

## Addex Pharmaceuticals has cash until early 2012

Addex Pharmaceuticals Ltd said that its cash resources are sufficient to cover its operations until early 2012 without the need to raise additional capital. The financial forecast was made on 24 February 2009 with the release of the company's 2008 results.

Meanwhile in a conference call with analysts the same day, Addex's chief executive, Vincent Mutel, said the company has started partnering discussions with a number of pharmaceutical companies for its candidate drug for migraine and gastroesophageal reflux disease, ADX10059.

ADX10059 is a negative allosteric modulator that targets a sub-type of the metabotropic glutamate receptor family and belongs to the protein family, G-protein-coupled receptors (GPCRs). The drug is currently in three Phase 2b trials in the two indications. Two gastroesophageal reflux disease studies are expected to report in late 2009 and one migraine study in early 2010.

Addex has said that it hopes to partner the drug soon. But in the conference call, Mr Mutel said it was difficult to predict the timing. One factor is that ADX10059 appears to have potential for other indications, including Parkinson's disease.

"We have a drug that has a broader applicability to a CNS (central nervous system) type of indication...So we are trying to reconcile all the effects of the development of the drug. This is the objective of a large part of the discussions that we are having with the pharma companies," he said.

The executive didn't exclude the possibility that Addex might seek to partner only some of the potential indications.

In 2008, Addex had revenue of CHF 26.9 million compared with CHF 0.6 million a year earlier. The increase was largely due to a \$22 million upfront payment from Merck & Co which has licensed rights to Addex's preclinical candidate for schizophrenia, ADX63365.

The company's cash and cash equivalents were CHF 119.5 million on 31 December 2008 compared with CHF 140 million a year earlier. Its loss narrowed to CHF 22 million from CHF 35.1 million in 2007.

The company said that income from Merck and cost control measures meant that cash burn, at CHF 20.6 million, was less than expected. Excluding potential income from out-licensing activities, cash burn should be between CHF 40 million to 45 million in 2009.

Based in Geneva, Switzerland, Addex uses a development approach called allosteric modulation. This describes how a molecule can regulate proteins by binding to the protein's allosteric site, which is a site other than the protein's active site.

While ADX10059 is its most advanced product, the company also has 12 preclinical programmes, two of which are partnered with Merck. The company said it is actively pursuing out-licensing opportunities for a number of preclinical programmes.

## Round-up of 2008 results for European biotech companies

**NicOx SA** intends to file a new drug application with the FDA by mid-2009 following the "successful" completion of its Phase-3 testing of naproxcinod, a treatment for osteoarthritis. The French company's chief executive, Michele Garufi, said discussions are under way for a co-marketing arrangement for naproxcinod, which would involve the creation of an in-house sales force. However, the cost of the Phase 3 trial pushed operating costs sharply higher in 2008 at a time when revenues fell steeply because of a decline in partnering receipts. As a result, NicOx's net loss more than doubled to €73.9 million from €32.1 million year earlier. Eric Castaldi, the chief financial officer, said that with the completion of the Phase 3 trial, the company's cash burn rate would decline "substantially" throughout 2009 enabling the company to finance its operations until the end of 2010.

**Actelion Pharmaceuticals** expects its net revenues in local currencies to increase by 12-15% in 2009 following a 20% gain in 2008 to CHF 1.47 billion. Cash earnings before interest and taxes are likely to increase 10-12% in local currencies compared with a 16% increase in 2008. Actelion expects to increase its staff in 2009 by about 23% to 2,350. In an upbeat report on its 2008 results, the Swiss specialist pharmaceutical company said it filed 52 applications for patents in 2008 and has four candidate drugs in Phase 3 trials, five in Phase 2 and one in Phase 1. Two of its most advanced treatments are scheduled to produce final results in 2009. One of them is a new indication for Tracleer (bosentan), a treatment for the pulmonary arterial hypertension (PAH), which accounted for about 88% of the 2008 turnover. The new indication is for pulmonary fibrosis. During a conference call, Actelion's chief executive, Jean-Paul Clozel, drew attention to positive results for a proof-of-concept trial for CRTH2, a receptor antagonist for treating asthma and other allergies, which he described as being a potential therapeutic breakthrough.

**Biotec Pharmacon ASA** expects to see interim analyses of the second Phase 3 trial of its SGB (soluble beta-1,3/1,6 glucan) treatment for diabetic foot ulcers in the second quarter of 2009 and final results by year-end. This should pave the way for negotiating a partnering agreement in 2009 and put Pharmacon on track to obtain a marketing authorisation by 2010, the Norwegian company said. Pharmacon's R&D expenditure is expected to range between NOK 85 million and NOK 90 million in 2009 compared with NOK 71 million in 2008 when it reported a net loss of NOK 52 million and cash equivalents of NOK 124 million.

**Nycomed**, the Zurich-based pharmaceutical company, reported a 4.3% decline in turnover to €3.35 billion in 2008 while its recurring earnings before taxes, depreciation and amortisation fell 1.2% to €1.2 billion. Håkan Björklund, the chief executive, said "current economic conditions make predictions difficult, but we are well positioned for the future and remain confident to deliver another good performance in 2009."