[*English translation of French "Document E"*]

A French *société anonyme* (limited liability company) with a share capital of Euros 5,170,748
Registered office: 49, boulevard du général Martial Valin – 75015 Paris, France
Identification: Registry of Trade and Companies of Paris under number 410 910 095

Document E made available to the public in connection with the proposed cross-border merger of Topotarget A/S ("Topotarget") into BioAlliance Pharma SA ("BioAlliance Pharma") (the "Merger") and in connection with the listing of the BioAlliance Pharma ordinary shares, including the ordinary shares to be issued in the context of the Merger (the "New Ordinary Shares").

In accordance with its General Regulation (*Règlement Général*), in particular article 212-34, the *Autorité des Marchés Financiers* (the "**AMF**") registered the French version of the present document under number E.14-034 on 26 May 2014. This document has been prepared by the issuer under the responsibility of the persons signing it.

The registration number has been granted, in accordance with article L. 621-8-1-I of the French Monetary and Financial Code (*Code Monétaire et Financier*), after the AMF verified that the document is complete and clear and whether the information it contains is coherent. It does not imply that the AMF approves the transaction or that it has verified the accounting and financial information set forth therein.

It certifies that the information provided for in this document is consistent with the regulatory requirements for the later admission to trading on the regulated market of Euronext in Paris of the New Ordinary Shares that, subject to the approval by the general meetings of the shareholders, will be issued as consideration for the contributed assets.

The present Document E is a schedule to the report of the board of directors of the company BioAlliance Pharma, which will be presented to the general meeting of the shareholders of BioAlliance Pharma on 30 June 2014

This document (Document E) (the "**Document**" or "**Document E**") incorporates by reference the registration document (*Document de Référence*) of BioAlliance Pharma filed with the AMF on 7 April 2014 under n° D.14-0303 (the "**Registration Document**").

This Document E is available free of charge to shareholders at the registered office of BioAlliance and Topotarget as well as on their respective website (www.bioalliancepharma.com and www.Topotarget.com) and on the website of the AMF (www.amf-france.org).

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[*English translation of French "Document E"*]

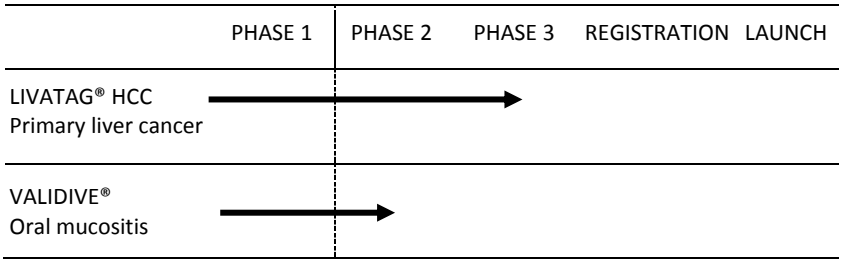
1. SUMMARY OF « DOCUMENT E »

This summary of the main terms and conditions of the Merger is made up of a series of key information known as "**Elements**". These Elements are numbered in Sections A to F (A.1 - F.7). This summary contains notably the information, which must be included in a summary for an admission prospectus for shares, in accordance with the Commission Regulation (CE) n° 809-2004 and the Commission Delegated Regulation (EU) n° 486-2012. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Although an Element may be required to be inserted in the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the summary with the mention of "not applicable".

Note: Topotarget's annual accounts for the year ending 31 December 2013 have been converted at the applicable EUR/DKK end-of-year exchange rate for the balance sheet, i.e. EUR 1 = DKK 7.4603 and DKK 1 = € 0.1340, and at the applicable EUR/DKK average annual exchange rate for the income statement, i.e. EUR 1 = DKK 7.4577 and DKK 1 = € 0.1341.

Section A – Introduction and Warnings		
A.1	**Warning to investors**	*This summary should be read as an introduction to the Document E.* *Any decision to invest in the securities which are the subject of the merger described herein should be based on consideration of the Document E as a whole by the investor.* *Where a claim relating to the information contained in the Document E is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Document E before the legal proceedings are initiated.* *Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Document E or if it does not provide, when read together with the other parts of the Document E, key information in order to help investors when considering whether to invest in the securities which are the subject of the transaction.*

Section B – Transferee company (BioAlliance Pharma S.A.)		
B.1	**Legal and commercial name**	BioAlliance Pharma conducts business under the name "BioAlliance Pharma" and does not have any ancillary names.
B.2	**Domicile, legal form, country of incorporation, share capital and listing**	BioAlliance Pharma is a *société anonyme à conseil d'administration* (a French limited liability company with a board of directors) governed by the laws of France and registered with the Companies Registry of Paris under registration number 410 910 095. BioAlliance Pharma has its registered office located at 49 boulevard du

Section B – Transferee company (BioAlliance Pharma S.A.)		
		Général Martial Valin, 75015 Paris, France. Following completion of the Merger, BioAlliance Pharma (as the continuing company) will continue to have its registered office located at this address. The share capital of BioAlliance Pharma consists of 20,682,992 ordinary shares of each € 0.25 fully paid in, all from the same single class and bearing the same rights and obligations resulting in a total share capital of € 5,170,748. The shares of BioAlliance Pharma are listed at Euronext Paris under ISIN FR0010095596 on the segment C.
B.3	**Current operations and principal activities**	BioAlliance Pharma is a French oncology company that conceives, develops and brings to selected markets innovative drugs for the treatment of rare cancer and its associated pathologies, more specifically for severe and rare orphan diseases. The company's ambition is to become a leading player in the field of orphan diseases in oncology by linking innovation with patient needs. Its lead products in orphan oncology pipeline are Livatag®, a nanoparticular formulation of doxorubicine, in phase III for the treatment of hepatocellular carcinoma (primary liver cancer), and Validive®, a Lauriad® formulation of clonidine, in phase II for the prevention and treatment of oral mucositis induced by cancer treatments.  BioAlliance is running the clinical development of Livatag® internally, with external service provided by well established international CRO (Clinical Research Organization) in charge of the sites monitoring on a continuous basis in Europe and in the US. Same for the manufacturing that is externalized to external manufacturing facility but led by specialized people in house. In a press release published on 19 May 2014, BioAlliance Pharma announced that it had obtained the Fast Track Designation for Livatag®. The ongoing phase II of Validive® is also run internally using an international CRO to monitor the clinical sites, implemented in various European countries as well as US. Following results of phase II trial, the company will search for a partner for phase III trial, which would allow sharing the costs of such clinical trial and optimize trial's duration. The organization is the same for the manufacturing as for Livatag®. BioAlliance has full rights on these 2 programs.

Section B – Transferee company (BioAlliance Pharma S.A.)		
		Apart of this strategic pipeline, the company has developed and registered "Specialty products" based on the lauriad muco adhesive technology and aiming to improve efficiency profile of available and well established drugs. The company has successfully driven the development of 2 drugs, Loramyc®/ Oravig®, miconazole mucoadhesive tablet for oral candidiasis and Sitavig®, acyclovir mucoadhesive tablet for recurrent Herpes labialis until registration in Europe and in the USA. These products are dedicated to license agreement with commercial partners that generated revenues for the company through milestone payments and sales royalties.
B.4a	**Description of the most significant recent trends affecting the company and the industries in which it operates**	In light of its current activities, BioAlliance Pharma considers that it has no specific comments to make on trends that might affect its recurring revenue and its general operating conditions since the date of the last financial year ended 31 December 2013, up to the date of registration of this Document E.
B.5	**Description of the group and the company's position within the group**	The group includes BioAlliance Pharma and its three subsidiaries: Laboratoires BioAlliance Pharma SAS, wholly-owned operating subsidiary governed by the laws of France, SpeBio BV, a 50%-owned joint venture governed by the laws of Netherlands -dormant in 2013-, and BioAlliance Pharma Switzerland SA, a wholly-owned subsidiary governed by the laws of Switzerland -dormant in 2013.
B.6	**Persons who, directly or indirectly, have an interest in the issuer's capital or voting rights or have control over the company**	Not applicable. As at the date of registration of this Document E, the largest institutional shareholders of BioAlliance Pharma are Financière de la Montagne and ID Invest Partners with *circa* 13.57 % and 5.20% of the share capital and voting rights, respectively.
B.7	**Selected financial and business information**	The selected historical financial information by BioAlliance Pharma and listed below are collected from the annual financial statements closed as of 31 December 2013, 2012 and 2011, prepared in accordance with IFRS, as adopted by the European Union:

Section B – Transferee company (BioAlliance Pharma S.A.)

	31 December 2013	31 December 2012	31 December 2011
Profit and loss			
Net sales	**1 467**	**4 028**	**3 231**
Recurring sales from out-licensing agreements	*755*	*976*	*1 365*
Non-recurring sales from out-licensing agreements	*531*	*3 010*	*1 451*
Other sales	*181*	*42*	*415*
Operating expenses	-16 909	-15 559	-18 169
Operating income/(loss)	**-15 437**	**-11 515**	**-14 938**
Net financial income	117	-33	316
Net income/(loss)	**-15 320**	**-11 548**	**-14 622**
Earnings per share	-0,74	-0,65	-0,83
Balance Sheet			
Cash	**11 329**	**14 503**	**28 666**
Other current assets	5 114	6 077	3 621
Non-current assets	1 300	1 540	1 793
Shareholders' equity	7 438	11 742	22 902
Payables	10 305	10 378	11 178
Cash			
Cash flow	-15 148	-10 672	-13 807
Changes in working capital	1 056	-3 409	-2 227
Net cash generated from operating activities	-14 092	-14 082	-11 684
Net cash used in investing activities	-43	-63	-161
Net cash used in financing activities	-10 912	-5	19 564
Change in cash and cash equivalents	**-3 174**	**-14 163**	**7 718**

This financial information should be read in parallel with the financial statements contained in chapter 6 of the BioAlliance Pharma registration documents for financial years 2011 to 2013.

In compliance with the recommendations of the ESMA (European Securities and Markets Authority) (ESMA/2013/319, paragraph 127), the following table presents the situation of consolidated indebtedness and equity of BioAlliance Pharma, excluding earnings for the period, at 28 February 2014:

Shareholder's equity and indebtedness	At 28th february 2014
(€ thousands)	
Guaranteed	0
Secured	0
Unguaranteed / Unsecured	82
Total current debt	**82**
Guaranteed	0
Secured	0
Unguaranteed / Unsecured (*)	3 379
Total non-current debt (excluding current long-term debt)	**3 379**
Share capital	5 171
Additional paid-in capital	127 806
Legal reserve	0
Other reserves	9
Retained earnings/(accumulated deficit)	-125 125
Shareholders' equity	**7 861**

(*) including 2 479 k€ in relation to repayable advances

<table>
<tr><th colspan="3">Section B – Transferee company (BioAlliance Pharma S.A.)</th></tr>
<tr><td></td><td></td><td>
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<tr><th>Analysis of net financial indebtedness (unaudited)</th><th>At 28th february 2014</th></tr>
<tr><td>(€ thousands)</td><td></td></tr>
<tr><td>A. Cash</td><td>441</td></tr>
<tr><td>B. Cash equivalents</td><td>9 101</td></tr>
<tr><td>C. Trading securities</td><td>0</td></tr>
<tr><td>D. Liquidity (A + B + C)</td><td>9 542</td></tr>
<tr><td>E. Current financial receivables</td><td>0</td></tr>
<tr><td>F. Short-term bank debt</td><td>0</td></tr>
<tr><td>G. Short-term portion of the medium and long term debts</td><td>0</td></tr>
<tr><td>H. Other short-term financial debt</td><td>82</td></tr>
<tr><td>I. Short-term current financial debt (F + G + H)</td><td>82</td></tr>
<tr><td>J. Net current financial indebtedness (I -E - D)</td><td>-9 460</td></tr>
<tr><td>K. Long-term bank loans</td><td>0</td></tr>
<tr><td>L. Bonds issued</td><td>0</td></tr>
<tr><td>M. Other long-term financial debt (*)</td><td>3 379</td></tr>
<tr><td>N. Total non-current financial debt (K + L + M)</td><td>3 379</td></tr>
<tr><td>O. Net financial debt (J + N)</td><td>-6 082</td></tr>
</table>
(*) including 2 479 k€ in relation to repayable advances

This analysis of the net debt position reflects the situation of BioAlliance Pharma alone, and therefore does not include the debt of Topotarget, or the effects of the Merger.

As at the date of registration of this Document E, there have been no significant changes to the financial condition and operating results of BioAlliance Pharma since 31 December 2013.
</td></tr>
<tr><td>B.8</td><td>Selected key pro forma financial information</td><td>The unaudited condensed combined Pro Forma Balance Sheet was prepared as at 31 December 2013 in thousands of Euros and reflects the combination of BioAlliance Pharma and Topotarget using the acquisition method as if the Merger of BioAlliance Pharma and Topotarget had been completed on 31 December 2013:

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Section B – Transferee company (BioAlliance Pharma S.A.)

(in thousands of euros) - Net value	BioAlliance Pharma historical data in pro forma presentation (note 5.1.3.5)	Topotarget historical data in pro forma presentation (note 5.1.3.4)	Pro forma adjustments (unaudited) (note 5.1.3.2)	Combined pro forma data (unaudited)
Goodwill			54 998	54 998
Intangible assets	23	30 600		30 622
Tangible assets	908	105		1 013
Financial assets	369			369
Other non-current assets		48		48
NON-CURRENT ASSETS	1 300	30 753	54 998	87 051
Inventories	3	0		3
Trade receivables	338	105		443
Other current assets	4 773	459		5 232
Marketable securities	7 357		(7 357)	0
Cash & cash equivalents	3 972	4 220	(337)	7 855
CURRENT ASSETS	16 443	4 784	(7 694)	13 533
TOTAL ASSETS	17 743	35 537	47 304	100 584
Share capital	5 171	19 211	(16 511)	7 871
Less: treasury shares	(59)	0		(59)
Additional paid-in capital	128 044			128 044
Merger premium			84 883	84 883
Reserves	(110 398)	18 063	(25 757)	(118 092)
Net income/(loss) for the year	(15 320)	(4 689)	4 689	(15 321)
SHAREHOLDERS' EQUITY	7 438	32 585	47 304	87 326
Provisions	457			457
Other non-current liabilities	3 030			3 030
NON-CURRENT LIABILITIES	3 487	0	0	3 487
Bank borrowings	91			91
Trade payables	4 557	483		5 041
Other current liabilities	2 170	2 469		4 639
CURRENT LIABILITIES	6 818	2 952	0	9 771
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	17 743	35 537	47 304	100 584

The unaudited condensed combined **Pro Forma Income Statement** was prepared for the year ended 31 December 2013 in thousands of Euros and reflect the combination of BioAlliance Pharma and Topotarget using the acquisition method, as if the Merger of BioAlliance Pharma and Topotarget had been completed on 1 January 2013:

(in thousands of euros) - Net value	BioAlliance Pharma historical data in pro forma presentation (note 5.1.3.5)	Topotarget historical data in pro forma presentation (note 5.1.3.4)	Pro forma adjustments (unaudited) (note 5.1.3.2)	Combined pro forma data (unaudited)
Net sales	1 467	1 118		2 585
Purchases	(264)			(264)
Personnel costs	(5 347)	(2 337)		(7 684)
External expenses	(10 707)	(2 946)		(13 653)
Taxes other than on income	(298)			(298)
Depreciation and amortization	(233)	(250)		(483)
Allowances to provisions	65			65
Other operating income	5			5
Other operating expenses	(125)			(125)
OPERATING INCOME / (LOSS)	(15 437)	(4 415)	0	(19 852)
Income from cash and cash equivalents	281	76		357
Other financial income	123			123
Financial expenses	(287)	(350)		(637)
FINANCIAL INCOME / (LOSS)	117	(274)	0	(158)
INCOME / (LOSS) BEFORE TAXATION	(15 320)	(4 689)	0	(20 009)
Income tax expense	0	0	0	0
NET INCOME / (LOSS)	(15 320)	(4 689)	0	(20 009)

Section B – Transferee company (BioAlliance Pharma S.A.)		
		The unaudited condensed combined **Pro Forma Financial Information** is presented exclusively for illustrative purposes and does not provide for an indication of the results of operating activities or the financial position of the combined company that would have been obtained as of and for the period ended on 31 December 2013 had the Merger been completed as at this date. It does not provide for an indication of the future results of the operating activities or financial position of the combined entity. The Pro Forma Financial Information has been prepared to reflect the application of measurement and presentation principles consistent in accordance with the IFRS accounting standards that will be applied in the next financial statements published by the combined entity. For the purposes of the preparation of the Pro Forma Financial Information, the Merger has been accounted for in the Pro Forma Financial Information as an acquisition of Topotarget by BioAlliance Pharma. This reflects is consistent with the legal treatment of the transaction pursuant to which BioAlliance Pharma is the absorbing surviving company legal entity and will be the company issuing new shares to Topotarget shareholders in consideration for the Merger. Pursuant to IFRS 3, BioAlliance Pharma is also considered the accounting acquirer given the respective stock market capitalization of BioAlliance Pharma and Topotarget on the date of approval of the transaction by the Management Boards of the two groups, the Exchange Ratio set out for the contemplated Merger and the shareholding structure subsequent to the Merger.
B.9	**Profit forecast or estimate**	No forecast or estimates are made by BioAlliance Pharma.
B.10	**Qualifications in the audit reports on the historical financial information**	The statutory auditors issued unqualified opinion on BioAlliance Pharma's annual accounts for the past three financial years closed on 31 December 2011, 31 December 2012 and 31 December 2013.
B.11	**Explanation if the issuer's working capital is not sufficient for the company's present requirements**	BioAlliance Pharma has sufficient working capital for its present requirements, i.e. to cover the cash needs of the company over the full 12-months period following the registration of the present Document E. Upon registration of its lead product Beleodaq, due in August 2014, the combined entity is due to receive a milestone of USD 25 million from its US partner Spectrum Pharmaceuticals. Including this receipt, the combined entity has sufficient working capital for its present requirements, including the maximum requirements relating to the completion of the Merger, i.e. to cover the cash needs of the combined entity over the full 12-months period following the registration of the present Document E.

Section B – Transferee company (BioAlliance Pharma S.A.)		
		Excluding the USD 25 million milestone payment from Spectrum Pharmaceuticals, the combined entity does not have sufficient working capital for its present requirements. In that configuration, the cash shortfall to cover the full 12-months period following the registration of the present Document E amounts to € 5 million and the combined entity will consume its cash by March 2015. This amount takes into account the maximum requirements payable by the company in relation to the completion of the Merger and notably the maximum amount potentially due as regards to the redemption right of Topotarget shareholders (circa EUR 6 million). If necessary, the financing of this cash shortfall could, if need be and notably if market conditions allow it, be funded through drawdown from the existing equity line (PACEO) currently in place, and active research of complementary financings.

