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TopoTarget enters into share purchase agreement for the acquisition of Apoxis SA and plans to raise new capital through an offer of new shares

Copenhagen, 11 April 2007 – TopoTarget A/S (CSE: TOPO) announces that it has entered into a conditional share purchase agreement for the acquisition of the private Swiss biotech company Apoxis SA, and plans to raise new capital through an offer of new shares. The acquisition will add two first-in-class oncology product candidates in Phase I and Phase II clinical development and enhances TopoTarget's protein drug research and development capabilities.

Key highlights

- TopoTarget will acquire Apoxis for an initial consideration of EUR 14.5 million, payable in newly issued TopoTarget shares, with potential additional payments, in cash or newly issued TopoTarget shares at TopoTarget's discretion, contingent on certain future product milestones, corresponding to part of TopoTarget's net proceeds from the relevant products
- The rationale for the acquisition is to further increase TopoTarget's strength in the cancer field
- The acquisition will add two first-in-class oncology products in Phase I and II clinical development, and the MegaLigand™ protein research technology platform, to TopoTarget's R&D pipeline
- The acquisition of Apoxis is expected to result in an increase in the earlier guided loss before tax for 2007
- TopoTarget will seek additional capital to fund the consolidated operations of TopoTarget and Apoxis until the end of 2009 through an offer of new TopoTarget shares
- The acquisition is conditional, inter alia, upon the completion of the offer of new TopoTarget shares
- An extraordinary general meeting is expected to be convened as soon as possible with the aim of providing the board of directors of TopoTarget with the necessary authorisations to increase the share capital connected with the issuance of the consideration shares to Apoxis' shareholders and the issuance of shares in connection with the expected offering of new TopoTarget shares to raise additional capital

Peter Buhl Jensen, CEO of TopoTarget said: "*The acquisition of Apoxis adds two promising product candidates to our pipeline. One of TopoTarget's key strengths is being able to identify, through our models and past experience, promising drugs which we can then drive through our strong development structure. Our pipeline was successfully strengthened with belinostat (PXD101) by the acquisition of Prolifix in 2002, and in 2005 the purchase of G2M provided us with very strong patents to reposition the known product, valproic acid, both for cancer and dermatology.*" Peter Buhl Jensen continues: *"Following the launch of our first product, Savene™, we now continue the search for new promising drugs. The Apoxis product candidates work in our models, are perfectly suited to our pipeline, and I believe we can add considerable value to the product candidates through our development competences*".

Jean-Pierre Rosat, CEO of Apoxis said: "*The deal with TopoTarget will increase the possibility for the Apoxis drug candidates to reach the market. We consider TopoTarget a leader in the oncology field and look forward to join forces developing new cancer drugs for the benefit of patients."*

TopoTarget acquires Apoxis

Today, TopoTarget has entered into an agreement with the shareholders in Apoxis to purchase the entire issued share capital, participation certificates and convertible loan notes of Apoxis. Completion of the transaction is subject to i) the payment to Apoxis, by certain of its shareholders, of convertible loan capital in the aggregate amount of EUR 4 million; ii) the completion of an offer of new shares by TopoTarget. The acquisition is, additionally, conditional upon the non-occurrence of material adverse change in Apoxis prior to completion of the acquisition.

The purchase price for the acquisition is payable in three separate tranches, the second and third of which are contingent upon the occurrence of certain specified events as further described below, and are as follows:

- EUR 14.5 million payable at completion of the later offer of new TopoTarget shares calculated at the announced offer price
- A potential milestone payment relating to APO866 clinical development
- A potential milestone payment payable on future licensing or sale of the Inflammasome project, a preclinical program of Apoxis.

Details relevant to the APO866 and Inflammasome milestones are provided later in this announcement.

The shareholders of Apoxis today consist of, among others, HealthCap Funds, Banexi Ventures, Novo Nordisk A/S, as well as members of Apoxis' current board of directors and senior management.

Rationale for the acquisition

Consistent with the growth strategy pursued by TopoTarget, the acquisition of Apoxis will consolidate two emerging European oncology companies and will achieve the following strategic objectives:

- TopoTarget will have a stronger development pipeline, with the addition of two first-in-class oncology products that have entered clinical development
- Complementary protein chemistry expertise of Apoxis will be added to the existing core competencies in TopoTarget

The two lead oncology products being developed by Apoxis are:

- APO010, a human protein product generated via Apoxis' MegaLigand™ proprietary protein research technology platform in Phase I, and
- APO866, a small molecule therapeutic in Phase II, in-licensed from Astellas

Apoxis' expertise has been demonstrated by their ability to deliver GMP-compliant protein manufacturing processes. This expertise can also be used to support an existing TopoTarget protein product development programme (Zemab®), and to provide an opportunity to develop additional protein products, an area of particular relevance to oncology therapeutics.

