Addex Pharmaceuticals
From Inception to a CHF137M IPO

Vincent Mutel CEO
ventureideas@life sciences
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The Company

- Addex is located in Geneva, Switzerland
- ADXN is traded on the SWX Swiss stock exchange
- ~100 people / founded in 2002
- Focus: small molecule allosteric modulators
- Pipeline: 2 Phase II programs for lead product, 1 Phase I program & multiple preclinical products
- Validating deals with J&J and Merck & Co.
Experienced Management

- Vincent Mutel, Chief Executive Officer (Roche)
- Tim Dyer, Chief Financial Officer (PwC)
- Mark Epping-Jordan, Chief Scientific Officer (GSK)
- Charlotte Keywood, Chief Medical Officer (Vernalis)
- Jean-Philippe Rocher, Head of Core Chemistry (GSK)
- Robert Lütjens, Head of Core Biology (Scripps)
- Emmanuel Le Poul, Head of CNS BU (Euroscreen)
- Sonia Poli, Head of Non-Clinical Development (Roche)
- Olivier Loget, Head of Non-Clinical Safety (Roche)
- Bruno Bournique, Head of ADME/PK (Actelion)
- Chris Maggos, Head of Investor Relations & Communications (Biocentury)
- Laurent Massuyeau, Head of Business Development (Idenix, Lilly)
Experienced Board of Directors

• André J. Mueller, Chairman
  – Vice Chairman and former CFO of Actelion; former CFO of Biogen

• Werner Henrich
  – Chairman of Basilea and former member of Pharmaceutical Division Executive Board at Roche

• Jacques Theurillat
  – Former Deputy CEO, Serono

• Andrew Galazka
  – Senior VP Scientific Affairs, Merck-Serono

• Beat Lüthi
  – Member of Group Management Committee at Mettler Toledo (NYSE listed)

• Vincent Mutel, Vice Chairman
  – CEO of Addex

• Antoine Papiernik
  – General Partner, Sofinnova Partners

• Deborah Harland
  – General Partner, SR-One (GlaxoSmithKline)
Corporate Highlights

2002
- In-licensing of ADX10061 for smoking cessation
- Focus on allosteric modulation expertise
- Discovery of ADX10059, an mGluR5 NAM
- Discovery of ADX63365, an mGluR5 PAM

2003
- Ortho-McNeil (Johnson & Johnson) signs mGluR2 deal

2004
- Discovery of ADX48621, an mGluR5 NAM

2005
- Initiation of Phase I Trials with ADX10059 (Sept 05)
- Expansion of discovery programs into diabetes and reproductive health

2006
- Start ADX10059 Ph Ila POC trials for GERD and Migraine
- Start ADX10061 Ph Ila POC trial for smoking cessation

2007
- ADX10059 efficacy in GERD and Migraine
- Start ADX10059 Phase Ila POC trial for anxiety
- Start ADX48621 Ph I
- First deal with Merck & Co
Addex is the fruit of a transformation

• Which mechanism led to this rebirth?

• What was the nature of this deep change?

• Why was this successful?
May 2002: The Founding

- A specialty pharma small company dedicated to drug development
- Focused on addiction: cocaine, alcohol, nicotine
- One molecule in-licensed for alcoholism: ADX10061
- A small drug discovery program with one target
- A strategy to in-license advanced stage products and move to sales and marketing
- A respectable amount of money raised and the intention to move products using US and EU governmental institutions: NIDA
Addiction: a disease of healthy people?

‘sadly, healthy people do not want to get cured’
But....

• Cocaine addiction is a difficult indication with marginal return potential

• Excessive drinking is not alcoholism 😊

• Smoking cessation is a large market challenging for a start up

• Development through governmental institutions is not fast and straightforward

• Good in-licensing opportunities are rare
However….

- Our awareness of the value of the company was growing as was growing our understanding of the value of an alternative pharmacology: the allosteric modulation

- The quality and productivity of our team was leading to sustained discovery of new molecules

- The model was proven with various targets

- Large pharma started to show interest for those products
The nature of the change!

Allosteric Modulators

our goal is to become a world class pharmaceutical company leveraging this emerging class of therapeutic agents
Allosteric Modulation
~a non-competitive approach~

Negative Allosteric Modulator

outside of cell

inside cell

Endogenous ligands

active site

Allosteric modulators bind, generally in the cell membrane, via a non-competitive mechanism that exerts its effects on signal transduction primarily after binding by the endogenous ligand at the active site.

