Company presentation

May 2010

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Contents

- NeuroSearch – Business and strategy
- Key products
  - Huntexil® for Huntington's disease – Orphan drug backed by unique Ph III results
  - Tesofensine – Highly efficacious anti-obesity drug candidate
  - ABT-894 – Positive Ph II results in adult ADHD (Abbott-collaboration)
  - ACR343 (schizophrenia) and ACR325 (Parkinson's dyskinesias) – Specialist drug candidates
- Expected news flow
- Appendices

NeuroSearch

Business and strategy

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NeuroSearch – Key business points

Late stage products

- Huntexil® for Huntington's disease:
  Positive effects shown in Phase III study - Pivotal programme ongoing
- Tesofensine for obesity: Ready for Phase III

Pipeline

- 8 novel drugs in clinical development & PC portfolio
- Pipeline inflow from own drug discovery and via late-stage M&A

Company fundamentals

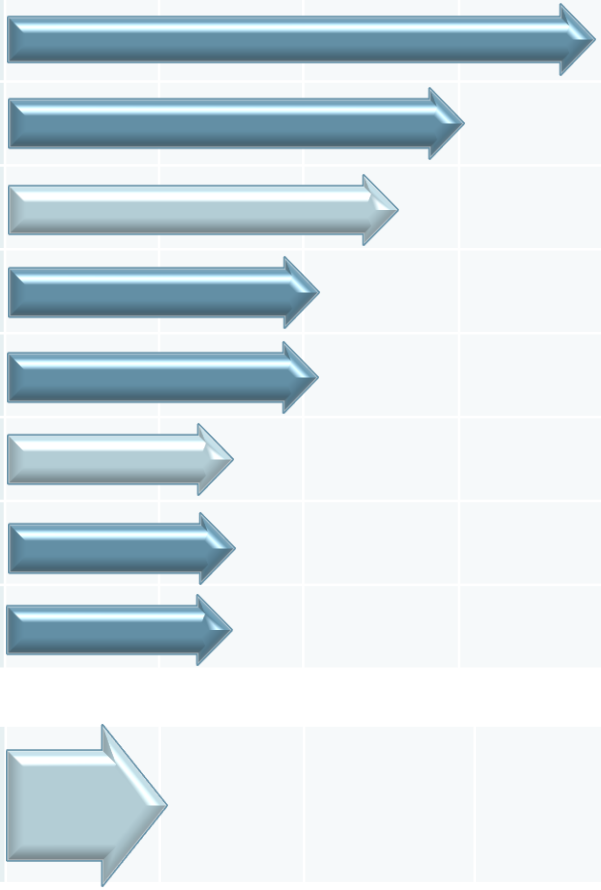
- Broad based CNS platform – backed by strong pharma partners
- Capital resources; EUR 122m (end Q1'10) - 220 employees in DK & SE

Building a CNS speciality pharma

- Huntexil® - A unique orphan drug with all commercial rights retained
- Aiming for near term company transformation;
  - a view to sustainable profits from own product sales

Pipeline

Indication	Product	Mechanism of action	Partner	PC	Phase I	Phase II	Phase III	Market reg.
Huntington's disease	Huntexil®	Dopaminergic stabil.						
Obesity	Tesofensine	Monoamine RI						
ADHD	ABT-894	NNR modulator	Abbott					
Schizophrenia	ACR343	Dopaminergic stabil.						
Parkinson dyskinesias	ACR325	Dopaminergic stabil.						
Cognitive dysfunctions	ABT-560	NNR modulator	Abbott					
Depression/anxiety	NSD-788	Monoamine RI						
Social anxiety disorder	NSD-721	GABA modulator						
Preclinical candidates			Lilly Janssen					



NeuroSearch
- Building a speciality pharma company

Speciality CNS products

Product	Indication	Partner	Development stage
Huntexil®	Huntington's disease		Phase III
ACR343	Schizophrenia		Ready for Phase II
ACR325	Dyskinesias (PD)		Phase Ib

Portfolio of novel preclinical drug candidates and M&A

Products for larger CNS based indications (GP driven)

Prodruct	Indication	Partner	Development stage
Tesofensine	Obesity		Ready for Phase III
ABT-894	ADHD	Abbott	Phase II
ABT-560	Cognitive dysfunctions	Abbott	Phase I
NSD-788	Anxiety/depression	GSK	Phase I
NSD-721	Social anxiety disorder	GSK	Phase I

Huntexil® - Building expertise in:

- Regulatory processing
- Marketing and sales

Leveraging on Huntexil®

Specialty CNS drug franchise

Sales revenue

In addition, NeuroSearch will continuously seek to partner products for larger CNS indications and non-CNS indications

Royal-ties

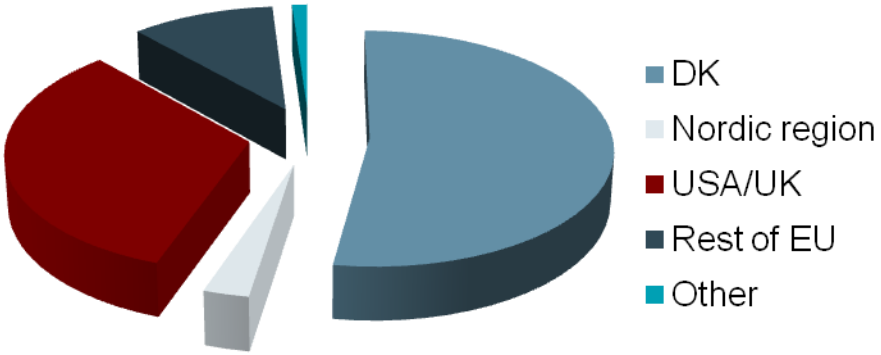
Equity and shareholder structure

Number of shares outstanding	24,553,947
Share price (21 May 2010)	DKK 85
Market Cap	€ ~280m / $ ~350m
Capital resources (end March 2010)	€ ~120m / $ ~150m

Broad shareholder base

Corporate shareholders	~14%
Institutional investors	~ 65%
Retail investors	~ 21%

Geographically well distributed



Key products

Huntexil® for Huntington's disease

– Planning the way to registration

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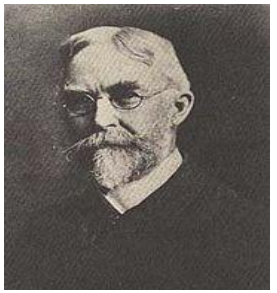
What is Huntington's disease (HD)?

