



To NASDAQ OMX Copenhagen A/S  
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## **Topotarget announces financial results for the year ended December 31, 2011**

**Copenhagen, Denmark – March 14, 2012 – Today Topotarget A/S (NASDAQ OMX: TOPO) announced the financial results for the year ended December 31, 2011.**

### **Financial review 2011**

The annual report comprises the Parent Company Topotarget A/S and the five wholly owned subsidiaries.

Unless otherwise stated, the financial review is based on the Group's consolidated financial information for the year ended December 31, 2011 as included in this annual report with comparative figures for the Group in 2010 in brackets.

A loss on continued operations before write-down activities of DKK 29.0 million (2010: Loss of DKK 84.8 million) was recorded for the year.

The Group's net cash and cash equivalents as of December 31, 2011 totaled DKK 114.3 million (2010: DKK 205.0 million.) and equity stood at DKK 330.7 million (2010: DKK 360.2 million).

### **Consolidated income statement**

Topotarget recognized revenues of DKK 65.6 million in 2011 (2010: DKK 107.8 million). Revenues are primarily composed of income of DKK 62.8 million from the Spectrum Pharmaceuticals upfront payment of USD 30 million as well as income from partnership.

Production costs, which amounted to DKK 1.8 million (2010: DKK 5.4 million), include Topotarget personnel costs related to the Spectrum Pharmaceuticals Collaboration agreement.

Research and development costs were DKK 54.3 million (2010: DKK 71.6 million). The reduction is primarily due to the near completion of most studies. The finalization of data and study reports are ongoing.

Write-down of research and development projects acquired from third parties amounted to DKK 0 million (2010 DKK 189.5 million).

Sales and distribution costs for the Group have been reclassified to discontinued operations due to the divestiture of the US subsidiary including the IP for Totect®.

Administrative expenses were DKK 40.8 million (2010: DKK 38.8 million). The small increase is mainly due to increased support for partnering activities.

Net financial income was DKK 1.1 million (2010: Net income of DKK 68.8 million), primarily consisting of exchange rate adjustments in subsidiaries. (2010: Primarily consisting of the reversal of the APO provision for debt with the amount of DKK 66.5 million).

The tax income was DKK 1.2 million (2010: 44.0 million) and relates solely to Topotarget Switzerland S.A.

Net loss from discontinued operations DKK 4.0 million (2010: Profit 29.1 million). The loss from discontinued operations consists of all costs relating to the sales activities of Totect® for the year as well as the sale transaction of the IP and subsidiary in the amount of DKK 9.1 million. The comparative 2010 number also includes all elements of the year's activities as well as the sale proceeds of Savene®.

Topotarget recorded a net loss of DKK 33.0 million (2010: DKK 55.7 million).

#### **Consolidated balance sheet**

Total assets amounted to DKK 370.5 million (2010: DKK 465.8 million.), which primarily consist of acquired research and development projects, cash and cash equivalents, while the Group's liabilities mainly comprise equity and trade payables.

Cash and cash equivalents were DKK 114.3 million (2010: DKK 205.0 million).

Current liabilities have reduced from DKK 91.5 million to DKK 26.2 million due to the finalization of the deferred income release in the year.

#### **Consolidated equity**

Equity amounted to DKK 330.7 million (2010: DKK 360.2 million). The change in equity consists of the loss for the year of DKK 33.0 million and share-based payment of DKK 3.5 million.

#### **Consolidated cash flow**

Topotarget's cash flow from operating activities for 2011 was an outflow of DKK 88.4 million (2010: In-flow DKK 40.1 million). The Group's 2011 cash flow from investing activities excluding the buying and selling of securities was an outflow of DKK 1.9 million (2010: Inflow DKK 34.7 million). The Group's cash flow from financing activities was DKK 0.0 million (2010: Inflow of DKK 0.1 million).

#### **Comparing the actual financial performance with financial guidance**

The Group recorded a loss on continued operations before write-down activities of DKK 29.0 million. The financial performance is in line with our guidance announced at the annual general meeting on April 5, 2011.

#### **Outlook**

Topotarget expects an estimated pre-tax loss in the range of DKK 75-95 million for the full year financial result of 2012. The expected net cash and cash equivalents will be around DKK 35-55 million at yearend 2012.

#### **Parent Company financial statements**

The Parent Company recorded a loss of DKK 33.0 million (2010: DKK 55.7 million). The Parent Company's equity amounted to DKK 330.7 million (2010: DKK 360.2 million). The change in equity consists of the loss for the year of DKK 33.0 million and share-based payment of DKK 3.5 million.

#### **Treatment of loss**

The Board of Directors proposes that the loss for the year be carried forward to next year.

### **Conference call**

A teleconference will be held on March 14, 2012 at 2:00 pm CET. CEO Francois Martelet, CFO Anders Vadsholt, and CMDO Axel Mescheder will present the 2011 annual report and answer questions. The teleconference will be conducted in English.

