



## Company announcement

27 February 2015

### NeuroSearch A/S releasing Annual Report 2014

In 2014, the NeuroSearch Group (NEUR) posted an operating loss on continuing operations of DKK 13 million (2013: 10 million), which was on a level with the Company's previously announced expectations of an operating loss of DKK 15 million.

The realised loss includes DKK 5 million, which represents the fine NeuroSearch was ordered to pay by the City Court of Copenhagen on 8 August 2014 for violating the rules on share price manipulation of the Danish Securities Trading Act (see company announcement no. # 10-14). NeuroSearch has decided to make a provision for the amount in the financial statements for 2014. NeuroSearch has appealed the decision of the City Court to the Eastern High Court, and the case has been scheduled for hearing in late September 2015. The fine is going to be paid only if the judgment is upheld by the Eastern High Court.

The Company posted a profit of DKK 2 million on discontinued operations (2013: DKK 16 million). The income in 2014 was payments regarding some of the agreements made in 2011 and 2012 regarding the wind down of the research division NsDiscovery. A number of projects were at that time agreed transferred to spin-offs in the hope they would generate future income from there.

NeuroSearch posted a loss after tax on continuing operations of DKK 9 million (2013: DKK 3 million).

Consolidated profit was a loss of DKK 8 million (2013: a profit of DKK 12 million).

At the end of 2014, cash and cash equivalents totalled DKK 83 million (2013: DKK 89 million).

For a complete description of performance in the 2014 financial year, we refer to the Annual Report 2014 of NeuroSearch accompanying this announcement, and which is also available on our website as from today.

After signing the agreement with Saniona ApS in October 2014 (see company announcement no. # 13-14) regarding the transfer of our rights to the two development candidates NS2359 and NS2330 (tesofensine) our patent portfolio contains only the two dopidines (both of which are related to the compound Huntexil<sup>®</sup> which was sold in 2012 and is now being developed by Teva Pharmaceuticals), namely

- Seridopidine (completed Phase I)
- Ordopidine (completed Phase I)

both of which have potential to be developed for the treatment of CNS disorders. NeuroSearch will seek to divest the two compounds "as is" as we are not in a position to handle the further clinical development of the compounds.

### Outlook for 2015

In 2015, NeuroSearch expects an operating loss in the range of DKK 7-9 million. The outlook does not include any income from the possible sale of Company assets, potential income from the Company's agreements with Teva, Saniona or others, and neither does the outlook take into account a potential reversal of the provision of DKK 5 million made to cover the fine the Company has been ordered to pay.

NeuroSearch will provide an update of its outlook on 15 April 2015 when the Annual General Meeting will be held.

Karin Garre  
Chairman

Allan Andersen  
CEO

### Contact

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### About NeuroSearch

NeuroSearch A/S (NEUR) is listed on NASDAQ Copenhagen A/S.



## APPENDIX

### Financial highlights for the NeuroSearch Group

(DKK millions)	2010	2011	2012	2013	2014
<b>Income statement and comprehensive income</b>					
Gain from divestment of intellectual property	-	-	120.7	28.8	-
Research costs	-	-	-	-	-
Development costs	144.4	259.1	457.2	21.7	-
General and administrative costs	23.2	123.4	(46.7)	16.7	13.3
Operating profit/(loss)	(167.6)	(382.5)	(289.8)	(9.6)	(13.3)
Net financials	21.8	33.5	(37.2)	5.1	2.7
Profit/(loss) of continuing operations before tax	(145.8)	(349.1)	(327.1)	(4.5)	(10.6)
Net profit/(loss) of discontinued operations	(160.4)	(329.3)	57.4	15.6	1.6
<b>Profit/(loss) for the period</b>	<b>(259.0)</b>	<b>(678.4)</b>	<b>(275.6)</b>	<b>12.4</b>	<b>(7.7)</b>
Comprehensive income**	(216.7)	(694.8)	(243.5)	6.6	(10.2)
<b>Balance sheet</b>					
Total assets	1,391.5	840.8	207.5	92.2	84.0
Cash and cash equivalents and securities	480.6	220.6	81.4	88.8	83.4
Equity	994.1	320.6	81.1	88.0	77.7
<b>Investments</b>					
Investments in property, plant and equipment	10.8	3.6	-	-	-
<b>Per share ratios* (DKK)</b>					
Earnings per share	(10.56)	(27.63)	(11.22)	0.50	(0.32)
Diluted earnings per share	(10.56)	(27.63)	(11.22)	0.50	(0.32)
Net asset value	40.49	13.06	3.30	3.58	3.17
Market price at year-end	95.0	17.7	3.74	3.10	2.59
Market price/net asset value	2.35	1.36	1.13	0.87	0.82
<b>Average number of employees</b>					
Average number of employees	235	222	88	18	2
Number of employees at 31 December	243	189	29	2	2

\* The ratios are stated in accordance with "Recommendations and Financial Ratios" issued by the Danish Society of Financial Analysts.

\*\* Comprehensive income includes unrealised currency translation adjustment and fair value adjustment of the hedge of the net investment in NeuroSearch Sweden AB.