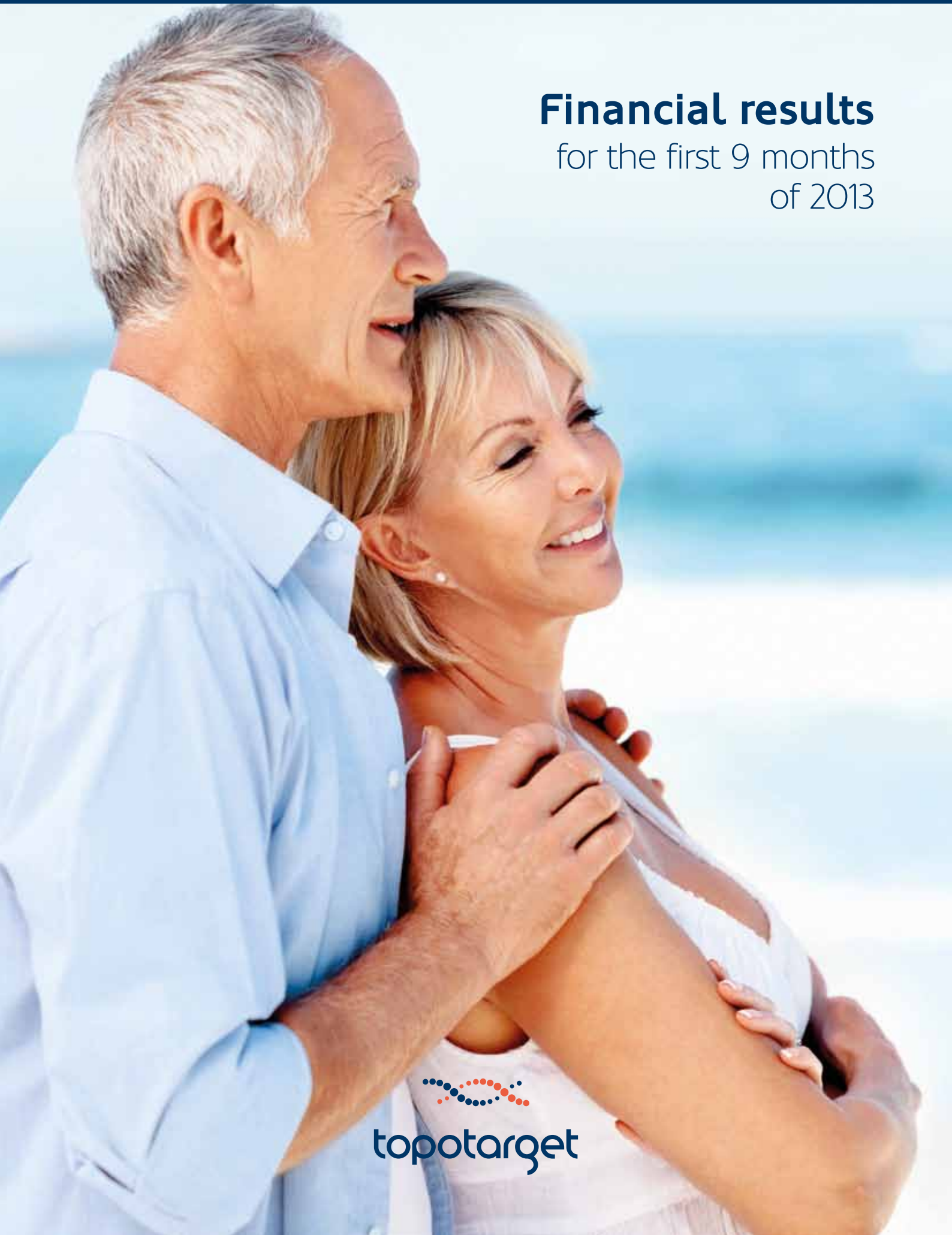

Financial results

for the first 9 months of 2013

topotarget

Highlights

Highlights from Q3 2013

- August 8, 2013: Spectrum Pharmaceuticals announced that the filing of the New Drug Application (NDA) for belinostat in peripheral T-cell lymphoma (PTCL) with the US Food and Drug Administration (FDA) is expected in Q4 2013
- August 28, 2013: The first patient was dosed in part one of the confirmatory BelCHOP (belinostat plus CHOP; please refer to page 5) study in PTCL, which is a prerequisite for the filing of the NDA with the FDA

