



## Movetis announces 2009 full year results

Turnhout (Belgium) – 26 February 2010 (7:30 AM CET) – Movetis NV (MOVE), the European gastrointestinal (GI) speciality pharmaceutical company, releases its audited financial results, drawn up in accordance with IFRS as adopted by the EU, for the full year ending December 31, 2009.

- **Cash position of €105.7 million and net loss of €15.4 million**
- **Key achievements in 2009: EU approval for Resolor® in its first indication and IPO on Euronext raising €97.75 million**
- **Since January 2010: Resolor launched in Germany at target price and reimbursement level**
- **2010 anticipated newsflow: Resolor launch in other European markets, update on potential Resolor launches beyond Europe and advancement of clinical trial programmes for Resolor and other GI compounds**

### Business Highlights

In October 2009 Movetis' lead compound, Resolor (prucalopride), was approved for commercialisation in the European Economic Area (EEA) for the symptomatic treatment of chronic constipation (CC) in women in whom laxatives fail to provide adequate relief.

In early December, Movetis raised €97.75 million in an Initial Public Offering which listed the Company on Euronext. As a result, Movetis has secured the funds allowing the Company to invest in preparing for the market launch of Resolor in a number of European countries as well as to continuing to advance its broad pipeline of novel GI programmes.

During 2009, Movetis has been focused on preparing for the commercial launch of Resolor in the EU. The German launch took place in January 2010 at target price and reimbursement level. The commercial launch in the UK is on track for the second quarter of 2010.

Commercial milestones that Movetis anticipates in 2010 include additional launches of Resolor by Movetis in the Netherlands and via potential partner(s) in other EU countries. Movetis continues to work closely with Johnson & Johnson (JNJ) to enable the potential commercialisation of Resolor in the JNJ territories. Expected development events include the initiation of three Phase III clinical trials of Resolor to support marketing authorization applications for opioid induced constipation, chronic constipation in males in whom laxatives fail to provide adequate relief and paediatric constipation, as well as the further development of M0002 and M0003, Movetis' compounds in Phase II.

Dirk Reyn, CEO, commented on today's announcement: "Movetis had a very successful 2009, achieving two major milestones: the first marketing approval of Resolor, in the EEA, with a well-balanced product label, and our IPO on Euronext. Movetis has now entered the next phase of its corporate development in building a leading commercial presence in gastroenterology in selected European markets. In parallel, we continue to pursue new opportunities to address underserved segments of the GI market that will allow us to build a well-rounded GI specialty company with proprietary, innovative drugs that can improve the treatment of GI diseases with a high unmet medical need.

## **Financial Overview**

In 2009, Movetis achieved total revenue of €1.2 million, nearly all of which came from Flemish government grants (IWT) to support three research and development projects.

Research and development expenses decreased from €15.0 million in 2008 to €10.2 million in 2009, mainly due to lower outsourced R&D as most trials related to the filing of Resolor were completed.

General and administrative expenses increased from €3.4 million to €6.7 million in 2009, mainly as a result of the marketing costs incurred in preparation for the launch of Resolor. These included pre-marketing activities and the hiring of experienced commercial managers able to put a team in place to support the future sales of Resolor via affiliates in Germany and the UK.

Financial income arises principally from interest earned on cash invested and cash equivalent investments. The decrease from €1.5 million in 2008 to €0.3 million in 2009 reflects the Company's declining cash position up until the IPO in December 2009 and lower interest rates.

As a result, Movetis reported a loss before taxes in 2009 of €15.4 million. This compares to a loss before taxes of €15.9 million in 2008. This outcome illustrates that Movetis is capable of managing its cash position while achieving major corporate milestones.

Given the loss, no income tax expenses have been accounted for. Looking forward, Movetis announced in January 2010 that the Company has been granted a positive ruling by the Belgian tax authorities, enabling it to benefit from a reduced tax rate for the patent-related Resolor income. This will result in an effective corporate tax rate significantly lower than the standard Belgian corporate tax rate of 33.99%, once accumulated fiscal losses have been offset.

The reported net loss for 2009 is €15.4 million or € -1.14 earnings per share, based on a weighted average number of shares of 13.4 million (Note: the IPO and the resulting issuance of additional shares took place in December 2009. Today, Movetis has a total of 21,081,300 shares outstanding.)

As of 31 December 2009, Movetis had €105.7 million in cash and investments, compared to €24.7 million at 31 December 2008. In conjunction with its IPO in December 2009, Movetis raised a gross amount of €97.75 million (net amount of €93.31 million).