- A multifaceted fatal, hereditary genetic disorder
  - Causes neuronal death and circuit disruptions in several brain centres
- Symptoms onset typically around 30-50 years of age
  - Serious movement disturbances
  - Cognitive impairment
  - Psychiatric and behavioural changes
- Continuous disease progression over 10-20 years after symptoms onset
- 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

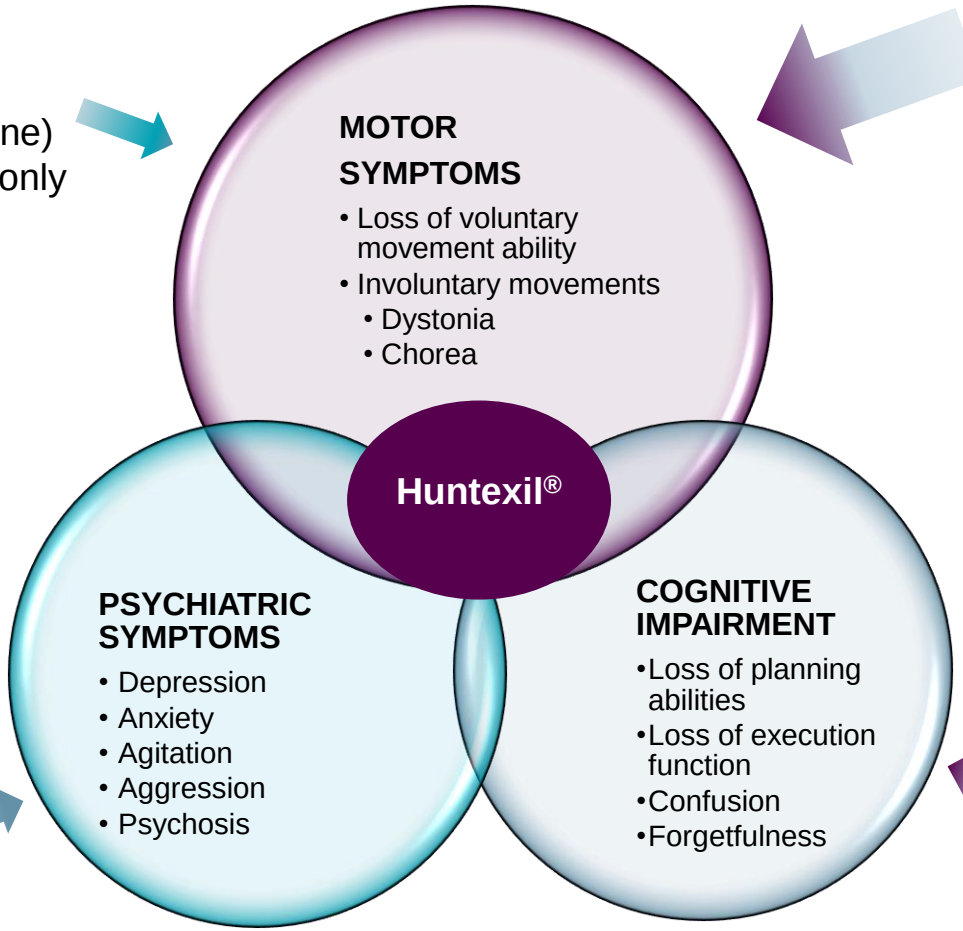
The Huntington's symptoms triad - and treatment

Huntexil®

- Improves global motor function

Only HD approved drug:

- Xenazine® (tetrabenazine) - for chorea symptoms only



Off-label treatment

- Anti-depressants
- Low dose antipsychotics

Off-label treatment

- Alzheimer's drugs

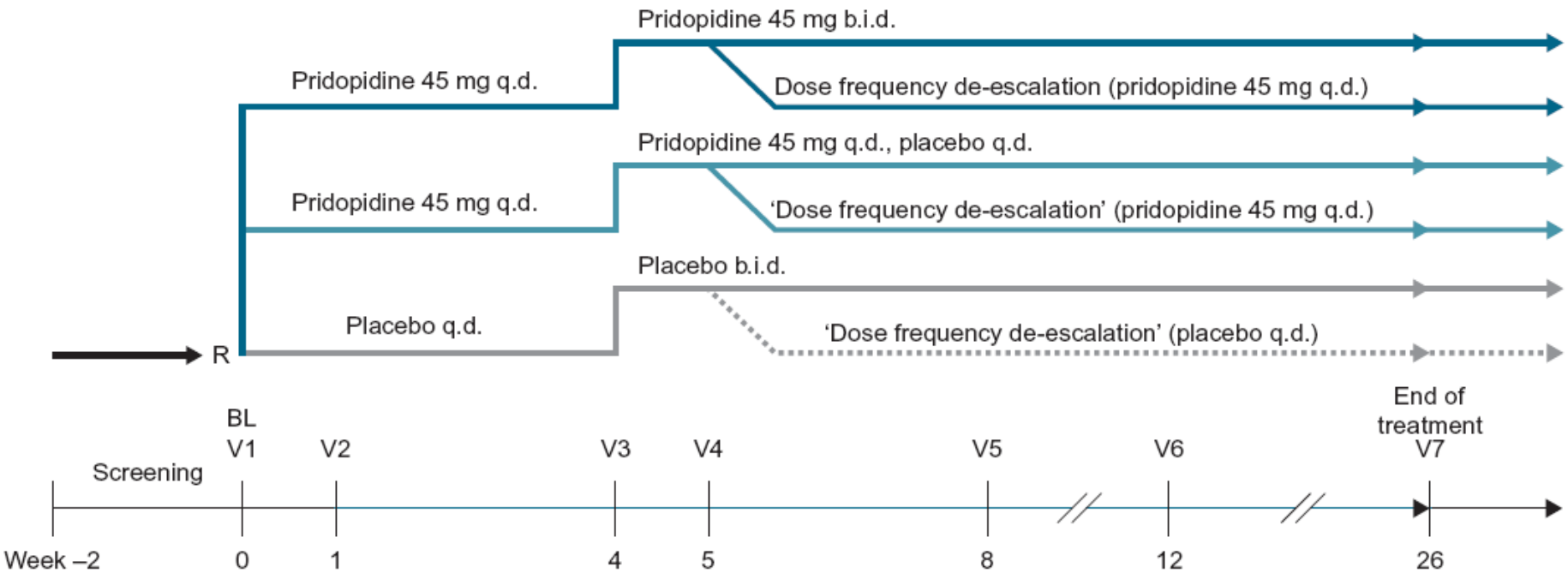
Huntexil® – Highly attractive product proposition

A novel drug for Huntington's disease

- An unexploited market potential: A disease area with very high unmet medical needs
  - An estimated ~ 70,000 pts in NA/EU
  - Currently no effective treatment - only very few drugs in development
- Orphan drug designation (FDA and EMA)
- Promising target product profile
  - Global improvement of motor function: effect on both voluntary and involuntary movements
  - Good safety profile and no worsening of other disease signs or symptoms
  - Early signs of disease modifying properties
- Limited sales force; very high proportion of patients treated in specialised centres
- Global commercial rights and IP protection (CoM) until 2020 + 2-5 years extension