Highlights after Q3 2013

- October 7, 2013: Topotarget and Spectrum Pharmaceuticals agreed on the terms for commercial supply of belinostat

NDA in Q4 2013

- The filing of an NDA with the FDA for belinostat in PTCL in the USA is still expected in Q4 2013

Highlights from the financial results for the period January 1 to September 30, 2013

- Topotarget recognized revenues of DKK 8.0 million during the period (DKK 3.4 million in the same period in 2012)
- The research and development costs were DKK 19.0 million during the period (DKK 38.0 million in the same period in 2012)
- The administrative expenses were DKK 13.9 million during the period (DKK 27.7 million in the same period in 2012)
- The net financials were a net loss of DKK 1.5 million during the period (net income of DKK 0.1 million in the same period in 2012)
- The net loss from continued operations before tax for the period was DKK 27.3 million (net loss of DKK 63.3 million for the same period in 2012)
- The Group's net cash and cash equivalents as of September 30, 2013 totaled DKK 40.9 million (DKK 41.5 million at year-end 2012)

Financial outlook

Topotarget has improved the company's financial outlook for the year, mainly due to a renegotiation of the agreement with Apricus Biosciences, Inc. which has provided Topotarget with USD 1.1 million in revenue. Please refer to page 4 for more information. Therefore, Topotarget now expects an estimated pre-tax loss in the range of DKK 40-45 million for the full-year financial result for 2013 (compared to the previous outlook which was a pre-tax loss of DKK 46-51 million). The expected net cash and cash equivalents will be around DKK 27-32 million at year-end 2013 (compared to the previously estimated DKK 22-27 million).

Financial Calendar 2014

Event	Date
Financial results for the full year 2013	January 30, 2014
Annual report 2013	March 27, 2014
Annual General Meeting 2014	April 24, 2014
Financial results for the first quarter of 2014	May 8, 2014
Financial results for the first half of 2014	August 14, 2014
Financial results for the first 9 months of 2014	November 6, 2014

Financial highlights

Financial highlights and ratios	9 months 2013	9 months 2012	Total 2012
DKK '000			
Revenues	7,950	3,391	2,395
Research and development costs	(19,033)	(38,038)	(46,522)
Administrative expenses	(13,882)	(27,689)	(34,706)
Operating loss	(25,822)	(63,398)	(80,210)
Net financials	(1,479)	123	(1,149)
Net loss from continued operations before tax	(27,301)	(63,275)	(81,359)
Net profit/(loss) from discontinued operations	-	-	99
Total comprehensive income for the period	(27,318)	(63,275)	(80,017)
Basic and diluted EPS continued operations	(0.20)	(0.48)	(0.60)
Fully diluted EPS continued operations	(0.19)	(0.48)	(0.60)
Basic and diluted EPS discontinued operations	(0.20)	(0.48)	(0.60)
Fully diluted EPS continued operations	(0.19)	(0.48)	(0.60)
Consolidated balance sheet			
Cash and cash equivalents	40,888	54,077	41,460
Equity	250,511	268,161	251,247
Total assets	273,208	294,382	278,936
Consolidated cash flow statement			
Cash flow from operating activities	(26,218)	(59,964)	(80,973)
Cash flow from investing activities	152	(261)	8,131
Cash flow from financing activities	25,494	-	-
Consolidated ratios			
Number of fully paid shares at the end of period	143,317,120	132,652,050	132,652,050
Average number of shares for the period	140,115,849	132,652,050	132,652,050
Assets/equity	1.1	1.1	1.1
Market price at the end of period	2.70	2.35	2.15
Net asset value per share	1.75	2.22	1.88
Average number of full-time employees	**13**	**25**	**23**

Management report

So far this year, we have dedicated large amounts of time and resources to the process of filing an NDA for belinostat in PTCL – a process which is continuing and progressing according to plan. The filing is still anticipated in Q4 2013 and the Topotarget team is working closely together with Spectrum Pharmaceuticals towards achieving this important milestone for belinostat and for the PTCL patients in desperate need of treatment.

> "We have our focus on the filing of the NDA for belinostat in PTCL and look forward to realizing this milestone in Q4 2013".
>
> CEO, Anders Vadsholt

Alongside the work with the NDA, the past quarter has brought three important goal achievements with it: 1. the dosing of the first patient in the BelCHOP study in PTCL, 2. the achievement of a Totect®-related milestone payment, and 3. a favorable commercial supply agreement with our partner Spectrum Pharmaceuticals.