## Outlook

In 2010, Movetis continues the Resolor launch programme within the European Economic Area – either through its own operations or through commercial partnerships. Resolor is already launched in Germany (January 2010) and its commercial launch in the UK is expected in the second quarter of 2010. Later in 2010, Movetis also expects to launch Resolor in the Netherlands and continues to prepare for the launch of Resolor in France and Belgium. The Company has already set up the commercial infrastructure to support the launch of Resolor in Germany. Investments in establishing local organisations have started in the UK and are scheduled to take place at a later stage for the three other countries mentioned.

In addition, Movetis maintains its strategy of seeking commercial partnerships to roll-out Resolor in the EEA beyond these five countries. Movetis also continues to work with JNJ to prepare for the eventual launch of Resolor outside Europe.

Movetis will also conduct a range of post-marketing studies related to Resolor, and intends to broaden the potential uses of prucalopride in indications other than currently approved by investing in a programme of clinical studies. In 2010, Phase III clinical trials in chronic constipation in males and paediatrics, and in opioid induced constipation are expected to begin.

Beyond Resolor, Movetis is focused on the clinical development of M0002, a candidate for further development in refractory ascites, and M0003, a candidate for symptomatic treatment of heartburn and regurgitation in patients refractory to PPIs, as well as paediatric reflux. During 2010, Movetis also intends to advance an additional compound from its pre-clinical pipeline into clinical development.

Given both its extensive commercial and development activities, the Company's underlying cash burn in 2010 is expected to increase to approximately € 50 million. This is to a large extent related to marketing, sales and organisational investments in support of Resolor that will enable Movetis to create additional shareholder value.

*Disclaimer: This release may contain forward-looking statements, including, without limitation, statements containing the words "believes," "anticipates," "expects," "intends," "plans," "seeks," "estimates," "may," "will," "could," "stands to," and "continues," as well as similar expressions. Such forward looking statements may involve known and unknown risks, uncertainties and other factors which might cause the actual results, financial condition, performance or achievements of Movetis, or industry results, to be materially different from any historic or future results, financial conditions, performance or achievements expressed or implied by such forward-looking statements. Given these uncertainties, the reader is advised not to place any undue reliance on such forward looking statements. These forward-looking statements speak only as of the date of publication of this document. Movetis expressly disclaims any obligation to update any such forward-looking statements in this document to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based, unless required by law or regulation.*

## Income Statement

IFRS figures, in € '000	31 Dec 2009	31 Dec 2008
Revenue	24	0
Research and Development	0	0
Grants	1,189	1,163
<b>Total revenue</b>	<b>1,213</b>	<b>1,163</b>
Research and development expense	-10,201	-14,953
General and administrative expense	-6,683	-3,437
<b>Total operating expenses</b>	<b>-16,884</b>	<b>-18,391</b>
Other operating income/(expense) (net)	14	3
<b>Operating result</b>	<b>-15,657</b>	<b>-17,226</b>
Finance income	308	1,523
Finance expenses	-27	-155
<b>Loss before taxes</b>	<b>-15,375</b>	<b>-15,858</b>
Income tax expense	0	0
<b>Loss of the year attributable to Equity Holders</b>	<b>-15,375</b>	<b>-15,858</b>
Fair value gain (loss) on available for sale financial assets, net of tax	-28	-2
Total comprehensive loss of the year attributable to Equity Holders	-15,404	-15,860
<b>Basic and diluted loss per share (in EUR)</b>	<b>-1.14</b>	<b>-1.24</b>

## Balance Sheet

IFRS figures, in € '000	31 Dec 2009	31 Dec 2008
<b>Non-current assets</b>	<b>12,675</b>	<b>12,483</b>
Intangible assets	11,978	12,006
<i>Capitalisation R&amp;D</i>	974	
<i>Patents</i>	10,863	11,778
<i>Software</i>	141	228
Property, plant and equipment	435	477
Trade and other receivables	262	0
<b>Current assets</b>	<b>107,493</b>	<b>25,757</b>
Inventory	938	
Trade receivables	40	0
Other receivables	374	408
Accrued income and deferred charges	410	686
Available-for-sale financial assets	5,001	15,030
Other short-term investments	20,000	0
Cash and cash equivalents	80,730	9,633
<b>Total assets</b>	<b>120,167</b>	<b>38,240</b>
<b>Equity attributable to Equity Holders</b>	113,634	34,409
Share capital	45,771	31,163
Share premium account	107,864	29,157
Share-based payments	3,623	2,309
Reserves available for sale	1	30
Retained loss	-43,626	-28,250
<b>Non-current liabilities</b>	0	1
Borrowings	0	1
<b>Current liabilities</b>	6,534	3,830
Borrowings	1	5
Trade payables	4,803	2,703
Other current liabilities	1,239	803
Accrued charges and deferred income	491	319
<b>Total liabilities</b>	<b>6,534</b>	<b>3,831</b>
<b>Total equity and liabilities</b>	<b>120,167</b>	<b>38,240</b>