The MermaiHD study - Design

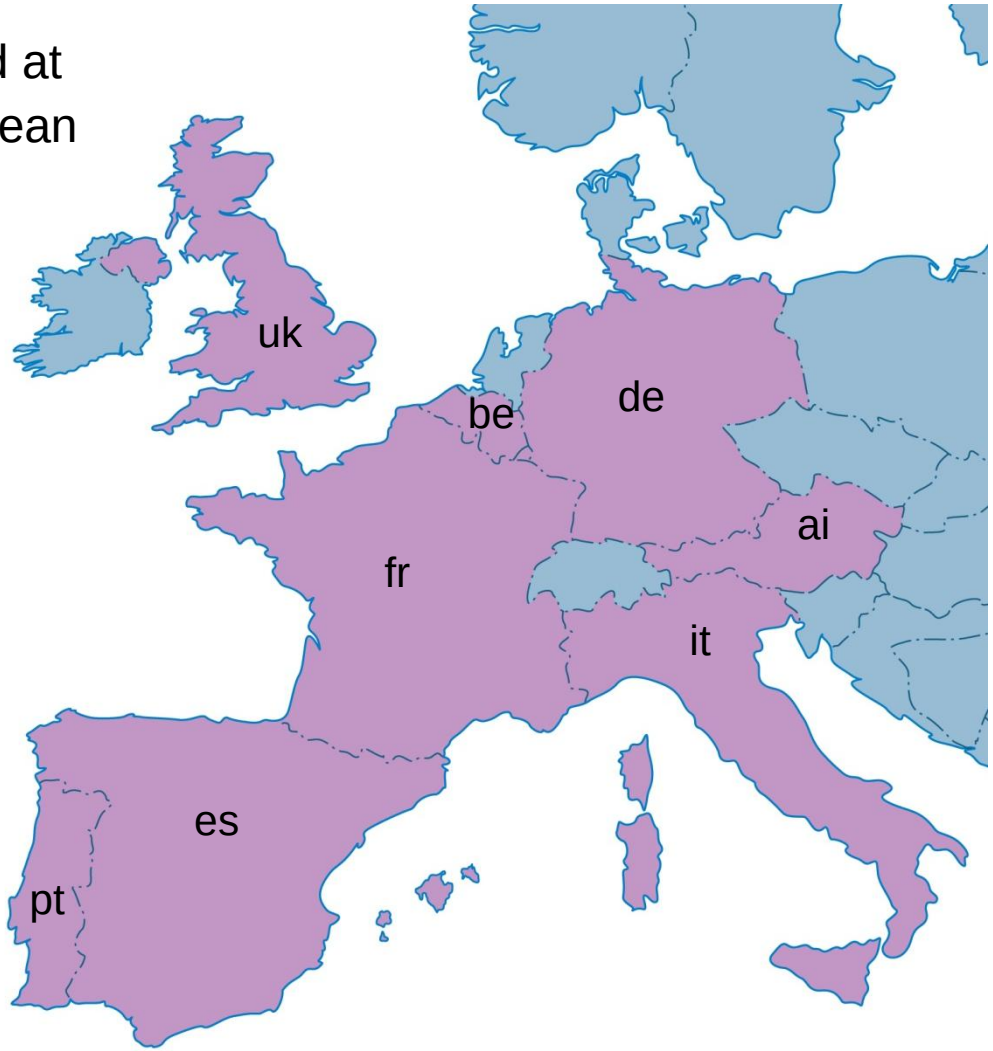
- A 26 weeks randomized, double-blinded, parallel-group study, 437 patients
- Evaluating Huntexil® 45 mg once or twice daily versus placebo for the symptomatic treatment of HD



BL = baseline; b.i.d.,= twice daily; q.d. = once daily; R = randomization; V = visit.

The MermaiHD study - Participating countries

- The study was conducted at 32 centres in eight European countries



Study population – Characteristics

- Baseline mean age: 50.6 years (between 30 and 86 years)
- 215 male, 222 female
- Anti-psychotic medication
  - On: 190 patients (43.5%)
  - Not on: 247 patients (56.5%)
- Mean CAG repeat (CAGn) = 44.7 (between 36 and 63)
- Baseline mean time since diagnosis = 4.8 years (between 0 and 20 years)

The MermaiHD study - Compliance and safety

- Randomised patients, ITT population = 437 (100%)
  - Placebo= 144; 45 mg QD= 148; 45 mg BID= 145
- Completers: 92%
  - Placebo= 129 (90%); 45 mg QD= 143 (97%); 45 mg BID= 131 (90%)
- Withdrawals due to AE = 17 (4%)
  - Placebo= 8 (6%); 45 mg QD= 2 (1%); 45mg BID= 7 (5%)
- AEs similar across study arms
- Completers in full compliance, PP population = 82% (357)

Huntexil® - Shows AE profile similar to placebo

The MermaiHD study – Reported adverse events:

	Placebo (%)	Huntexil® 45 mg q.d. (%)	Huntexil® 45 mg b.i.d. (%)
Full analysis set, patients	144 (100%)	148 (100%)	145 (100%)
Any adverse event(s)	64%	61%	68%
Fall	6%	5%	9%
Dizziness	4%	7%	5%
Huntington's chorea	6%	5%	7%
Diarrhoea	3%	7%	6%
Nausea	6%	7%	3%
Nasopharyngitis	3%	5%	6%
Depression	6%	4%	4%
Fatigue	6%	5%	3%
Insomnia	3%	3%	6%

Huntexil® in Huntington's disease - Clinical motor scales and pivotal endpoints

The Total Motor Score, TMS

– 15 items, measuring motor symptoms

– the motor part of the Unified HD Rating scale (UHDRS)

The modified Motor Score, mMS

– measures voluntary motor function

– 10 items from the TMS

1. **Ocular pursuit**
2. **Saccade initiation**
3. **Saccade velocity**
4. **Dysarthria**
5. **Tongue protrusion**
6. **Finger taps**
7. **Pronate/suspinate hands**
8. **Fist-hand-palm sequencing**
9. **Rigidity - arma**
10. **Body bradyskinesia**
11. **Dystonia**
12. **Chorea**
13. **Gait**
14. **Tandem walking**
15. **Retropulsion pull test**

