

May 15, 2003

## Press Release

Dear Sir or Madam,

The Genetics Company, Inc., a Schlieren, Switzerland, -based and privately held drug discovery and development company announces today the issuance of United States Patent US 6,548,733 B2 covering INVOSCREEN™, a highly versatile and robotized in vivo drug screening and validation platform in the fruit fly, *Drosophila melanogaster*. INVOSCREEN™ enables the high-throughput generation of small molecule leads in living animals and is applicable to a variety of diseases that can be modeled in the fly, such as cancer, drug addiction, specific CNS disorders, and others. Thanks to the screening of compounds directly in animals, INVOSCREEN™ selects for molecules that display favorable ADMET characteristics early on in the discovery process and, thus, are likely to have a better chance of success in clinical trials in humans, as compared to drug candidates identified by classical in vitro screening technologies.

Please find enclosed our press release. Thank you for your consideration and kind regards,



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**The Genetics Company announces today the issuance of United States Patent US 6,548,733 B2 covering INVOSCREEN™, a highly versatile high-throughput in vivo drug screening and validation platform in *Drosophila*.**

**Zurich, Switzerland – May 15, 2003** -- The Genetics Company of Schlieren, Switzerland, announces today the issuance of United States Patent US 6,548,733 B2 covering INVOSCREEN™, a highly versatile and robotized in vivo drug screening and validation platform in the fruit fly, *Drosophila melanogaster*. INVOSCREEN™ enables the high-throughput generation of small molecule leads in living animals and is applicable to a variety of diseases that can be modeled in the fly, such as cancer, drug addiction, specific CNS disorders, and others. Thanks to the screening of compounds directly in animals, INVOSCREEN™ selects for molecules that display favorable ADMET characteristics early on in the discovery process and, thus, are likely to have a better chance of success in clinical trials in humans, as compared to drug candidates identified by classical in vitro screening technologies.

As current high-throughput drug screening approaches mostly are based on cell culture or biochemical assays, small molecule hits identified in such assays to a large extent cannot be used *in vivo* since they do not yet exhibit the required characteristics for absorption, distribution, metabolism, excretion, and toxicity (ADMET). A good ADMET profile, however, is crucial for the application of a drug in humans. To make compounds suitable for such use, extensive medicinal chemistry optimization efforts are necessary. Nevertheless, the failure rate of clinical products due to unacceptable ADMET characteristics is high, mainly because of the initial selection of poor hits by test systems that have limited predictive value for clinical outcome. To circumvent this, ideally one would prefer to perform drug screening directly in whole animals, such as e.g. rodents. Screening in rodents, however, is extremely costly and of very low throughput.

The fruit fly *Drosophila melanogaster* emerges as a valid alternative. Thanks to the intriguingly high conservation of key physiological processes from the fly to humans and the low cost of maintenance and propagation, screening for novel drug leads in *Drosophila* via INVOSCREEN™ enables the selection of hits that already display key features, which are decisive for subsequent use in patients: oral or "transdermal" availability, metabolic stability, and, most importantly, low toxicity. Such features cannot yet be adequately mimicked by cell culture or biochemical assays.

Harald Eistetter, The Genetics Company's Chief Executive, comments: "This is an important milestone for the commercial exploitation of this powerful technology inside and outside The Genetics Company. Internally we have obtained promising results by using INVOSCREEN™ in our cancer drug discovery program. Externally, first industrial and academic groups have already expressed interest to use this technology in other therapeutic areas and indications. The Genetics Company is interested to assist these groups to commercially develop their

applications by granting respective sub-license rights. The Genetics Company also is prepared to enter into collaborative agreements where partners could benefit from our extensive knowledge and further development of this broadly applicable technology".

**About The Genetics Company, Inc.** - The Genetics Company is a privately held drug discovery and development company active in the areas of cancer and neurodegenerative diseases. The Company has generated a set of small molecules that have the potential to significantly improve the therapies of (colorectal) cancer and Alzheimer's disease. The Company was founded in Zurich (Switzerland) in May 1998, as a joint spin-off between the University of Zurich and the Swiss Institute for Experimental Cancer Research (ISREC). In December 2002, the Company acquired key assets from the German chemoinformatics company CallistoGen AG in order to substantially strengthen its in-house chemistry capabilities and to expand its product pipeline. The Genetics Company is managed by an experienced team of executives with substantial industry expertise and has attracted scientific advisors of outstanding reputation including the scientific founders. The Company currently employs a total staff of 26 and operates from a state-of-the-art facility at the "Biotech Center Zurich" in Schlieren.

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