



To NASDAQ OMX Copenhagen A/S
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Topotarget announces financial results for the year ended Dec 31, 2013

Topotarget A/S announces the Company's financial results for the year ended December 31, 2013.

Financial review

The annual report comprises the Parent Company Topotarget A/S and the three wholly-owned subsidiaries Topotarget UK Ltd., Topotarget Germany AG, and Topotarget Switzerland S.A.

Unless otherwise stated, the financial review is based on the Group's consolidated financial information for the year ended December 31, 2013 as included in this annual report with comparative figures for the Group for 2012 in brackets.

A net loss in continued operations of DKK 36.2 million (2012: Net loss of DKK 81.4 million) was recorded for the year.

The Group's net cash and cash equivalents as of December 31, 2013 totaled DKK 31.5 million (2012: DKK 41.5 million) and the equity stood at DKK 243.1 million (2012: DKK 251.2 million).

For assumptions and estimates, please refer to Note 2.

Consolidated income statement

Topotarget recognized revenues of DKK 8.3 million in 2013 (2012: DKK 2.4 million). Revenues are composed of milestone payments from the renegotiated agreement with Apricus Biosciences, Inc. and income per our collaboration agreement with Spectrum Pharmaceuticals.

Production costs, which amounted to DKK 1.1 million (2012: DKK 1.4 million), include Topotarget personnel costs related to the agreement with Spectrum Pharmaceuticals.

Research and development costs were DKK 23.0 million (2012: DKK 46.5 million). The reduction in cost of 51% is primarily due to the steps made to ensure a cost effective organization including reductions in the number of employees and the hereto related costs. The finalization of clinical data and related clinical study reports are on-going.

Administrative expenses were DKK 18.4 million (2012: DKK 34.7 million). The decrease in cost of 47% is primarily related to the reduction in the number of employees and Management.

The net financials showed a net expense of DKK 2.0 million (2012: Net expense of DKK 1.1 million). The financial expense is mainly caused by exchange rate fluctuations.

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The tax income was DKK 1.2 million (2012: 1.2 million) and relates to the payment of tax value of losses from spending in research and development.

Topotarget recorded a net loss of DKK 35.0 million in 2013 (2012: Net loss of DKK 80.0 million).

Consolidated balance sheet

Total assets amounted to DKK 265.1 million (2012: DKK 278.9 million), which primarily consist of acquired research and development projects and cash and cash equivalents, while the Group's liabilities mainly comprise equity and current liabilities.

Cash and cash equivalents were DKK 31.5 million (2012: DKK 41.5 million).

Non-current liabilities are reduced to 0.0 million (2012: DKK 3.2 million). The reason for the large reduction is the reclassification of the potential Celldex Therapeutics, Inc. (former CuraGen) milestone payment from non-current liabilities to current liabilities.

Current liabilities have been reduced to DKK 22.0 million (2012: DKK 24.5 million) despite the reclassification of the potential Celldex Therapeutics milestone payment from non-current liabilities to current liabilities.

Consolidated equity

Equity amounted to DKK 243.1 million (2012: DKK 251.2 million). The change in equity is due to the loss for the year of DKK 35.0 million and a share issuance of DKK 26.8 million.

Consolidated cash flow

Topotarget's cash flow from operating activities for 2013 was an outflow of DKK 35.6 million (2012: Outflow of DKK 81.0 million). The Group's 2013 cash flow from investing activities including the buying and selling of securities was DKK 0.2 million (2012: Inflow of DKK 8.1 million). The Group's cash flow from financing activities was DKK 25.5 million (2012: Inflow of DKK 0 million).

Comparing the actual financial performance with financial guidance

The Group recorded a pretax loss in continued operations of DKK 36.2 million. The financial performance thus exceeded our guidance announced in the interim report for the first 9 months of 2013, which reported a pretax loss in the range of DKK 40-45 million for the year. The Group recorded a cash position of DKK 31.5 million. The guidance announced in the interim report for the first 9 months of 2013 reported a cash position in the range of DKK 27-32 million.

Financial outlook

Spectrum Pharmaceuticals filed an NDA with the FDA end 2013 and Topotarget received the expected milestone payment of USD 10 million and 1 million Spectrum Pharmaceuticals shares in Q1 2014.