Section B bis – Transferor company (Topotarget A/S)		
Bbis.1	**Legal and commercial name**	Topotarget conducts business under the name "Topotarget" and does not have any ancillary names.
Bbis.2	**Domicile, legal form, country of incorporation, share capital and listing**	Topotarget is an *aktieselskab* (a Danish limited liability company with a board of directors) governed by the laws of Denmark and registered with the Danish Business Authority under registration number 25695771. Topotarget is domiciled in the municipality of Copenhagen and has its registered office at c/o Symbion, Fruebjergvej 3, 2100 Copenhagen, Denmark. Following completion of the Merger, the combined entity will continue to have a permanent establishment in Denmark. The shares of Topotarget are listed at NASDAQ OMX Copenhagen under ISIN DK0060003556. As of the date of registration of this Document E, the share capital of Topotarget consists of 143,317,114 ordinary shares of each DKK 1 fully paid in, all from the same single class and bearing the same rights and obligations, resulting in a total share capital of DKK 143,317,114. Prior to the Merger Legal Effective Date (as defined below) and subject to the approval of the Merger by the general meeting of Topotarget and BioAlliance Pharma, the share capital of Topotarget will be increased as a result of the exercise of 2,476,998 warrants of Topotarget, such that effective as of the Merger Legal Effective Date, the share capital of Topotarget will consist of 145,791,112 ordinary shares of each DKK 1, fully paid in, all from the same single class and bearing the same rights and obligations, resulting in a total share capital of DKK 145,791,112. Except for the equity warrants mentioned above, Topotarget has not

Section B bis – Transferor company (Topotarget A/S)		
		issued any other equity securities outstanding as of the date of this Document E, which would confer entitlement, through conversion, exchange, repayment, or exercise of a security or in any way whatsoever, to the allocation at any time or in the long term of securities, which are or shall be issued to this effect to represent a percentage of the capital or of voting rights of Topotarget.
Bbis.3	**Current operations and principal activities**	Topotarget is a Danish-based biopharmaceutical company dedicated to improving cancer therapies. Topotarget focuses on the development in pivotal studies of its lead HDACi, belinostat, which has demonstrated a clear anti-neoplastic effect in both hematological malignancies and solid tumors. Beleodaq® is licensed to Spectrum Pharmaceuticals, Inc., to develop and commercialize the product in North America. BELINOSTAT KEY CLINICAL STUDIES  Beleodaq is filed for a US approval in recurrent/refractory Peripheral T-Cell Lymphoma with expected PDUFA date in August 2014. According to the license agreement entered into between Topotarget and Spectrum Pharmaceuticals, upon approval of the Beleodaq by the FDA in August 2014, Topotarget is eligible to receive a cash milestone payment of USD 25 million from Spectrum Pharmaceuticals by November 2014 at the latest. Beleodaq will be commercialized in the US territory by Topotarget's partner, Spectrum Pharmaceuticals with an indicative launch in late 2014. Topotarget plans on setting up an ATU program or "Named Patient Program" on the basis of the US approval for the purpose of initiating prescriptions in this indication. It also plans on establishing partnerships in selective territories (e.g. Middle East), where the US approval can be used for the registration of Beleodaq.
Bbis.4a	**Description of the most significant recent trends affecting the company and the industries in which it operates**	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. No other significant event has occurred since 31 December 2013. Under the terms of the license agreement with Spectrum Pharmaceuticals, while Spectrum Pharmaceuticals is entitled to co-develop and otherwise sublicense Beleodaq with third parties under

Section B bis – Transferor company (Topotarget A/S)		
		certain circumstances in its territories (US and India), Topotarget is not aware of any such intentions by Spectrum Pharmaceuticals to do so. Spectrum Pharmaceuticals paid Topotarget a USD 10 million cash milestone payment, together with a payment of 1 million Spectrum Pharmaceuticals shares (valued at approximately USD 8 million), in Q1 2014 in connection with the recent Beleodaq NDA filing. On this basis, Topotarget anticipates that Spectrum Pharmaceuticals will continue to collaborate with Topotarget under the license on the commercialization of Beleodaq. As Spectrum Pharmaceutical's interest in belinostat is related to the opportunities that the product offers in their territory, Topotarget does not believe that a merger outside their territory will have any direct impact on Spectrum Pharmaceutical's continued efforts with regards to belinostat, and it is therefore unlikely that the merger itself will result in a termination of the agreement by Spectrum.
Bbis.5	**Description of the group and the company's position within the group**	The group includes Topotarget A/S and its three wholly-owned subsidiaries: Topotarget UK Limited, Topotarget Germany AG Topotarget Switzerland S.A.
Bbis.6	**Persons who, directly or indirectly, have an interest in the issuer's capital or voting rights or have control over the company**	Mr. Per Samuelsson, member of the Board of Directors in Topotarget is also Partner in HealthCap funds (Odlander Fredrikson & Co AB), the major shareholder in Topotarget holding 8.7 % of the shares, as at the date of registration of this Document E. Orfacare Consulting, a company related to the Chairman of the Board, provides consultation regarding strategic M&A initiatives involving the Topotarget's shares. Both Orfacare and Topotarget's CEO are entitled to receive compensation upon the completion of a successful M&A transaction whereby at least 50% of the Topotarget's shares are acquired including as well a merger involving Topotarget. The compensation for each is equal to 2% of the amount by which the "take-over value per share" for the entire share capital of Topotarget exceeds a share price of DKK 2.55. The remuneration for each cannot exceed DKK 15,000,000. The takeover value shall be the higher of: 1. The takeover value derived from multiplying 143,317,114* shares with the Topotarget "offer price". The offer price is defined by converting the BioAlliance Pharma SA average share price on the day before announcement of the Merger (April 15, 2014) into DKK and divided by 13.5 (the Exchange Ratio being 27:2). 2. The takeover value derived from multiplying the number of Topotarget shares at completion of the Merger** with the

<table>
<tr><th colspan="3">Section B bis – Transferor company (Topotarget A/S)</th></tr>
<tr><td></td><td></td><td>Topotarget "offer price". The offer price is established using the average share price of BioAlliance Pharma SA and the Exchange Ratio (27:2) at the date of completion of the Merger.

* Shares outstanding as of April 16, 2014.
** Shares outstanding 143,317,114 plus the actual number of warrants exercised before the extraordinary general meeting (planned for 27 June 2014) and less the number of shares tendered for redemption.

Each of them would then receive a gross amount of €597 thousand calculated according to the offer price defined in model 1.</td></tr>
<tr><td>Bbis.7</td><td>Selected financial and business information</td><td>The historical financial figures related to Topotarget and presented below are extracted from the financial statements of Topotarget for the financial years closed on 31 December 2011, 31 December 2012 and 31 December 2013, prepared in accordance with IFRS, as adopted by the European Union (please refer to the EUR/DKK applicable exchange rate conversion set forth in the beginning of the summary):

<table>
<tr><th>DKK ' 000</th><th>2013</th><th>2012</th><th>2011</th></tr>
<tr><td>Financial highlights and ratios*)</td><td></td><td></td><td></td></tr>
<tr><td>Consolidated financial highlights and ratios</td><td></td><td></td><td></td></tr>
<tr><td>Revenue</td><td>8,338</td><td>2,395</td><td>65,598</td></tr>
<tr><td>Research and development costs</td><td>(23,019)</td><td>(46,522)</td><td>(54,345)</td></tr>
<tr><td>Write-down of research and development projects</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Sales and distribution costs</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Operating loss</td><td>(34,148)</td><td>(80,210)</td><td>(31,352)</td></tr>
<tr><td>Net financials</td><td>(2,045)</td><td>(1,149)</td><td>1,087</td></tr>
<tr><td>Net loss from continued operations</td><td>(36,193)</td><td>(81,359)</td><td>(29,012)</td></tr>
<tr><td>Net profit/loss discontinued operations</td><td>-</td><td>99</td><td>(3,999)</td></tr>
<tr><td>Total comprehensive income for the year</td><td>(34,968)</td><td>(80,017)</td><td>(33,011)</td></tr>
<tr><td>Basic EPS continued operations</td><td>(0.25)</td><td>(0.60)</td><td>(0.22)</td></tr>
<tr><td>Basic EPS continued and discontinued operations</td><td>(0.25)</td><td>(0.60)</td><td>(0.25)</td></tr>
<tr><td>Consolidated balance sheets</td><td></td><td></td><td></td></tr>
<tr><td>Cash and cash equivalents</td><td>31,483</td><td>41,460</td><td>114,302</td></tr>
<tr><td>Equity</td><td>243,092</td><td>251,247</td><td>330,728</td></tr>
<tr><td>Total assets</td><td>265,117</td><td>278,936</td><td>370,476</td></tr>
<tr><td>Investment in tangible assets (net)</td><td>10</td><td>(226)</td><td>(2,283)</td></tr>
<tr><td>Consolidated cash flow statement</td><td></td><td></td><td></td></tr>
<tr><td>Cash flows from operating</td><td>(35,623)</td><td>(80,973)</td><td>(88,847)</td></tr>
</table>
</td></tr>
</table>

Section B bis – Transferor company (Topotarget A/S)					
		activities			
		Cash flows from investing activities	152	8,131	(1,919)
		Cash flows from financing activities	25,494	-	-
		Consolidated ratios			
		Number of fully paid shares, year-end	143,317,114	132,652,050	132,652,050
		Average number of shares for the period	140,916,162	132,652,050	132,652,050
		Assets/equity	1.1	1.1	1.1
		Market price, year-end (DKK).	2.98	2.15	2.51
		Net asset value per share (DKK)	1.7	1.88	2.49
		Average number of full-time employees	13	23	42
Bbis.8	**Selected key pro forma financial information**	Not applicable.			
Bbis.9	**Profit forecast or estimate**	Not forecast or estimates are made by Topotarget.			
Bbis.10	**Qualifications in the audit report on the historical financial information**	Not applicable. The statutory auditors issued unqualified opinion on Topotarget A/S annual accounts for the past three financial years closed on 31 December 2011, 31 December 2012 and 31 December 2013.			
Bbis.11	**Explanation if the issuer's working capital is not sufficient for the company's present requirements**	Not applicable for Topotarget, as a standalone company. For the combined entity, please refer to Section B11 above and Section F3 below.			

Section C – Securities		
C.1	**A description of the type and the class of the securities being issued, including any security identification number**	The New Ordinary Shares to be issued by BioAlliance Pharma as a result of the Merger will be ordinary shares of the same single class, immediately fungible and ranked *pari passu* with existing ordinary shares of BioAlliance Pharma. The New Ordinary Shares will be issued on the Merger Legal Effective Date with the ISIN-code of the existing BioAlliance Pharma shares (FR0010095596).
C.2	**Currency of the securities issue**	The New Ordinary Shares to be issued by BioAlliance Pharma will be issued in Euros. Following the Merger Exchange Date, the New Ordinary Shares will be traded in Euros on Euronext Paris and in DKK

Section C – Securities		
		on NASDAQ OMX Copenhagen (subject to approval of the admission request).
C.3	**The number of shares issued and fully paid and issued but not fully paid** **The par value per share**	As of the date of registration of this Document E, the share capital of BioAlliance Pharma consists of 20,682,992 ordinary shares of the same single class, fully paid in, resulting in a total share capital of € 5,170,748. The par value per share of BioAlliance Pharma is € 0.25.
C.4	**A description of the rights attached to the securities**	The New Ordinary Shares to be issued by BioAlliance Pharma as a result of the Merger will be carrying the same rights and incurring the same charges and will be subject to all the provisions of the by-laws of BioAlliance Pharma. In particular, the New Ordinary Shares issued in the context of the Merger will be entitled to all distributions of profits and reserves that may be decided by BioAlliance Pharma as of the Merger Legal Effective Date.
C.5	**A description of any restrictions of the free transferability of the Shares**	Not applicable.
C.6	**Admission to trading on a regulated market**	Application will be made for the New Ordinary Shares of BioAlliance Pharma to be tradable on segment C of Euronext Paris and on NASDAQ OMX Copenhagen, as a secondary listing.
C.7	**A description of dividends policy**	BioAlliance Pharma has not paid any dividend to its shareholders and considering its negative retained earnings, it does not anticipate any dividend in the coming years.

Section D – Risks		
D.1	**Key Information on the key risks that are specific to BioAlliance Pharma or its industry**	- Risks of insufficient funds and financial resources; the combined entity could be facing residual shortfall of its net working capital over the next 12 months (please refer to Sections B11, Bbis11 and F3 of this summary) - Continued research is dependent on obtaining continuous financial resource - Risks associated with development of Belinostat (risk of non-performance of agreement by Spectrum Pharmaceuticals, Inc., risk of non-payment of the USD 25 million milestone, risk of delay in commercialization, etc.) - Risks related to drug research and development - Risk of a serious adverse event or of negative results in a clinical

Section D – Risks		
		trial could affect the growth of BioAlliance Pharma - Risk of significant delays in the conduct of its clinical trials could affect the growth of BioAlliance Pharma - Risks related to outsourcing BioAlliance Pharma's R&D and production capabilities - Risks related to drug pricing and reimbursement policies - Risk associated with a delay in obtaining pricing and reimbursement rates or lower-than- expected rates - Risk that a marketed product will cease to be reimbursed - Risks related to commercial partnership agreements - Risks related to the safety of marketed products - Challenges and constraints related to the regulatory environment - Limitations on protection provided by patents and other intellectual property rights - Risks associated with exploited patents falling into the public domain, with the expiration of marketing licenses, or with the eventual emergence of generic drugs for marketed products
D.2	**Key information on the key risks relating to the securities**	- Variation of stock market price - The value of BioAlliance Pharma and Topotarget and then of the combined entity shares are likely to fluctuate - Topotarget may become subject to appraisal proceedings in relation to the procedures of Cash Compensation and Redemption of shares

Section E – Offer		
E.1	**The total net proceeds and an estimate of the total expenses of the issue**	As the present transaction consists of a merger, the capital increase resulting from the Merger will not result in any proceeds in cash. Total expenses related to the Merger (in particular bank consultancy commissions and fees for attorneys, independent experts and auditors) are estimated at € 6.5 million. Of these expenses, € 4.5 million will be incurred by BioAlliance Pharma and € 2 million by Topotarget.
E.2a	**Reasons for the issue, use of proceeds, estimated net amount of the proceeds**	The reason for the issue of New Ordinary Shares is the completion of the Merger following approval by the Topotarget Shareholders Meeting and the BioAlliance Pharma Shareholders Meeting. As the present transaction consists of a merger, the capital increase resulting from the Merger will not result in any proceeds in cash.
E.3	**Description of terms and conditions of the Merger**	
	▪ Value of Topotarget	The fair market value of the total net assets of Topotarget is estimated at € 78,727,196, calculated as follows:

Section E – Offer		
	contributed assets and liabilities	- Assets transferred: € 81,679,490 - Liabilities transferred: € -2,952,294 - Total net assets transferred: € 78,727,196
	▪ Exchange Ratio	2 New Ordinary Shares of BioAlliance Pharma for 27 shares in Topotarget, i.e. circa 0.074.
	▪ Amount of BioAlliance Pharma share capital increase	€ 2,699,835.25
	▪ Number of BioAlliance Pharma shares to be issued	10,799,341 New Ordinary Shares, at a par value per share of € 0.25, each New Ordinary Share bearing an issue premium of €7.04.
	▪ Admission to trading of New Ordinary Shares	Following the Merger Legal Effective Date, the New Ordinary Shares of BioAlliance Pharma will be tradable on segment C of Euronext Paris (ISIN code FR0010095596) and application will be made for trading on the NASDAQ OMX Copenhagen, as a secondary listing.
	▪ BioAlliance Pharma Merger Premium	€ 76,027,360.75
	▪ BioAlliance Pharma Share capital post Merger	€ 7,870,583.25, divided into 31,482,333 ordinary shares of € 0.25 par value each.
	▪ Merger Legal Effective Date	Subject to completion of the Conditions Precedent set forth below, the Merger will take effect for legal purposes when (i) the Danish Business Authority has issued the certificate prescribed by sec. 289(1) of the Danish Companies Act and (ii) the Merger is registered with the French relevant authority (*greffe or notaire*), cf. L.236-30 et L.236-31 of the French Commercial Code. Subject to the above, the parties expect that the Merger will take effect for legal purposes in the course of the month of July or August 2014.
	▪ Merger Accounting Reference Date	For accounting purposes (ref. article 5, subsection 1 (f) of the EU Directive 56/2005), the Merger shall have effect as of 1 January 2014. For the avoidance of doubt the stipulated Merger Accounting Reference Date shall be without prejudice for applicable accounting standards. Consequently, for purposes of BioAlliance Pharma's preparation of its consolidated accounts in accordance with IFRS accounting standards, the Merger will be recognized as of the date on which BioAlliance Pharma acquires control over the assets and activities of Topotarget. This date is expected to be no earlier than 30

Section E – Offer		
		June 2014 being the date of the latest of the general meetings of the Companies convened for the purpose of resolving the Merger.
	▪ Merger Exchange Date	Exchange in VP SECURITIES A/S of Topotarget shares for New Ordinary Shares will take place after the expiry of the second trading day following the last trading day of the Topotarget shares on NASDAQ OMX Copenhagen, such dates to be announced by separate announcement by Topotarget and BioAlliance Pharma not less than five trading days prior to the Merger Exchange Date.
	▪ Appointment of French Merger Appraisers	Two French merger appraisers (*commissaires à la fusion*) were appointed by order of the Commercial Court of Paris on 19 March 2014 further to a request filed by BioAlliance Pharma on 13 March 2014. The French Merger Appraisers are (i) Mr. Thierry Bellot at Bellot Mullenbach & Associés, located at 11 rue de Laborde in Paris (75008), France, and (ii) Mr. Olivier Marion, at Groupe A4, located at 66 avenue des Champs Elysées in Paris (75008), France.
	▪ Appointment of Danish Merger Appraisers	In accordance with Danish law, the board of directors of Topotarget appointed PricewaterhouseCoopers, located at Strandvejen 44, 2900 Hellerup, Copenhagen, Denmark, as merger appraiser of Topotarget on 26 March 2014.
	▪ Conclusion of the French Merger Appraisers	- <u>Conclusion on the value of the contributions in kind</u>: "*In conclusion to our work, we believe that the value of the contributions in kind of an amount of € 78,727,196 is not overestimated and, as a consequence, that the amount of the net assets to be transferred by the transferor company is at least equivalent to the amount of the contemplated share capital increase of the transferee company increased by the merger premium.*" - <u>Conclusion on the consideration for the contributions in kind</u>: "*In conclusion to our work, we believe that the proposed exchange ratio of 0.074074 new ordinary share of BioAlliance for 1 share of Topotarget is fair and reasonable.*"
	▪ Conclusion of the Danish Merger Appraiser	- <u>Conclusion on the Definitive Merger Plan</u>: "*In our opinion, the procedures applied by the Board of Directors of Topotarget A/S for assessing the fair values of the companies and the fixing of the exchange ratio are appropriate. On this basis, in our opinion, the consideration for the shares of Topotarget A/S is fairly and reasonably justified.*" - <u>Conclusion on the creditors' position</u>: "*In our opinion, the creditors of Topotarget A/S can be considered to be sufficiently secured after the merger based on the current*

Section E – Offer		
		position of the individual Company, cf section 277 of the Danish Companies Act."
	▪ Redemption of shares offered to Topotarget shareholders	Shareholders of Topotarget who oppose the Merger at the general meeting of Topotarget may demand redemption of their shares by Topotarget by making a written request to this effect no later than four weeks after the date of the Topotarget shareholders' general meeting to decide on the Merger. Any shareholder in Topotarget wishing to exercise that right must make a declaration to that effect at the general meeting in order to retain that right. Redemption shareholders will not be entitled to receive any new ordinary shares of BioAlliance Pharma. Instead, BioAlliance Pharma will deliver such number of new ordinary shares as each relevant redemption shareholder would have been entitled to receive if it had not exercised its redemption right to a financial institution designated by BioAlliance Pharma in lieu of such redemption shareholder. Such new ordinary shares will then be repurchased by BioAlliance Pharma to such financial institution within the framework of a share buy-back program implemented by BioAlliance Pharma in accordance with the provisions of article L. 225-209 of the French Commercial Code. Redemption shares will be redeemed at a price determined after due consideration by the board of directors of Topotarget to be DKK 3.16 per share. As provided below, the completion of the Merger is conditional upon the satisfaction of the redemption shares being less than 14,331,711 (equal to 10% of the total outstanding share capital of Topotarget as at the date of the Definitive Merger Plan), corresponding to an aggregate maximum amount of DKK 45,288,206.76, on the basis of DKK 3.16 per share, i.e. circa EUR 6 million. Accordingly, and by reference to the Exchange Ratio, the maximum number of new ordinary shares that BioAlliance Pharma may potentially have to repurchase is 1,061,608.
	▪ Cash compensation offered to Topotarget shareholders	Shareholders of Topotarget may claim cash compensation from Topotarget if the consideration offered for the shares in Topotarget is determined to be not fair and reasonable, and if they have made a reservation to this effect at Topotarget shareholders' meeting deciding on the Merger. As mentioned above, the Danish Merger Appraiser concluded in its report that the consideration offered is fair and reasonable.
	▪ Conditions Precedent	In accordance with the provisions of the Definitive Merger Plan, the completion of the Merger shall be conditional upon the satisfaction of the following conditions precedent (the "**Conditions Precedent**"):

Section E – Offer		
		(i) Conditions Precedent to be satisfied prior to the vote of BioAlliance Pharma or Topotarget shareholders' meetings: - The registration (*enregistrement*) by the AMF of the Document E and the issuance of a visa by the AMF on the admission prospectus to be used for passporting to Denmark, - The passporting of the admission prospectus to Denmark, - No Material Adverse Change affecting either of BioAlliance Pharma or Topotarget shall have occurred and be pending or shall be threatening to occur, and - The parties contractually agreed that the number of shares issued by Topotarget held by shareholders of Topotarget who at the general meeting convened for the purpose of approving the Merger (i) have opposed the Merger and (ii) upon request of the chairman of general meeting of Topotarget pursuant to section 110(2) of the Danish Companies Act have made declarations to the effect that they wish to exercise their right to require redemption pursuant to section 286 of the Danish Companies Act, does not exceed 14,331,711 of shares (equal to 10% of the total outstanding share capital of Topotarget as at the date of the Definitive Merger Plan). (ii) Conditions Precedent depending upon a vote of BioAlliance Pharma or Topotarget shareholders' meetings: - the completion of the Merger by Topotarget is subject to the approval of the Merger by the shareholders of Topotarget at an extraordinary shareholders' meeting of Topotarget, in accordance with the requirements of the articles of association of Topotarget and Danish law, and - the completion of the Merger by BioAlliance Pharma is subject to (i) the prior approval of the Merger by the general meeting of Topotarget, and (ii) the approval of the Merger by the general meeting of BioAlliance Pharma (including, but not limited to, the acknowledgement of the rights of the Topotarget shareholders and their consequences for BioAlliance Pharma), in accordance with the requirements of the articles of association of BioAlliance Pharma and French law. For the avoidance of doubt, following the approval of the Merger by Topotarget shareholders' meeting and BioAlliance Pharma shareholders' meeting, the completion of the Merger shall not be subject to any other conditions, except for the registration of the

<table>
<tr><th colspan="3">Section E – Offer</th></tr>
<tr><td></td><td></td><td>Merger by the relevant French and Danish authorities.