A presentation will be available on Topotarget's website, [www.topotarget.com](http://www.topotarget.com), before the start of the conference call. To participate in the conference call please dial:

- From Denmark: 70 26 50 40 or 70 27 90 09
- Outside Denmark: +44 208 817 9301

A replay of the conference call will be available approximately two hours after the conference call and until May 13, 2012 at: +45 70 25 26 01 or +35 314 364 267, pass code: 6944 049#. A replay will also be available on Topotarget's homepage [www.topotarget.com](http://www.topotarget.com).

### **Topotarget A/S**

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## Financial highlights and ratios

DKK ' 000	2011	2010	2009	2008	2007
Financial highlights and ratios <sup>*)</sup>					
<b>Consolidated financial highlights and ratios</b>					
Revenue	65,598	107,826	43,979	43,890	44,890
Research and development costs	(54,345)	(71,608)	(89,884)	(146,906)	(129,111)
Write-down of research and development projects	-	(189,541)	(21,200)	(93,500)	-
Sales and distribution costs	-	-	(29,136)	(44,796)	(57,722)
Operating loss	(31,352)	(197,543)	(132,492)	(294,371)	(219,801)
Net financials	1,087	68,773	(10,250)	(11,737)	5,754
Net loss from continued operations	(29,012)	(84,785)	-	-	-
Net loss discontinued operations	(3,999)	29,096	-	-	-
Total comprehensive income for the year	(33,011)	(55,689)	(140,464)	(301,209)	(211,600)
Basic and diluted EPS continued operations	(0.22)	(0.64)			
Basic and diluted EPS continued and discontinued operations	(0.25)	(0.42)	(1.41)	(4.68)	(3.92)
<b>Consolidated balance sheets</b>					
Cash and cash equivalents	114,302	205,068	130,145	107,998	403,617
Equity	330,729	360,219	411,798	429,376	665,068
Total assets	370,476	465,824	585,413	619,032	834,175
Investment in tangible assets (net)	(1,844)	(1,633)	2,016	(164)	(7,965)
<b>Consolidated cash flow statement</b>					
Cash flows from operating activities	(88,847)	40,101	(99,197)	(169,545)	(208,933)
Cash flows from investing activities	(1,919)	34,686	37,861	(44,366)	25,666
Cash flows from financing activities	-	138	118,780	(499)	332,026
<b>Consolidated ratios</b>					
Number of fully paid shares, year-end	132,652,050	132,652,050	132,609,020	66,304,510	61,304,510
Average number of shares for the period	132,652,050	132,640,379	99,456,765	64,323,636	53,955,186
Assets/equity	1.1	1.3	1.4	1.4	1.2
Market price, year-end (DKK)	2.51	3.57	2.59	3.62	16.76
Net asset value per share (DKK)	2.49	2.73	3.11	6.48	10.85
Average number of full-time employees	42	50	58	109	141

<sup>\*)</sup> The figures for 2007 also include Topotarget Switzerland S.A. from June 27, 2007  
Finally the figures for 2008 also include Topotarget Netherlands B.V. from January 1, 2008

Figures for 2010 has been changed as Savene® and Totect® activities now are presented as discontinued operations. Other years are presented as continued operations.

## Background information

### About Topotarget A/S

Topotarget (NASDAQ-OMX: TOPO) is an international biopharmaceutical company headquartered in Copenhagen, Denmark, dedicated to clinical development and registration of oncology products. Topotarget focuses, in collaboration with Spectrum Pharmaceuticals, Inc., on the development in pivotal studies of its lead drug candidate, belinostat, which has shown positive results as a monotherapy treating hematological malignancies and positive results in solid tumors. Belinostat may be used in combination with full doses of chemotherapy, and is in a pivotal trial within PTCL (peripheral T-cell lymphoma). For more information, please refer to [www.topotarget.com](http://www.topotarget.com).

### Topotarget A/S Safe Harbor Statement

This announcement may contain forward-looking statements, including statements about our expectations of the progression of our preclinical and clinical pipeline including the timing for commencement and completion of clinical trials and with respect to cash burn guidance. Such statements are based on management's current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Topotarget A/S cautions investors that there can be no assurance that actual results or business conditions will not differ materially from those projected or suggested in such forward-looking statements as a result of various factors, including, but not limited to, the following: The risk that any one or more of the drug development programs of Topotarget A/S will not proceed as planned for technical, scientific or commercial reasons or due to patient enrolment issues or based on new information from non-clinical or clinical studies or from other sources; the success of competing products and technologies; technological uncertainty and product development risks; uncertainty of additional funding; Topotarget A/S' history of incurring losses and the uncertainty of achieving profitability; Topotarget A/S' stage of development as a biopharmaceutical company; government regulation; patent infringement claims against Topotarget A/S' products, processes and technologies; the ability to protect Topotarget A/S' patents and proprietary rights; uncertainties relating to commercialization rights; and product liability exposure. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, unless required by law.