

Inside Aderis Pharmaceuticals



Shareholder Update

President's Letter

Welcome to our shareholders' newsletter *Inside Aderis Pharmaceuticals*. As you'll see, 2003 has been and will continue to be quite busy. If you plan to attend any of the conferences listed in the calendar and would like a personal update, please contact my office.

Our financial performance is on plan with sufficient cash to operate through 2005.

Most of our existing product development programs are partially or completely in the hands of our partners. We will continue to invest in our partnerships in 2003 and beyond to be sure that our products, if approved, meet or exceed our revenue projections. Rotigotine CDS is completing Phase III trials for Parkinson's disease and is entering Phase IIb trials for Restless Legs Syndrome. King Pharmaceuticals plans to commence Phase III trials for binodenoson in diagnostic cardiac imaging later this year. Fujisawa and Aderis have recently completed three

Phase II trials for DTI-0009 in atrial fibrillation. The final results are pending. The sustained-release formulation for DTI-0009 should be entering Phase I trials late this year. We've updated in more detail the progress of these programs in this quarter's issue.



And finally, special congratulations to our partner, Schwarz Pharma, who has so successfully launched omeprazole, a generic version of Prilosec, for gastric/duodenal ulcers, gastro-esophageal reflux disease and erosive esophagitis. We wish them continued success.

Peter G. Savas

President & CEO, Aderis Pharmaceuticals

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Spring/Summer Events

- *BioPartnering—NA*
Feb. 9-11, 2003
- *BioCEO*
Feb. 25-27, 2003
- *Aderis Board Meeting*
Mar. 12-13 2003
- *Sachs Bloomberg Global Biotech Investment Forum*
Mar. 20-21, 2003
- *Drug Discovery Technologies—Europe*
Mar. 31—April 3, 2003
- *American Academy of Neurology*
Mar. 29—April 5, 2003
- *American College of Cardiology*
Mar. 30—April 2, 2003
- *ATV Limited Partners Meeting*
April. 29, 2003
- *CIBC Specialty Pharmaceuticals & Biotech Conference*
April 30—May 1, 2003
- *Parkinson Action Network's Morris Udall Awards Dinner*
May 15, 2003
- *EuroBioTech—Paris*
June 1-3, 2003
- *Bio 2003 Annual Conference*
June 22-25, 2003
- *CNS Forum — Philadelphia*
July 29-30, 2003

Aderis Pharmaceuticals Named Among the Top 15 Biotechs of 2003 by



Aderis was honored as one of the nations 15 top Biotech companies, the **Fiercest 15**, by FierceBiotech. The company was selected from more than 1,000 privately held biotech companies for their vision, management expertise and overall potential to change how doctors treat disease.

"Effective treatments for central nervous system disorders remain few and far between," said Kevin DeGeeter,

editor of FierceBiotech. "We think Aderis has a portfolio of winning drug candidates."

The Fiercest 15 celebrates the spirit of being "fierce" – daring to be innovative and forward-looking, even in a difficult market environment. FierceBiotech is a daily email briefing read by more than 20,000 executives in more than 75 countries.

Indications: Restless Legs Syndrome

Because most people are not familiar with Restless Legs Syndrome (RLS), it is often unrecognized or misdiagnosed by health-care providers and misunderstood by sufferers and their families. Despite its offbeat name, RLS is a debilitating neurological disorder that can lead to depression and even suicide.

The symptoms include feelings of crawling, creeping, tingling, pulling and involuntary twitching deep in the limbs, especially at night. There is also an overwhelming need to move the limbs or walk to relieve the sensations. Because it most often occurs at night, the inability to sit or lie still may lead to sleep deprivation.

It is estimated that 9% - 12% of the population can be affected by RLS. The occurrence of RLS has

been noted in familial clusters and affects both sexes equally. A genetic link to RLS is being investigated. The symptoms of RLS have been shown to be associated with pregnancy, iron-deficiency anemia, end stage renal disease and Parkinson's disease.