Apoxis

Apoxis is a biotechnology company formed in 1999 in Lausanne, Switzerland, involved in the discovery and development of novel drugs for the treatment of cancer and inflammatory disorders. Apoxis has focused its internal research and development effort on the design of human recombinant proteins using its MegaLigand™ proprietary protein research technology platform, and on evaluating the potential use of MegaLigand™-based products for the treatment of human diseases, including cancer.

Apoxis has also grown through in-licensing and acquired the worldwide development and marketing rights to its oncology product candidate, APO866, from Astellas in October 2005.

Oncology

- **APO010** is currently in Phase I clinical development. APO010 is a first-in-class therapeutic human recombinant protein generated using the MegaLigand™ proprietary protein research technology platform. It is comprised of the human Fas ligand protein and targets Fas receptors on cancer cells to induce cell death via apoptosis (programmed cell death). APO010 is also in pre-clinical development in combination with chemotherapeutic compounds
- **APO866** is being evaluated in two Phase II clinical studies in advanced melanoma and cutaneous T-cell lymphoma (CTCL), and one clinical Phase I/II study in refractory B-chronic lymphocytic leukaemia (B-CLL) not amenable to hematopoietic stem cell transplantion. APO866 is a first-in-class specific inhibitor of nicotinamide phosphoribosyl transferase (NMPRT). APO866 exhibits broad antineoplastic activity in Apoxis' pre-clinical models of tumours, and is also in pre-clinical development in combination with chemotherapeutic compounds and with radiotherapy

Apoxis' oncology clinical development programmes

Project	Indication	Status	Next developmental milestone	Marketing rights	Therapy
APO866	Advanced melanoma	Phase II	Completion of PhII studies	Apoxis*	Monotherapy
	CTCL	Phase II	Completion of PhII studies	Apoxis*	Monotherapy
	Refractory B-CLL	Phase I/II	Completion of PhI/II studies	Apoxis*	Monotherapy
APO010	Advanced cancers	Phase I	Completion of Phase I studies	Apoxis	Monotherapy

** Astellas has retained a "buy-back" option, on terms to be agreed within certain stated limits after good faith negotiations, in all or selected indications. The option is to be exercised by Astellas within 3 months of it receiving full reports from Apoxis on both the CTCL and melanoma Phase II clinical trials. In addition, Astellas retains a "first right of negotiation" should Apoxis decide to out-license a Product for any indication at any time in the future.*

Non-oncology

- **APO200** is a therapeutic human recombinant protein generated using MegaLigand™ technology in late pre-clinical development for the treatment of XLHED, a rare human genetic disease characterised by a reduced ability to sweat and hypersensitivity to heat, aberrant dentition and hairlessness and dry skin. In February 2006, Apoxis received orphan designation for APO200 from the FDA and EMEA. TopoTarget currently intends to out-license or sell APO200
- The **Inflammasome** project focuses on a novel signaling pathway which may be relevant to certain anti-inflammatory products such as interleukin-1 modulators. Pre-clinical studies suggest that this pathway is important in the aetiology of gout and pseudogout, and that products that modulate the inflammasome pathway may represent a novel route to the treatment of these conditions. TopoTarget may require a partner to develop this project

Technology platform

Apoxis' MegaLigand™ technology couples the receptor-binding domain of members of the human TNF family with a protein backbone from another human protein to produce a hybrid fusion protein optimised for interaction with the appropriate surface receptor. The extracellular domain of the TNF family member directs the receptor specificity of the resulting MegaLigand™ product. The protein backbone is typically a dimer-promoting domain from another unmodified human protein; examples include the collagen binding domain of adiponectin or the fc domain of an immunoglobulin. Coupling naturally trimerising extracellular domains from TNF family members to a dimer promoting protein backbone produces a multimeric MegaLigand™ product designed to activate the targeted cell surface receptor. For example, the natural trimeric form of FasL is inactive, and is only rendered active by ligand clustering at the cell surface, a situation mimicked by the MegaLigand™ product, APO010. In the case of APO010, trimeric FasL domains are coupled to a dimer-promoting adiponectin-based backbone, which results in a hexameric FasL product. This hexameric configuration is believed to optimally interact and activate the Fas receptor target. The APO010 and APO200 products are both based on MegaLigand™ technology.

As of 1 April 2007 Apoxis had 29 employees with the following disciplines: Pharmacologists, biologists, physicians, research assistants, medical laboratory technicians and process development engineers.