BelCHOP

At the end of August, it was announced that the first patient had been dosed in part one of the BelCHOP study – a dose-finding study of belinostat in combination with CHOP (cyclophosphamide, hydroxydaunorubicin, oncovin, and prednisone) for the first-line treatment of patients with PTCL. The purpose of the study is to establish the recommended dose for a phase III study of belinostat in PTCL and hence we are excited to see the study moving forward as planned. Seeing that a phase III confirmatory study has been a precondition for other compounds seeking to get approved by the European Medicines Agency (EMA) for the treatment of PTCL, we are encouraged that the BelCHOP study may potentially end up paving the way for belinostat's market entry into Europe in this indication.

Totect® milestone

September was the month in which we renegotiated our agreement with Apricus Biosciences, Inc. regarding the milestone payments related to Totect®, cf. the Share Purchase Agreement entered into by Apricus Biosciences and Topotarget in 2011. The parties have agreed that Topotarget will immediately receive shares in Apricus Biosciences worth USD 1.1 million (DKK 6.1 million). At Topotarget, we are very pleased with this development and with the positive outcome of the renegotiation.

Commercial supply

Our third achievement of the quarter was the amendment to our license agreement with US partner Spectrum Pharmaceuticals regarding the commercial supply of belinostat. As announced on October 7, 2013, Spectrum Pharmaceuticals will carry the responsibility of the manufacture of belinostat for all territories for a 5-year period from the approval date of the NDA for belinostat in PTCL in the USA. We view this agreement as ideal due to the fact that we will be able to utilize Spectrum Pharmaceuticals' organizational strengths; they have the expertise and the man power to take on this responsibility. Additionally, the agreement is made for a 5-year period, at which point we will be able to reconsider our position at our sole discretion. This step truly underlines Topotarget's and Spectrum Pharmaceuticals' confidence in belinostat's potential as an important part of different cancer treatment regimens.

Looking forward

All in all, the third quarter of 2013 has brought progress and development for both Topotarget and belinostat. Now, we look forward to rewarding our shareholders for their patience and support – the road to this filing has at times been challenging, but we are now standing on the verge of achieving our goal and proving belinostat's potential. Large-scale milestones lie in the near-term future and we are excited to move ahead and further strengthen our company on the road to aiding patients struck by cancer.

Peripheral T-cell lymphoma

The filing of an NDA with the FDA for belinostat in PTCL is planned for Q4 2013. Belinostat has shown great potential in this cancer indication in the form of the BELIEF study on which the NDA filing will be based. Below you will find relevant information on the disease and on the study.

What is PTCL?

Peripheral T-cell lymphoma (PTCL) belongs to the category of malignant blood diseases. It is an aggressive type of cancer that stems from mature white blood cells called T-cells and natural killer cells. PTCL is classified as a type of non-Hodgkin lymphoma. PTCL is a result of T-cells developing and growing abnormally and becoming cancerous. What causes the development of PTCL is most often unknown. The disease represents about 10-15% of all non-Hodgkin lymphoma cases and has an existing high unmet medical need. Each year, there are approximately 15,500 new cases of PTCL in Europe, the USA, and Japan.

Belinostat and PTCL

At the end of 2008, Topotarget initiated the clinical CLN-19 study, which was simultaneously named the BELIEF study: **BEL**inostat **I**n patients with relapsed or r**E-F**ractory peripheral T-cell lymphoma. The study is a pivotal, multicenter, single-arm, open label study of belinostat in patients with relapsed or refractory PTCL.

129 patients were included in the BELIEF study from approximately 100 clinical sites around the world. The study completed recruitment in September 2011.

The BELIEF study included patients with lowered platelet counts of less than 100,000/µl whereas other studies in the indication included patients with platelet counts equal to or above 100,000/µl. As such, belinostat's lower level of hematological toxicity and lower level of adverse effects have made it possible to treat the subgroup of PTCL patients whose bone marrow reserve have been more affected by the disease.

What is non-Hodgkin lymphoma?