In the event that the Conditions Precedent have not been satisfied by BioAlliance Pharma and Topotarget on or before 31 August 2014, the Merger Plan, the Merger Agreement and the Definitive Merger Plan shall automatically terminate and cease to have any further force or effect.</td></tr>
<tr><td>E.4</td><td>Any interest material to the issue, including conflicting interests</td><td>Not applicable.</td></tr>
<tr><td>E.5</td><td>Lock-up agreements: the parties involved and indication of the period of the lock-up</td><td>Not applicable.</td></tr>
<tr><td>E.6</td><td>The amount and percentage of immediate dilution resulting from the merger</td><td>▪ Impact of the Merger on the share of consolidated equity of the group for the holder of one BioAlliance Pharma share

<u>Note</u>: Calculation is made on the basis of consolidated equity and the total number of BioAlliance Pharma shares as at the date of registration of this Document E, i.e. 20,682,992 shares.

<table>
<tr><th></th><th>Share of consolidated equity (in Euros), on a non-diluted basis</th><th>Share of consolidated equity (in Euros), on a diluted basis[1]</th></tr>
<tr><td>Before issuance of the New Ordinary Shares</td><td>€0.36</td><td>€0.23</td></tr>
<tr><td>After issuance of the New Ordinary Shares</td><td>€2.77</td><td>€2.67</td></tr>
</table>
▪ Impact of the Merger on a holder of 1% of BioAlliance Pharma's share capital pre-Merger

<u>Note</u>: Calculation is made on the basis of the total number of BioAlliance Pharma shares as at the date of registration of this Document E, i.e. 20,682,992 shares.</td></tr>
</table>

[1] Taking into account the exercise of all stock options and equity warrants, as at 20 May 2014.

<table>
<tr><th colspan="3">Section E – Offer</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><th></th><th>Ownership percentage, on a non-diluted basis</th><th>Ownership percentage, on a diluted basis[2]</th></tr>
<tr><td>Before issuance of the New Ordinary Shares</td><td>100.0%</td><td>94.5%</td></tr>
<tr><td>After issuance of the New Ordinary Shares</td><td>65.7%</td><td>63.3%</td></tr>
</table>
</td></tr>
<tr><td>E.7</td><td>Estimated expenses charged to the investor by the issuer</td><td>Not Applicable.</td></tr>
</table>

Section F - Additional Information		
F.1	**Objectives of the Merger**	The purpose of the Merger is to create -through the merger of BioAlliance Pharma and Topotarget and their respective businesses and assets- a unique biotech leader with a strong and diversified pipeline in the Orphan Oncology disease area.
F.2	**Situation of consolidated indebtedness and equity of the combined entity**	In compliance with the recommendations of the ESMA (European Securities and Markets Authority) (ESMA/2013/319, paragraph 127), the following table presents the situation of consolidated indebtedness and equity of the combined entity, excluding earnings for the period, at 28 February 2014: [*Table next page*]

[2] Taking into account the exercise of all stock options and equity warrants, as at 20 May 2014.

Section F - Additional Information

Shareholder's equity and indebtedness	BioAlliance Pharma	Topotarget	Merger adjustments	Total
(€ thousands)				
Guaranteed				0
Secured				0
Unguaranteed / Unsecured,	82	476		558
Total current debt	**82**	**476**	**0**	**558**
Guaranteed				0
Secured				0
Unguaranteed / Unsecured (*)	3 379	0		3 379
Total non-current debt (excluding current long-term debt)	**3 379**	**0**	**0**	**3 379**
Share capital	5 171	19 205	-16 511	7 865
Additional paid-in capital	127 806		84 883	212 689
Legal reserve				0
Other reserves	9			9
Retained earnings/(accumulated deficit)	-125 125	13 403	-21 068	-132 790
Shareholders' equity	**7 861**	**32 608**	**47 304**	**87 773**

(*) BioAlliance Pharma: including 2 479 k€ in relation to repayable advances

Analysis of net financial indebtedness (unaudited)	BioAlliance Pharma	Topotarget	Merger adjustments	Topotarget
(€ thousands)				
A. Cash	441	9 946	-7 694	2 693
B. Cash equivalents	9 101	5 689		14 790
C. Trading securities				0
D. Liquidity (A + B + C)	**9 542**	**15 635**	**-7 694**	**17 483**
E. Current financial receivables	0	549		549
F. Short-term bank debt				0
G. Short-term portion of the medium and long term debts				0
H. Other short-term financial debt	82	476		558
I. Short-term current financial debt (F + G + H)	**82**	**476**	**0**	**558**
J. Net current financial indebtedness (I -E - D)	**-9 460**	**-15 708**	**7 694**	**-17 474**
K. Long-term bank loans				0
L. Bonds issued				0
M. Other long-term financial debt (*)	3 379			3 379
N. Total non-current financial debt (K + L + M)	**3 379**	**0**	**0**	**3 379**
O. Net financial debt (J + N)	**-6 082**	**-15 708**	**7 694**	**-14 096**

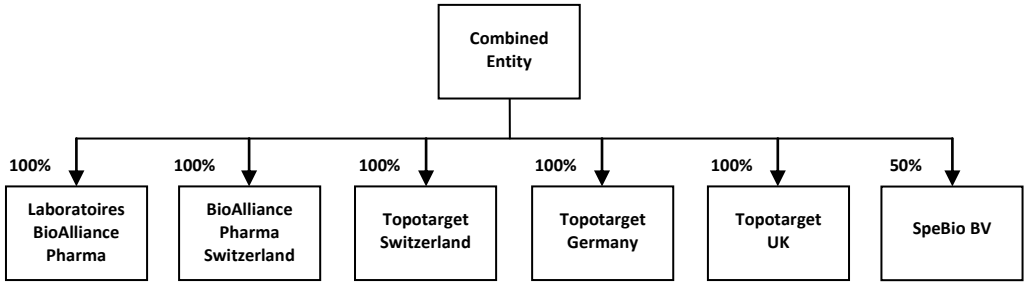
(*) BioAlliance Pharma: including 2 479 k€ in relation to repayable advances

F.3 **Explanation if the combined entity's working capital is not sufficient for the combined entity's present requirements**

Upon registration of its lead product Beleodaq, due in August 2014, the combined entity is due to receive a milestone of USD 25 million from its US partner Spectrum Pharmaceuticals. Including this receipt, the combined entity has sufficient working capital for its present requirements, including the maximum requirements relating to the completion of the Merger, i.e. to cover the cash needs of the combined entity over the full 12-months period following the registration of the present Document E.

Excluding the USD 25 million milestone payment from Spectrum Pharmaceuticals, the combined entity does not have sufficient working capital for its present requirements. In that configuration, the cash shortfall to cover the full 12-months period following the registration of the present Document E amounts to € 5 million and the combined entity will consume its cash by March 2015. This amount takes into account the maximum requirements payable by the company in relation to the completion of the Merger and notably the maximum amount potentially due as regards to the redemption right of Topotarget shareholders (circa EUR 6 million). If necessary, the financing of this cash shortfall could, if need be and notably if market conditions allow it, be funded through drawdown from the existing equity line (PACEO) currently in place, and active research of

<table>
<tr><th colspan="3">Section F - Additional Information</th></tr>
<tr><td></td><td></td><td>complementary financings.</td></tr>
<tr><td>F.4</td><td>Key information on the key risks in relation to the Merger</td><td>- Risks attached to the registration of the Merger both in Denmark and France
- The Merger is subject to conditions precedent
- Variation of stock market price
- Topotarget may become subject to appraisal proceedings in relation to the procedures of Cash Compensation and Redemption of shares
- Risks relating to provisions on a change in control or the transfer of certain agreements concluded by Topotarget and/or BioAlliance Pharma
- Risks relating to the integration of the activities of the two companies, costs relating to this integration and achieving synergies
- Risks relating to the need to retain management and key personnel following the Merger
- The value of BioAlliance Pharma and Topotarget and then of the combined entity shares are likely to fluctuate</td></tr>
<tr><td>F.5</td><td>Shareholders holding more than 5 % of BioAlliance Pharma before and after completion of the Merger</td><td>Note: Calculation is made on the basis of (i) the total number of BioAlliance Pharma outstanding shares as at the date of registration of this Document E, i.e. 20,682,992 shares, (ii) the total number of Topotarget outstanding shares as at the date of registration of this Document E, plus the new ordinary shares in Topotarget to be issued as a result of the exercise of the Topotarget warrants, i.e. a total of 145,791,112 shares, and (iii) the number of shares and voting rights held by the shareholders holding more than 5 % of the share capital and voting rights of BioAlliance Pharma, as at the date of registration of this Document E:
<table>
<tr><th rowspan="3">Shareholders</th><th colspan="2">Before the Merger</th><th colspan="2">After the Merger</th></tr>
<tr><th colspan="2">Shares and voting rights*</th><th colspan="2">Shares and voting rights*</th></tr>
<tr><th>Number</th><th>Percentage</th><th>Number</th><th>Percentage</th></tr>
<tr><td>Financière de la Montagne</td><td>2,807,570</td><td>13.57 %</td><td>2,807,570</td><td>8.92 %</td></tr>
<tr><td>IDInvest Partners</td><td>1,076,395</td><td>5.20 %</td><td>1,076,395</td><td>3.42 %</td></tr>
<tr><td>HealthCap Funds</td><td>0</td><td>0 %</td><td>924,632</td><td>2.94 %</td></tr>
<tr><td>Other shareholders</td><td>16,799,027</td><td>81.22 %</td><td>26,673,736</td><td>84.73 %</td></tr>
<tr><td>Total</td><td>20,682,992</td><td>100.00 %</td><td>31,482,333</td><td>100.00 %</td></tr>
</table>
* All shares carrying the same voting rights</td></tr>
</table>

Section F - Additional Information		
		All shares in BioAlliance Pharma are from the same single class and bear the same rights and obligations, and the bylaws of BioAlliance Pharma do not expressly provide for the attribution of double voting rights.
F.6	**Corporate name of the combined entity**	At the general meeting of BioAlliance Pharma to be held on 30 June 2014 for the purpose of resolving on the merger, the shareholders of BioAlliance Pharma, the absorbing company, will be proposed that the combined entity carries on business under the new corporate name: Onxeo.
F.7	**Post-merger structure of the combined entity**	
F.8	**Indicative timetable of the Merger**	19/03/14 Appointment of the French Merger Appraisers by the Commercial Court of Paris 26/03/14 Appointment of the Danish Merger Appraiser by the board of directors of Topotarget 10/04/14 Favorable opinion (*avis favorable*) from the works council of BioAlliance Pharma on the Merger 16/04/14 Execution of the Merger Plan and Merger Agreement / Press Release - Company Announcement 21/05/14 Execution of the Definitive Merger Plan / Press Release - Company Announcement 22-26/05/14 Filing of the Definitive Merger Plan to the Commercial Court of Paris and the Danish Business Authority 26/05/14 Registration of the Document E by the AMF / Publication in France 26/05/14 Visa from the AMF on the admission prospectus / Passporting to Denmark of the admission prospectus incorporating the Document E 26/05/14 Calling of BioAlliance Pharma shareholders' meeting / Making available Merger documentation 27/05/14 Calling of Topotarget shareholders' meeting / Making

Section F - Additional Information		
		available Merger documentation 27/06/14 Shareholders' meeting of Topotarget 30/06/14 Shareholders' meeting of BioAlliance Pharma July/August 2014 Legal formalities in relation to completion of the Merger / Dissolution of Topotarget / Admission to trading of New Ordinary Shares
F.9	**Practical terms and provisions of this Document E**	This Document E is available to shareholders, free of charge, at the registered office of BioAlliance Pharma and Topotarget, as well as on their respective website (www.bioalliancepharma.com and www.Topotarget.com) and on the website of the AMF (www.amf-france.org).

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2. RESPONSIBILITY FOR THE DOCUMENT E

2.1. For BioAlliance Pharma, the Transferee company of BioAlliance Pharma

2.1.1. Person responsible for the Document E

Mrs. Judith Greciet, *Directeur Général* (Executive Officer) of BioAlliance Pharma

2.1.2. Statement by the person responsible for the Document E

"I hereby certify, having taken all reasonable measures for such purpose, that the information contained in this Document E and relating to BioAlliance Pharma, is to my knowledge, consistent with reality and does not include any omission likely to affect its meaning.

I have received a completion letter from the statutory auditors of BioAlliance Pharma stating that they have completed their assignment which included auditing the information relating to the financial position and the financial statements of BioAlliance Pharma provided for in this Document E together with reading this document.

The historical financial information incorporated by reference in this Document E has given rise to the statutory auditors' reports, which contain the following emphasis of matter paragraphs:

- *Pages 138 and 171 of the French version of the 2013 registration document and pages 135 and 168 of the English version of the 2013 registration document: matter described in Note 2.1 to the consolidated financial statements "Basis of preparation of the financial statements" and in Note 1 to the financial statements "Accounting rules and methods", concerning the conditions of application of the principle of a going concern.*

- *Pages 153 and 187 of the 2012 reference document (French and English versions): matters discussed in Note 8.3 to the consolidated financial statements "Provisions for litigation" and in Note 3.10 to the financial statements "Provisions for litigation", concerning the ongoing disputes with Spepharm and SpeBio, and with Eurofins.*

- *Pages 149 and 186 of the 2011 reference document (French and English versions): matters discussed in Note 7.1.2 to the consolidated financial statements "Provisions for litigation" and in Note 3.10 to the financial statements "Provisions for litigation", concerning the ongoing disputes with Spepharm and SpeBio, and with Eurofins.*

The financial information pro forma presented in this Document E has given rise to the statutory auditors' report, which contains the following emphasis of matter paragraphs:

- *The paragraph 5.1.3.1 (iii) of section 5 of the Document E "Assumptions", which specifies the hypothesis, used in the Pro Forma Financial Information for the accounting treatment of the "redemption right".*

- *The paragraph 5.1.3.2 (i) of section 5 of the Document E "Recording of the acquisition", which explains the detail of the temporary Topotarget goodwill calculation."*

Mrs. Judith Greciet
Directeur Général (Chief executive Officer) of BioAlliance Pharma

2.1.3. Responsibility for auditing the accounts

2.1.3.1. Principal Statutory Auditors

Grant Thornton
French member of Grant Thornton International
100, rue de Courcelles, 75017 Paris, France
Represented by Mr. Jean-Pierre Colle, member of the *Compagnie des commissaires aux comptes de Paris* (Statutory Auditors Association of Paris).

Ernst & Young Audit
Tour Ernst & Young, Faubourg de l'Arche,
1/2 place des Saisons, 92400 Courbevoie, France
Represented by Mrs. Béatrice Delaunay, member of the *Compagnie des commissaires aux comptes de Versailles* (Statutory Auditors Association of Versailles).

2.1.3.2. Deputy Statutory Auditors

Auditex
Tour Ernst & Young
11 allée de l'Arche, 92037 Paris la Défense Cedex, France

Institut de Gestion et d'Expertise Comptable (IGEC)
3 rue Léon Jost, 75017 Paris, France

2.2. For Topotarget, the Transferor company

2.2.1. Person responsible for the Document E

Mr. Anders Fink Vadsholt, Chief executive officer of Topotarget

2.2.2. Statement by the person responsible for the Document E

"I hereby certify, having taken all reasonable measures for such purpose, that the information contained in this document E and relating to Topotarget A/S, is to my knowledge, consistent with reality and does not include any omission likely to affect its meaning.

I have received a letter from the statutory auditors of Topotarget A/S stating that they have completed their assignment which with reference to ISRS 4400 was to check that the historical financial figures related to Topotarget A/S and provided in this document are correctly extracted from the financial statements of Topotarget A/S for 2011, 2012 and 2013.

The historical financial statements for 2012 has given rise to the following emphasis of matter paragraph: "Without qualifying our opinion, we draw attention to the disclosures in the Management's review and to Significant accounting assumptions and estimates (Note 2 to the annual report) under "Key risk factors" and "Going concern" in which Management has stated that the company expects its funds to be sufficient to present the annual report

on a going concern basis. If the expected milestone payments are not received or are delayed, management believes that the level of activities and the cost base can be adjusted accordingly. A natural uncertainty is attached to the company's 2013 budget and thus, the future capital resources.""

Anders Fink Vadsholt, Chief executive officer of Topotarget

2.2.3. Responsibility for auditing the accounts

Deloitte Statsautoriseret Revisionspartnerselskab, Weidekampsgade 6, 2300 København S, Denmark. Contact person: Jens Rudkjær, Partner. Member of FSR- danske revisorer (Statutory Auditors Association of Denmark).

3. INFORMATION REGARDING THE MERGER AND ITS CONSEQUENCES

3.1. Economic aspects of the Merger

3.1.1. Pre-existing relationships between BioAlliance Pharma and Topotarget

3.1.1.1. Execution of the Merger Plan between BioAlliance Pharma and Topotarget

BioAlliance Pharma and Topotarget have been in discussions in relation to the possibility of a business combination between their respective groups with a view to creating a key biotech group in the European market through the Merger.

BioAlliance Pharma and Topotarget have entered into a merger plan (the "**Merger Plan**") on 16 April 2014 specifying the terms of the business combination of BioAlliance Pharma and Topotarget and notably the conditions in which the Merger would be carried out, and its consequences for the shareholders of BioAlliance Pharma and Topotarget.

BioAlliance Pharma and Topotarget have executed this Merger Plan with the intention of completing a cross border merger of BioAlliance Pharma and Topotarget in accordance with EU Directive 2005/56/EC of 26 October 2005 as implemented in (i) French law as more specifically set out under Articles L. 236-25 and *seq*. and R. 236-13 and *seq*. of the French Commercial Code as well as the legal and regulatory provisions applicable to mergers between French companies which do not conflict with the aforementioned and (ii) Danish law as more specifically set out in chapter 16, of the Danish Companies Act (in Danish "*selskabsloven*"), with BioAlliance Pharma as the continuing company and Topotarget as the discontinuing company.

3.1.1.2. Execution of the Merger Agreement between BioAlliance Pharma and Topotarget

On 16 April 2014, BioAlliance Pharma and Topotarget have also entered into a merger agreement (the "**Merger Agreement**"), specifying their respective rights and obligations in the context of the preparation and consummation of the Merger.

In particular, BioAlliance Pharma and Topotarget agreed to use their best efforts to pursue the completion of the Merger in accordance with the provisions of the Merger Plan and the agreed upon timeline.

To that end, BioAlliance Pharma and Topotarget undertook to conduct their respective business in the ordinary course and consistent with past practice and not to take action which might have a material adverse effect on the completion of the Merger.

Under the Merger Agreement, BioAlliance Pharma and Topotarget agreed that the Merger Plan will need to be replaced by the Definitive Merger Plan (as defined in Section 3.1.1.3 below) upon completion of and reflecting the outcome of the Topotarget Warrant Exercise and possibly the Binding Tax Ruling (as defined in the Merger Agreement) in order to serve as the basis for registration of the Merger in Denmark. The Parties agreed to cooperate in good faith with a view to ensuring that the Merger Plan is so replaced by the Definitive Merger Plan.

BioAlliance Pharma and Topotarget further agreed that the obligation of each party to consummate the Merger Agreement is subject to them obtaining any and all regulatory approvals and clearances, if applicable.

3.1.1.3. Execution of the Definitive Merger Plan between BioAlliance Pharma and Topotarget

In accordance with the provisions of the Merger Agreement, BioAlliance Pharma and Topotarget executed a Definitive Merger Plan on 21 May 2014 (the "**Definitive Merger Plan**"), which replaces in all respects the Merger Plan to reflect the outcome of the Topotarget Warrant Exercise.

The Definitive Merger Plan sets out the definitive number of the New Ordinary Shares to be issued by BioAlliance Pharma as consideration for the total share capital of Topotarget at the completion of the Merger and the updated amount of the Merger Premium.

The Definitive Merger Plan is attached herein as Schedule 1.

3.1.1.4. Publication following execution of the Merger Plan, the Merger Agreement and the Definitive Merger Plan

Following the execution of the Merger Plan and the Merger Agreement, BioAlliance Pharma and Topotarget published on 16 April 2014, a joint press release / company announcement, which is available on the websites of BioAlliance Pharma (www.bioalliancepharma.com) and Topotarget (www.Topotarget.com), in which BioAlliance Pharma and Topotarget stated that their respective board of directors had recommended the Merger by unanimous vote of the members of the board of directors.