NAM reduces signal

PAM increases signal

In contrast, classical orthosteric agonists and antagonists - not shown here - compete for the same active site targeted by endogenous ligands (i.e. natural activators).
mid 2003….the Ah, Ah! effect

- The platform crystallized and its potential appeared obvious
- This transformation of the company attracted a number of investors and energized our insiders
- Our negotiating standpoint was strong and the innovative products from innovative platform model started to emerge
- We ignored the market and took an offensive position 😊
- We were constant in our ethic 😊😊
End 2004: Partnership with J&J

• Partnership to discover and develop mGluR2 PAM for anxiety and schizophrenia
• Addex received euros 3 million up-front
• J&J paid access to our allosteric modulation expertise
• Milestones & royalties
2007: first clinical breakthrough

- ADX10059 the first NAM to reach phase II in man, demonstrated significant activity in migraine and Gastro Esophageal reflux Disease

- First in class in two multi billion dollar markets
2007: One of the biggest biotech IPOs in EU or U.S.

- Biggest biotech IPO in Europe in 3 years*
- Second biggest biotech IPO in Europe in more than 5 years
- Fifth biggest biotech IPO for EU/U.S. company in more than 5 years

<table>
<thead>
<tr>
<th>Company</th>
<th>IPO</th>
<th>Date</th>
<th>Country</th>
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<tbody>
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<td>Basilea</td>
<td>$162,273,300</td>
<td>25-Mar-04</td>
<td>Swiss</td>
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<tr>
<td>Eyetech</td>
<td>$156,975,000</td>
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<td>MediciNova</td>
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<td>Addex</td>
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<td>Cytokinetics</td>
<td>$103,200,000</td>
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*Data do not include IPOs by generics companies & or pharma (like Ipsen's $200.2M IPO in July 2005). Source: BioCentury
From good to Great

Allosteric modulation: the Addex hedgehog
### Allosteric Modulator Pipeline

<table>
<thead>
<tr>
<th>Partner</th>
<th>Screening &amp; Hit-to-Lead</th>
<th>Lead Optimization</th>
<th>Preclinical</th>
<th>Phase I</th>
<th>Phase IIa</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Merck &amp; Co., Inc.</strong></td>
<td>ADX10059 (mGluR5 NAM): Gastroesophageal Reflux Disease (GERD)</td>
<td>ADX10059 (mGluR5 NAM): Migraine Prevention</td>
<td>ADX48621 (mGluR5 NAM): Dyskinesia, Depression &amp; Anxiety</td>
<td>ADX71943 (GABA₉ PAM): GERD / Urinary Incontinence / Pain</td>
<td>ADX68693 (FSH NAM): Contraception/Osteoporosis</td>
</tr>
<tr>
<td><strong>Johnson &amp; Johnson</strong></td>
<td>GLP1R PAM: Type II Diabetes</td>
<td>mGluR2 PAM: Anxiety / Schizophrenia</td>
<td>mGluR4 PAM: Parkinson’s Disease*</td>
<td>ADX71943 (GABA₉ PAM): GERD / Urinary Incontinence / Pain</td>
<td>ADX68693 (FSH NAM): Contraception/Osteoporosis</td>
</tr>
<tr>
<td><strong>Merck &amp; Co., Inc.</strong></td>
<td>mGluR7 NAM: Depression</td>
<td>mGluR2 NAM: Alzheimer’s Disease / Depression</td>
<td>mGluR4 PAM: Parkinson’s Disease*</td>
<td>GLP1R PAM: Type II Diabetes</td>
<td>ADX71943 (GABA₉ PAM): GERD / Urinary Incontinence / Pain</td>
</tr>
</tbody>
</table>

*Other undisclosed indications

**PAM** = positive allosteric modulator

**NAM** = negative allosteric modulator
The Merck Deals

**Parkinson’s disease***

- $3 million upfront
- $106.5 million in milestones
  - 1st product in multiple indications
  - 1st preclinical milestone met (~3 months after signing)
- Additional $61 million milestones
  - For a 2nd and 3rd product
- Undisclosed royalties
- Option to co-promote in certain EU countries

* & other indications

**Schizophrenia***

- $22 million upfront
- $455 million in milestones
  - 1st product in two indications
- Additional $225 million milestones
  - For a 2nd product in 2 indications
- Undisclosed royalties
- Option to co-promote in certain EU countries
Thank you for your attention

www.addexpharma.com