Topotarget expects an estimated pre-tax profit in the range of DKK 55-65 million for the full-year financial result for 2014. The expected net cash and cash equivalents are expected to be around DKK 78-88 million at year-end 2014. The above numbers are including the milestone payment from Spectrum Pharmaceuticals of USD 10 million and 1 million shares with a current value of approximately USD 8 million, but excluding any extraordinary activities. The second milestone payment related to an NDA approval is not included in this financial outlook.

Parent Company financial statements

The Parent Company recorded a loss of DKK 35.0 million (2012: Net loss of DKK 80.0 million). The Parent Company's equity amounted to DKK 243.1 million (2012: DKK 251.2 million). The change in equity is due to the loss for the year of DKK 35.0 million and a share issuance of DKK 26.8 million.

Treatment of loss

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

Financial highlights and ratios

	2013	2012	2011	2010	2009
DKK '000					
Consolidated financial highlights and ratios					
Revenues	8,338	2,395	65,598	107,826	43,979
Research and development costs	(23,019)	(46,522)	(54,345)	(70,608)	(89,884)
Write-down of research and development projects	-	-	-	(189,541)	(21,200)
Sales and distribution costs	-	-	-	-	(29,136)
Operating loss	(34,148)	(80,210)	(31,352)	(197,543)	(132,492)
Net financials	(2,045)	(1,149)	1,087	68,773	(10,250)
Net loss from continued operations	(36,193)	(81,359)	(29,012)	(84,785)	-
Net profit/(loss) from discontinued operations	-	99	(3,999)	(29,096)	-
Total comprehensive income/loss for the year	(34,968)	(80,017)	(33,011)	(55,689)	(140,464)
Basic EPS continued operations	(0.25)	(0.60)	(0.22)	(0.64)	-
Basic EPS continued and discontinued operations	(0.25)	(0.60)	(0.25)	(0.42)	(1.41)
Consolidated balance sheet					
Cash and cash equivalents	31,483	41,460	114,302	205,068	130,145
Equity	243,092	251,247	330,728	360,219	411,798
Total assets	265,117	278,936	370,476	465,824	585,413
Investment in tangible assets (net)	10	(226)	(2,283)	(1,633)	2,016
Consolidated cash flow statement					
Cash flow from operating activities	(35,623)	(80,973)	(88,847)	40,101	(99,197)
Cash flow from investing activities	152	8,131	(1,919)	34,686	37,861
Cash flow from financing activities	25,494	-	-	138	118,780
Consolidated ratios					
Number of fully paid shares year-end	143,317,114	132,652,050	132,652,050	132,652,050	132,609,020
Average number of shares for the period	140,916,162	132,652,050	132,652,050	132,640,379	99,456,765
Assets/equity	1.1	1.1	1.1	1.3	1.4
Market price year-end (DKK)	2.98	2.15	2.51	3.57	2.59
Net asset value per share (DKK)	1.7	1.88	2.49	2.73	3.11
Average number of full-time employees	13	23	42	50	58

The figures for 2010 and beyond have been changed as the Savene® and Totect® activities are now presented as discontinued operations. Other years are presented as continued operations.

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A teleconference will be held on March 27, 2014 at 2:00 pm CET. Anders Vadsholt, Chief Executive Officer, and Bo Jesper Hansen, Chairman of the Board, will present the annual report 2013 and answer questions. The teleconference will be conducted in English. A presentation will be available on Topotarget's website, www.topotarget.com, before the start of the teleconference.

To participate in the teleconference, please dial:

- Denmark: 32 72 80 18
- International: +44 (0) 1452 555131

Conference ID: 18960673

You will be able to stream the teleconference via the following link:

<http://www.media-server.com/m/p/6dqzqdms>

After the call, a playback will be available via the same link.

Topotarget A/S

For further information, please contact:
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Background information

About Topotarget

Topotarget (NASDAQ OMX: TOPO) is a Scandinavian-based biopharmaceutical company headquartered in Copenhagen, Denmark, dedicated to the clinical development and registration of oncology products. In collaboration with Spectrum Pharmaceuticals, Inc., Topotarget focuses on the development of its lead drug candidate, belinostat, which has shown positive results in the treatment of hematological malignancies and solid tumors, obtained by both mono- and combination therapy. For more information, please refer to www.topotarget.com.

Topotarget Safe Harbor Statement

This announcement may contain forward-looking statements, including statements about Topotarget A/S' expectations to the progression of Topotarget A/S' clinical pipeline and with respect to cash burn guidance. Such statements are subject to risks and uncertainties of which many are outside the control of Topotarget A/S, and which could cause actual results to differ materially from those described. Topotarget A/S disclaims 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 Danish law.