Upon execution of the Definitive Merger Plan, BioAlliance Pharma and Topotarget published on 22 May 2014, a joint press release / company announcement, which is available on the websites of BioAlliance Pharma (www.bioalliancepharma.com) and Topotarget (www.Topotarget.com).

3.1.1.5. Shareholdings

Not applicable.

3.1.2. Purpose and objectives of the Merger

3.1.2.1. The Merger profile

The combined entity will build a leading European integrated Biopharmaceutical Orphan Oncology company with the clear strategic objective to become a key player in the orphan oncology field.

The combined entity will consolidate two well-advanced orphan oncology products portfolios, each with several pre-clinical and clinical programs.

BioAlliance Pharma is a French oncology company that conceives, develops and brings to market innovative drugs for the treatment of rare cancer and its associated pathologies, in selected markets, more specifically for severe and rare orphan diseases. Founded in 1997 and listed on Euronext Paris in 2005, the company's ambition is to become a leading player in the field of orphan diseases in oncology by linking innovation with patient needs. Its lead products in orphan oncology pipeline are Livatag®, a nanoparticular formulation of doxorubicine, in phase III for the treatment of hepatocellular carcinoma and Validive®, a Lauriad® formulation of clonidine, in phase II for the prevention and treatment of oral mucositis induced by cancer treatments.

Topotarget is a Danish oncology company focused on late-stage clinical development. Topotarget, founded in 2000 and listed on NASDAQ OMX Copenhagen A/S in 2005, aims at improving the quality of life and prolonging the lives of cancer patients by offering novel, safe, and effective cancer drugs. Its lead compound belinostat (Beleodaq®), a Histone Deacetylase (HDAC) inhibitor, is in the registration phase for the treatment of Peripheral T-Cell Lymphoma ("**PTCL**") and in phase II in several other cancer indications.

The rationale for combining the two companies is to establish a strong biotech company with a critical mass, with a deep orphan oncology portfolio and a diversified and well-balanced risk profile, based on a solid and demonstrated expertise in orphan oncology product development. Combining the two portfolios will mitigate the inherent risk of research and development. The management team of the combined entity will lead a highly skilled organization that will maintain and grow operations in the areas of research and development, industrialization & commercialization allowing the combined entity to focus on existing and capture new development programs.

The immediate objective of the combined entity is to build an efficient organization, actively leading the development of the on-going clinical programmes by capitalizing on the internal expertise within development and registration.

The growth strategy of the combined entity will be driven by the development of its advanced orphan oncology products, with high sales potential, benefiting from price and favorable reimbursement strategy, and meeting a high unmet medical need, for a relatively small population of patients. Three orphan oncology programs are currently at an advanced stage of clinical development (Phase II and Phase III registration) and represent major therapeutic innovation in their field.

The combined entity will develop breakthrough products and technologies, both in terms of nanoparticle formulation, delivery mucosa or targeted therapies that allow acting precisely on a therapeutic target and reducing resistance and / or intolerance.

These objectives result in a multi-pronged approach to delivering value creation for the combined entity shareholders over the near, medium and long-term.

By executing on this strategy, the combined entity will intend to have revenue in the medium/long term enabling financial self-sustainability with royalties and milestones payments from the resulting partnership and in particular the Spectrum collaboration and licensing agreement in place for Beleodaq in the US. New collaboration and licensing agreements related to the Validive and Livatag programmes may also be set up. In addition, in a mid-/long-term perspective, the combined entity may directly market these products with high added value in order to benefit from the entire margin. The progression of both in-house and partnered R&D programs will drive the combined entity's financial performance, resulting in robust and sustainable value creation for the company's share and stakeholders.

3.1.2.2. Corporate governance

BioAlliance Pharma will be the absorbing company. Once the Merger is completed, the combined entity's registered office will be located in Paris (France), and its shares will be traded on both Euronext Paris and NASDAQ OMX Copenhagen (subject to approval of the admission request).

The shareholders of the combined entity will be proposed to have the board of directors of the combined entity structured in a balanced manner, with two members of the previous Topotarget board, Mr. Bo Jesper Hansen and Mr. Per Samuelsson, in order to reflect the spirit of the Merger.

Chairman position will continue to be held by Mr. Patrick Langlois, current Chairman of the board of directors BioAlliance Pharma.

Chief executive officer position will continue to be held by Mrs. Judith Greciet, current Chief executive officer of BioAlliance Pharma.

Accordingly, upon completion of the Merger, the board of directors of the combined entity is expected to consist of the following members:

- Mr. Patrick Langlois, Chairman of the board;
- Mrs Judith Greciet;
- Financière de la Montagne, represented by Mr. Nicolas Trebouta;
- Mr. Russell Greig;
- Mrs Danielle Guyot-Caparros;
- Mr. Thomas Hofstaetter;
- Mr. David Solomon;
- Mr. Bo Jesper Hansen;
- Mr. Per Samuelsson.

The combined entity's operation will be located mainly in France (Paris) and Denmark (Copenhagen). Total initial workforce is expected to be approximately 50 to 60 people of which more than 70% will be dedicated to R&D.

The combined entity will emphasize talent management, meaning that employees will be gradually trained for further responsibilities. Performance management is a main factor in acknowledging the outstanding work of the team and indicates the high motivation and dedication of its employees.

The combined entity will commit to its employees and acknowledge them as the most important factor for the combined entity's success. This commitment to people starts by creating a lively, open and friendly working environment based on equal opportunities for men and women. Several women are working in key positions within each merging company and all women are encouraged to take over additional responsibilities and initiatives.

Since inception, BioAlliance and Topotarget have pursued their development in strict compliance with a number of corporate social responsibility rules and environmental sustainability.

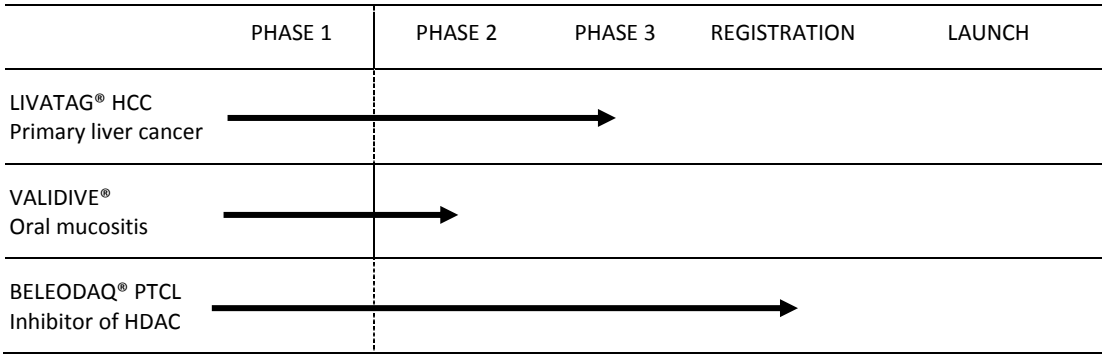
BioAlliance Pharma actively contributes to the local, regional and European scientific and industrial community through its senior managers being active members of the Paris bio-clusters, of France Biotech, the French association to support the development of the Biotech sector in France, and the European Technology Platform on Nanomedicine (ETPN). BioAlliance Pharma has also a large number of collaboration and agreements in place with the academic research centers of excellence.

Topotarget has several academic collaborations: it is party to a clinical trial agreement with the National Cancer Institute (NCI) in the USA under which the NCI sponsors a number of clinical studies evaluating the activity of Belinostat (Beleodaq®) alone or in combination with other anticancer therapies.

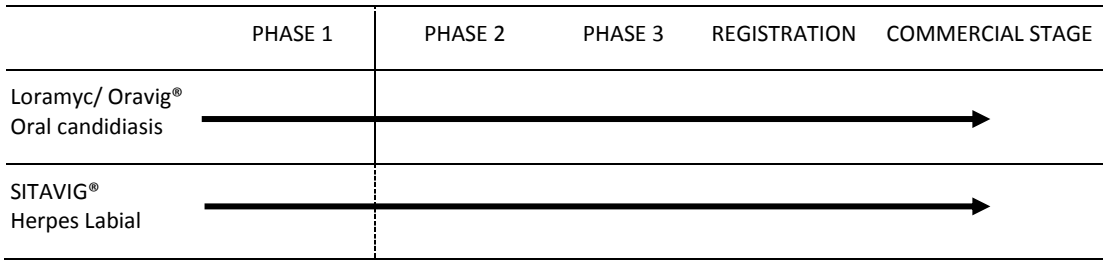
The combined entity will be committed to conducting business ethically and responsibly and in compliance with applicable laws, rules and regulations. The combined entity will commit itself and expects every employee to live up to the highest standards of integrity in the common mission. The combined entity will endeavor to motivate all of its employees to contribute to its goals. The combined entity management board will set up a corporate compliance program, headed by a global compliance officer who will directly report to the CEO.

3.1.2.3. Products

Orphan Oncology strategic Pipeline
Key products pipeline in current and active development phase



Specialty products
Registered products



(i) Livatag

- The product

Livatag® (Doxorubicine Transdrug™), is a doxorubicin formulation in the form of lyophilized nanoparticles of polyisohexylcyanoacrylate (PIHCA).

This new therapeutic approach, initially derived from Professor Couvreur's research at the Chatenay-Malabry faculty, allows drug resistance to be overcome by by-passing the mechanisms of multi-drug resistance developed by tumor cells through the masking of the anticancer agent. Acting as a Trojan horse, the nanoparticle formulation avoids rejection of doxorubicin outside the cell so that it can exert its cytotoxic action. By specifically targeting tumor cells in the liver and overcoming resistance to doxorubicin, Livatag® (Doxorubicin Transdrug™) represents a significant breakthrough in the treatment of this cancer. The first indication of this product is hepatocellular carcinoma; the sixth most widespread cancer in the world and the second cause of cancer-related death.

The efficacy of Livatag® (Doxorubicin Transdrug™) has been demonstrated in preclinical models of resistant cancers in vivo and in vitro, its superiority over free doxorubicin having been established. This form of doxorubicin has obtained the status of orphan medication in Europe and the United States.

In a Phase II trial, Livatag®, administered by hepatic intra-arterial route in the form of repeated treatment in HCC patients, has been assessed in comparison with the existing standard of care, essentially consisting of intra-arterial chemoembolization. The endpoints concerned efficacy and tolerance, with efficacy being judged by the absence of progression at three months and survival.

On 16 July 2008, BioAlliance Pharma announced the suspension of this trial, in accordance with the opinion of the independent safety committee, the Drug Safety Monitoring Board (DSMB), which had been monitoring the progress of this trial. The committee observed a clinical benefit but also acute pulmonary intolerance of unexpected frequency and gravity. It therefore recommended the suspension of the trial.

In accordance with the decisions of the DSMB, BioAlliance Pharma has continued follow-up of patients included in this trial during 2009, 2010 and 2011, which revealed positive results in terms of survival with a median survival of 32 months in patients who had received Livatag® by the hepatic intra-arterial route versus 15 months in patients having received the standard treatment (arterial chemoembolization). These results were presented at the ILCA Congress (International Liver Cancer Association) in September 2011 and the AASLD Congress (American Association for the Study of Liver Diseases) in November 2011.

At the same time, BioAlliance Pharma continued studies aiming to control more effectively the respiratory side effects observed in 2008. The Company has developed a new and validated administration scheme in animals allowing the significant reduction of acute side effects in the lungs, which had led to the interruption of the trial.

In view of this new data, the ANSM has given its authorization for a Phase III clinical trial in patients with advanced stage HCC, after failure with or intolerance to sorafenib (ReLive study). The first patient was enrolled in the Phase III study in June 2012. In November 2012, an independent European experts committee (the Data Safety Monitoring Board) was set up to continuously monitor safety in patients included in the ReLive study, as set out in the protocol. This committee met in November 2012 and then in May and October of 2013 to review the tolerance data of patients included in the study and subsequent to each meeting gave the green light for the trial to continue without modification.

The geographical roll-out of ReLive continued during 2013 with authorization to conduct the Phase III clinical trial in the United States (IND, Investigational New Drug), granted by the Food and Drug Administration (FDA), and in a number of countries in Europe (Germany, Spain, Italy, Hungary, Austria and Belgium) by the national health authorities.

As of the date of this report, over 100 patients have been included in the study; recruitment is scheduled to have been completed end of 2015, with results expected end of 2016.

BioAlliance Pharma is running this development internally, with external service provider from well established international CRO (Clinical Research Organization) in charge of the sites monitoring on a continuous basis in Europe and in the US.

Manufacturing is outsourced at specialized manufacturing facilities but led by in-house professionals.

BioAlliance has full rights on Livatag.

- Disease

Hepatocellular carcinoma (HCC) develops from liver cells (hepatocytes) and represents 85% of primary liver cancers. In the great majority of cases (>90%), HCC occurs when the liver is already abnormal (cirrhosis). Risk factors are well established:

- Infection with hepatitis B and C viruses is the source of 80% of liver cancers. This is why the areas where the infection is endemic, such as Asia, are the most affected by HCC;
- Consumption of large amounts of alcohol, because of its implication in cirrhosis, is also an HCC risk factor which contributes more extensively in Western than in Asian countries;
- Metabolic diseases, and in particular obesity, are a growing cause of cirrhosis and HCC.

Most HCCs are diagnosed at an advanced stage because the tumour progresses without any visible clinical manifestations in the early stages. In addition, the first symptoms or signs are usually not specific to HCC but to the associated cirrhosis and may suggest other pathologies.

- Epidemiology

According to Globocan (2012 data), liver cancer is the 6th most common cancer in terms of incidence (782,000 new cases in the world, 5.6% of all new cancer cases) with the 2nd highest mortality rate (746,000 deaths, 9.1% of the total) after lung cancer.

It is the most aggressive form of cancer - alongside that of the pancreas - with a mortality rate of 95% (relationship between mortality and incidence for a given year).

While Europe (UE28) and the United States total 82,000 new cases per year (10% of the global figure), it can be said that liver cancer is a public health issue that particularly affects less developed countries (648,000 new cases) and especially Asia, including China, which alone accounts for half of cases worldwide.

The concentration of cases in Asia, and particularly in China, is of course explained by demography but also and above all by a high prevalence of viral hepatitis B and C.

The incidence rate of liver cancer varies greatly from one geographical area to the next: while the average global rate is 11.1/100,000, it is close to 30/100,000 in the Far East (China, Japan, Korea). In the West, the incidence rate lies at the global average: 10.2/100,000 in the European Union, 9.6/100,000 in the United States.

The 5-year survival rate remains extremely low, even in the medically most advanced countries such as the United States, where it lies at 16% overall but only 10% for those diagnosed at an advanced stage (regional invasion) and 3% for full-blown metastasis (report Facts & Figures 2014 by the American Cancer Society).

- Competition

Existing forms of treatment:

The only curative treatment for HCC is surgery: resection to remove the whole tumor. However, due to late diagnosis of HCC, the tumors are often large and numerous and only 15 to 20% of patients can undergo such surgical treatment. Liver transplantation is rarely offered because of the scarcity of grafts and the very strict allocation rules applied.

Radiofrequency is an alternative to surgical resection: thermal destruction of the tumor (by electrical current) but this technique is restricted to tumors not normally exceeding 3cm and in limited number (less than 3).

For patients who cannot have surgical treatment, there are four alternative therapies:

- Arterial chemoembolization: arterial injection of an obliterating agent in tumor blood vessels whether or not associated with doxorubicin (or cisplatin) allows the survival time to be prolonged by 4-6 months in certain categories of patients. This is associated with complications that lengthen hospital stays in over 30% of patients;

- Sorafenib (Nexavar®, Onyx / Bayer), a product derived from biotechnology active on multiple kinase targets (including RAF kinase, VEGFR Kinases), is indicated for the treatment of HCC (as well as renal cancer). It prolongs survival by approximately 3

months compared to the placebo in patients with compensated cirrhosis who cannot receive any other form of treatment;

- Systemic (intravenous) chemotherapy has limited efficacy due to chemoresistance and systemic toxicity. It is seldom used nowadays;

The problems involved with the treatment of HCC and the associated high mortality rate are attributable to various factors, especially associated, which limit treatment options. In addition, primary liver cancer is a cancer that is resistant to chemotherapy.

Cancer resistance, whether arising spontaneously or acquired over time, represents a major challenge in the fight against this type of disease. Currently, multi-drug resistance is the principal reason for failure of chemotherapy. Multi-drug resistance of certain tumor cells after repeated cycles of chemotherapy makes these cells insensitive to any other form of therapy.

One of the causes of this type of multi-drug resistance is the activation of a family of transmembrane transport proteins. These proteins are activated by the influence of the multi-resistance gene MDR-1. These proteins actively reduce the concentration of intracellular cytotoxic agents by rejecting them outside the target cell as soon as they enter. These proteins act as veritable "pumps" preventing the cytotoxic agent from exerting its therapeutic action.

There is therefore an unmet medical need for effective therapy and new treatment strategies for the management of HCC. In preclinical trials, Livatag® has shown its ability to circumvent this efflux pump, allowing the product to permeate and remain in the cancer cell to exert its action.

Competing products under development (advanced-stage HCC):

Phase III		Phase II	
First line	Second line	First line	Second line
- Lenvatinib (Eisai) - Brivanib (BMS) * - Sutent® (sunitinib, Pfizer) * - Linifanib (Abbott)*	- Livatag® (doxorubicine Transdrug®, BioAlliance Pharma) - Stivarga® (regorafenib, Bayer) - Ramucirumab (Eli Lilly) - Tivantinib (ArQule, Daiichi Sankyo) - Cabozantinib (Exelis) - ADI-PEG 20 (Polaris Group) - Muparfostat	- Dovitinib (Novartis) - Trebananib (Amgen) - Tigatuzumab (Daiichi Sankyo) - Refametinib (Bayer) - Selumetinib (AZ)	- Belinostat (Topotarget) - Resminostat (4SC) - Inlyta® (axitinib, Pfizer) - GC33 (Chugai) - Ceditarabin (AZ) - Paclociclib (Onyx, Amgen) - SGI110 (Astex Pharma) - Galunisertib (Eli Lilly) - G202 (Genspera) - Tasquinimod (Ipsen, Activ Biotech)

Phase III		Phase II	
First line	Second line	First line	Second line
	(Medigen Biotechnology) - Brivanib (BMS)* - Afinitor® (everolimus, Novartis)*		- JX-594 (Jennerex)*

** Product for which clinical development program for the indication has been stopped.*

(ii) Validive

- The product

Validive® (Clonidine Lauriad®) is a new therapeutic application of clonidine, which the company has patented, based on the mucoadhesive technology Lauriad®. It is being developed for the prevention and treatment of oral mucositis induced by radiotherapy or chemotherapy in patients suffering from an ENT cancer.

Clonidine stimulates the alpha-2 adrenergic receptors traditionally used to treat high blood pressure. It stimulates these receptors in the brain. This leads to a decrease in peripheral resistance and thus a lowering of blood pressure, as well as a reduction in heart rate and renal vascular resistance.

However, clonidine also acts as an agonist of the alpha-2 adrenergic receptors on leucocytes and macrophages, thereby decreasing the expression of the pro-inflammatory genes and the release of cytokines IL6, IL1β and TNFα. This effect leads to a reduction in the pro-inflammatory mechanisms. It also acts on the anti-inflammatory mechanisms by increasing the release of TGF β.

Clonidine therefore has the following properties:

- Painkilling properties due to changes in the inflammatory response and its direct action on nociceptors;
- Anti-inflammatory properties due to its action on the expression of the pro-inflammatory genes and the resulting release of cytokines IL6, IL1 β and TNFα and due to the release of TGF β.

In December 2009, BioAlliance Pharma received the go-ahead from ANSM for its Phase II clinical trial on clonidine Lauriad® for post-chemotherapy and radiotherapy mucositis. Patient recruitment commenced in April 2010 in France, Germany and Spain and then in 2013 in Hungary, Switzerland and the United States.

In October 2011, Validive® obtained orphan drug status from the European agency.

In September 2013, a European and American Committee of Experts, recognized internationally in the field of oral mucositis, oral medicine, oncology and radiotherapy, was set up to focus on oral mucositis and Validive® and the associated clinical development program. Its purpose is to offer its expertise and recommendations regarding the development strategy for Validive® and its medical positioning in oral mucositis.

As of the date of this report, nearly 95% of the patients planned for the trial have been recruited. Recruitment is scheduled to be completed during the second quarter of 2014 and results are expected during the second quarter of the same year.

BioAlliance Pharma has fully performed the ongoing phase II, again using an international CRO to monitor the clinical sites on a continuous basis, implemented in various European countries as well as US. As for Livatag, manufacturing is outsourced but managed internally.