Eye movements

– 3 items from the TMS

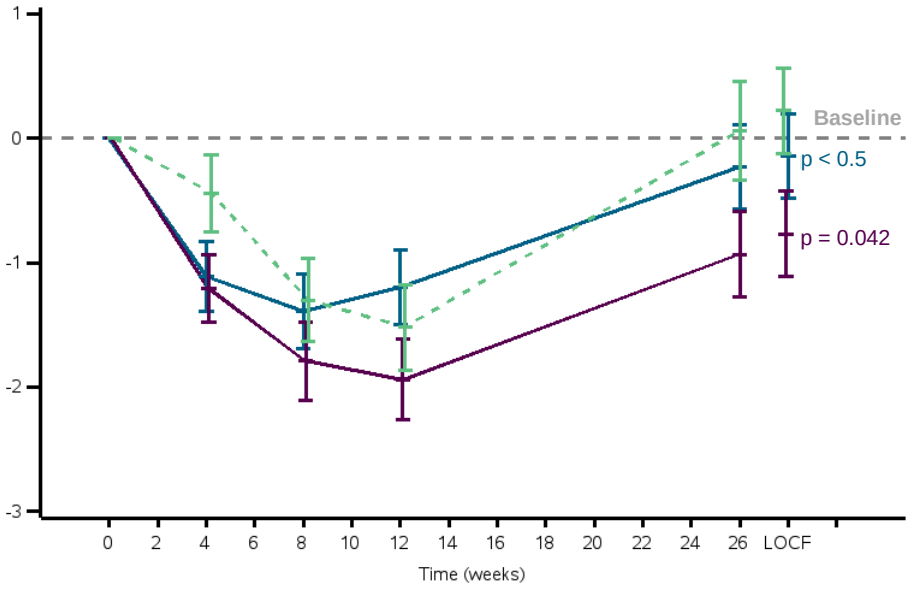
Involuntary motor symptoms

– 2 items from the TMS

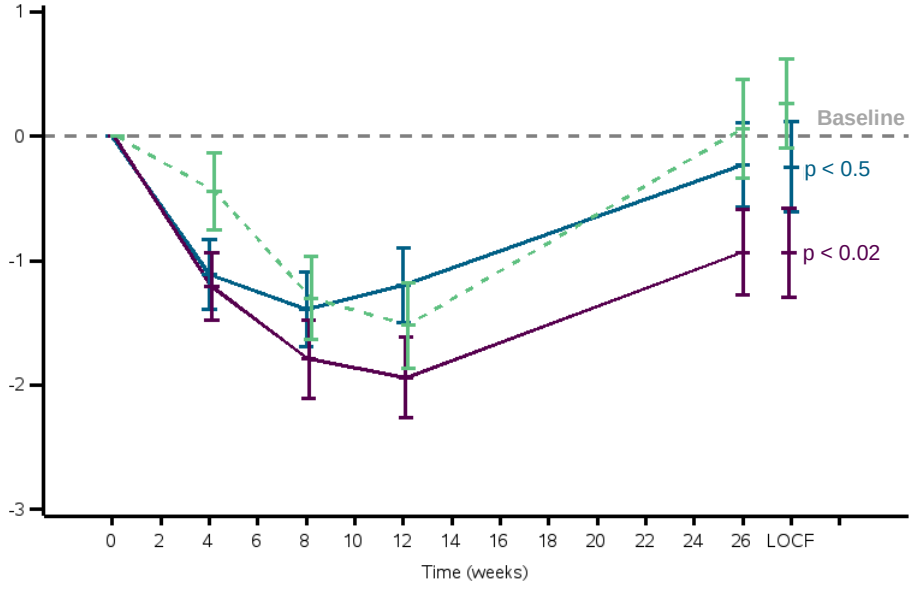
Huntexil®
- Improves voluntary motor function

Effect on the modified Motor Score, mMS (Primary endpoint)

Main effects model:
ANCOVA including baseline score, gender and antipsychotic treatment (yes/no); n=437 (ITT)



Main effects model + CAGn*treatment; n=393

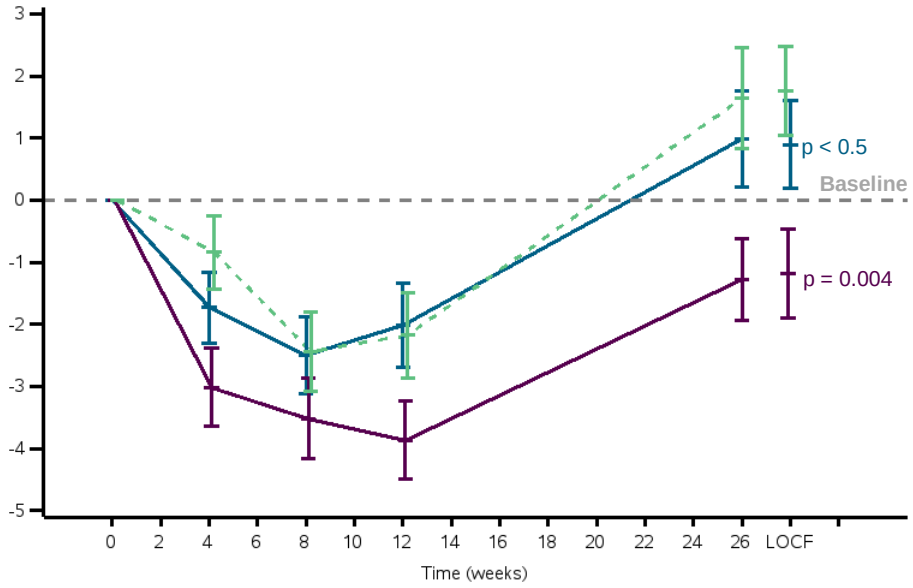


Treatment: Huntexil® 45 mg q.d. — Huntexil® 45 mg b.i.d. — Placebo

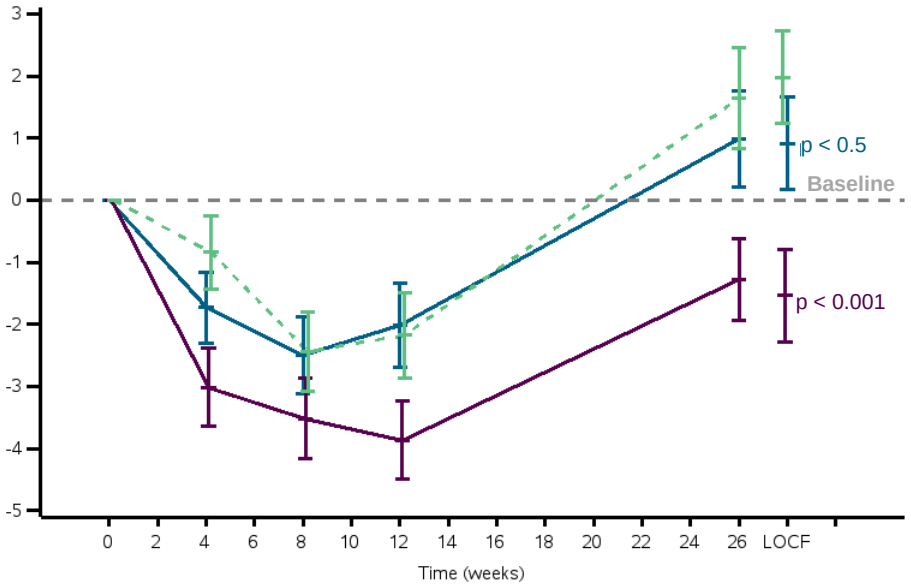
Huntexil®
- Improves global motor function

Effect on the Total Motor Score, TMS

Main effects model; n = 437 (ITT)



