis Aronne**, M.D., F.A.C.P., Clinical Professor of Medicine, Weill-Cornell Medical College, Director, Comprehensive weight Control Program, 1165 York Avenue, New York, NY 10065, USA
- **Steven Haffner**, M.D., Professor of Internal Medicine (retired), University of Texas Health Science Center, San Antonio, Texas 78229, USA
- **Peter Kowey**, M.D., FACC, Professor of Medicine and Clinical Pharmacology, Jefferson Medical College, Chief, Division of Cardiovascular Diseases, Main Line Health System, The William Wikooff Smith Chair in Cardiovascular Research, Lankenau Hospital and Medical Research Center, Wynnewood, PA 19096, USA
- **Donna Ryan**, M.D., Professor and Associate Executive Director For Clinical Research, Pennington Biomedical Research Center, 6400 Perkins Road, Baton Rouge, LA 70808 USA
- **Michael Weber**, M.D., Professor of Medicine, SUNY Downstate Medical Center, 308 E. 38th Street, Suite 201, New York, New York 10016, USA
- **Arne Astrup**, Head, Professor, MD, Dr.Med.Sci, Department of Human Nutrition, Faculty of Life Science, University of Copenhagen, Rolighedsvej 30, DK-1958 Frederiksberg C, Copenhagen, Denmark
- **Christian Torp-Pedersen**, Professor of Cardiology, MD, DMSC, FACC, FESC, Department of Cardiology, Gentofte Hospital, University of Copenhagen, 2900 Hellerup, Denmark

Tesofensine – How to subtract the value of the drug



A revised Phase III programme in preparation with the objective of

- Demonstrating >5% PLC corrected weight-loss over 12 months treatment
- Showing significant improvements of metabolic parameters and QoL
- Propose an acceptable mitigation of risk in an obesity population including high risk patients; e.g. diabetics and CV disease patients
- **Key: Propose an appropriate treatment algorithm to define the target patient subgroup to benefit the most from treatment with tesofensine**
(A stringent treatment regime based on evaluation of vital signs vs. weight loss)

Outlook

- H1 2011: Plan to meet and discuss the revised Phase III plan with FDA and EMA to agree on the developmental route to NDA
- Re-activate partnering talks on tesofensine – NeuroSearch will not invest further in the programme without a partner

Key products

Seridopidine (ACR343) and ordopidine (ACR325)

– Other speciality drug candidates

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Dopidines: A novel class of CNS active agents



Dopidines

- a novel class of CNS active pharmacological agents, established by NeuroSearch
- unique stabilising effects on the dopaminergic system
- have the potential to treat several neurological and psychiatric disorders characterized by altered dopamine transmission, including Huntington's disease

The dopaminergic stabilising properties of dopidines

- Act primarily on dopamine D₂-receptors with unique pharmacodynamic actions
- Able to regulate both hyper- (too high) and hypo- (too low) dopaminergic functioning
- Display state dependent behavioural effects with only subtle effect on normal behaviour

Dopidines in the NeuroSearch pipeline

- Huntexil® (pridopidine) for Huntington's disease: the first dopidine that have been evaluated for clinical effect
- Seridopidine (schizophrenia a.o.) and ordopidine (LIDs in Parkinson's disease) have shown promising psychomotor stabilising effects

Seridopidine and ordopidine: Two novel CNS speciality drug candidates



Seridopidine (ACR343) – Schizophrenia a.o.

- Shown properties expected to make the drug well suited for the treatment of selected psychomotor disorders
- Preparation of Phase II study to evaluate the effect of seridopidine as add-on treatment in schizophrenia
- Parallel evaluation of potential in speciality neurological disorders; Tourette's, dystonia, initiation of gait in Parkinson's etc.

Ordopidine (ACR325) – Dyskinesias in Parkinson's disease

- Shown potential to stabilize unwanted effects of l-dopa treatment and improve postural control in advanced PD patients, representing a vast unmet medical need
- Phase Ib study ongoing to evaluate safety and tolerability for ordopidine in Parkinson patients with dyskinesias – Results expected in Q1 2011
- Phase II study in preparation to evaluate the effect of ordopidine to treat L-Dopa induced dyskinesias in Parkinson patients – Expected start in H1 2011

Expected news flow

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Expected 12 months news flow



- Huntington's disease - Huntexil®
 - Regulatory interactions in US and Eu and decision on registration strategy
 - Publications of the results from the MermaiHD and the HART studies
 - Initiation of the Open-HART study
 - Conclusions from Cost-of-Illness study
 - Potential initiation of Early Access programme in Europe
- Obesity - Tesofensine
 - Regulatory approval of revised Phase III plan (FDA and EMA)
 - Partnering activities
- Schizophrenia or speciality indication – Seridopidine
 - Initiation of Phase II Proof-of-Concept study
- Parkinson's dyskinesias – Ordopidine
 - Completion of Phase Ib study
 - Initiation of Phase II study
- Other news
 - Appointment of new Chief Medical Officer
 - Advances for associated companies
 - Other pipeline news





For more information, please visit www.neurosearch.com or write
to investor@neurosearch.dk

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