BioAlliance Pharma has full rights on Validive.

In order to optimize phase III trial duration following the current phase II, the company is contemplating the possibility to enter into either a co-development or licensing agreement with a potential partner allowing sharing the costs of such clinical trial.

In January 2013, the FDA granted fast-track status to Validive®. This status is designed to promote interaction with the FDA and to optimize evaluation deadlines for drugs developed for severe pathologies or those with a high mortality rate and for which there exists great medical need.

- The Disease

Oral mucositis consists of erythematous and ulcerative lesions of the oral mucous membrane which affect cancer patients treated by chemotherapy and/or radiotherapy.

The occurrence of mucositis is directly linked to the intensity of the dose and the type of chemotherapy administered and/or the radiotherapy protocol.

The consequences of mucositis are severe pain, difficulty ingesting solids and even liquids, which may require parenteral or enteral feeding, weight loss and altered general state, and infections linked to mucositis which can in turn lead to septicemia during periods of severe immunosuppression. This complication of cancer treatment leads to hospitalization in 30% of cases and sometimes to stopping the cancer treatment protocol for periods of varying length, thus reducing its effectiveness.

Consequently, the patients' quality of life is affected, the periods between treatment cycles are longer and the doses are reduced, resulting in longer hospital stays and less effective treatment. This disease also involves a major healthcare cost.

Estimation of target population: The incidence of head and neck cancers is 686,000 cases worldwide and 155,000 cases in Europe and the United States (Globocan 2012). As patients diagnosed at an advanced stage (≈ 60%) are generally treated by both surgery and radiotherapy, and that patients treated at an earlier stage generally benefit from one or other of the treatments, BioAlliance Pharma estimates the current target population in Europe and the United States at around 115,000 people.

This is a minimum estimate which could be revised depending on the ultimate definition of the indication and the possible inclusion of patients at risk of oral mucositis caused by chemotherapy (and not only radiotherapy).

- Epidemiology

Patients suffering from ENT cancer are particularly at risk of developing oral mucositis following treatment by radio-chemotherapy.

Recent studies have shown that over 50% of patients treated with radiotherapy with or without chemotherapy for ENT cancer, 75% to 80% of patients receiving high doses of chemotherapy associated with the transplantation of hematopoietic cells, and 20% of patients with solid tumors treated by chemotherapy suffered from severe oral mucositis.

- Competition

Existing forms of treatment: There is currently no effective treatment for oral mucositis in these different situations. Until now, the only drug with approval for this indication is Kepivance® (palifermin), an effective growth factor in patients with mucositis due to high doses of chemotherapy before the transplant of hematopoietic cells. This medication is administered in an injectable form. The safety of this class of growth factors has been called into questioned in patients who have non-hematological malignant pathologies.

Treatment today is therefore essentially symptomatological in nature. It consists in trying to relieve pain due to oral mucositis with topical pain-killers containing lidocaine, often together with systemic pain-killers such as morphine and its derivatives. The recommendations are oral hygiene, food supplements, liquid feeding, catheter or intravenous feeding, and the treatment of xerostomia, infections and hemorrhage. Among therapies without active molecules (status of medical devices) but aiming to protect the mucosa, one can identify Caphosol® (EUSA Pharma), a solution of calcium and phosphate ions, MuGard® (Access Pharmaceuticals), a solution that forms an aqueous gel; Gelclair® (Helsinn / EKR Therapeutics), an oral bioadherent gel and Episil®, a bioadhesive lipid-based liquid film (FluidCrystal® technology) developed by Camurus and licensed to IS Pharma for commercial use in Europe.

Competitor products currently being developed:

In Phase II:
- IZN-6N4 (Izum Pharma Corp), mouth wash
- SGX942 (Soligenix Inc)
- Clazakizumab (Alder Biopharm)
- Samital (Indena),
- CR-3294 (Rottapharma Madaus),
- P-276 (Piramal Enterprises)
- LP-004-09 (Laila Pharmaceuticals Ltd), mouth gel
- H0/03/09 (HealOr Ltd), mouth wash
- AG013 (ActoGenix NV), applied to the oral cavity

In Phase III:
- Kepivance (Amgen)

(iii) Beleodaq® (Belinostat)

- The product

Beleodaq® is a novel and potent inhibitor of histone deacetylase (HDAC) enzymes, which alters acetylation levels of histone and non-histone proteins, thus influencing chromatin accessibility and ultimately gene transcription. Inhibition of HDAC is expected to have utility in the treatment of diseases characterized by aberrant cell division, such as cancer.

Beleodaq® is a pan HDAC inhibitor, inhibiting both Class I and Class II HDAC isoforms. The inhibition of cellular HDAC activity has been shown to cause differentiation, inhibition of proliferation and apoptosis of cancer cells.

Histones constitutes the major proteins in chromatin. They play an important regulatory role in gene expression. Acetylation and deacetylation of histones are controlled by the enzymatic activity of HDAC and histone acetyltransferase. In non-clinical studies, HDAC inhibitors have been shown to induce the differentiation, growth arrest and apoptosis of cancer cells in vitro and the inhibition of tumour growth in animal models.

Beleodaq® has been tested in preclinical experiments and has been shown to inhibit the growth of cell lines representing a wide range of cancer types. It has also been shown to have synergistic effects with several chemotherapies and targeted therapies including tyrosine kinase inhibitors.

Beleodaq® has been explored in several indications by Topotarget, Spectrum Pharmaceuticals, the National Cancer Institute and other independent investigators. About 1200 patients have been treated with belinostat as monotherapy or in combination with chemotherapies in hematological cancers and solid tumours by IV bolus, continuous infusion or oral route.

Topotarget together with their licensee partner Spectrum have completed Beleodaq® pivotal Phase II study for the treatment of the orphan haematology disease Peripheral T-Cell Lymphoma (PTCL) in patients which were resistant or refractory to their 1st-line treatment. Final top-line data presented at the American Society of Clinical Oncology Annual Meeting 2013 showed an objective response rate (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 angioimmunoblastic T-cell lymphoma (AITL). Safety data presented at the T-Cell Lymphoma Forum in January 2013 showed a favourable safety profile of belinostat when compared to the US approved treatments for patients with PTCL, and it was emphasized that combining belinostat with cytotoxic regimens is likely feasible. Beleodaq appears to have low myelosuppression and even PTCL patients with a poor bone marrow reserve tolerate belinostat. Based on these data, the Beleodaq® dossier has received FDA acceptance to file, and Priority Review has been granted by the FDA with a Prescription Drug User Fee Act (PDUFA) action date of August 9, 2014.

Other clinical studies are being conducted:

BelCHOP - SPI-Bel-12-104
The dose-finding BelCHOP (belinostat plus cyclophosphamide, hydroxydaunorubicin, oncovin, and prednisone) study is designed to determine the dose of belinostat which can be safely administered with CHOP, the 1st-line treatment for patients with PTCL. The

purpose is furthermore to establish the recommended dose for the immediate following phase III confirmatory study as agreed with the FDA. The dose-finding study of BelCHOP is expected to recruit up to 28 patients by Q4 2014. The confirmatory phase III trial is expected to be initiated in H1 2015.

Non-small cell lung cancer (NSCLC) – SPI-1014
This is a phase I/II maximum tolerated dose study of belinostat in combination with carboplatin and paclitaxel (BelCaP) in chemotherapy-naïve patients with stage IV NSCLC. The study was initiated in March 2011 and all patients have been enrolled. Topotarget and Spectrum Pharmaceuticals are cosponsors and Spectrum Pharmaceuticals is managing 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 recruitment of six evaluable patients has been completed and the analysis of the biologic samples is on-going.

NCI and investigator sponsored studies
The National Cancer Institute (NCI) is a prestigious, world-leading oncology research organization sponsoring a vast number of studies in oncology. In collaboration with Topotarget and Spectrum Pharmaceuticals, the NCI studies belinostat and investigates treatment options in indications with a high unmet medical need. The NCI as well as independent investigators sponsors and conducts the studies under their auspices and therefore the timelines and communication given are under the control of the NCI.

Part of the strategy of the combined entity will be to define new indications in which Beleodaq® will be further developed. The strategy is to leverage the successful development of Beleodaq® by exploring the compound's opportunities in other rare cancer indications where medical needs are unmet within haematology and solid tumours.

- The Diseases

Peripheral T-cell lymphoma (PTCL):
It is a group of rare and usually aggressive, fast-growing Non Hodgkin Lymphomas (NHL) that develop from mature T-cells. Most T-cell lymphomas are PTCLs, which collectively account for about 10 to 15 percent of all NHL cases.

PTCLs are classified into various subtypes, considered separate diseases based on their distinct clinical differences. The three most common subtypes of PTCL are, peripheral T-cell lymphoma not otherwise specified (PTCL-NOS), anaplastic large-cell lymphoma (ALCL), and angioimmunoblastic T-cell lymphoma (AITL) which together represent approximately 70 percent of all PTCLs.

- Peripheral T-cell Lymphoma Not Otherwise Specified (PTCL NOS) is the most common PTCL subtype (about 25% of all PTCL) and refers to a group of diseases that do not fit into any of the other subtypes of PTCL.

- Anaplastic Large-Cell Lymphoma (ALCL) is an aggressive T-cell lymphoma, accounting for about three percent of all lymphomas in adults (about 15 percent to 20 percent of

all PTCLs) and between 10 percent and 30 percent of all lymphomas in children. ALCL can appear in the skin or in other organs throughout the body (systemic ALCL). ALCL has several different subtypes, each with different expected outcomes and treatment options.

- Angioimmunoblastic T-Cell Lymphoma (AITL) is an aggressive T-cell lymphoma that accounts for about two percent of all NHL cases (about 10 to 15 percent of all PTCLs).

▪ Epidemiology

PTCL is rare disease.

Peripheral T-cell lymphomas account for between 10 percent and 15 percent of all Non-Hodgkin lymphomas. PTCLs are rare in the United States and Europe and are more common in Asia, Africa and the Caribbean, possibly due to exposure to specific viruses, such as the Epstein-Barr virus and the human T-cell leukaemia virus-1 (HTLV-1). During the 10-year period from 1997 to 2006 as recorded in the US Surveillance, Epidemiology and End Results (SEER) cancer registries, incidence rates of PTCL were 0.78 per 100 000. The incidence is slightly higher in men than in women and in blacks than in Caucasian or Asian.

Historical specialty products portfolio:

(i) Loramyc® / Oravig®

▪ The product

Loramyc® (or Sitamic® in some European countries, Oravig® in the United States) is an original mucoadhesive gingival miconazole tablet. It provides early and prolonged release of an efficient concentration of miconazole that impregnates the oral mucosa with little or no systemic absorption. Loramyc® is the first antifungal pharmaceutical speciality to use this mucoadhesive gingival technology.

Loramyc® sticks to the gum and disintegrates progressively while releasing miconazole for more than 12h on average.

Loramyc® is indicated in Europe for the treatment of OPC in immunocompromised patients. In the United States, Oravig® is indicated for the treatment of OPC in adults.

Loramyc® is approved in most of the European territories and in the US. According to the strategy of BioAlliance, Loramyc has been licensed to different partners in a large number of territories, which has allowed the company to book more than € 55 million received since 2007 through upfront and milestone payments.

▪ The Disease

Oropharyngeal candidiasis (OPC) is a mycosis of the oropharynx induced by yeast-type fungi: Candida albicans and non-albicans. The most common species is Candida albicans. OPC is an opportunistic disease that takes advantage of a deficiency in the immune system and/or a local imbalance in order to infect patients. The conditions associated with its development are often physiological, associated with a local trauma (irritation of the mucous membranes, poor dental hygiene) or with immune anomalies (advanced HIV

infection, bone marrow or organ transplant, diabetes, severe malnutrition and debilitating age-related conditions).

Furthermore, treatments such as immunosuppressive therapies, radiotherapy, chemotherapy, long-term antibiotic therapy and chronic or inhaled corticosteroids promote the development of severe fungal infections.

These diseases alter the quality of life of patients who are in pain and have problems feeding themselves. In the event of severe immunosuppression, the disease can spread in the body, which can be fatal (death rate of about 40% for candidemia). Local therapies are the most appropriate for treating OPC. Unfortunately, mouth washes only have a short-term effect and need several applications a day, keeping the product in the mouth for a long time despite its unpleasant taste, in order to be effective. Systemic therapies (acting via the general route) are also effective but, according to recommendations, must be reserved for severe or refractory infections due to the risk of systemic toxicity and drug-resistance induction.

The mucoadhesive miconazole Lauriad® (Loramyc®/ Oravig®) tablet is designed to be applied once a day and maintains sufficient levels of miconazole in the saliva for the treatment of oropharyngeal candidiasis.

- Epidemiology

In oncology, the incidence of OPCs varies according to the location of the tumors, the type of drugs and the therapeutic protocol used: one meta-analysis has evaluated the median incidence of candidiasis in oncology as being between 30% and 70%, reaching almost 100% in patients with ENT cancers.

Candida albicans is the predominant organism but C. non-albicans strains represent 25% of cases and are associated with C albicans in about 20% of the cases.

Other populations of patients that are weakened or immunocompromised can suffer from OPC, especially elderly, hospitalized and polymedicated subjects, and patients presenting co- morbidities. The prevalence of oropharyngeal candidiasis in elderly patients is estimated at 30 to 70%.

- Competition

The national and international recommendations advise using locally active agents as first-line treatment and reserving systemic agents for disseminated candidiasis due to the significant risk of drug interaction for patients receiving several medications and to the risk of emergence of Candida resistance, favoured by prolonged systemic antifungal treatment. In clinical practice, these recommendations have not been widely applied due to the constraints involved in administering a topical treatment. There was therefore a real need for forms of local treatment administered once a day and targeting the affected mucous membrane, with a broad spectrum of activity covering all Candida, thus avoiding drug resistance and clearly reducing the risk of drug interactions.

The pharmaceutical specialties currently marketed for the treatment of OPC can be administered locally (mouth washes) or systemically (drinkable suspension or tablets) to produce their effect via the general route.

The active antifungal ingredients used for the treatment of OPC essentially belong to three specific chemical classes:

- Polyene-class antibiotics: amphotericine B (Fungizone® and generics) and nystatin (Mycostatine®)
- Azoles, divided into two sub-groups:
- Imidazoles: miconazole (Daktarin® mouth gel and Loramyc®); clotrimazole (Mycelex®)
- Triazoles: fluconazole (Triflucan® and generics); itraconazole (Sporanox® suspension, reserved for hospital use) and posaconazole (Noxafil®, indicated for systemic candidiasis and oropharyngeal candidiasis when a low response to local treatment is expected).

(ii) Sitavig® (acyclovir Lauriad®) and the labial herpes market

- The product

BioAlliance Pharma has developed Sitavig®, the second product in the Lauriad® technology, for the treatment of recurrent labial herpes. Sitavig® is an original mucoadhesive buccal tablet. It enables treatment of recurrent labial herpes with the administration of a single tablet at the first signs of infection.

In March 2005, BioAlliance Pharma carried out a clinical pharmacokinetic and pharmacodynamic study comparing two doses of Sitavig® (50mg and 100mg) to a standard treatment (200mg, Zovirax® tablet). A high, early and durable concentration (above the IC_{50}, i.e. an efficient clinical concentration) was obtained for 24 hours in the saliva and the labial mucosa, with the continuous presence of the active ingredient.

A multicentre international Phase III, randomized, double-blind study against placebo, compared the efficacy and tolerance of a single dose of Sitavig® 50 mg gingival mucoadhesive tablet to that of a placebo, in 775 patients with recurrent labial herpes. The results show that this trial was a success since both the primary and secondary endpoints were met, with marked efficacy and good tolerance. A single dose of Sitavig® 50mg significantly reduced the time to healing of the primary vesicular lesion, the main criterion, and the duration of the herpes episode from the time of the first prodromal symptoms to healing was significantly reduced ($p = 0.003$). Sitavig® also increased the percentage of patients with abortive episodes (absence of progression to the vesicular lesion stage).

In Europe, BioAlliance Pharma has obtained registration of Sitavig® in 10 countries (France and Germany since March 2014 and Sweden, United Kingdom, Spain, Italy, Denmark, Finland, Norway and Poland since December 2012).

In the United States, the company obtained marketing authorization in April 2013.

A first exclusive licensing agreement was signed in June 2012 with Abic Marketing Limited, a Teva group subsidiary, to market the product in Israel.

In March 2014, licensing agreements were signed with Innocutis, a US pharmaceutical company dedicated to dermatology and Daewoong Pharmaceuticals CO for commercialization rights in South Korea. Moreover, Daewoong will be in charge of registering Sitavig® in South Korea.

- The disease

Caused by herpes simplex virus 1 (HSV-1), herpes labialis, often called "cold sores", is the most common form of herpes. This virus causes the appearance, on and around the lips, of transparent vesicles the size of a pinhead, surrounded by a red areola. The blisters burst fairly quickly, become ulcerated and eventually form scabs. Healing takes place without consequences within 7 to 14 days on average.

Herpes lesions can also occur on the face, inside the mouth and even on the eyes.

Herpes virus can be found in vesicular lesions but also in saliva, nasal secretions and tears. Contamination occurs through direct contact with lesions or contaminated secretions. Self-contamination is also common. Transmission is possible as soon as the first symptoms appear and until the scabs dry up.

- Epidemiology

Over 80% of the world's adult population currently carries HSV-1, the main oral herpes virus. Each year, about 14% of the adult population has at least one episode of herpes labialis. Acyclovir Lauriad® targets patients with at least four outbreaks per year, which represents roughly 35% of patients suffering from recurrent labial herpes according to a study of patients conducted by Nielsen for BioAlliance Pharma.

In addition, HSV-1 infection is often associated with HIV infection in which case, patients have about twelve outbreaks a year.

- Competition

Labial herpes is a pathology that is managed either directly by patients (self-medication, asking for advice from the pharmacist), or after consultation and medical prescription. With its innovative treatment, particularly appropriate for patients suffering from frequent relapses, BioAlliance Pharma mainly aims to target the prescription market, i.e. that of antiherpetic antivirals.

Existing forms of treatment: Medication prescribed for the curative treatment of herpes target each episode of the disease and is designed to make the lesion disappear faster. When prescribed preventively, the medication must be taken every day continuously for several months in order to reduce the frequency of recurrent episodes.

Three types of nucleoside analogues are currently available by the general route for the curative or preventive treatment of recurrent labial herpes (the indications vary between countries): acyclovir (Zovirax®), valacyclovir (Valtrex®, Zelitrex®) and famciclovir (Famvir®, Oravir®). They are approved for the curative or preventive treatment of recurrent labial herpes (the indications may differ from one country to the next).

In parallel to systemic forms of treatment, the topical agents currently available in the form of a cream shorten the duration of symptoms although none are truly effective in eliminating outbreaks. They are essentially:

- Acyclovir (Zovirax® - GSK – Biovail) is the reference treatment and must be applied five times a day for five days;

- Penciclovir (Denavir® - Novartis) must be applied every two hours during the day (nine applications daily) for five to ten days;
- Docosanol (Abreva® - Avanirpharma – GSK), to be applied five times a day for five to ten days;
- The combination acyclovir/ hydrocortisone (Xerclear®/Xerese® cream) by the company Medivir requires five applications a day for five days.

Competitor products currently being developed:

NanoBio Corp is developing NB-001, a topical formulation based on an emulsion (a mixture of oil and water) in the form of nano-drops. The product entered Phase III in April 2011. A marketing agreement has been signed with GSK for the United States.

(i) Fluriad® and the vaccine market

Fluriad® is a project supported by the Medicen and Atlanpole Biotherapies competitive clusters which aim to develop a mucoadhesive tablet that is suitable for vaccination with a first proof of concept on the flu virus. BioAlliance Pharma is the coordinator of this project, as part of a consortium also involving the Laboratoires Sogeval (Laval), the Human Virology and Pathology Laboratory (Lyon), associated team "401" Materials and Health Products (School of Pharmacy, Châtenay-Malabry), the company Gredeco (Paris) and the Nice University Hospital. The consortium has been financed through a FUI grant up to €2 million with € 743,000 for BioAlliance Pharma.

In the field of vaccination, the pharmaceutical industry is seeking to free itself from constraints linked to the cold chain and the need for sterility, currently associated with vaccines inoculated by injection. The oral and nasal routes have numerous advantages but the problems linked to these routes of administration have yet to be resolved.

This research program aims to establish the feasibility of using Lauriad® technology for vaccination. It offers efficient vaccination without injection by the simple application to the gums of a mucoadhesive tablet containing an antigen vaccine. Such an application method would overcome the constraints linked to the sterile injectable method both in terms of production and in terms of administration to the patient.

3.1.2.4. Objectives of the Merger

The aim of the Merger is to create a leading orphan oncology biopharma company, with prioritized, short term and mid/long value creating development projects oriented towards rare cancers and unmet medical needs in the orphan oncology area.