There are two overall types of lymphomas: Hodgkin lymphoma (also known as i.a. Hodgkin's disease) and non-Hodgkin lymphoma. Non-Hodgkin lymphoma is a cancer which originates from cells called lymphocytes. Lymphocytes are part of the body's immune system and are found in the lymph nodes and other lymphoid tissues – for instance in bone marrow or the spleen. Most cells in the lymphoid tissue are lymphocytes which are a type of white blood cells; B-cells and T-cells are the main types, but with different tasks in the immune system. B-cells help protect the body against germs by making antibodies. T-cells are more differentiated and can both destroy cells infected with virus etc., attract other types of white blood cells to digest infected cells, and boost or slow the activity of other immune system cells. Both cell types can develop into lymphoma cells.

In 2009, belinostat for the treatment of PTCL was granted orphan drug designation by the FDA. The regulation on orphan medicinal products is intended to encourage the development of drugs that may provide a significant benefit to patients suffering from rare and life-threatening or chronic debilitating conditions for which there are no effective therapies available. The designation thus offers 7 years' market exclusivity upon market approval as well as both financial and regulatory benefits.

In 2010, Topotarget and Spectrum Pharmaceuticals entered into a partnership and Topotarget outlicensed the North American and Indian rights for belinostat to Spectrum Pharmaceuticals. Concurrent to this partnership agreement, Spectrum Pharmaceuticals took over the sponsorship of the BELIEF study.

Top-line data from the BELIEF study shows an objective response rate (ORR) of 26% in all PTCL patients, 28% in the patients with platelet counts above 100,000/µl, and 45.5% in the patients with the PTCL subtype angioimmunoblastic T-cell lymphoma (AITL). Safety data from the study shows a favorable safety profile of belinostat when compared to the approved treatments for patients with PTCL and it was emphasized that combining belinostat with cytotoxic regimens is feasible. Belinostat appears to have lower myelosuppression and even patients with a poor bone marrow reserve tolerated belinostat.

BelCHOP

With the BelCHOP study, we enter into the last phase of studies needed for the NDA submission for belinostat in PTCL. An agreement has been made with the FDA that belinostat may be able to receive conditional approval and market authori-

What are platelets?

Platelets are unregularly-shaped, colorless bodies present in your blood. When you bleed, the platelets form clots in order to help stop the bleeding. In short: If you have a low platelet count, you may risk bleeding more easily, and even serious bleeds may occur; if you have a high level of platelets, though, you may risk having a stroke as the clot may end up blocking the flow of blood and thereby may end up cutting off your oxygen supply.

zation on the basis of the phase II study (BELIEF) – hence facilitating a smoother and quicker way to the patients in need. The condition is that the BelCHOP study is initiated prior to filing and that a confirmatory phase III study is conducted subsequently. The BelCHOP study is a dose-finding study of belinostat in combination with CHOP (cyclophosphamide, hydroxydaunorubicin, oncovin, and prednisone). The aim of the dose-finding study is to determine which dose of the belinostat and CHOP combination can be administered for first-line treatment of PTCL patients. As such, the study is a precondition for conducting a phase III confirmatory study with belinostat in PTCL. On August 28, 2013, the first patient was dosed in part one of the BelCHOP study and the study is expected to recruit up to 28 patients.

BELIEF

The results from the BELIEF study undoubtedly suggest that belinostat has the potential to fulfill an unmet medical need, even for difficult-to-treat PTCL patients, and therefore the results reinforce the potential for belinostat to become a meaningful addition to the treatment landscape for PTCL.

Events in Q3 2013

Filing of NDA in Q4 2013
In August 2013, Spectrum Pharmaceuticals announced that the filing of the NDA with the FDA for belinostat in PTCL is expected to take place in Q4 2013. A pre-NDA meeting has taken place at which the FDA was very specific as to what kind of information and which data format should be included in the NDA. The pre-NDA meeting was requested as it is essential for Topotarget and Spectrum Pharmaceuticals to submit an NDA of high quality. Both companies have therefore been in continuous dialogue with the FDA in order to align expectations and demands and are now cooperating in order to facilitate the process as diligently as possible. At this point, the NDA is being fine-tuned in order to ensure a smooth way forward. The new filing timeline changed Topotarget's financial outlook for the year due to the delay in related milestone payments. Topotarget expects to receive 1 million shares in Spectrum Pharmaceuticals and a USD 10 million milestone upon acceptance to file in Q1 2014 and a milestone cash payment of USD 25 million upon a potential approval during H2 2014.

