



Announcement

19 November 2015

NeuroSearch A/S – Status announcement for the period 1 January to 30 September 2015

The NeuroSearch Group (NEUR) posted an operating loss of DKK 5 million (Q3 2014: a loss of DKK 11 million) and a loss after tax of DKK 4 million (Q3: 2014: a loss of DKK 6 million). At 30 September 2015, cash and cash equivalents totalled DKK 80 million (30 September 2014: DKK 83 million).

Update on the company's activities

- On 14 October 2015 NeuroSearch was convicted by the Eastern Division of the Danish High Court in an action brought by the Danish State Prosecutor for Serious Economic and International Crime claiming that NeuroSearch was guilty of market manipulation contrary to the rules of the Danish Securities Trading Act. The company was ordered to pay a fine of DKK 5 million.
- On 28 October 2015 NeuroSearch filed an application with the Danish Appeals Permission Board seeking permission to appeal the Eastern Division of the Danish High Court's judgment of 14 October 2015 to the Danish Supreme Court. A permission from Appeals Permission Board to allow the appeals is required because the case has been tried in two instances already.

The board of directors intends, in parallel with the review of the application submitted to the Appeals Permission Board and – assuming that the appeal to the Supreme Court will be permitted – the supreme Court's review of the case, to seek to expedite a potential disposal or sale of the company or its assets, in order to mitigate as much as possible the consequences of the delay that a review of the case by the Supreme Court will entail.

Update on the company's assets

The company is seeking a controlled winding up of its remaining assets, while concurrently being open to a possible merger or similar solution.

Only two clinical projects are left in the portfolio – NeuroSearch is no longer actively developing the two compounds but is exploring the possibilities of divesting them:

- Seridopidine for the treatment of CNS disorders (completed Phase I)
- Ordopidine for the treatment of CNS disorders (completed Phase I)

Moreover, the company has investments in:

- NsGene: 26.8%
- Atonomics: 5.2%

Licence agreements:

- Potential milestone payments from Teva Pharmaceuticals of up to DKK 55 million relating to the development of Huntexil®
- Potential milestone payments and royalties from Saniona

The value of the assets listed above is subject to substantial uncertainty as no established market exists for such assets.

In addition, NeuroSearch calculated the value of its unrecognised tax losses carried forward as of 31 December 2014 to be approximately DKK 2.0 billion, and the company also has deductible timing differences of approximately DKK 0.2 billion, bringing the company's tax assets to a total of DKK 2.2 billion. The tax assets are not recognised, but under certain conditions, a potential buyer of NeuroSearch may be able to utilise all or part of the unrecognised tax assets.



Outlook for 2015

In 2015, NeuroSearch expects an operating loss in the range of DKK 7-9 million.

The outlook includes neither income from a potential sale of one or more company assets, nor potential income from the company's agreements with Teva, Saniona or others. The provision of DKK 5 million made in 2014 to cover the fine the company was ordered to pay by the Copenhagen City Court and now by Eastern Division of the Danish High Court, is maintained.

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About NeuroSearch

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