Main effects model + CAGn*treatment; n = 393

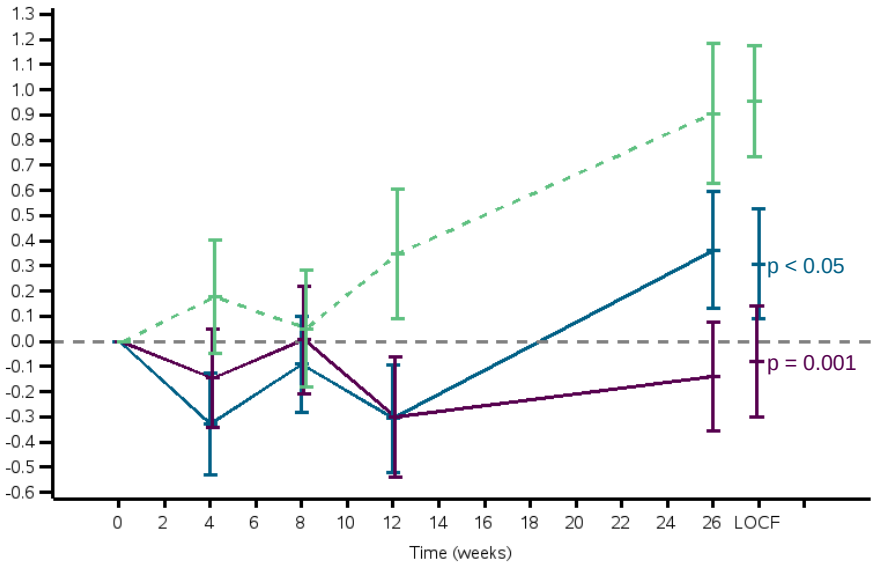


Treatment: Huntexil® 45 mg q.d. | Huntexil® 45 mg b.i.d. | Placebo

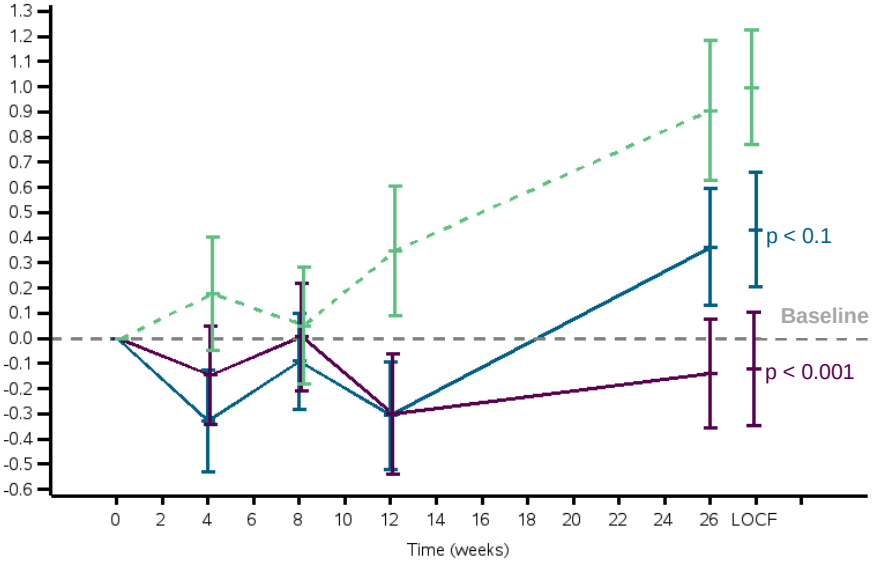
Huntexil®
- Significantly improves Dystonia

Effect on the Dystonia Score (one of the items of involuntary motor function in TMS)

Main effects model; n = 437 (ITT)



Main effects model + CAGn*treatment; n = 393

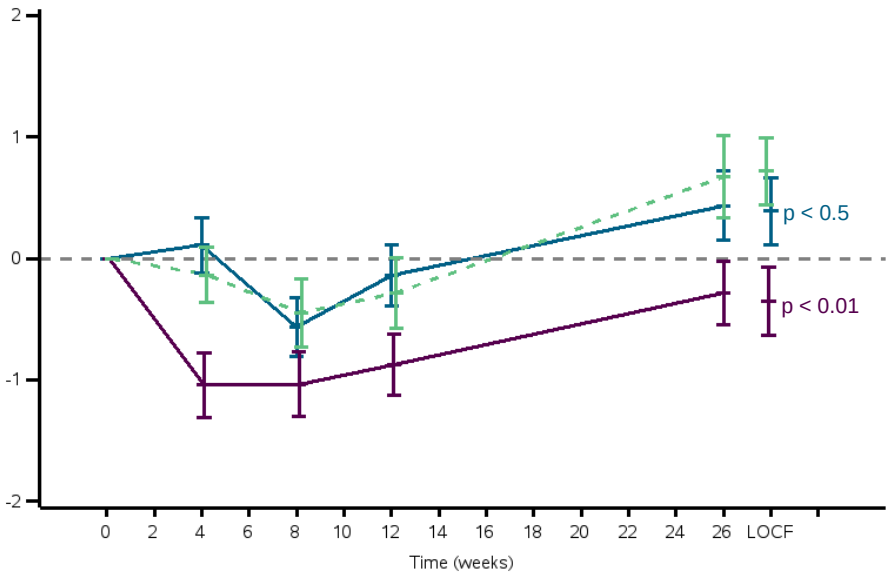


Treatment: Huntexil® 45 mg q.d. | Huntexil® 45 mg b.i.d. | Placebo

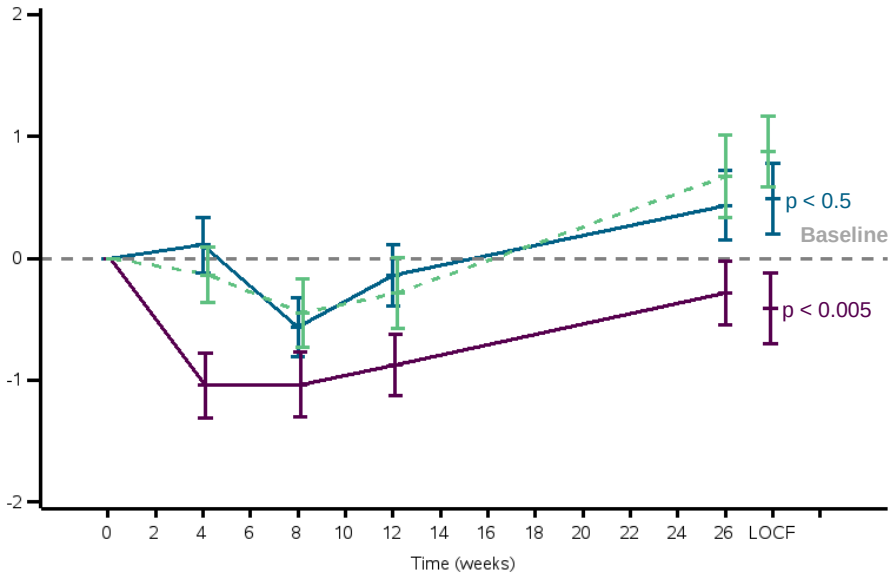
Huntexil®
Significantly improves Eye movements

Effect on the Eye movements Score (3 items from the TMS)

Main effects model; n = 437 (ITT)