TopoTarget following the acquisition of Apoxis

Following the acquisition, TopoTarget will run as one organisation with operational units in Denmark, UK, Germany, U.S. and Switzerland. Apoxis will continue as a wholly-owned subsidiary of TopoTarget, and will likely have its name changed to TopoTarget Switzerland SA.

Certain operational functions in Apoxis will be merged into TopoTarget with the aim of minimising overlapping structures and activities. TopoTarget intends to fully support the protein production group in Apoxis and will re-focus this group on research activities directed solely on oncology products. Similarly, TopoTarget intends to fully resource pre-clinical and clinical activities required for the development of APO010 and APO866. Key expertise will be retained in Apoxis although it is anticipated that experimental work relating to APO010 and APO866 will be transferred to TopoTarget's existing facilities.

The consolidated group will be managed by TopoTarget's existing Senior Management structure without any changes. Apoxis will be managed by a member of TopoTarget's Senior Management, with local support from a site manager.

Following the acquisition, TopoTarget will expand and strengthen its drug development pipeline, adding Phase I and Phase II stage oncology products from Apoxis to the existing TopoTarget portfolio:

Consolidated product and pipeline of clinical development programmes after the Acquisition

Drug Candidate	**Indication**	**Status**	**Next Development Milestone**
Oncology			
Savene™	Extravasation	Sales ongoing in Europe	Launch in further European countries
Totect™	Extravasation	Marketing application filed	Approval by the FDA
belinostat (PXD101) Intravenous	Haematological cancers and solid tumours (monotherapy)	PhII	Completion of PhII studies
	Haematological cancers and solid tumours (combination)	PhI and II	Completion of PhI and II studies
belinostat (PXD101) Oral	Solid tumours (monotherapy)	PhI	Completion of PhI study
Savicol™	Familial adenomatous polyposis	PhII	Completion of PhII studies
Baceca®	Basal cell carcinoma	PhII	Completion of PhII studies
APO866	Advanced melanoma (monotherapy)	PhII	Completion of PhII studies
	Cutaneous T-cell lymphoma (monotherapy)	PhII	Completion of PhII studies
	Refractory B-cell chronic lymphocytic leukemia (monotherapy)	PhI/II	Completion of PhI/II studies
APO010	Advanced cancers	PhI	Completion of PhI studies
Topotect	Brain metastases	PhI	Completion of PhI studies
Zemab®	Head & neck and breast cancer	PhI	Completion of PhI studies
Non-oncology			
Avugane™	Acne	PhII	Completion of PhII studies

With one marketed product and eight products in clinical development following the acquisition, TopoTarget believes that this pipeline provides a diversified, risk managed opportunity to advance new medicines for the treatment of cancer. In addition to supporting novel cancer therapies, the VPA franchise (Avugane™, Savicol™ and Baceca®) represents a re-profiling strategy to exploit a well characterised clinically relevant drug in several new indications.

Pharmaceutical products fall into two categories: small molecule chemistry based drugs and large protein based products. While the pharmaceutical industry has historically developed chemical molecules as drugs, more recently a significant number of protein based products, including antibodies and recombinant human proteins, have entered the market. The acquisition of Apoxis adds one protein based product (APO010) and one small molecule based product (APO866), both in clinical development, to TopoTarget's oncology pipeline. To date, TopoTarget has pre-dominantly developed small molecule based drugs such as Savene™ and belinostat, although the protein product Zemab® is also in early clinical development. The acquisition of Apoxis therefore strengthens both aspects of TopoTarget's pipeline.

Description of the conditional Share Purchase Agreement

The purchase price for the acquisition is payable in three separate tranches, the second and third of which are contingent upon the occurrence of certain specified events as further described below, and are as follows:

- EUR 14.5 million, payable in TopoTarget shares at completion of the expected offer of new shares in TopoTarget and calculated on the basis of the price per share as determined in connection with the share offering
- A potential milestone payment relating to APO866 clinical development milestones (see below)
- A potential milestone payable on future licensing or sale of Inflammasome (see below)

The APO866 milestone

TopoTarget will pay the sellers a milestone payment related to APO866 (in cash or, at TopoTarget's option, TopoTarget shares calculated at the share price on the day immediately following the day the APO866 milestone is achieved) if:

- APO866 meets certain specified clinical endpoints in a Phase II clinical trial in which case the milestone payable is EUR 10 million; or
- Astellas exercises its buy-back option granted pursuant to the agreement, dated 27 October 2005, between Astellas and Apoxis. In this case the value of the milestone shall be EUR 10 million plus fifty per cent of the amount in excess of EUR 10 million (the "Excess"), which is payable by, and received from, Astellas by way of upfront fee following the exercise of its buy-back option.