First patient dosed in BelCHOP study
On August 28, 2013 it was announced that the first patient had been dosed in the dose-finding study of belinostat in combination with CHOP for the treatment of PTCL. The study with BelCHOP is designed to determine what dose of belinostat combined with CHOP can be safely administered together for first-line treatment of patients with PTCL. The purpose is furthermore to establish the recommended dose for a phase III confirmatory study in the indication. The BelCHOP study is a precondition for a phase III confirmatory study with belinostat in PTCL. The BelCHOP study is expected to recruit up to 28 patients. This study followed by the phase III study could potentially pave the way for getting belinostat on the European market as this study type has often proven to be a prerequisite from EMA for other compounds trying to enter Europe within similar indications. Topotarget plans to seek scientific advice with EMA on this matter.

Events after Q3 2013

Commercial supply of belinostat
On October 7, 2013, Topotarget and Spectrum Pharmaceuticals announced an amendment to the companies' existing License Agreement. Pursuant to the amendment, Spectrum Pharmaceuticals will carry the responsibility for the commercial manufacture of belinostat for a 5-year period with the possibility of renewal. The amendment entails a shift from Topotarget to Spectrum Pharmaceuticals in the area of world-wide clinical, commercial, and Named Patient product supply. Spectrum Pharmaceuticals' organizational strengths and qualities (including company size, number of projects, area-specific experience, and in-house competencies) will benefit belinostat's supply chain and truly underline Topotarget's and Spectrum Pharmaceuticals' confidence in belinostat's potential as a near-term anti-cancer treatment for patients with PTCL.

Pipeline update

BELINOSTAT KEY CLINICAL STUDIES (TOPOTARGET OR SPECTRUM PHARMACEUTICALS)

Indication	Study	Sponsor	Phase I	Phase II	Randomized phase II or pivotal	Target #	Enrollment status	Milestone	Time frame
PTCL	BELIEF (CLN-19)	SPPI*)	→	→	→	100	Completed	NDA filing	Q4 2013
PTCL	BelCHOP SPI-Bel-12-104	SPPI	→			28	Recruiting	Maximum tolerated dose	Q4 2014
NSCLC	SPI-1014-Bel	SPPI	→			35	Completed	Recruitment completed	n/a
Solid + STS	CLN-14	TT**)	→	→		55	Phase II, stage I completed	Results phase II, stage I	Q4 2013
Mass balance study	SPI-12-103	SPPI	→			6	Recruiting	Recruitment completed	Q2 2014

*) Spectrum Pharmaceuticals
**)Topotarget

Peripheral T-cell lymphoma (PTCL) – BELIEF (CLN-19)
The pivotal study of belinostat for the treatment of relapsed or refractory PTCL was closed for recruitment in September 2011 after the inclusion of 129 patients. Final top-line data presented at ASCO 2013 showed an ORR of 26% in all PTCL patients, 28% in PTCL patients with platelet counts above 100,000/µL, and 45.5% in patients with the PTCL subtype AITL. Safety data presented at the T-Cell Lymphoma Forum on January 24-26, 2013 showed a favorable safety profile of belinostat when compared to the approved treatments for patients with PTCL and it was emphasized that combining belinostat with cytotoxic regimens is feasible. Belinostat appears to have low myelosuppression and even patients with a poor bone marrow reserve tolerated belinostat.

An NDA submission to the FDA is expected to be filed by Spectrum Pharmaceuticals in Q4 2013.

BelCHOP - SPI-Bel-12-104
The study with BelCHOP (belinostat plus cyclophosphamide, hydroxydaunorubicin, oncovin, and prednisone) is designed to determine what dose of belinostat combined with CHOP can be safely administered together for first-line treatment of patients with PTCL. The purpose is furthermore to establish the recommended dose for a phase III confirmatory study in the indication. The BelCHOP study is a precondition for a phase III confirmatory study with belinostat in PTCL and the first patient was dosed in August 2013. The BelCHOP study is expected to recruit up to 28 patients.

Soft tissue sarcoma (STS) – CLN-14
After the maximum tolerated dose of belinostat in combination with doxorubicin was established in patients with solid tumors, an expansion cohort was initiated in patients with STS. The expansion cohort was planned in two stages, with 20 patients to be included in the first stage and 20 patients in the second phase. Initial results were promising (met the protocol criteria) and were presented in a company announcement in October 2012. Based on the current data, Topotarget will explore potential opportunities within the indication.