The combined entity will develop, register and commercialize directly in Europe its highly innovative breakthrough products in diseases with strong unmet needs, while licensing its products to partners outside Europe.

The combined entity already has a highly valuable pipeline focused on:

- Advanced programs with clinical results expected in the short/medium term (2014-2016)

- Products with very high sales potential, major one with full sales potential that could reach up to €800M.

  NB: This annual peak sales estimate is based upon a full potential, which assumes that clinical development of Livatag® be optimal and that peak sales are reached at the same period in all major regions, usually after 4 to 6 years of commercialization. Company's revenues would therefore result from milestone payments from potential agreements and sales royalties in the framework of a commercialization performed with a commercial partner, and "direct" revenues would be generated through "direct" commercialization in Europe if the combined entity implements a commercial organization in European key countries.

The synergistic and strategically focused pipeline of the combined entity will be diversified with independent products and technologies at different development stages and different targeted indications.

The combined entity will strive for mid-term financial self-sustainability by:

1. Maximizing the existing collaborations and licensing agreements in place to have a recurrent source of revenue;

2. Seeking new collaborations and licensing agreements for its late stage and registered products in European territories for which rights are available;

3. Leveraging the potential of its main technologies: Lauriad® (muco-adhesive tablet) and nanoparticules internally or through collaborations;

4. Leveraging the potential of its drugs by launching development programs in new promising indications with partners;

5. Developing its drugs in-house up to their inflection points, therefore allowing strong value creation;

6. Generating revenues from direct commercialization of its strategic products in major European countries;

7. Actively pursuing new strategic development opportunities likely to create long-term value;

8. Finding cost synergies between the two merged entities by consolidating or divesting activities.

3.1.2.5. Rationale of the Merger

The combined entity will be a European Champion with high value creation perspectives for shareholders.

BioAlliance Pharma and Topotarget are showing strong synergies, starting from a fully aligned growth strategy, supported by their late stage oncology development projects.

The combined entity will be sustained by late stage partnered-assets and an orphan oncology pipeline with middle to late stage programs. As the two companies are dedicated to the same therapeutic area, the pipeline will gain significantly in strength, with independent & innovative technologies while mitigating the development risks.

The synergies and critical mass of the combined entity will allow pursuit of its clinical programmes as stand-alone company studies or through co-development with partners, as well as in-licensing or acquisition of new innovative technologies or projects for rare cancers in late-stage development to sustain its future growth.

It is the aim of the combined entity to be more visible and attract long-term US and European biotech investors ready to fund the company until critical inflection points ensure solid value creation.

The combined entity will present a complementary and synergistic portfolio of late stage and registered products as well as a powerful R&D organization, which will result in a more balanced profile of short term, mid-term and long-term value creators:

1. 2 US and European approved products (Sitavig® and Loramyc®/Oravig®) and their commercialization through existing collaborations and licensing agreements and 1 product under review by FDA for registration (Beleodaq®);

2. Future collaborations on orphan oncology products with high market potential (Beleodaq®, Livatag® and Validive®) likely to generate upfront payments, milestones and royalties from commercial partners on future potential sales;

3. Direct revenues through the set-up of a lean, flexible and targeted force of Medical Scientific Liaisons to directly commercialize the products of the orphan oncology pipeline;

4. Promising growth drivers and life cycle management with potential new indications for its existing products and acquisition of new technologies and late-stage products to be either commercialized directly or out-licensed to future partners.

The combined entity will have all the skills and expertise of a fully integrated R&D company to successfully achieve its goals of becoming a key player on the European orphan oncology market.

3.1.2.6. Expected achievement of the Merger: a European Biotech Champion in Orphan Oncology Diseases

- A Strategic position in severe orphan diseases in oncology for high value markets

The combined entity's growth strategy is based on the development of its orphan oncology drugs, targeting severe diseases with few or no therapeutic alternatives and with especially high unmet medical needs. With a market for orphan oncology products of several hundred million Euros, these products represent for the combined entity strong drivers of internal growth in the short and medium term.

In Europe, the orphan status is granted by European Drug Agency (EMA) for a drug that is expected to address significant medical needing diseases affecting less than 5/10,000 people, namely 250,000 people in the EU-28.

In the United States, the orphan status is granted by US Food and Drug Administration (FDA) for drugs developed against diseases affecting less than 200,000 people and for which also there is clear need for efficient treating options.

The treatment of orphan oncology diseases represents a major challenge to our healthcare systems. Between 6 and 8% of the total population suffers from a rare disease. There are approximately 7,000 rare diseases identified and treatments exist for fewer than 5% of them.

The time is optimal for the development of treatments for rare cancers: the medical need is significant and the regulatory agencies are increasingly prepared to facilitate the development of these treatments and the patients' access to them. The orphan status allows:

- More rapid development pathways: acceptance of validated/genetically validated surrogate endpoints;

- Shorter review/approval cycles: Accelerated/Conditional approval, Breakthrough designation, Fast Track designation, Priority Review;

- Favorable reimbursement environment for differentiated products that satisfy the unmet medical need for rare disease and provide patients with clinical relevant increased life expectancy and quality of life;

- Commercial protection for 7 years in the US and 10 years in Europe, preventing any competitive drug to enter the market on the same indication providing it does not show significant increased efficacy.

The oncology field remains one of the key markets with a turnover of 61.6 billion dollars in 2012 (5.1% growth) within a global drug market that reached 962 billion dollars in 2012 (-0.3%). The dynamics of the oncology drug market is reflected in "The Global Use of Medicines: Outlook Through 2017" study from IMS Health, which projects anticancer sales up to 104 billion dollars.

➢ A unique and solid pipeline

The products developed by the combined entity are dedicated to rare cancer diseases, for which a strong need exists for new treatments with significant efficacy and an improved safety profile. These breakthrough products should support a premium price to ensure a favorable business model of the combined entity.

The combined entity will benefit from a large combined product portfolio with three drugs in advanced development (from Phase II to commercial) in 3 different oncology areas:

- Beleodaq® is under a priority review by the FDA for the treatment of refractory or relapsed Peripheral T-Cell Lymphoma (PTCL) with a potential registration in the USA expected in early August 2014; This product has been granted with a Orphan status for PTCL indication;

- Livatag® (Doxorubicine Transdrug™) is in a Phase III international clinical trial for the treatment of hepatocellular carcinoma (primary liver cancer); It also has been granted orphan status in both Europe and US; and very recently, Livatag® received the "Fast Track" designation from the FDA, therefore allowing accelerated review of the product;

- Validive® (Clonidine Lauriad®) is in Phase II international clinical trial for the prevention of radiotherapy- and chemotherapy- induced oral severe mucositis in patients treated for Head and Neck cancer. EMA has granted orphan status to Validive for the prevention and treatment of oral mucositis in patients treated against a Head and Neck cancer. In the US, Validive is not considered as an orphan status product, however, FDA has granted a "Fast track status" for the drug, dedicated to treatment aiming to address very severe condition and for which FDA commits to optimize all its review process to accelerate potential market availability.

Apart from these indications, these products will potentially be developed in other orphan oncology indications. It is expected that the merger will easily allow potentiation and other development paths for these products.

The targeted and complementary pipeline aiming at enhancing the orphan oncology footprint of the combined entity will allow us to capitalize on acquired expertise and know-how, as well as mitigate the risks of development failure. Indeed:

- The combined pipeline includes products focusing on orphan oncology diseases with complementary indications;

- The programmes and breakthrough technologies (nanoparticules formulation, mucosal delivery or targeted therapies) have potential to reduce drug resistance and/or intolerance;

- All are in advanced clinical development stages in multicentre international programs;

- The programs are in similar development timelines with launch estimates from 2014 to 2020;

- A genuine expertise in drug development confirmed by successful registrations.

The expertise and know-how of the combined entity teams within development and registration are major success drivers for the combined entity. The management team has an acknowledged track record in product development, registration and commercialization. It has successfully completed all the development and registration stages in Europe and the United States for two products, Loramyc®/Oravig® and Sitavig®. The acceptance of the NDA file for Beleodaq® granted by FDA in February of 2014 confirmed the skills of the combined entity.

The combined entity will have all the essential skills and expertise of a fully integrated R&D company to successfully achieve experienced pre-clinical and clinical development, process development and manufacturing, regulatory affairs, market access, business development

and alliance management teams. The combined entity will leverage on this R&D expertise and teams know-how to develop its oncology assets.

- A strong portfolio of intellectual property, offering long-term protection for all the products developed by the combined entity

Dedicated to developing innovative products, the combined entity makes intellectual property a focus of its operations, as is already the case today. It has created a proactive strategy in this area, ensuring a continuous link between its research activities and its patent teams. As of 31 March 2014, the combined patent portfolio for the orphan oncology pipeline products covered 11 families of published patents and licenses, including 180 patent applications and patents on innovative technologies and products with a large proportion being issued patents.

- A Prioritization on orphan oncology pipeline opportunities

The combined entity will focus on development, registration and furthermore on commercialization of orphan oncology products.

BioAlliance Pharma's portfolio contains two specialty products (Loramyc®/Oravig® and Sitavig®) for which there are already partnerships in place in the major territories. These license agreements have generated more than 55 M€ since 2007 and have significantly participated to the financing of the company's activities. In the future, the company intends to maximize revenues from these assets through licensing deals, but no development investments will be dedicated to these programs which are not part of the core strategic focus of the combined entity.

The R&D committee will be in charge in the combined entity to ensure efficient R&D portfolio management. Strategic decision regarding investment cases and forecasts will be made taking into account solid sales, marketing and business development inputs (market analysis, market access, competition analysis, positioning of development programs, commercial strategy), in order to closely anticipate the market and business situation at time of registration and reimbursement.

In the mid-term, the combined entity intends to continue the development of the 3 products Beleodaq®, Livatag® and Validive®:

- Beleodaq®: launch Phase II/III clinical trials in new indications
- Livatag®: finalise the Phase III clinical trial
- Validive®: launch the pivotal Phase III clinical trial based on the anticipated positive Phase II results with a potential co-development partner

- A licensing strategy to maximize revenues in major international markets

According to the strategy of the combined entity, the combined entity has chosen to rely on strategic commercial partners whose promotional capabilities enable the drugs to reach and benefit most patients and whose expertise complements its own:

- Beleodaq® is licensed to Spectrum Pharmaceuticals, Inc., to develop and commercialize the product in the North America and in India. Beleodaq® is under Priority Review by the US FDA and approval could be granted within 3 months in refractory/relapsed PTCL. The acceptance to file triggered the first of two expected

milestone payments related to the US FDA filing of Beleodaq® in R/R PTCL patients: Spectrum Pharmaceuticals has paid Topotarget USD 10 million and 1 million Spectrum Pharmaceuticals shares.

BioAlliance Pharma has partnered its speciality products to various commercial partners and intends to maximize revenues from these partnerships:

- Loramyc®/Oravig® is already largely licensed around the world with European and Asian agreements already in place.

- Sitavig® is licensed to Innocutis Holding LCC for the commercialization of Sitavig in North America. Other agreements have been signed for Israel and South Korea.

Further to these already on-going partnerships, the orphan oncology pipeline could offer additional licensing opportunities.

Meanwhile the combined entity may decide to set up a direct commercialization organization if all the favorable conditions are met. The combined entity will pursue its licensing strategy with partners for other countries, in order to generate financial resources and accelerate the development of the products. Partners and incoming fees may be an important strategic factor to accelerate the clinical development of the key products as well as optimizing their potential in new territories where the combined entity has no presence:

- Beleodaq®, for which the first marketing authorization is expected in 2014, is available for licensing opportunities, outside the territories licensed to Spectrum;

- Livatag® and Validive® are under development at advanced clinical stages. The end of the Phase II clinical trial for Validive is expected in 2014 and the top line results of the Livatag Phase III clinical trial are expected in 2016. These two products are available for licensing and are likely to constitute additional sources of revenue in the future.

Furthermore, the combined entity will have a critical mass which will be a key asset to continue to acquire opportunities to fuel the orphan oncology portfolio in a mid-term perspective.

- Achieve financial critical mass for the combined entity

Merging of both companies' strategic portfolios and leveraging of synergies and expertise will increase the market value of the combined entity. The value creation steps of the combined entity will be more frequent, reflecting achievements on the strategic development programs and high value creation resulting from their advancement.

The combined entity will be more visible and attractive towards institutional and specialized US and EU biotech investors that can fund the company until critical inflection points and also provide long-term support.

3.2. Legal features of the Merger

3.2.1. General overview of the Merger

3.2.1.1. Date of execution of the Merger Plan, the Merger Agreement and the Definitive Merger Plan

The Merger Plan and the Merger Agreement were both executed on 16 April 2014 by the Chief executive officer of BioAlliance Pharma and the authorized legal representative of Topotarget.

The Definitive Merger Plan was executed on 21 May 2014 by the Chief executive officer of BioAlliance Pharma and the members of the board of directors of Topotarget.

3.2.1.2. Date of the financial statements used to determine the fair market value of the transferred assets

The fair market value of the assets and liabilities transferred by Topotarget in the context of the Merger was determined on the basis of the annual financial accounts of Topotarget as at 31 December 2013.

3.2.1.3. Conditions Precedent to the Merger

In accordance with the provisions of the Definitive Merger Plan, the completion of the Merger shall be conditional upon the satisfaction of the following conditions precedent (the "**Conditions Precedent**"):

(i) <u>Conditions Precedent to be satisfied prior to the vote of BioAlliance Pharma or Topotarget shareholders' meetings</u>

- The registration (*enregistrement*) by the AMF of the Document E and the issuance of a visa by the AMF on the admission prospectus to be used for passporting to Denmark,

- The passporting of the admission prospectus to Denmark,

- No Material Adverse Change affecting either of BioAlliance Pharma or Topotarget shall have occurred and be pending or shall be threatening to occur; the term "Material Adverse Change" meaning any change, event, circumstance, condition, state of fact, development, or other matter which has had or could reasonably be expected to have a material adverse effect on the business, assets, financial condition, prospects, result, or operations of the relevant party or any of such party's affiliates, and

- The parties contractually agreed that the number of shares issued by Topotarget held by shareholders of Topotarget who at the general meeting convened for the purpose of approving the Merger (i) have opposed the Merger and (ii) upon request of the chairman of general meeting of Topotarget pursuant to section 110(2) of the Danish Companies Act have made declarations to the effect that they wish to exercise their right to require redemption pursuant to section 286 of the Danish Companies Act,

does not exceed 14,331,711 of shares (equal to 10% of the total outstanding share capital of Topotarget as at the date of the Definitive Merger Plan).

(ii) Conditions Precedent depending upon a vote of BioAlliance Pharma or Topotarget shareholders' meetings

In addition to the conditions stipulated in Section 3.2.1.3(i), and for the avoidance of doubt:

- the completion of the Merger by Topotarget is subject to the approval of the Merger by the shareholders of Topotarget at an extraordinary shareholders' meeting of Topotarget (the "**Topotarget Shareholders Meeting**"), in accordance with the requirements of the articles of association of Topotarget and Danish law, and

- the completion of the Merger by BioAlliance Pharma is subject to (i) the prior approval of the Merger by the Topotarget Shareholders Meeting, and (ii) the approval of the Merger by the shareholders of BioAlliance Pharma at an extraordinary shareholders' meeting of BioAlliance Pharma (the "**BioAlliance Pharma Shareholders Meeting**"), including, but not limited to, the acknowledgement of the rights of the Topotarget shareholders and their consequences for BioAlliance Pharma, in accordance with the requirements of the articles of association of BioAlliance Pharma and French law.

For the avoidance of doubt, following the approval of the Merger by the Topotarget Shareholders Meeting and BioAlliance Shareholders Meeting, the completion of the Merger shall not be subject to any other conditions, except for the registration of the Merger by the relevant French and Danish authorities.

In the event that the Conditions Precedent have not been satisfied (or waived to the extent legally possible) by BioAlliance Pharma and Topotarget on or before 31 August 2014, the Merger Plan, the Merger Agreement and the Definitive Merger Plan shall automatically terminate and cease to have any further force or effect.

A press release will be issued if any of the Conditions Precedent were not met (or waived to the extent legally possible).

3.2.1.4. Effective date of the Merger

(i) Effective date of the Merger from a legal standpoint

Subject to completion of the Conditions Precedent set forth in Section 3.2.1.3 below, the Merger will take effect for legal purposes when (i) the Danish Business Authority has issued the certificate prescribed by sec. 289(1) of the Danish Companies Act and (ii) the Merger is registered with the French relevant authority (*greffe or notaire*), cf. L.236-30 et L.236-31 of the French Commercial Code ("**Merger Legal Effective Date**").

As of the Merger Legal Effective Date, BioAlliance Pharma will acquire control over the assets and activities of Topotarget, the universal transfer of all assets and liabilities of Topotarget into BioAlliance Pharma will take place, and Topotarget will cease to exist and

all rights and obligations of Topotarget will be deemed to have passed to BioAlliance Pharma in their entirety, without any liquidating proceedings.

(ii) Effective date of the Merger for accounting purposes

For accounting purposes (ref. article 5, subsection 1 (f) of the EU Directive 56/2005), the Merger shall have effect as of 1 January 2014 (the "**Merger Accounting Reference Date**").

For the avoidance of doubt the stipulated Merger Accounting Reference Date shall be without prejudice for applicable accounting standards. Consequently, for purposes of BioAlliance Pharma's preparation of its consolidated accounts in accordance with IFRS accounting standards, the Merger will be recognized as of the date on which BioAlliance Pharma acquires control over the assets and activities of Topotarget. This date is expected to be no earlier than 30 June 2014 being the date of the latest of the general meetings of the Companies convened for the purpose of resolving the Merger.

3.2.1.5. Date of the board meetings approving the Merger

The Merger was approved by the board of directors of BioAlliance Pharma on 15 April 2014 and 21 May 2014.

The Merger was approved by the board of directors of Topotarget on 15 April 2014 and 21 May 2014.

3.2.1.6. Works council's opinion on the Merger

The Merger was approved by the works council (*comité d'entreprise*) of BioAlliance Pharma on 10 April 2014 following its information and consultation according to article L. 2323-19 of the French Labor code.

The works council of BioAlliance Pharma issued a favorable opinion (*avis favorable*) on the Merger.

No works council or employee representative exists in Topotarget.

3.2.1.7. Date for filing the Definitive Merger Plan with the Commercial Court of Paris and the Danish Business Authority

The Definitive Merger Plan will be filed with the Commercial Court of Paris (France) and the Danish Business Authority, at least one month before BioAlliance Pharma Shareholders Meeting and Topotarget Shareholders Meeting.

The Definitive Merger Plan will also be published:

(i) in the French *Bulletin des Annonces Légales Obligatoires* (Official Bulletin of Legal Notices), in the *Bulletin Officiel des Annonces Civiles et Commerciales* (Official Bulletin of Civil and Commercial Notices), and on BioAlliance Pharma's website, at least one month before BioAlliance Pharma Shareholders Meeting;

(ii) in the Danish Central Business Register (*CVR*), and on Topotarget's website, at least one month before Topotarget Shareholders Meeting.

3.2.1.8. Tax treatment of the Merger

(i) For the companies parties to the Merger

- Corporate tax

The Merger is eligible to the tax provisions for mergers provided for by the European Council Directive 90/434/EC of 23 July 1990 amended by Directive 2009/133/EC of 19 October 2009 defining the main provisions applicable to mergers concerning companies of different Member States of the European Community.

BioAlliance Pharma and Topotarget have elected for the application of said set of tax rules to the Merger.

The Merger is not expected to trigger any tax impact in France since BioAlliance Pharma is the continuing company and BioAlliance Pharma has no permanent establishment in France. The Merger de facto cannot be subject to the French favorable merger regime since it will not result in any transfer of French assets or any French assets revaluation.

Topotarget undertakes to ensure that it will comply with all Danish and French the legal provisions.

From a Danish tax standpoint, the Merger will be effected as a tax-deferred merger, under the provisions of the Danish Act on Mergers, Divisions and Infusion of Assets, etc. ("*Fusionsskatteloven*"). This entails that the Merger will not trigger Danish corporate tax for Topotarget to the extent that the assets and liabilities of Topotarget remain after the Merger allocated to a permanent establishment of BioAlliance Pharma in Denmark. Existing unutilized tax losses in Topotarget at the time of the Merger Accounting Reference Date will be lost and cannot be carried over for utilization in BioAlliance Pharma.

- Registration taxes

The Merger is subject in France to a fixed registration fee of € 500 in accordance with the provisions of Article 816 of the French Tax Code (*Code Général des Impôts*).

Registration of the Merger with the Danish Business Authority shall be subject to the payment of a single fixed registration fee of DKK 340.