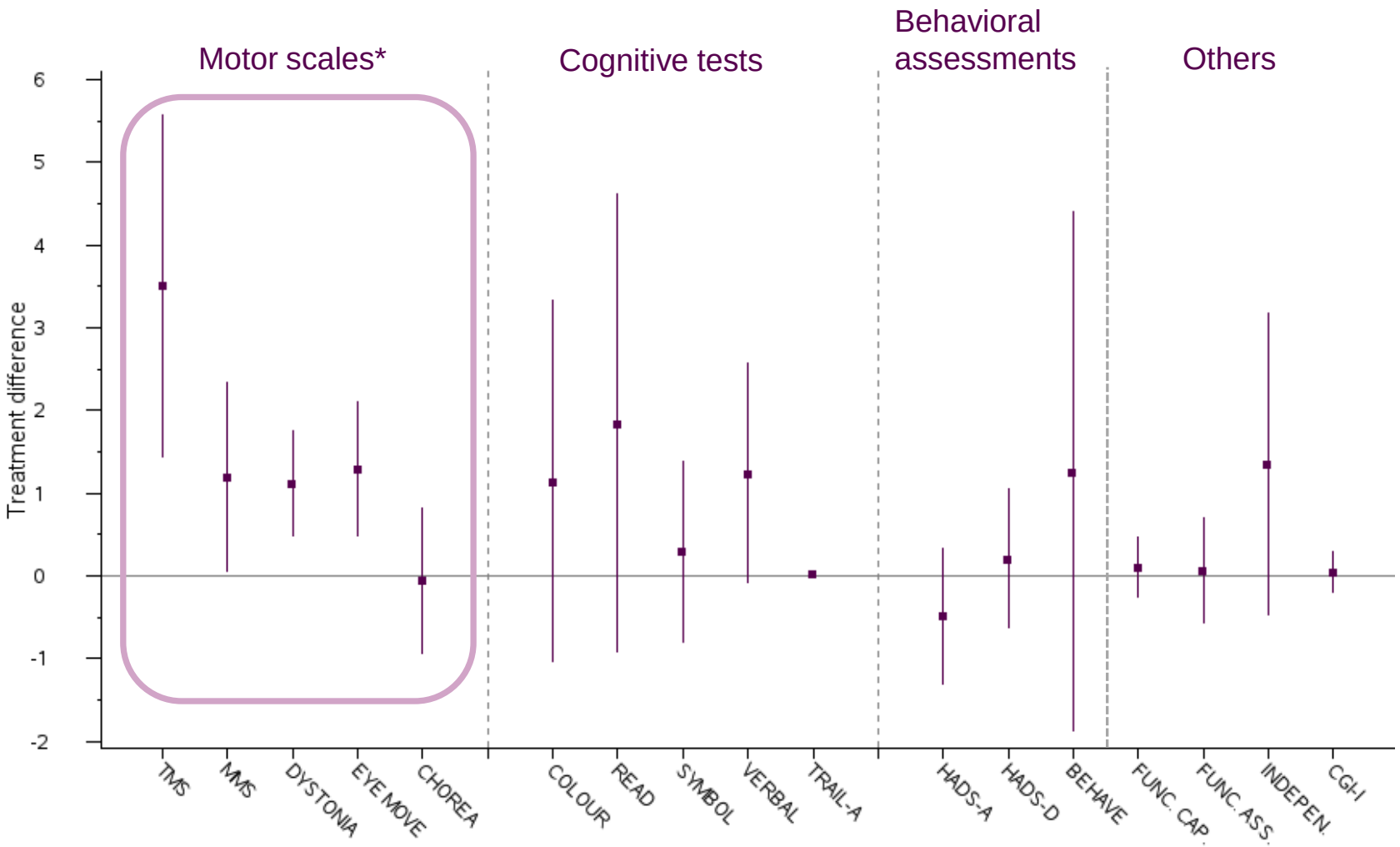


Main effects model + CAGn*treatment; n = 393



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

Huntexil®
Global motor improvement and no symptoms worsening



Primary effects model + CAGn treatment ; n = 393

Huntexil®
- Demonstrates disease modifying properties

Results from the MermaiHD study show:

- In the placebo group,
  - a highly statistically significant CAG repeat length (CAGn) dependant rate of symptoms progression (confirms other published findings, 2008-2009)

  i.e. the longer the CAGn the faster the natural progression

- In the Huntexil® treatment groups,
  - the natural CAGn dependent deterioration is no longer there (highly significant interaction between CAGn and treatment),

  i.e. treatment with Huntexil ® removes the natural progression of disease symptoms

- No significant interaction between baseline severity of motor disabilities and treatment,