Non-small cell lung cancer (NSCLC) – SPI-1014
This is a phase I/II maximum tolerated dose study of belinostat in combination with carboplatin plus paclitaxel (BelCaP) in chemotherapy-naïve patients with stage IV NSCLC. The study was initiated in March 2011 and all patients have been enrolled for the phase I part of the study. Topotarget and Spectrum Pharmaceuticals are co-sponsors and Spectrum Pharmaceuticals is overlooking the US-based study.

Mass balance study - SPI-12-103
This is a phase I study for the evaluation of excretion (mass balance) and pharmacokinetics of ^{14}C labeled belinostat in patients with recurrent or progressive malignancy. It is a supportive study for further understanding of belinostat's metabolism and excretion. The study is now initiated and is planned to enroll six evaluable patients. Recruitment is expected to be completed in Q2 2014.

NCI-sponsored studies
The National Cancer Institute (NCI) is a prestigious and world-leading oncology research association sponsoring a vast number of studies in oncology and malignant hematological diseases. Topotarget and Spectrum Pharmaceuticals are in collaboration with the NCI studying belinostat and investigating treatment options in several indications with a high unmet medical need. These studies are conducted in support of the development program sponsored by Topotarget and Spectrum Pharmaceuticals. The NCI sponsors and conducts the studies under their auspices and therefore the timelines and communication/publication given are under the control of the NCI.

NCI-SPONSORED STUDIES IN COLLABORATION WITH TOPOTARGET AND SPECTRUM PHARMACEUTICALS

Study	Initiated
Belinostat for Solid Tumors and Lymphomas in Patients with Varying Degrees of Hepatic Dysfunction	Q4 2010
A Phase I Study of Belinostat in Combination With Cisplatin and Etoposide in Adults with Small Cell Lung Carcinoma	Q2 2009

Please note that the NCI is responsible for any communication relating to the above studies

Financial review

The financial report for Q3 2013 comprises the parent company Topotarget A/S and the three wholly-owned subsidiaries Topotarget UK Ltd, Topotarget Germany AG, and Topotarget Switzerland S.A. (the Group).

Unless otherwise stated, the financial review is based on the Group's consolidated financial information for the period January 1 to September 30, 2013 with comparative figures for the Group for the same period in 2012.

Income statement
The total comprehensive income for the period was a net loss of DKK 27.3 million (a net loss of DKK 63.3 million for the same period in 2012).

Revenues
Topotarget recognized revenues of DKK 8.0 million during the period (DKK 3.4 million in the same period in 2012). Revenues are composed of income as per our collaboration agreement with Spectrum Pharmaceuticals and the renegotiated agreement with Apricus Biosciences.

Costs
Production costs, which amounted to DKK 0.9 million (DKK 1.1 million in the same period in 2012), include Topotarget personnel costs related to the Spectrum Pharmaceuticals collaboration agreement.

Research and development costs were DKK 19.0 million (DKK 38.0 million in the same period in 2012). The reduction in costs by DKK 19.0 million, or 50%, is primarily due to the transformative steps made to ensure a cost-effective organization, the continued focus on belinostat, and the near completion of most clinical projects.

Administrative expenses amounted to DKK 13.9 million (DKK 27.7 million in the same period in 2012). The decrease in costs by DKK 13.8 million, or 50%, is primarily due to the steps taken to obtain a cost-effective organization, including the reduced number of employees (in general) and executive management compared to the same period last year, as well as the continued focus on cost control.

Net financials
The net financials showed a net expense of DKK 1.5 million (DKK 0.1 million net income in the same period in 2012). The financial expense is mainly due to exchange rate fluctuations in foreign currencies.

Balance sheet
The balance sheet amounted to DKK 273.2 million in total assets as of September 30, 2013 (DKK 278.9 million at year-end 2012).

The Group's net cash and cash equivalents as of September 30, 2013 totaled DKK 40.9 million (DKK 41.5 million at year-end 2012) and the equity amounted to DKK 250.5 million (DKK 251.2 million at year-end 2012).

Statement by the board of directors and executive management

The board of directors and executive management today discussed and adopted the interim report for Topotarget A/S for the period January 1 to September 30, 2013.

The interim report is presented in accordance with International Accounting Standards, IAS 34, as adopted by the EU and additional Danish disclosure requirements for presentation of interim reports of listed companies.

The interim report is not audited or reviewed.