(ii) For shareholders of companies parties to the Merger

The information presented in this Document E provides only a summary of the tax consequences for shareholders under current tax laws and regulations applicable in France and Denmark. As such, investors are generally advised to consult with their own tax advisers with respect to the tax provisions that apply to their particular situation.

Non-French and non-Danish residents must comply with the tax provisions in their country where they have their tax residence.

- Taxation of Danish resident shareholders in Topotarget

As the Danish Act on Mergers, Divisions and Infusion of Assets, etc. ("*Fusionsskatteloven*") applies to the Merger, the Merger itself will not trigger capital gains tax for Danish tax

resident shareholders in Topotarget insofar such shareholders receive shares in BioAlliance Pharma as consideration for their shares in Topotarget. The shares in BioAlliance Pharma replacing their shares in Topotarget will instead for Danish tax purposes subrogate in the tax position of the Topotarget shares they replace.

To the extent Danish tax resident shareholders in Topotarget do not receive shares in BioAlliance Pharma as consideration for their shares in Topotarget as a consequence of the Merger, such Topotarget shareholders will be considered for Danish tax purposes as having disposed of their shares in Topotarget as a consequence of the Merger. A disposal of shares will generally be a tax event triggering taxation of capital gains realized on such shares. Reference is made to the description of Danish capital gains tax rules for different types of shareholders in section 3.2.1.9 as these rules apply equally to shareholders in Topotarget receiving other consideration than shares in BioAlliance Pharma in connection with the Merger.

The Merger does not trigger any Danish stamp duties or transfer taxes.

- Taxation of Danish resident existing shareholders in BioAlliance Pharma

The Merger does not for Danish tax purposes constitute a taxable event for existing shareholders of BioAlliance Pharma.

- Taxation of French resident existing shareholders in BioAlliance Pharma

The Merger does not constitute per se a taxable event for existing shareholders of BioAlliance Pharma.

- Taxation of French resident shareholders in Topotarget

In principle, the Merger will trigger capital gains tax for French tax resident shareholders in Topotarget insofar such shareholders transfer their shares in Topotarget in exchange for shares in BioAlliance Pharma. Such exchange is in principle taxable in France.

However, the French taxation can be deferred. The required conditions to benefit from this deferment depend on whether the shareholder is an individual or a legal entity.

- Individuals: under Article 150-0B of the FTC the deferment of taxation automatically applies without the taxpayer having to make such request. The capital gain from exchange benefiting from the suspension of taxation specified in Article 150-0B of the FTC will therefore not be taxable.

- Companies subject to CIT: under Article 38-7-bis of the FTC the deferment of taxation applies on an optional basis. To benefit from the deferment, the company shall produce a special return for deferred capital gains and make it available to the FTA (Article 54 septies I and II of the FTC).

3.2.1.9. Taxation of Danish and French resident holders of New Ordinary Shares following the Merger

Potential investors in the New Ordinary Shares are advised to consult their tax advisers regarding the applicable tax consequences of acquiring, holding and disposing of the New Ordinary Shares based on their particular circumstances. Investors who may be affected by

the tax laws of other jurisdictions should consult their tax advisers with respect to the tax consequences applicable to their particular circumstances as such consequences may differ significantly from those described herein.

(i) For Danish Shareholders

The tax rules applicable post-Merger to Danish Shareholders are determined in the light of the absence of Double Tax Treaty between France and Denmark. This situation may theoretically lead to both French and Danish taxation of the same future dividends and capital gains realized on the New Ordinary Shares. However, under Danish domestic tax credit rules, a Danish resident individual or company subject to tax on French source income, would be entitled to benefit from the Danish domestic tax credit regime, which entitles the Danish individual or company to credit against its Danish income tax any French tax paid on the same income. The tax credit is, however, limited to the Danish tax payable by the same shareholder on the same income under Danish tax law.

- For individuals

- Capital Gain

Capital gain on the sale of BioAlliance Pharma shares will only be taxable in France if the shareholder held more than 25% of the company's share, which is not the case of Danish Shareholders.

Gains from the sale of shares are taxed as share income at a rate of 27% on the first DKK 49,200 in 2014 (for cohabiting spouses, a total of DKK 98,400) and at a rate of 42% on share income exceeding DKK 49,200 (for cohabiting spouses over DKK 98,400). Such amounts are subject to annual adjustments and include all share income (i.e., all capital gains and dividends derived by the individual or cohabiting spouses, respectively).

Gains and losses on the sale of listed shares are calculated as the difference between the purchase price and the sales price. The purchase price is generally determined using the average method as a proportion of the aggregate purchase price for all the shareholder's shares in the company. Losses on the sale of listed shares can only be offset against other share income deriving from listed shares, (i.e. received dividends and capital gains on the sale of listed shares). Losses not utilized will automatically be offset against a cohabiting spouse's share income deriving from listed shares and additional losses can be carried forward indefinitely and offset against future share income deriving from listed shares.

Losses on listed shares may only be set off against gains and dividends on other listed shares if the Danish Tax Authorities have received certain information concerning the ownership of the shares. This information is normally provided to the Danish Tax Authorities by the securities depositary.

- Dividends

French source dividends paid to a Danish resident will be in principle subject to a 21% withholding tax.

Dividends paid to individuals who are tax residents of Denmark are taxed in Denmark as share income, as described under Capital Gain above.

- For companies subject to Corporate Income Tax

- Capital gain

Capital gain on the sale of BioAlliance Pharma shares will only be taxable in France if the shareholder held more than 25% of the company's share, which is not the case of Danish Shareholders.

For the purpose of Danish taxation of sales of shares made by shareholders, a distinction is made between Subsidiary Shares, Group Shares and Portfolio Shares:

- "Subsidiary Shares" is generally defined as shares owned by a shareholder holding at least 10% of the nominal share capital of the issuing company.
- "Group Shares" is generally defined as shares in a company in which the shareholder of the company and the issuing company are subject to Danish tax consolidation or fulfill the requirements for international tax consolidation under Danish law.
- "Portfolio Shares" are shares that do not qualify as Subsidiary Shares or Group Shares.

Gains or losses on disposal of Subsidiary Shares and Group Shares are not included in the taxable income of the shareholder. Special rules apply in order to prevent avoidance of the 10% ownership requirement through certain holding company structures. These rules will not be described in further detail.

Capital gains from the sale of listed Portfolio Shares are taxable at a rate of 24.5% (2014) irrespective of ownership period. Losses on such shares are deductible. The standard corporate tax rate will be reduced to 23.5% in 2015 and 22% in 2016.

Gains and losses on listed Portfolio Shares are taxable according to the mark-to-market principle. According to the mark-to-market principle, each year's taxable gain or loss is calculated as the difference between the market value of the shares at the beginning and end of the tax year. Thus, taxation will take place on an accrual basis even if no shares have been disposed of and no gains or losses have been realized. If the Portfolio Shares are sold or otherwise disposed of before the end of the income year, the taxable income of that income year equals the difference between the value of the Portfolio Shares at the beginning of the income year and the value of the Portfolio Shares at realization. In the income year in which the Portfolio Shares have been acquired, the taxable income of that income year equals the difference between the purchase price and the value of the Portfolio Shares the value of the Portfolio Shares at tax year end. If the Portfolio Shares have been acquired and realized in the same income year, the taxable income equals the difference between the acquisition sum and the value of the Portfolio Shares at realization.

A change of status from Subsidiary Shares/Group Shares to Portfolio Shares (or vice versa) is for tax purposes deemed to be a disposal of the shares and a reacquisition of the shares at market value at the time of change of status.

Special transition rules apply with respect to the right to offset capital losses realized by the end of the 2009 income year against taxable gains on shares in the 2010 income year or later.

- Dividends

French source dividends paid to a Danish resident will be in principle subject to a 30% withholding tax except where the shareholder held more than 10% of the distributing company, which is not the case of Danish Shareholders.

Dividends paid on Portfolio Shares are subject to the standard corporate tax rate of 24.5% (2014) irrespective of ownership period. The effective withholding tax rate is 24.5%. If the distributing company withholds 27%, the shareholder can claim a refund of the excess 2.5%. The standard corporate tax rate will be reduced to 23.5% in 2015 and 22% in 2016.

Dividends received on Subsidiary Shares and Group Shares will not be subject to taxation, irrespective of ownership period.

- Danish Share Transfer Tax and Stamp Duties

No Danish share transfer tax or stamp duties are payable on transfer of the shares.

➢ For French Shareholders

The Merger does not *per se* alter the tax situation of the existing French shareholders.

3.2.1.10. Indicative timetable of the Merger

19 March 2014	Appointment of the French Merger Appraisers by the Commercial Court of Paris
26 March 2014	Appointment of the Danish Merger Appraiser by the board of directors of Topotarget
10 April 2014	Favorable opinion (*avis favorable*) from the works council of BioAlliance Pharma on the Merger
16 April 2014	Execution of the Merger Plan and Merger Agreement / Press Release - Company Announcement
21 May 2014	Execution of the Definitive Merger Plan / Press Release - Company Announcement
22-26 May 2014	Filing of the Definitive Merger Plan to the Commercial Court of Paris and the Danish Business Authority
26 May 2014	Registration of the Document E by the AMF / Publication in France
26 May 2014	Visa from the AMF on the admission prospectus / Passporting to Denmark of the admission prospectus incorporating the Document E
26 May 2014	Calling of BioAlliance Pharma shareholders' meeting / Making available Merger documentation
27 May 2014	Calling of Topotarget shareholders' meeting / Making available Merger documentation

27 June 2014 ..... Shareholders' meeting of Topotarget

30 June 2014 ..... Shareholders' meeting of BioAlliance Pharma

July/August 2014..... Legal formalities in relation to completion of the Merger / Dissolution of Topotarget / Admission to trading of New Ordinary Shares

3.2.2. Approval and verification of the Merger

3.2.2.1. Dates of the general meetings called to approve the Merger

The shareholders of both Topotarget and BioAlliance Pharma will be convened to approve the Merger at general meetings to be held on, respectively, 27 June 2014 and 30 June 2014.

From a French law perspective, in the event the quorum legally required[3] is not met at BioAlliance Pharma's general meeting to be held on 30 June 2014, such general meeting will be reconvened in a timely manner and in accordance with French applicable law.

From a Danish law perspective, no quorum is legally or statutorily required for Topotarget general meeting to be held on 27 June 2014.

In any event, if deemed appropriate by BioAlliance Pharma and Topotarget, the approval of the Merger may be postponed to a later point in time, however, no later than 31 August 2014.

3.2.2.2. Merger independent experts

- French Merger Appraisers

In accordance with the provisions of article 8 of the Directive n° 2005/56/CE, and articles L.236-10, L.225-8, L.225-147, R.225-7, R.236-6, R.236-7 and R.225-136 of the French Commercial Code, the French merger appraisers (*commissaires à la fusion*) were appointed by an order the Commercial Court of Paris dated 19 March 2014 further to a request filed by BioAlliance Pharma on 13 March 2014.

The French merger appraisers (the "**French Merger Appraisers**") are:

- Mr. Thierry Bellot at Bellot Mullenbach & Associés, located at 11 rue de Laborde in Paris (75008), France, and

- Mr. Olivier Marion, at Groupe A4, located at 66 avenue des Champs Elysées in Paris (75008), France

The mission of the French Merger Appraisers is, in particular, to:

- assess the terms and conditions of the Merger;

- verify that the relative valuation attributed to the shares of BioAlliance Pharma and Topotarget are relevant and that the Exchange Ratio is fair and reasonable;

[3] On first notice, the quorum legally required is a quarter of the shareholders present or represented at the general meeting.

- appraise the value of the contributions in kind and, as the case may be, the specific advantages to be transferred by Topotarget as part of the Merger;

- verify that the amount of the net assets to be transferred by Topotarget as part of the Merger is, at least, equivalent to the amount of the contemplated share capital increase of BioAlliance Pharma;

- establish the reports provided for in article L. 236-10 and L.225-147 of the French Commercial Code.

➢ Danish Merger Appraiser

In accordance with sections 276(2) and 277(1) of the Danish Companies Act, the board of directors of Topotarget has appointed PricewaterhouseCoopers, located at Strandvejen 44, 2900 Hellerup, Denmark, to act as valuation expert (in Danish: *vurderingsmand*) on behalf of Topotarget (the "**Danish Merger Appraiser**") for the purposes of:

- determining whether the consideration offered for the shares in Topotarget is fair and reasonable;

- specifying the method(s) used for determining the consideration;

- assessing whether such methods are appropriate;

- specifying the values that result from each method and the relative importance that should be attached to each individual method in connection with the valuation;

- indicating, if relevant, whether and how the valuation has given rise to particular difficulties;

- assessing whether the creditors of Topotarget can be considered to be sufficiently protected after the Merger.

➢ Disclosure of Merger Appraisers' reports

The reports from the French Merger Appraisers dated 22 May 2014 as well as the report/statement from the Danish Merger Appraiser dated 21 May 2014 are attached as Schedule 2 to this Document E.

The report of the French Merger Appraisers dated 22 May 2014 on the value of the contributions in kind and, as the case may be, the specific advantages will be filed with the Registrar of the Commercial Court of Paris in accordance with applicable law and regulations.

The Danish Merger Appraiser's (i) valuation statement on the Definitive Merger Plan pursuant to section 276(1) of the Danish Companies and (ii) declaration as to whether the creditors of Topotarget can be considered to be sufficiently protected after the Merger pursuant to section 277(1) of the Danish Companies Act will be submitted to the Danish Business Authority in connection with filing of the Definitive Merger Plan.

The reports issued by the French Merger Appraisers and the Danish Merger Appraiser will be made available to the shareholders of BioAlliance Pharma and Topotarget, respectively, at their respective registered office, at least one month before the date of the shareholders' meetings to be convened for the purpose of deciding on the contemplated Merger.

These reports can be downloaded as well on the websites of BioAlliance Pharma (www.bioalliancepharma.com) and Topotarget (www.Topotarget.com).

3.2.2.3. Experts appointed by the commercial court, as appropriate

Not applicable.

3.2.2.4. Special tasks assigned to the statutory auditors by the AMF

Not applicable.

3.2.3. Completion of the Merger and consideration for the contribution

3.2.3.1. Consideration for the Merger

In consideration for the contribution by Topotarget of all its assets and liabilities to BioAlliance Pharma, the shareholders of Topotarget shall receive in exchange for their shares, New Ordinary Shares having the characteristics described below that will be attributed to them pursuant to an exchange ratio (the "**Exchange Ratio**") which has been determined on the basis of the value of the shares appraised for each company participating to the Merger.

The Exchange Ratio proposed to the shareholders of Topotarget and the shareholders of BioAlliance Pharma is 2 New Ordinary Shares for each set of 27 shares in Topotarget, i.e. circa 0.074.

The Exchange Ratio is not subject to any adjustment until completion of the Merger.

3.2.3.2. Consideration for the shares in Topotarget

(i) Issuance of New Ordinary Shares

Based on the application of the Exchange Ratio and outstanding share capital of each of BioAlliance Pharma and Topotarget as of the Merger Exchange Date (including the 2,473,998 new ordinary shares in Topotarget to be issued as a result of the exercise of the Topotarget warrants), the total number of New Ordinary Shares of each nominally € 0.25 resulting from the Merger will be 10,799,341 corresponding to a total nominal value of € 2,699,835.25.

Accordingly, the share capital of BioAlliance Pharma will be increased, upon completion of the Merger, from € 5 170 748 to € 7,870,583.25, divided into 31,482,333 ordinary shares of a nominal value of € 0.25 per share.

The merger premium will amount to € 76,027,360.75, corresponding to the difference between the amount of the net assets contributed by Topotarget as at 14 April 2014 i.e.

€ 78,727,196, and the nominal amount of the share capital increase resulting from the Merger i.e. an amount of € 2,699,835.25 (the "**Merger Premium**").

(ii) Main features of the New Ordinary Shares

The New Ordinary Shares shall have a nominal value of € 0.25 each.

The New Ordinary Shares of BioAlliance Pharma will upon issuance (upon Merger Legal Effective Date) be immediately fungible and ranked *pari passu* with existing ordinary shares, carrying the same rights and incurring the same charges and will be subject to all the provisions of the by-laws of BioAlliance Pharma (the "**By-laws**"). In particular, the New Ordinary Shares issued in the context of the Merger will be entitled to all distributions of profits and reserves that may be decided by BioAlliance Pharma as of the Merger Legal Effective Date.

Application will be made for these New Ordinary Shares to be tradable on Euronext Paris in accordance with the terms and conditions that have been set forth in a notice to be published by Euronext Paris.

As a consequence of the Merger, the listing of the Topotarget shares at NASDAQ OMX Copenhagen will cease with effect shortly after completion of the Merger. However, application will be made for all existing ordinary shares and New Ordinary Shares to be admitted for trading and official listing on the NASDAQ OMX Copenhagen, which should occur shortly after -and subject to the occurrence of- the Merger Legal Effective Date.

The New Ordinary Shares will be negotiable as soon as admitted to trading on Euronext Paris and NASDAQ OMX Copenhagen (subject to approval of the admission request).

The New Ordinary Shares to be issued by BioAlliance Pharma will be issued in Euros. Following the Merger Exchange Date, the New Ordinary Shares will be traded in Euros on Euronext Paris and in DKK on NASDAQ OMX Copenhagen (subject to approval of the admission request).

(iii) Fractional Entitlements

Shareholders of Topotarget who do not hold a sufficient number of shares in Topotarget to entitle them to receive a whole number of New Ordinary Shares (the "**Fractional Entitlements**") can make their own arrangements to purchase or sell the relevant number of shares in Topotarget until the date of the Merger Exchange Date in order to receive a whole number of New Ordinary Shares.

Any shareholder in Topotarget who -notwithstanding such sale or purchase of shares in Topotarget prior to the Merger Exchange Date- on the Merger Exchange Date remains entitled to a Fractional Entitlement shall be entitled to a cash consideration for such Fractional Entitlement, the amount of which shall be determined and procured in accordance with the provisions of article L. 228-6-1 of the French Commercial Code.

BioAlliance Pharma will issue a number of New Ordinary Shares (the "**Fractional Consideration Shares**") equal and corresponding (in the aggregate) to the total of all Fractional Entitlements to Nordea as escrow agent on behalf of all of the Topotarget shareholders who are entitled to cash settlement of their Fractional Entitlements. BioAlliance Pharma will purchase all the Fractional Consideration Shares at a price per share

equal to the volume weighted average price per share of BioAlliance Pharma quoted on Euronext Paris for the five trading days preceding the Merger Legal Effective Date, and pay the aggregate purchase price to the Topotarget shareholders who are entitled to cash settlement of their Fractional Entitlements *pro rata inter se* in proportion to their respective Fractional Entitlements.

(iv) Redemption Shares

Redemption Shareholders (as this term is defined under Section 3.5.2.2(i)) will not be entitled to receive on the Merger Exchange Date the delivery of any New Ordinary Shares.

Instead, on the Merger Exchange Date, BioAlliance Pharma will deliver such number of New Ordinary Shares (the "**Redemption Consideration Shares**") as each relevant Redemption Shareholder would have been entitled to receive on the Merger Exchange Date if such Redemption Shareholder had not exercised its redemption right to a financial institution designated by BioAlliance Pharma in lieu of such Redemption Shareholder.

The Redemption Consideration Shares will be repurchased by BioAlliance Pharma to such financial institution within the framework of a share buy-back program implemented by BioAlliance Pharma in accordance with the provisions of article L. 225-209 of the French Commercial Code.

For the avoidance of doubt, the Redemption Shareholders' entitlement to redemption of their Redemption Shares shall be determined and executed in accordance with Section 3.5.2.2(i) below and the relevant provisions of Danish law. Any profit or loss realized by BioAlliance Pharma in relation to the repurchase of the Redemption Consideration Shares shall be of no consequence to the redemption of the Redemption Shares.

For more details on this procedure, please refer to Section 3.5.2.2(i) below.

(v) Unallocated Shares

In accordance with the provisions of article L. 228-6 of the French Commercial Code, BioAlliance Pharma will be authorized to sell any New Ordinary Shares issued pursuant to the Merger for which the identity of the Topotarget shareholder is unknown and which therefore have not been claimed (the "**Unallocated Shares**").

As from the sale of such shares, such Topotarget shareholders will only be entitled to receive the proceeds of the sale of the New Ordinary Shares which were not claimed plus, as the case may be, the amount of dividends, interim dividends and distributions of reserves (or similar) that these New Ordinary Shares would have been entitled to, prior to their sale.

Such Topotarget shareholders will be informed that the combined entity will make available to them the proceeds of the sale of the Unallocated Shares for ten (10) years, in a blocked account in a financial institution (amounts corresponding to dividends, interim dividends and distributions reserves (or similar) that may be distributed can only be claimed during a period of five (5) years from their payment date). Once the 10-year period has expired, the sums will be transferred to the *Caisse des Dépôts et Consignations* where they can be claimed by the persons entitled thereto for up to twenty (20) years. Once this period has expired, the sums will be definitively transferred to the French Government.