If TopoTarget has paid the EUR 10 million as described above and Astellas within 12 months exercises its buy-back option then TopoTarget is obliged to pay the sellers the Excess amount only. If Astellas exercises its option more than 12 months after TopoTarget has paid the EUR 10 million as described above no further APO866-related milestone is payable to the sellers.

The Inflammasome milestone

On the sale or license by TopoTarget/Apoxis of any rights in respect of, or any products derived from Inflammasome, TopoTarget will pay to the sellers 20 per cent of the value of all consideration received from such sale or license (less TopoTarget/Apoxis' costs of developing Inflammasome post acquisition, plus interest thereon calculated at the base rate of Danske Bank plus 1% compounded quarterly).

Other Provisions
Following completion of the acquisition, TopoTarget will be subject to diligence provisions in relation to the development of APO866 identical to those set out in the agreement with Astellas.

TopoTarget has undertaken to invest not less than EUR 600,000 in the development of Inflammasome during the 12 month period immediately following completion of the acquisition.

The agreement contains representations, warranties and indemnities by the shareholders of Apoxis in favour of TopoTarget, subject to certain limitations, which are conventional for a transaction of this nature.

The TopoTarget shares to be issued pursuant to the agreement will be subject to certain lock-up arrangements.

Outlook for 2007

At the time of the announcement of TopoTarget's 2006 results the company communicated its expectations of a loss before tax for 2007 in the range of DKK 200-220 million. The contemplated acquisition of Apoxis will increase the expected loss before tax for the full year 2007. As the acquisition of Apoxis is conditional on, inter alia, the completion of the expected coming offer of new shares, TopoTarget will await an update of its expectations for 2007 until more detailed information will be provided on the offer of new shares in TopoTarget.

Notice convening extraordinary general meeting

An extraordinary general meeting is expected to be convened as soon as possible with the aim of providing the board of directors of TopoTarget with the necessary authorisations to increase the share capital connected with the issuance of the consideration shares to Apoxis' shareholders and the issuance of shares in connection with the expected offering of new TopoTarget shares to raise additional capital.

Timetable

Both the completion of the acquisition of Apoxis and the completion of the contemplated offer of new TopoTarget shares are expected to take place before 30 June 2007.

Conference call

A telephone conference will be held today, 11 April 2007, at 11.00 CET at which Peter Buhl Jensen, CEO of TopoTarget, and Tim Corcoran, COO of TopoTarget, will present the acquisition of Apoxis and answer questions in a subsequent Q&A session.

The telephone number is 70 25 21 00 (outside Denmark +45 70 25 21 00).

A relevant PowerPoint presentation will be available at TopoTarget's website, www.topotarget.com (under "Investor and Media" > Presentations and Events), before the start of the conference call. However, the telephone conference and the related PowerPoint presentation will not be available to participants located in Australia, Canada, Hong Kong, Japan, South Africa or the USA.

A replay of the conference call will be available one hour after the conference call and until 17 April 2007 at 17.00 (CET) at the following number:
+353 1 436 4267, security code 892567#.

TopoTarget A/S

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Background information

About TopoTarget
TopoTarget (OMX – The Nordic Exchange: TOPO) is a biotech company, headquartered in Denmark and with subsidiaries in the UK, Germany and the USA, dedicated to finding ''Answers for Cancer'' and developing improved cancer therapies. TopoTarget is founded and run by clinical cancer specialists and combines years of hands-on clinical experience with in-depth understanding of the molecular mechanisms of cancer. Focus lies on highly predictive cancer models and key cancer enzyme regulators (mainly HDAC, mTOR, and topoisomerase II inhibitors) and a strong development foundation has been built. TopoTarget has a broad portfolio of small molecule preclinical drug candidates and seven drugs are in clinical development, including both novel anti-cancer therapeutics and new cancer indications for existing drugs. Savene™ is TopoTarget's first product on the market. In addition to organic growth, TopoTarget consistently looks for opportunities to strengthen and expand its activities through acquisitions and in-licensing. For more information, please refer to www.topotarget.com.

TopoTarget Safe Harbour 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 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 will not proceed as planned for technical, scientific or commercial reasons or due to patient enrolment issues or based on new information from nonclinical 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's history of incurring losses and the uncertainty of achieving profitability; TopoTarget's stage of development as a biopharmaceutical company; government regulation; patent infringement claims against TopoTarget's products, processes and technologies; the ability to protect TopoTarget'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.