In our opinion, we consider the applied accounting policies used to be appropriate and adequate for the interim report. Furthermore, the interim report in our opinion gives a true and fair view of the Group's assets, liabilities, and financial position at September 30, 2013 and of the results of the Group's operations and cash flow for the period January 1 to September 30, 2013. We also believe that the management commentary contains a fair view of the development in the Group's financial position as a whole together with a description of the principal risks and uncertainties that they face.

Copenhagen, November 7, 2013

Executive management

Anders Vadsholt
CEO

Board of directors

Bo Jesper Hansen
Chairman

Anker Lundemose

Gisela Schwab

Ingelise Saunders

Jeffrey H. Buchalter

Karsten Witt

Per Samuelsson

Consolidated statement of comprehensive income for the period

	Q3 2013	Q3 2012	9 months 2013	9 months 2012	Total 2012
DKK '000					
Revenues	7,137	1,152	7,950	3,391	2,395
Production costs	(269)	(381)	(857)	(1,062)	(1,377)
Research and development costs	(5,595)	(12,172)	(19,033)	(38,038)	(46,522)
Administrative expenses	(4,713)	(9,974)	(13,882)	(27,689)	(34,706)
Operating loss	**(3,440)**	**(21,375)**	**(25,822)**	**(63,398)**	**(80,210)**
Financial income and expenses	(840)	(610)	(1,479)	123	(1,149)
Net loss from continued operations before tax	**(4,280)**	**(21,985)**	**(27,301)**	**(63,275)**	**(81,359)**
Tax on profit for the period	(7)	-	(17)	-	1,243
Net loss from continued operations	**(4,287)**	**(21,985)**	**(27,318)**	**(63,275)**	**(80,116)**
Net profit/(loss) from discontinued operations	261	-	-	-	99
Total comprehensive income for the period	**(4,026)**	**(21,985)**	**(27,318)**	**(63,275)**	**(80,017)**
Total comprehensive income attribuable to:					
Owners of the company	(4,026)	(21,985)	(27,318)	(63,275)	(80,017)
Non-controlling interests	-	-	-	-	-
Total comprehensive income for the period	**(4,026)**	**(21,985)**	**(27,318)**	**(63,275)**	**(80,017)**
Basic and diluted EPS continued operations	(0.03)	(0.17)	(0.20)	(0.48)	(0.60)
Fully diluted EPS continued operations	(0.03)	(0.17)	(0.19)	(0.48)	(0.60)
Basic and diluted EPS continued and discontinued operations	(0.03)	(0.17)	(0.20)	(0.48)	(0.60)
Fully diluted EPS continued and discontinued operations	(0.03)	(0.17)	(0.19)	(0.48)	(0.60)
Average number of employees	**13**	**23**	**13**	**25**	**23**

Condensed balance sheet

DKK '000	Sep 30, 2013	Sep 30, 2012	Total 2012
Assets			
Intangible assets	228,282	228,902	228,902
Tangible assets	1,020	3,273	2,655
Non-current investments	359	507	501
Non-current assets	**229,661**	**232,682**	**232,058**
Receivables	2,659	7,623	5,418
Cash and cash equivalents	40,888	54,077	41,460
Current assets	**43,547**	**61,700**	**46,878**
Assets	**273,208**	**294,382**	**278,936**
Equity and liabilities			
Equity	**250,511**	**268,161**	**251,247**
Non-current liabilities	3,423	3,131	3,212
Current liabilities	19,274	23,090	24,477
Liabilities	**22,697**	**26,221**	**27,689**
Equity and liabilities	**273,208**	**294,382**	**278,936**

Condensed cash flow statement

DKK '000	Sep 30, 2013	Sep 30, 2012	Total 2012
Operating loss	(25,822)	(63,398)	(80,210)
Operating profit from discontinued operations	-	-	99
Reversal of share-based payments	1,088	707	535
Depreciation, amortization, and impairment losses	1,626	2,032	2,646
Working capital changes	(2,444)	(832)	(6,040)
Cash flow from operating activities before interest	**(25,552)**	**(61,491)**	**(82,970)**
Received and paid interest etc.	(666)	1,527	2,004
Refunded income taxes	-	-	(7)
Cash flow from operating activities	**(26,218)**	**(59,964)**	**(80,973)**
Purchase of tangible assets	-	(344)	(344)
Sale of tangible assets	10	83	118
Sale of investments	142	-	107
Sale of securities	-	-	8,250
Cash flow from investing activities	**152**	**(261)**	**8,131**
Proceeds from issuance of shares	25,494	-	-
Cash flow from financing activities	**25,494**	**-**	**-**
Increase/decrease in cash and cash equivalents	(572)	(60,225)	(72,842)
Cash and cash equivalents at January 1	41,460	114,302	114,302
Cash and cash equivalents at September 30	**40,888**	**54,077**	**41,460**
Total cash and cash equivalents at September 30	**40,888**	**54,077**	**41,460**

