



**FOR IMMEDIATE RELEASE**

**DEBIOPHARM AND NEOVACS SIGN LICENSE AND EQUITY  
AGREEMENT FOR THE DEVELOPMENT OF NEOVACS'  
ANTI-TNF-ALPHA PRODUCT**

**Lausanne, Switzerland and Paris, France, 27 June 2005** – Debiopharm S.A., the independent drug development company specialising in oncology, endocrinology and niche products, along with its wholly owned investment affiliate, Debioinnovation, and Neovacs S.A., a French biotechnology company specializing in the development of proprietary anti-cytokine immunogens, today announced the signature of a license and equity agreement for the development of a TNF (tumour necrosis factor) alpha kinoid<sup>®</sup> and its related technology programmes. The potential indications include wasting syndromes such as cancer cachexia and autoimmune diseases. Debiopharm will fund and develop at least one indication until completion of phase IIb before out-licensing to sales and marketing partners.

Under the terms of the agreement, Debiopharm and Debioinnovation will make upfront and milestone payments, in both cash and equity, at various stages of the development. In addition, Debiopharm will fund the entire development of the product. Upon commercialisation of the product, Neovacs will receive staggered royalties based on Debiopharm's revenues from worldwide sales.

The TNF-alpha kinoid<sup>®</sup>'s mechanism of action is that of active immunisation against an endogenous cytokine. Administration of human TNF-alpha coupled with a T helper carrier protein is expected to induce the generation of anti-TNF polyclonal antibodies by the body itself. Unlike monoclonal antibodies that are currently used, which risk generating anti-idiotypic antibodies that can block the therapeutic effect, the administration of TNF-alpha kinoid<sup>®</sup>, which induces the production of endogenous antibodies, is expected to avoid the generation of anti-idiotypic antibodies.

“We are excited by this innovative treatment concept using active immunisation. This could lead to more efficient and safer drugs for the treatment of cachexia, which is a major contributing cause of death in cancer patients”, said Rolland-Yves Mauvernay, President and CEO of Debiopharm.

“We were immediately convinced by Debiopharm’s drug development and regulatory expertise, which is extremely valuable at a time when we are preparing our future pivotal preclinical and clinical studies. We are ready for a long and mutually beneficial collaboration,” said Alain Huriez, MD, CEO of Neovacs.

### **About cancer cachexia**

Cachexia is a debilitating state of involuntary weight loss, which complicates malignant, infectious and inflammatory diseases and contributes significantly to mortality. Cachexia is associated with a chronic systemic inflammatory response and with the increase of acute phase proteins. Despite the controversial discussion of cachexia-inducing mechanisms, it is quite clear that proinflammatory cytokines are linked to all pathways that induce cachexia. Many other chronic or end-stage diseases, such as chronic obstructive pulmonary disease (COPD), rheumatoid arthritis and Crohn’s disease are associated with cachexia, a condition of abnormally low weight, weakness and general physical decline that deteriorates the patients’ quality of life and reduces the prognosis of sufferers. A large proportion of patients with cancer have substantial weight loss at the time of diagnosis. Cancer patients with a known involuntary weight loss of 5% have a shorter median survival rate than patients whose weight is stable. Patients with cachexia do not respond well to chemotherapy and suffer increased toxicity. Twenty to fifty percent of cancer patients die of cachexia.

### **About Debiopharm**

Debio is an established group of five complementary companies, Debiopharm, Debioinnovation, Debio R.P., Debioclinic and H3 Pharma. Debiopharm, founded in 1979 in Lausanne, Switzerland, focuses on evaluating compounds with promising *in-vivo* results in animals to in-license, develop for global registration, and out-license to sales and marketing pharmaceutical partners. Debiopharm has proven expertise in drug development, having registered three products: Eloxatin<sup>®</sup>, one of sanofi-aventis’ leading marketed products, Decapeptyl<sup>®</sup>, the leading product of Ipsen, and Trelstar<sup>®</sup> (1-and 3-month) a registered trademark of Watson Pharmaceuticals, Inc. Together, their combined sales were in excess of \$ 1.8 bn in 2004. Debioinnovation was set up to complement the core business objectives of Debiopharm through addressing the financing and partnering needs of biotechnology, pharmaceutical start-up companies and life science incubators. Debio R.P. is a leader in polymer-based controlled release technologies that allow certain drugs like proteins, peptides and anti-cancers to be delivered in customized, sustained-release formulation. From its FDA-inspected manufacturing facility in Martigny, Switzerland, Debio R.P. also conducts feasibility studies, formulation selection, optimization, scale-up and cGMP manufacturing from clinical trial supplies to commercial scale. Debioclinic, based in Paris, is a contract research organization, specialized in oncology and dedicated to clinical development, providing regulatory, biometric and clinical support in line with cGCP. Montreal-based H3 Pharma is a pharmaceutical product development company, focusing on oncology and

endocrinology. For more information on Debiopharm, please visit: [www.debio.com](http://www.debio.com)

### **About Neovacs**

NEOVACS, a spin-off company from the Pierre et Marie Curie Paris VI University, was founded in 1993 by Professor Daniel Zagury, MD, one of the best-known French immunologists and AIDS scientists. The company's research and development has contributed to an impressive number of broad patents and potential drug candidates to treat AIDS, cancer and autoimmune and allergic diseases. NEOVACS is recognised as a pioneer in therapeutic vaccines against human cytokines (kinoids) and immunosuppressive viral proteins (toxoids). Currently, humanised monoclonal antibodies are widely used to neutralise cytokines and treat patients with cytokine-related diseases. In contrast to exogenous monoclonal antibody therapies, NEOVACS' vaccine approach can induce a natural and potent polyclonal antibody response by the patients themselves, which may last longer, require fewer administrations and may not encounter common antibody resistance. NEOVACS benefits from an excellent R&D platform, partly located at the Pierre et Marie Curie Paris VI University. In 1999, NEOVACS signed a development and licensing agreement with Sanofi Pasteur for one of its first promising products, Tat Toxoid, which is a leading candidate for the treatment of HIV infections. Tat toxoid is being developed in collaboration with Sanofi Pasteur and is expected to enter phase II clinical trials in the near future. Sanofi Pasteur, the vaccines branch of sanofi-aventis, is one of the world's largest vaccine producers. Truffle Venture, a French venture capital firm, is the majority shareholder of Neovacs. For more information on Neovacs, please visit: [www.neovacs.com](http://www.neovacs.com).

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