There is currently no FDA approved therapeutic for RLS. It appears from recent trials that dopamine agonists can be used to treat RLS successfully and the excellent treatment response to low doses of these medications supports the concept that RLS may involve abnormalities in dopaminergic functions. Other treatments include levodopa and opiates.

Schwarz Pharma should begin Phase IIb testing of a low dosage patch of rotigotine CDS for Rest-



less

The Aurora Borealis is symbolic of the nocturnal awakenings of those night-walkers with RLS.—RLS Foundation 2002 Annual Report

Legs Syndrome sometime this summer.

Source: *Restless Legs Syndrome Foundation*. www.rls.org

In the Spotlight:

Dr. Gevork Minaskanian Honored by Virginia Commonwealth University

On Wednesday, April 9, 2003, Dr. Gevork Minaskanian, Aderis' VP of Chemistry, was the recipient of VCU's Humanities and Sciences Adjunct Award for the Division of Science and Mathematics.

Dr. Minaskanian has been associated with the university for nearly nine years and finds time to teach college level classes in the evenings. Peter Savas, Aderis' president, comments, "Gevork's commitment and passion for chemistry contribute to the successful educational programs at VCU and help shape the future career paths

of its students."

Dr. Minaskanian is a cofounder of Aderis and directs the chemistry program for drug discovery and the process development for commercialization of the Company's lead molecules.

He is the inventor and author of over 50 patents and publications in

various fields of organic and medicinal chemistry. Dr. Minaskanian received his Ph.D. from Texas Tech University, and completed his Post-doctoral work at the University of Pennsylvania.



Dr. Minaskanian accepting the award from Dr. Stephen D. Gottfredson, Dean of the College of Humanities and Sciences at VCU.

Clinical Trials Update – Rotigotine CDS, DTI-0009, Binodenoson and MRE-0094

Rotigotine CDS— Dopamine Agonist for Parkinson's Disease

Three Phase III trials of rotigotine CDS for Parkinson's disease are nearly complete in Europe and the US. The results should be available Q1 2004 and marketing approval applications are planned by Schwarz for the end of 2004.

Rotigotine CDS — Low Dose Dopamine Agonist for Restless Legs Syndrome

Phase IIb trials are scheduled to begin in the 2nd half of 2003.

MRE-0094 — Adenosine A_{2A} Agonist for Wound Healing in Diabetic Foot Ulcers

King Pharmaceuticals has initiated a Phase IIa trial with MRE 0094, an A_{2A} agonist, administered as a topical gel in patients with diabetic foot ulcers.

Binodenoson (MRE-0470) — Adenosine A_{2A} Agonist for Pharm Stress Cardiac Imaging

The Phase III trials are due to begin in the second half of 2003. King and their clinical investigators recently presented at ICNC6 (International Congress of Nuclear Cardiology) in Florence, Italy. The results confirm that binodenoson has a suitable coronary hemodynamic profile for pharmacological stress imaging in the diagnosis of coronary artery disease.

DTI-0009 — Adenosine A₁ Agonist for Atrial Fibrillation

Aderis received a \$2 million dollar milestone payment from its partner Fujisawa Healthcare in connection with the final study report from a Phase II study. Three additional Phase II trials are complete and final results are pending. An end of Phase II meeting with the FDA is being planned.



Phase III trials of rotigotine CDS for Early stage Parkinson's disease are nearly complete in Europe and the US. Phase IIb trials for Restless Legs Syndrome will begin in 2H2003.

The Wall Street Transcript — Questioning Market Leaders for Long Term Investors

Aderis Pharmaceuticals was profiled in the March 2003 issue of *The WallStreet Transcript*. To view the entire article, visit the *Presentations and Articles* area of our website at www.aderis.com.

10th Annual Morris K. Udall Awards Dinner Hosted by the Udall Family, Michael J. Fox and Mort Kondracke



The tenth annual Morris K. Udall Awards dinner will be held in

Washington, DC on May 15th. Aderis Pharmaceuticals will once again support the Parkinson's Action Network in its annual fundraising

effort.

