

Addex Pharmaceuticals 2007 Financial Results

Geneva, Switzerland – Allosteric modulation company Addex Pharmaceuticals (SWX:ADXN) released today 2007 financial results and reiterated the status of its pipeline.

Financial Highlights

- Net cash received in 2007 of CHF99.1 million
- 2007 operating and capex cash burn excluding IPO proceeds and related costs: CHF27.7 million
- 31 Dec 2007: Cash and cash equivalents CHF140.0 million
- 21 May 2007: CHF137 million (net proceeds CHF127 million) raised in IPO on SWX Swiss Exchange
- 3 Dec 2007: \$170 million (\$3 million upfront) deal for Parkinson's disease and undisclosed indications
- 3 Jan 2008: \$702 million (\$22 million upfront) deal for Schizophrenia and undisclosed indications
- Expected 2008 operating & capex cash burn CHF25-30 million

Tim Dyer, CFO, said: "With CHF140 million in cash and three key assets in the hands of partners, we are positioned better than ever before to build a sustainable business. We now have cash to cover expected operating expenses until at least mid-2011 and reiterate our guidance for 2008 full year operating cash burn to be in the range of CHF25-30 million, including capex cash burn in the range of CHF5-7 million. Although year-on-year operating expenses are increasing in line with our expansion strategy, our 2008 cash burn guidance has been significantly impacted by a \$22 million cash upfront payment from Merck & Co. received in January."

Key 2007 Financial Data

	2007	2006	Change	2H07	2H06	Change
	thousands of Swiss francs			thousands of Swiss francs		
Revenues	643	4 784	-87%	234	2 364	-90%
R&D expenses	(27 497)	(22 558)	22%	(14 887)	(11 943)	25%
G&A expenses	(10 768)	(3 126)	244%	(2 831)	(1 693)	67%
Operating loss	(37 622)	(20 900)	80%	(17 484)	(11 272)	55%
Net financial income	2 536	355	614%	1 897	317	498%
Net loss for the period	(35 086)	(20 545)	71%	(15 587)	(10 955)	42%
Basic and diluted net loss per share	(6.99)	(7.19)	-3%	(2.72)	(3.55)	-23%
Net cash received / (cash burn)	99 098	19 276	414%	(19 091)	30 401	-163%
Cash and cash equivalents	140 045	40 947	242%	140 045	40 947	242%

2007 Financial Summary

On 21 May 2007, Addex raised CHF137 million through the issue of 1,875,000 new shares at CHF73 per share in an initial public offering on the SWX Swiss Exchange. At 31 December 2007, Addex had 5,862,492 registered shares with a nominal value of CHF1 per share which are listed on the SWX Swiss Exchange under the symbol, ADXN and the free float was 34%.

After establishing a collaboration to develop positive allosteric modulators (PAM) of the metabotropic glutamate receptor 4 (mGluR4) for Parkinson's disease and other undisclosed indications with Merck & Co., Addex received a \$3 million (CHF3.5 million) upfront payment, which will be recognized over a 24 month period starting December 2007.

After establishing a collaboration to develop mGluR5 PAM for schizophrenia and other undisclosed indications with Merck & Co., Addex received a \$22 million (CHF24.8 million) upfront payment, which will be recognized in January 2008.

To date Addex has received CHF11.1 million from a collaboration on mGluR2 PAM for anxiety and schizophrenia with Ortho-McNeil, a Johnson & Johnson company. Further milestones and royalties are undisclosed. The research

phase of the collaboration was concluded in 2007 and Addex will sit on the oversight committee during future development of the product(s).

Net cash received in 2007 was CHF99.1 million and Addex ended 2007 with CHF140 million in cash and cash equivalents. 2007 operating & capex cash burn was CHF27.7 million, excluding IPO net proceeds of CHF137 million and associated costs of CHF10.2 million.

Revenues consist primarily of amounts received from collaboration partners. Revenues decreased to CHF0.6 million in 2007 from CHF4.8 million in 2006, due primarily to the conclusion of the research phase of the mGluR2 PAM collaboration with Johnson & Johnson.

Research & Development expenses increased to CHF27.5 million in 2007 from CHF22.6 million in 2006, reflecting the growing headcount and maturing preclinical and clinical product pipeline.

General and Administration expenses increased to CHF10.8 million in 2007 from CHF3.1 million in 2006, due primarily to IPO related costs of CHF5.7 million charged to operating expenses. An additional amount of CHF4.5 million has been charged directly to equity.

Pipeline status review

Addex announced yesterday that it achieved the first preclinical milestone in its mGluR4 Parkinson's disease deal with Merck & Co. Addex will receive \$250,000 for achieving this milestone. Under the terms of the agreement, first announced in December 2007, Addex received \$3 million upfront and is eligible for up to \$106.5 million in research, development and regulatory milestones for the first product developed for multiple indications. Additional milestones of up to \$61 million would be payable if a second and third product is developed. Addex also is eligible to receive undisclosed royalties on sales of any products resulting from this collaboration. Merck is responsible for clinical development.

During 2007, ADX10059, an mGluR5 negative allosteric modulator (NAM), met the primary endpoint in Phase IIa proof of concept studies in patients with migraine and gastroesophageal reflux disease (GERD), a disorder commonly referred to as "heartburn". To date all clinical testing of ADX10059 was performed using unformulated active pharmaceutical ingredient. Development of a more commercial type of formulation began in 2007 and is progressing well. Phase I bridging studies are expected to report data prior to the start of Phase IIb testing, currently scheduled to begin in mid-2008.

ADX48621, also an mGluR5 NAM, is undergoing Phase I testing. Addex reported in 2007 that in the first Phase I trial, the orally administered product was well tolerated in healthy volunteers. A more commercial type of formulation of ADX48621 is being prepared and the Phase I program is scheduled to be completed with the new formulation late this year. ADX48621, like ADX10059, has potential in multiple indications, with depression and anxiety being prioritized. ADX48621 also could serve as a backup to ADX10059 in GERD and migraine.

Addex reiterates the statements made less than two months ago, on 3 January 2008, regarding the status of additional preclinical products in its pipeline. Those statements and supporting documents can be found at <http://www.addexpharma.com/investors/webcasts-downloads/>.

About Addex

Addex Pharmaceuticals discovers and develops allosteric modulators, an emerging class of small molecule therapeutic agents. Allosteric modulation may offer more sophisticated ways to normalize biological signaling compared to classical orthosteric agonist or antagonist drugs. Allosteric, literally translated from its Greek roots, means: other site. Thus, allosteric modulators bind receptors at sites that are distinct from the binding sites of classical small molecule orthosteric agonist and antagonist drugs.

The most advanced drug candidate, ADX10059, a negative allosteric modulator (NAM) of metabotropic glutamate receptor 5 (mGluR5), recently demonstrated clinically and statistically significant efficacy in separate Phase IIa clinical trials in gastroesophageal reflux disease (GERD) patients and migraine headache patients.

The Addex allosteric modulation discovery and development platform has been additionally validated through collaborations with Merck & Co., Inc. and Johnson & Johnson.

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