  i.e. treatment is equally effective independent of severity at study start

NeuroSearch has filed for new IP covering disease modifying effects of Huntexil

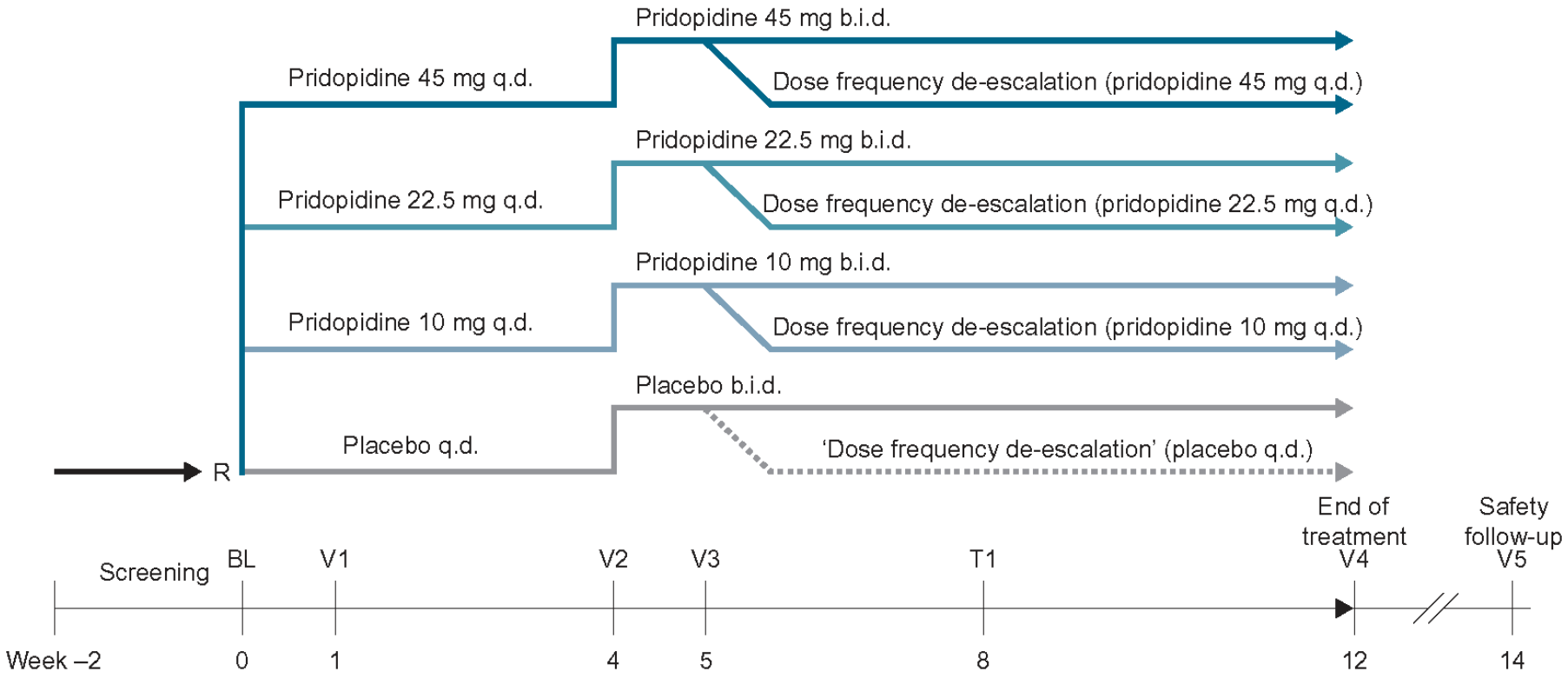
Conclusions from the MermaiHD study

In the MermaiHD study, Huntexil® has demonstrated

- Relevant clinical benefit to Huntington patients
- To significantly improve motor functions
  - Positive effect on both voluntary and involuntary movement symptoms
  - Translating into an estimated setback of ½ to 1½ years' symptoms progression
- To have a very good safety profile and no apparent disadvantages
- Potential disease modifying properties
- To have similar effect and safety in patients both on and not on neuroleptic treatment

The HART study - Design

- A 12 week randomized, double-blinded, parallel-group study, 220 patients
- Comparing treatment with Huntexil® 45 mg once or twice daily versus placebo for the symptomatic treatment of HD



BL = baseline; b.i.d.,= twice daily; q.d. = once daily; R = randomization; V = visit; T = telephone contact.

Huntexil® - Commercial route

- Further results from the pivotal programme expected in H2 2010
  - Results from the HART study
  - Results from the open-label MermaiHD study extension study (12 months safety)
- Planning for registration
  - Initiation of dialogue with regulatory authorities based on the MermaiHD study results
  - Aiming to apply for registration based on combined results from the MermaiHD (including extension) and the HART studies
- Other activities
  - Cost-of-illness study in major markets to support the overall benefits of Huntexil®
  - Planning for an Early Access Programme in both Europe and the US in 2010
  - Preparing clinical publications of the MermaiHD study results

Huntexil® – Aiming for market registration as fast as possible

Key products

Tesofensine

– Attractive anti-obesity product proposition

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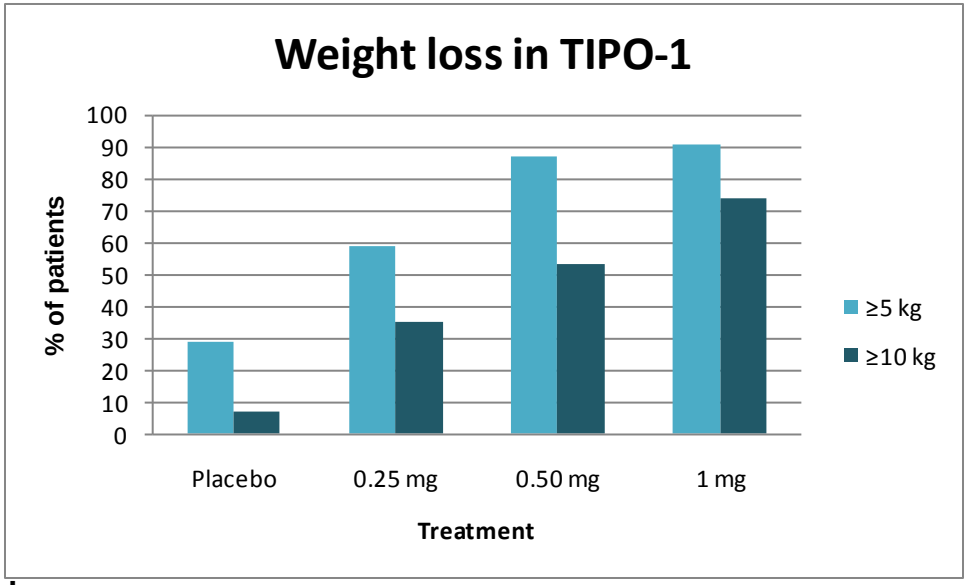
Tesofensine;
TIPO-1 results show strong weight loss effect



In TIPO-1, 24 wks treatment with tesofensine (0.5mg) resulted in

- An average weight loss of 12%
- 87% lost ≥ 5 kg (≥ 5%)
- 53% lost ≥ 10 kg (≥ 10%)

- The TIPO-1 results were published in the Lancet, October 2009:

Effect of tesofensine on bodyweight loss, body composition, and quality of life in obese patients: a randomised, double-blind, placebo-controlled trial

Arne Astrup, Sten Madsbad, Leif Breum, Thomas J Jensen, Jens Peter Kroustrup, Thomas Meinert Larsen

Summary

Background Weight-loss drugs produce an additional mean weight loss of only 3–5 kg above that of diet and placebo over 6 months, and more effective pharmacotherapy of obesity is needed. We assessed the efficacy and safety of tesofensine—an inhibitor of the presynaptic uptake of noradrenaline, dopamine, and serotonin—in patients with obesity.