## Cash Flow Statement

IFRS figures, in € '000	2009	2008
<b>Cash flows from operating activities</b>		
Loss before income tax	-15,375	-15,858
Adjustments for:		
Amortization	1,079	1,025
Depreciation	146	134
Share-based payment expense	1,314	985
Interest received	-292	-1,240
Revenue from sale of available-for-sale financial assets	0	-194
Net movement in receivables on more than one year	-262	0
Net movement in inventory	-938	0
Net movement in trade and other receivables	270	-350
Net movement in trade and other payables	2,708	518
<b>Cash used in operations</b>	<b>-11,351</b>	<b>-14,980</b>
Interest paid	0	0
Income tax paid	0	0
<b>Net cash used in operating activities</b>	<b>-11,351</b>	<b>-14,980</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	-104	-51
Purchases of intangible assets	-1,050	-44
Purchases of available-for-sale financial assets	0	-15,000
Purchases of short-term investments	-20,000	0
Sale of available-for-sale financial assets	10,000	21,755
Sale of short-term investments	0	0
Interest received	292	1,240
<b>Net cash used in investing activities</b>	<b>-10,863</b>	<b>7,901</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares	93,315	0
Proceeds from borrowings	-5	-5
<b>Net cash generated from financing activities</b>	<b>93,309</b>	<b>-5</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>71,096</b>	<b>-7,085</b>
Cash and cash equivalents at beginning of the year	9,633	16,718
<b>Cash and cash equivalents at the end of the year</b>	<b>80,730</b>	<b>9,633</b>

## Review by the Statutory Auditor

The statutory auditor, PricewaterhouseCoopers Bedrijfsrevisoren scrl, represented by Raf Vander Stichele, has confirmed that the audit, which is substantially complete, of the annual accounts as of and for the year ended 31 December 2009 has to date not revealed any material misstatements. The statutory auditor has also confirmed that the accounting data included in the enclosed press release is consistent, in all material respects with the annual accounts from which the press release has been derived.

## About Movetis

Movetis is a European specialty GI company that is focused on improving the lives of millions of patients – both adults and children – by discovering, developing and commercialising innovative treatments targeting GI conditions with a high unmet medical need. Movetis NV was founded in Belgium in November 2006 as a spin-off of Johnson & Johnson.

Movetis has a broad portfolio of GI products: Resolor® (prucalopride) is approved in the EEA for the indication “symptomatic treatment of chronic constipation in women in whom laxatives fail to provide adequate relief”. The marketing authorisation application is currently under review in Switzerland. Two products are in Phase II development and Movetis has two prioritised compounds in preclinical development, all addressing important GI areas including ascites, paediatric reflux, refractory GORD (gastroesophageal reflux disease) and severe forms of irritable bowel syndrome. In addition, Movetis has rights to a large library of qualified lead compounds with potential for development in different GI indications and access to know how for compounds in secretory diarrhoea.

The current portfolio is licensed from Janssen Pharmaceutica NV, Belgium and Ortho-McNeil Pharmaceutical Inc., two Johnson & Johnson companies. Movetis shares are listed on Euronext Brussels under the ticker MOVE.

## Upcoming events for shareholders

3 May 2010 (7:30 AM CET)	Trading update First Quarter 2010
3 May 2010 (11:00 AM CET)	Annual Shareholder Meeting
27 August 2010	Publication Half Year 2010 Results
9 November 2010	Trading Update Third Quarter 2010

## Conference call

Movetis will host a conference call with investors and analysts on 26 February 2010 at 10:00 a.m. CET, to discuss the 2009 results. Dirk Reyn, CEO, Catherine Moukheibir, CFO and Chris Van Raemdonck, Communications Director, will host the call.

An audio cast of this conference call will be available on the Company's website [www.movetis.com](http://www.movetis.com) at 2:00 p.m. CET.

## For more information, please contact

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