This year's awards honor Senator Edward Kennedy and Senator Thad Cochran for their contributions to public policy and their years of public service. Also presented will be the "Millie" Award to Jim Maurer of Massachusetts for outstanding advocacy. It will be presented by Andrew Card Jr., Chief of Staff to President George W. Bush.

SKY™ RADIO In the spotlight

Aderis' CEO, Peter Savas, will be a featured guest on American Air Lines in-flight radio program "The Biotech Report" airing in June 2003. His interview highlights the development of rotigotine CDS in the treatment of Parkinson's disease.

Broadcast on a worldwide network of American flights, Forbes Radio "The Biotech Beat" will provide informa-

tion on biotech and the companies who are involved in the research and development of healthcare products.

We invite you to join millions of executive travelers including business leaders, corporate officers and frequent flyers traveling on American Air Lines to listen to this report. If you're not planning to fly, our website will contain a link to the broad-

American Airlines



Hear Peter Savas in June on the in-flight program Forbes Radio "The Biotech Beat"

cast and it will also be available for 6 months at

www.skyradionet.com.

Shareholder Update

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Patient Advocacy Groups — A force to be reckoned with

PharmaVOICE
Published by PharmaLinX, LLC

“By working with patient advocacy groups and professional organizations, pharmaceutical companies have the opportunity to inform thought leaders, prepare the marketplace for upcoming products, impact policy, gather market intelligence, and gain valuable feedback from patients,” according to Best Practices LLC.

Ken Rice, Chief Commercial Officer & CFO of Aderis, was interviewed by PharmaVoice for an extensive article on advocacy entitled, “The Patient”. Along with Ken, senior execs from Pharmacia, J&J’s Ortho Biotech, Genentech and Takeda offered their company’s views on the development and expectations of these critical relationships.

Most Pharma companies look at the

“Leaders in the industry say Pharma companies that fail to build and maintain relationships with patient groups do so at their own peril.”

traits of organizations with a vested interest in a specific disease category to determine their size, influence over constituents, level of organization, reputation in the medical community and its influence with the media.

How do Advocacy groups such as American Cancer Society, American Diabetes Association and Parkinson’s Action Network feel? These groups believe a well-developed relationship between corporate partners and non-profit groups bring advantages to both sides. Patient groups and Pharma both

win but the patient population is the ultimate winner

with improved educational materials for both patient and physicians, current research, trials and treatment updates, references to physicians, and a focused effort on better treatments and cures.

To see the complete article, visit the *Articles & Presentations* area of our website at www.aderis.com or send an email to info@aderis.com to request a printed copy.

Aderis Pharmaceuticals is a privately held biopharmaceutical company developing and commercializing therapeutics for CNS, cardiovascular and renal disorders.

We currently have four drug candidates in six clinical development programs. Our lead compound, rotigotine CDS, on a unique transdermal patch, will conclude Phase III trials for Parkinson’s disease in 2003. Other product candidates are in development for restless legs syndrome, diagnostic cardiac imaging, rate control in atrial fibrillation and wound healing in diabetic foot ulcers.

We have strategic alliances with Schwarz Pharma AG, Fujisawa Healthcare, and King Pharmaceuticals. Our corporate and research headquarters are in Hopkinton, Massachusetts and Richmond, Virginia, respectively.

Certain statements in this newsletter that are not historical fact constitute “forward-looking statements.” Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results of Aderis Pharmaceuticals to be materially different from historical results or from any results expressed or implied by such forward-looking statements. Such statements include, but are not limited to, any statements relating to the Company’s development programs and any other statements that are not historical facts. Such statements involve risks and uncertainties, including but not limited to, those risks and uncertainties relating to difficulties or delays in development, testing, regulatory approval, production and marketing of the Company’s drug candidates, unexpected adverse side effects or inadequate therapeutic efficacy of the Company’s drug candidates that could slow or prevent product development or commercialization, the uncertainty of patent protection for company’s intellectual property or trade secrets and the Company’s ability to obtain additional financing if necessary. Such statements are based on management’s current expectations, but actual results may differ materially due to various factors some but not all may have been mentioned above.