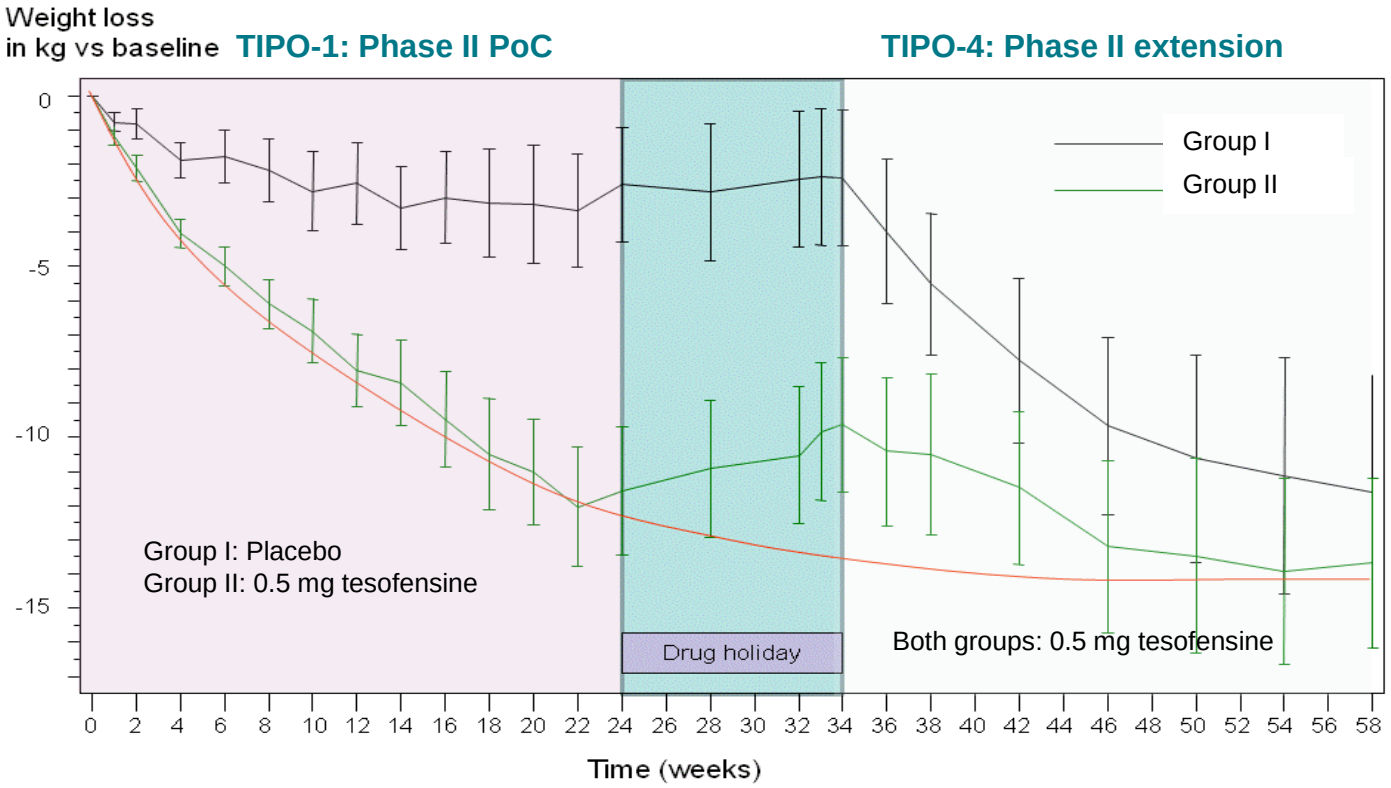
Methods We undertook a phase II, randomised, double-blind, placebo-controlled trial in five Danish obesity management centres. After a 2 week run-in phase, 203 obese patients (body-mass index 30–≤40 kg/m²) were prescribed an energy restricted diet and randomly assigned with a list of randomisation numbers to treatment with tesofensine 0·25 mg (n=52), 0·5 mg (n=50), or 1·0 mg (n=49), or placebo (n=52) once daily for 24 weeks. The [illegible] outcome was percentage change in bodyweight. Analysis was by modified intention to [illegible] with measurement after at least one dose of study drug or placebo). The [illegible] number NCT00394667.

Published Online October 23, 2008 DOI:10.1016/S0140-6736(08)61525-1

Department of Human Nutrition, Faculty of Life Sciences (Prof A Astrup MD, T M Larsen PhD) and Department of Endocrinology

Tesofensine (obesity)
- An attractive obesity drug candidate

- Phase II study: 6 month (24 weeks) placebo-adjusted weight loss of 9-10%
- Phase II extension: Combined ~ 12 month (48 weeks) weight loss of 13-14%



Tesofensine has demonstrated strong long-term weight loss effect

Tesofensine – Developmental status

Major data package supporting the attractive efficacy and safety profile of tesofensine:

- Phase II Proof-of-Concept study (TIPO-1)
- Phase II extension study (48 weeks) (TIPO-4)
- Confirmative human metabolic study (TIPO-2)
- Cardiovascular safety study
- Abuse liability study
- Safety database of 1,300 patients/subjects

2009; Full FDA endorsement of first Phase III plan and approval of first study protocol

However, following the results of the SCOUT trial and the subsequent withdrawal of sibutramine in Europe,

- NeuroSearch is re-evaluating the Phase III strategy and the target product profile for tesofensine
- Planning for FDA dialogue in H2 and aiming for Phase III start with a partner

Tesofensine has demonstrated a very attractive product profile for weight management

Other key products

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ABT-894 (Abbott) – Progressing in ADHD

- ABT-894 has shown positive results in a Phase II PoC study in adult ADHD
  - Demonstrated efficacy and good safety (compared to PLC and Strattera)
- Abbott has been working to optimise the product, aiming for a clinical Phase II study in children with ADHD
- Abbott finances and undertakes the development and commercialisation of ABT-894
- NeuroSearch is eligible to milestones and royalties

ADHD – An attractive market with unmet medical needs

- An estimated 3-6% of pre-school and school age children has ADHD
- In 30-50% of cases, symptoms persist trough adolescence and into adulthood
- Today, only 10-15% of adults with ADHD receive treatment, compared to 80-90% for children
- Existing treatment only treats part of the disease symptoms and is associated with side-effects and risk of abuse

ACR343 and ACR325 – the next speciality drug candidates

Like Huntexil®, ACR343 and ACR325 are dopaminergic stabilisers, exerting the following pharmacological characteristics;

- Stabilise dysregulated psychomotor functions
- Slight dopaminergic activation in hypoactive states
- Suppress hyperactive behaviour as induced by stimulants
- Have limited or no effects on normal behaviour

And suited for clinical indications with hyper and/or hypo dopaminergic functioning,

- Huntington's disease; Phase III ongoing with Huntexil®
- Parkinson's dyskinesias; Phase Ib in PD patients ongoing with ACR325
- Schizophrenia as add-on to neuroleptics; Phase II to be started in 2010 with ACR343
- Other neurodegenerative disorders (defined specialist indications)

Establishing a portfolio of novel specialty CNS drugs with unique therapeutic characteristics

Expected milestones

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2010 – Expected milestones

Huntexil® - Huntington's disease

- Potential initiation of Early Access Program + HART extension (compassionate use)
- Results from the HART study
- Results from the 26 wk MermaiHD extension study (12 months safety data)
- Initiation of regulatory process

Tesofensine - Obesity

- Finalisation of revised Phase III strategy and new target product profile
- Regulatory interaction and endorsement of new Phase III plan
- Partnering

ACR343 - Schizophrenia

- Initiation of Phase II study in schizophrenia patients

ACR325 - Dyskinesias in Parkinson's disease

- Results from Phase IB study in Parkinson patients
- Initiation of Phase II study

Advancements in partner collaborations

- Abbott: Progression of development for ABT-894 in ADHD
- Selection of novel drug candidates under the drug discovery alliances

Appendices

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Cochrane chart on tetrabenezine (TBZ)

UHDRS & FIS Assessments (baseline to aver. wks.9 + 12)	Endpoint	TBZ	Placebo	p-value ANCOVA
Total Motor Score	2°	-6.84	-3.51	0.075 T
Total Chorea Score	1°	-5.04	-1.52	≤0.001 T
Gait Score	2°	0.00	0.11	0.241 T
Cognition Score*	Exp.	-0.58	2.23	0.224 P
Behavioral Assessment (BA)	Exp.	-0.98	-2.22	0.363 P
Functional Assessment (FA)	2°	-0.81	0.37	0.018 P
Independence Scale (IND)	Exp.	-1.98	0.55	0.135 P
Functional Capacity (TFC)*	Exp.	-0.43	-0.06	0.291 P
Functional Impact Scale (FIS)*		0.11	0.13	0.970

FDA T= favors TBZ. P= favors Placebo. *= Wk. 12 data only

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Source: FDA homepage

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

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