Consolidated statement of changes in equity for the period January 1 to September 30, 2013

	Number of shares	Share capital	Share preminum account	Retained earnings	Total
		DKK '000	DKK '000	DKK '000	DKK '000
Equity at January 1, 2013	**132,652,050**	**132,652**	**33,849**	**84,746**	**251,247**
Net loss for the period	-	-	-	(27,318)	(27,318)
Total comprehensive income for the period	**-**	**-**	**-**	**(27,318)**	**(27,318)**
Recognition of share-based payment	-	-	1,088	-	1,088
Reversal of expired warrants	-	-	(673)	673	-
Issuance of shares	10,642,570	10,643	-	15,857	26,500
Costs related to capital increases	-	-	-	(1,051)	(1,051)
Share capital increase through warrant exercise	22,500	22	-	23	45
Equity at September 30, 2013	**143,317,120**	**143,317**	**34,264**	**72,930**	**250,511**

The share capital is an undistributable reserve, while the other reserves are distributable for dividend purposes subject to the provisions of the Danish Public Companies Act.

Consolidated statement of changes in equity for the period January 1 to September 30, 2012:

Equity at January 1, 2012	**132,652,050**	**132,652**	**34,743**	**163,334**	**330,729**
Net loss for the period	-	-	-	(63,275)	(63,275)
Total comprehensive income for the period	**-**	**-**	**-**	**(63,275)**	**(63,275)**
Recognition of share-based payment	-	-	707	-	707
Reversal of expired warrants	-	-	-	-	-
Issuance of shares	-	-	-	-	-
Costs related to capital increases	-	-	-	-	-
Share capital increase through warrant exercise	-	-	-	-	-
Equity at September 30, 2012	**132,652,050**	**132,652**	**35,450**	**100,059**	**268,161**

The share capital is an undistributable reserve, while the other reserves are distributable for dividend purposes subject to the provisions of the Danish Public Companies Act.

Note 1

Accounting policies

The interim report for the first 9 months of 2013 has been prepared in accordance with IAS 34 "Interim Financial Reporting" as approved by the EU and the additional Danish disclosure requirements for interim reports of listed companies. Apart from the effect of new IAS/IFRS implemented in the period, the interim report follows the same accounting policies as the financial statements for 2012. Please refer to notes 1, 2, and 29 in the financial statements for 2012 for a complete description of the Group's accounting policies.

New IAS/IFRS standards and interpretations implemented in the period

No new standards or interpretations with effect on the result or equity have been implemented in the first 9 months of 2013. For further information on IAS/IFRS standards and interpretations which will be implemented in 2013 or later please refer to note 1 in the financial statements for 2012. To date, no new IAS/IFRS standards or interpretations which have been assessed as being relevant to Topotarget at current have been released in 2013.

Management's significant accounting assumptions and estimates

The interim report is presented in Danish kroner (DKK), which is the parent company's functional currency.

Going concern
Topotarget has prepared its financial statement on a going concern basis including the expected milestone payments from Spectrum Pharmaceuticals in Q1 2014 and H2 2014.

A natural uncertainty is attached to the company's budget and thus the future capital resources. Topotarget's management is monitoring the capital resources on a continuous basis and is prepared to initiate further measures if necessary.

Revenue recognition
Revenue is recognized when it is probable that future economic benefits will flow to the company and such economic benefits can be measured reliably. In addition, recognition requires that all significant risks and rewards of ownership of the rights or services included in the transaction have been transferred to the buyer. Income from agreements with multiple components and where the individual components cannot be separated is recognized over the period of the agreement. In addition, recognition requires that all significant risks and rewards of ownership of the goods or services included in the transaction have been transferred to the buyer. If all risks and returns have not been transferred, revenue is recognized as deferred income until all components of the transaction have been completed.

Financial liabilities
Included in the non-current liabilities and the current liabilities is a potential payment of USD 3.0 million to Celldex Therapeutics (formerly CuraGen; CuraGen was acquired by Celldex Therapeutics in 2009) in relation to the purchase of the full belinostat rights in April 2008.

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