



PRESS RELEASE, January 14, 2009

## **EffRx Signs Licensing Deal with Nycomed for Its Novel Effervescent Osteoporosis Drug EX101**

JUPITER, FLORIDA, January 14, 2009. The Florida based drug delivery company EffRx, Inc. and the pharmaceutical company Nycomed today announced that they have signed a large licensing deal for EffRx's proprietary drug EX101 (effervescent alendronate), for the treatment of osteoporosis.

Under the terms of agreement EffRx will receive from Nycomed upfront and milestone payments up to \$59m. EffRx will in addition be granted double-digit royalties on future sales of EX101. Nycomed will also sponsor the necessary additional studies required for marketing approval. The licensing deal includes Europe, Russia, The Middle East, North Africa, Latin America and Canada.

EX101 is currently in late stage clinical trials. Earlier trials indicate that EX101 has the potential to be "Best in Class" oral bisphosphonate according to EffRx scientists. Final approval and launch in USA is expected in 2010 while European approval could be slightly later. The growing global osteoporosis market is presently valued at about \$7bn per annum.

"We are really pleased with this collaboration with Nycomed. EffRx will have an excellent partner that already knows the market place in their territory and has the capabilities to market and sell this important drug along side its other products in the osteoporosis area. EX101 offers several benefits for the osteoporosis patient, who will get a more convenient drug compared to other bisphosphonates and with strong potential to increase compliance which is a well known problem with existing treatments, commented Christer Rosén, Chairman and CEO of EffRx.

"This agreement with EffRx offers an excellent strategic fit and strengthens Nycomed's portfolio in the field of osteoporosis," said Håkan Björklund, Chief Executive Officer of Nycomed. "Patients will benefit from the new pharmaceutical form that increases convenience thereby helping patients to stay on the medication," he continued.

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## Notes to editors

### About EffRx

EffRx, Inc. is a drug delivery company that utilizes value-added drug delivery technologies to improve the performance of established pharmaceuticals. The company applies its technologies to well-established, proven compounds to develop reformulated products with reduced gastrointestinal side effects, better absorption, and faster onset of action. EffRx develops novel prescription and OTC pharmaceuticals at relatively low development cost and risk, shorter time to market and with premium pricing compared with generics.

EffRx exploits a number of drug delivery technologies, notably soluble effervescent formulations, granules for immediate dispersion, and fast-melt lozenges with an effervescent layer. These technologies are applied to established high volume drugs with large market potential in various therapeutic areas.

EffRx currently has an extensive pipeline of product candidates, with three products in active development. The most advanced product is EX101 (effervescent alendronate), for the treatment of osteoporosis. Also in development is a bi-layer tablet for the treatment of xerostomia.

EffRx is headquartered in Jupiter, Florida, USA.

For additional information, please visit the website [www.effrx.com](http://www.effrx.com).

### About Nycomed

Nycomed is a privately owned global pharmaceutical company with a differentiated portfolio focused on branded medicines in gastroenterology, respiratory and inflammatory diseases, pain, osteoporosis and tissue management. An extensive range of OTC products completes the portfolio. Its R&D is built to be open for partnerships as in-licensing is a cornerstone in the company's growth strategy.

The company employs 12,000 associates worldwide, and its products are available in more than 100 countries. It has strong platforms in Europe and in fast-growing markets such as Russia/CIS, and Latin America. While the US and Japan are commercialized through best-in-class partners, Nycomed will further strengthen its position in key Asian markets.

Headquartered in Zurich/Switzerland, the company generated in 2007 total sales of €3,5 billion and an adjusted EBITDA of € 1,2 billion.

For more information visit [www.nycomed.com](http://www.nycomed.com)

## About EX101

Bisphosphonate tablets (Fosamax, Actonel, Boniva etc.) has for years been associated with upper gastrointestinal problems. This in turn has resulted in poor compliance and increased cost for society.

EX101 addresses these issues by:

- There is no tablet to swallow, only a good tasting (strawberry) solution
- Soluble Form means there is no tablet to lodge in the esophagus; EX101 is fully rinsed into the stomach
- EX101 is administered in half the volume (120 ml) compared with label instructions for bisphosphonate tablets
- Gastric Imaging and pH Telemetry Study demonstrates
  - Reduced stomach acid after dosing EX101
  - Alendronate never present under acidic conditions
  - Well documented “heartburn” issues can thereby be alleviated
- Imaging & pH Telemetry Study provide supportive data to eliminate or reduce vertical wait time
- EX101 shows high absorption consistency compared with Fosamax tablets

## About Osteoporosis

Regarded as the “Silent epidemic”.

Osteoporosis, which literally means “porous bone”, is a disease in which the density and quality of bone are reduced. As the bones become more porous and fragile, the risk of fracture is greatly increased. The loss of bone occurs “silently” and progressively. Often there are no symptoms until the first fracture occurs.

Facts and Figures:

- ✍ Osteoporosis affects an estimated 75 million people in Europe, USA and Japan
- ✍ 1 in 3 women over 50 will experience osteoporotic fractures, as will 1 in 5 men
- ✍ In women over 45 years of age, osteoporosis accounts for more days spent in hospital than many other diseases, including diabetes, myocardial infarction and breast cancer
- ✍ A 50 year old woman has a 2.8% risk of death related to hip fracture during her remaining lifetime, equivalent to her risk of death from breast cancer and 4 times higher than that from endometrial cancer
- ✍ It is estimated that in Europe, 179,000 men and 611,000 women will suffer a hip fracture each year and that the cost of all osteoporotic fractures in Europe is provisionally €25 billion
- ✍ From 1990 to projections in 2050 the number of hip fractures for women and men aged 50-64 in Latin America will increase by 400%. For age groups older than 65 the increase will be a staggering 700%
- ✍ There is a range of drug treatment available for postmenopausal osteoporosis. Different studies have consistently shown that, depending on the drug and the patient population, treatment reduces the risk of vertebral fracture by between 30-65% and of nonvertebral fractures by between 16-70%
- ✍ Poor compliance by patients with drug therapies for osteoporosis over a year leaves them at risk for fractures and higher healthcare costs