3.2.3.3. Exchange of shares and payment of cash settlement of Fractional Entitlements

As a result of the Merger:

- all shares issued by Topotarget as at the Merger Legal Effective Date (excluding the Fractional Entitlements, the Unallocated Shares and the Redemption Shares, if any), will be exchanged in the accounts of the relevant Topotarget shareholders in VP SECURITIES A/S with New Ordinary Shares issued by BioAlliance Pharma in accordance with Section 3.2.3.2(i) below,

- all Fractional Entitlements will be settled by payment of a cash amount which will be procured and determined in accordance with Section 3.2.3.2(iii) below,

- all Redemption Shares, if any, will be settled by payment of a cash amount which will be procured and determined in accordance with Section 3.2.3.2(iv) below, and

- all Unallocated Shares, if any, will be settled by payment of a cash amount in accordance with Section 3.2.3.2(v) below.

The New Ordinary Shares which are to be registered in VP SECURITIES A/S will be issued on the Merger Legal Effective Date in the existing ISIN-code of the BioAlliance Pharma shares and placed in a blocked custody account belonging to Nordea.

Exchange in VP SECURITIES A/S of Topotarget shares for New Ordinary Shares will take place after the expiry of the second trading day following the last trading day of the Topotarget shares on NASDAQ OMX Copenhagen (the "**Merger Exchange Date**"), such dates to be announced by separate announcement by Topotarget and BioAlliance Pharma not less than five trading days prior to the Merger Exchange Date.

Payment of cash consideration for Fractional Entitlements will be paid in DKK to each relevant Topotarget shareholder through VP SECURITIES A/S to the dividend account linked to the respective Topotarget shareholder's custody account on the first bank day (in Denmark) following the Merger Exchange Date.

Payment of the redemption amount to which each Redemption Shareholder is entitled will be paid in DKK to each relevant Topotarget shareholder through VP SECURITIES A/S to the dividend account which on the Merger Exchange Date is linked to the respective Topotarget shareholder's custody account (or as otherwise agreed between Topotarget and the relevant Redemption Shareholder or ordered by the relevant court, as the case may be).

3.3. Recording of the contributions in the transferee company's accounts

3.3.1. Description and evaluation of contributed assets and assumed liabilities

Given that BioAlliance Pharma does not control Topotarget, Regulation no. 2004-01 of the French Accounting Regulation Committee (*Comité de Réglementation Comptable*) provides that Topotarget's contributions must be recorded at their fair market value (*valeur réelle*) in BioAlliance Pharma's accounts.

In the context of the Merger, Topotarget shall transfer to BioAlliance Pharma, subject to applicable law, all its assets and liabilities.

The assets and liabilities of Topotarget shall be transferred to BioAlliance Pharma as they exist on the Merger Legal Effective Date in accordance with article L.236-3 of the French Commercial code, including those items not expressly mentioned below.

3.3.1.1. Contributions of Topotarget's assets

Topotarget's annual accounts as at 31 December 2013 contain the following assets:

	Non-current assets	**EUR `000**
I.	Intangible assets	30,600
II.	Tangible assets	105
III.	Other receivables	48
	Non-current assets	**30,753**
	Current assets	
IV.	Trade receivables	105
V.	Other receivables	253
VI.	Prepayments	39
VII.	Income tax receivable	168
VIII.	Cash and cash equivalents	4,220
	Current assets	**4,784**
	Assets	**35,537**

The estimated fair market value of these assets amounts to € 81,679,490.

3.3.1.2. Assumption of Topotarget's liabilities

Topotarget's annual accounts as at 31 December 2013 contain the following liabilities:

	Non-current liabilities	**EUR `000**
I.	Other financial liabilities	2,070
II.	Trade payables	483
III.	Other payables	399
	Current liabilities	**2,952**
	Liabilities	**2,952**

The estimated fair market value of these liabilities amounts to EUR -2,952,294.

3.3.1.3. Net assets contributed by Topotarget

Based on the above, the fair market value of the total net assets of Topotarget is estimated at € 78,727,196, calculated as follows:

- Asset transferred: € 81,679,490
- Liabilities transferred: € -2,952,294
- Total net assets transferred: € 78,727,196

3.3.2. Reconciliation between the contribution value and the book value

The value of the contributions made by Topotarget to BioAlliance Pharma in the context of the Merger was agreed between the parties to amount to € 78,727,196.

The difference between such fair market value used and the net book value of the assets contributed (as of 31 December 2013) consists of the revaluation of the assets of Topotarget, this revaluation being the direct result of the terms and conditions of the Merger as set forth by the parties to the Merger Agreement.

3.3.3. Expert valuation on the contributions

This fair market value of the total net assets contributed by Topotarget of an amount of € 78,727,196 was confirmed by the French Merger Appraisers who issued a report on the value of the contributions made by Topotarget as well as a report on the consideration for such contributions; these reports are attached as Schedule 2 to this Document E.

3.3.4. Detailed calculation of the merger premium

The merger premium is equal to the difference between the net assets contributed by Topotarget and the nominal value of the share capital increase of BioAlliance Pharma upon completion of the Merger.

Based on the estimated value of the contributed assets as at 31 December 2013, the amount of the Merger Premium would be € 76,027,360.75, calculated as follows:

▪ *Net contributed value*	€ 78,727,196
▪ *Nominal value of the New Ordinary Shares*	€ 2,699,835.25
▪ *Merger Premium* *This amount will be credited to a special reserve account of BioAlliance Pharma named "Merger Premium".*	€ 76,027,360.75

The balance of the Merger Premium will be used in accordance with applicable laws upon a decision of the general meeting of the shareholders of BioAlliance Pharma.

It is expressly specified that BioAlliance Pharma shareholders meeting, which will be convened to approve the Merger will be requested to grant all powers to its Chief Executive Officer to (i) deduct from the Merger Premium all expenses, rights, costs and taxes arising from the share capital increase resulting from the merger, (ii) withhold, as applicable, from the Merger Premium the amounts necessary to recreate, as BioAlliance Pharma's liabilities,

the reserves and regulated provisions as existing in Topotarget's balance sheet, as the case may be (iii) increase the legal reserve, as appropriate, (iv) proceed with the formalities as a consequence of the merger and the corresponding share capital increase, (v) apply for the admission to trading of the New Ordinary Shares and existing ordinary shares on Euronext Paris and NASDDAQ OMX Copenhagen and, in general, (vi) perform all formalities and take all measures needed or useful to achieve the completion of the merger.

3.4. Consideration for the contribution

The two companies have jointly agreed to the consideration for the contributions and the Exchange Ratio. The selected Exchange Ratio provides for the issuance of 2 New Ordinary Shares in exchange for every 27 shares in Topotarget, i.e. circa 0.074.

3.4.1. Valuation methods

3.4.1.1. Selected Valuation Methods

The Exchange Ratio proposed is analyzed according to a multi-criteria analysis based on customary valuation methods for this type of transaction, while taking into account the respective intrinsic characteristics of the pharmaceutical sector in general and BioAlliance Pharma and Topotarget in particular:

- For reference purposes only, an analysis of the 52-week high and 52-week low stock prices for BioAlliance Pharma and Topotarget as of 14 April 2014;

- For reference purposes only, an analysis of analysts' target prices of BioAlliance Pharma and Topotarget on 14 April 2014;

- An analysis of the enterprise values of selected comparable public companies;

- Comparisons based on the values obtained for BioAlliance Pharma and Topotarget using a discounted cash flow analysis.

The Exchange Ratio was defined as being the ratio between the equity per share value of BioAlliance Pharma and Topotarget, calculated according to the number of shares outstanding on 14 April 2014.

- BioAlliance Pharma: 20,682,992 shares outstanding on a non-diluted basis and 21,895,090 shares on a fully diluted basis after taking into account BioAlliance Pharma's stock-based incentive scheme warranting the issuance of 1,212,098 new shares.

- Topotarget: 143,317,114 shares outstanding on a non-diluted basis and 145,791,112 shares on a fully diluted basis, including the 2,473,998 new shares the issuance of which expected as a consequence of the transaction.

3.4.1.2. Excluded Valuation Methods

The following valuation methods have not been selected:

- Multiples of Comparable Listed Companies

This analysis was not retained because of the inherent characteristics of the companies in the pharmaceutical sector, including products in different development phases, positioning in different target markets and utilization of unique technologies. It is difficult to identify comparable listed companies that are relevant in terms of activity, business model, growth and earnings profile and calculate multiples that are relevant for this type of early-stage company, which often has limited revenue while incurring significant operating losses.

- Comparable Transaction Multiples

This method was not retained because of the inherent characteristics of the companies in the pharmaceutical sector, including products in different development phases, positioning in different target markets and utilization of unique technologies. It is difficult to identify transactions for comparable companies that are relevant in terms of activity, business model, growth and earnings profile, and the information available on potential comparable transactions is frequently limited and difficult to reliably obtain.

- Net Asset Value (NAV)

The net asset value method consists in calculating the value of equity per share by subtracting total borrowings from amount of assets carried on the company's balance sheet. This method is based on the historical cost of assets and liabilities and is not considered sufficiently relevant for the valuation of a pharmaceutical company. It was not used as it takes into account neither the present value of a company's assets and liabilities nor its prospects of future development.

Furthermore, NAV criteria does not take into account the value of intangible assets whose value provides a better means for assessing a company's ability to generate future cash flows than the balance sheet value. This method was consequently excluded.

- Restated Net Asset Value (RNAV)

This approach defines the value of a company's equity as the difference between its assets and liabilities, after revaluation of its main assets, in particular intangibles, at market value. This method is not considered relevant for the valuation of a pharmaceutical company from the perspective of a long-term operating basis. This method is mainly used in the case of diversified holdings or companies holding diversified assets whose book value may be expected to be considerably higher than the immediate economic realizable value. This method was consequently excluded.

3.4.2. Basis of the exchange ratio calculation

3.4.2.1. Analysis of Historical Trading Prices

BioAlliance Pharma is listed on Euronext Paris under the ISIN code FR0010095596. Topotarget is listed on the NASDAQ OMX under the ISIN code DK0060003556.

The Exchange Ratio was analyzed on the basis of the companies' respective 52-week high and low stock prices as of 14 April 2014, as set forth below:

[*Table next page*]

	BioAlliance Pharma	Topotarget
52-Week Low	€3.37	DKK2.10 (€0.28)
52-Week High	€11.74	DKK3.62(€0.48)

An Exchange Value comparison range of 0.024x to 0.144x resulted, calculated as the ratio of Topotarget low to BioAlliance Pharma high and Topotarget high to BioAlliance Pharma low, respectively, to reflect the widest possible range of valuation. This analysis was used for reference purposes only.

3.4.2.2. Analysis of Analysts' Price Targets

Analyst price targets were used for the purpose of assessing the Exchange Ratio on the basis of prices published by research analysts assessing the value of BioAlliance Pharma and Topotarget shares. For BioAlliance Pharma, CM-CIC Securities' target of €10.20 as of 06 February 2014 and Invest Securities' target of €9.40 as of 02 April 2014 were used. For Topotarget, Danske Bank's target of DKK3.20 as of 20 March 2014 was used. The comparison resulted in an Exchange Value comparison range of 0.042x to 0.046x. This analysis was used for reference purposes only.

3.4.2.3. Analysis of Selected Public Companies

The enterprise values of certain comparable companies were used for the purpose of assessing the Exchange Ratio on the basis of the implied per share prices of BioAlliance Pharma and Topotarget as calculated based on the 25th to 75th percentile of the enterprise values of the selected companies. The selected companies were bio-pharmaceutical with their lead product in late stage (P3/P2) oncology. The comparable enterprise value range resulted in the per share prices set forth below:

	BioAlliance Pharma	Topotarget
Per Share Value (Low)	€3.18	DKK3.56
Per Share Value (High)	€6.77	DKK7.53

An Exchange Value comparison range of 0.070x to 0.317x resulted, calculated as the ratio of Topotarget low to BioAlliance Pharma high and Topotarget high to BioAlliance Pharma low, respectively, to reflect the widest possible range of valuation.

3.4.2.4. Discounted Cash Flow Analyses

Discounted cash flow analysis (DCF) aims at determining the equity value of a company by discounting its future free cash flows. The DCF analysis was prepared based on business plans drawn up and validated by the BioAlliance Pharma management team for BioAlliance Pharma and Topotarget for the 2014E-2050E period.

The enterprise value was obtained by discounting future cash flows as of 1 January 2014 using discount values from 13 % to 15 % based on a weighted average cost of capital calculation. The equity value was obtained by adjusting the enterprise value based on cash

on hand, tax benefits, debt and other foreseeable events impacting each company's value, as applicable. The equity value obtained using a discount value of 14% was also adjusted for a probability of success sensitivity adjustment of -5% to 0%. The equity value of Topotarget was also calculated taking into account certain estimated cost synergies.

Based on the foregoing equity values, implied per share values were calculated as follows:

	Per Share Price			
	BioAlliance Pharma (Low)	BioAlliance Pharma (High)	Topotarget (Low)	Topotarget (High)
DCF	€7.71	€9.28	DKK5.56	DKK6.65
DCF + Synergies	N/A	N/A	DKK5.92	DKK7.06
Probability of Success Sensitivities	€7.75	€8.45	DKK5.20	DKK6.07

The Exchange Value comparison ranges set forth below resulted, calculated as the ratio of Topotarget low to BioAlliance Pharma high and Topotarget high to BioAlliance Pharma low for each per share price calculation, to reflect the widest possible range of valuation:

	Exchange Ratio (Low)	Exchange Ratio (High)
DCF	0.080x	0.115x
DCF + Synergies	0.085x	0.123x
Probability of Success Sensitivities	0.082x	0.105x

3.4.3. Proposed exchange ratio

3.4.3.1. Valuation Summary

The chart below presents a summary of the ranges of exchange values obtained according to the different approaches outlined above:

Valuation Method	Resulting Exchange Ratio (Low)	Resulting Exchange Ratio (High)
Trading Range Analysis	0.024x	0.144x
Analysts' Target Price Analysis	0.042x	0.046x
Selected Public Company	0.070x	0.317x

Valuation Method		Resulting Exchange Ratio (Low)	Resulting Exchange Ratio (High)
Analysis			
Discounted Cash Flow Analysis	DCF	0.080x	0.115x
	DCF + Synergies	0.085x	0.123x
	Probabilities of Success Sensitivities	0.082x	0.105x

3.4.3.2. Determination of Proposed Exchange Ratio

The selected Exchange Ratio provides for the issuance of 2 New Ordinary Shares in exchange for every 27 shares in Topotarget, i.e. circa 0.074. The Exchange Ratio was fixed on 16 April 2014 and is not subject to any adjustment thereafter. Based on 145,791,112 Topotarget shares outstanding as at the Merger Exchange Date, 10,799,341 New Ordinary Shares to be issued based on the Exchange Ratio and BioAlliance Pharma's closing share price of 7.29 as of 14 April 2014, the estimated acquisition price of Topotarget is €78,727 thousand.

3.4.4. Reports of the French Merger Appraisers

These reports are attached as Schedule 2.

3.5. Consequences of the Merger

3.5.1. Consequences for BioAlliance Pharma and its shareholders

3.5.1.1. Impact of the Merger on BioAlliance Pharma's net equity

	Number of shares comprising the share capital	**Share capital (in thousand Euros)**	**Shareholders' Equity (in thousand Euros)**	**Merger premium (in thousand Euros)**
Pre-Merger situation as at the date of this Document E	20,682,992	€5,171	€7,438	/
Share capital increase pursuant to the Merger	10,799,341	€2,700	€71,033	€76,027
Situation as at Merger Legal Effective Date	31,482,333	€7,871	€78,471	€76,027

3.5.1.2. Impact of the Merger on the share of consolidated equity of the group for the holder of one BioAlliance Pharma share

Note: Calculation is made on the basis of consolidated equity and the total number of outstanding BioAlliance Pharma shares as at the date of registration of this Document E, i.e. 20,682,992 shares.

	Share of consolidated equity (in Euros), on a non-diluted basis	**Share of consolidated equity (in Euros), on a diluted basis[4]**
Before the issuance of the New Ordinary Shares	€0.36	€0.23
After the issuance of the New Ordinary Shares	€2.77	€2.67

3.5.1.3. Impact of the Merger on the shareholders of BioAlliance Pharma

Note: Calculation is made on the basis of the total number of outstanding BioAlliance Pharma shares as at the date of registration of this Document E, i.e. 20,682,992 shares.

The impact of the issuance of the New Ordinary Shares for a hold of 1 % of BioAlliance Pharma's share capital before the Merger will be as follows:

	Ownership percentage, on a non-diluted basis	**Ownership percentage, on a diluted basis[5]**
Before the issuance of the New Ordinary Shares	100.0 %	94.5 %
After the issuance of the New Ordinary Shares	65.7%	63.3%

3.5.1.4. Shareholders holding more than 5 % of BioAlliance Pharma share capital and voting rights before and after completion of the Merger

Note: Calculation is made on the basis of (i) the total number of BioAlliance Pharma outstanding shares as at the date of registration of this Document E, i.e. 20,682,992 shares, (ii) the total number of Topotarget outstanding shares as at the date of registration of this Document E, plus the new ordinary shares in Topotarget to be issued as a result of the exercise of the Topotarget warrants, i.e. a total of 145,791,112 shares, and (iii) the number of shares and voting rights held by the shareholders holding more than 5 % of the share capital and voting rights of BioAlliance Pharma, as at the date of registration of this Document E:

[*Table next page*]

[4] Taking into account the exercise of all stock options and equity warrants, as at 20 May 2014.
[5] Taking into account the exercise of all stock options and equity warrants, as at 20 May 2014.

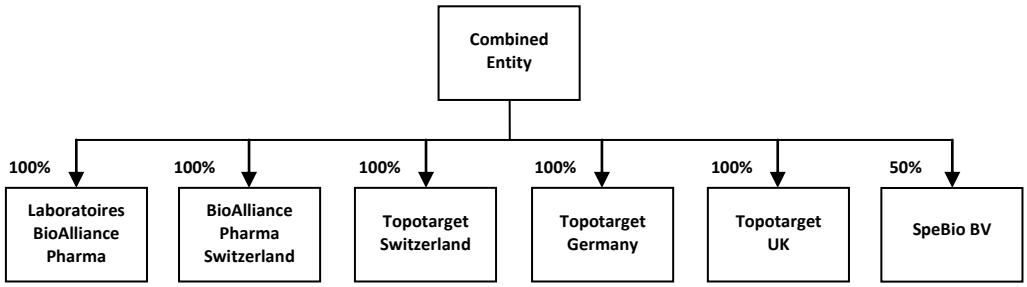
Shareholders	Before the Merger		After the Merger	
	Shares and voting rights*		Shares and voting rights*	
	Number	Percentage	Number	Percentage
Financière de la Montagne	2,807,570	13.57 %	2,807,570	8.92 %
IDInvest Partners	1,076,395	5.20 %	1,076,395	3.42 %
HealthCap Funds	0	0 %	924,632	2.94 %
Other shareholders	16,799,027	81.22 %	26,673,736	84.73 %
Total	**20,682,992**	**100.00 %**	**31,482,333**	**100.00 %**

* All shares carrying the same voting rights

All shares in BioAlliance Pharma are from the same single class and bear the same rights and obligations, and the bylaws of BioAlliance Pharma do not expressly provide for double voting rights.

3.5.1.5. Simplified organization chart of the combined entity post-Merger

As at the Merger Legal Effective Date, the simplified organization chart of the combined entity will be as follows:



3.5.1.6. Corporate name of the combined entity

At the general meeting of BioAlliance Pharma to be held on 30 June 2014 for resolving on the Merger, the shareholders of BioAlliance Pharma, the absorbing company, will be proposed that the combined entity carries on business under the new corporate name: Onxeo.

3.5.1.7. Planned changes to the board and senior management

The shareholders of the combined entity would be proposed to have 2 new directors from Topotarget joining the current BioAlliance Pharma board of directors, to reflect the spirit of the Merger. The recomposed board of directors would then gather 10 members, of which 3 would be shareholder representatives, 6 independent directors and the Chief executive officer. Chairman position will continue to be held by Mr. Patrick Langlois, current Chairman of the board of directors at BioAlliance Pharma.

The executive management will continue to be led by Mrs. Judith Greciet, current Chief executive officer of BioAlliance Pharma, and it will be proposed that the executive committee be also enlarged with at least one new member from Topotarget, in charge of the Danish Establishment and reporting directly to the Chief Executive Officer.

3.5.1.8. Change in the market capitalization

Immediately following completion of the Merger, the number of ordinary shares of BioAlliance Pharma will amount to 31,482,333 compared to 20,682,992 shares as at the date of registration of this Document E.

It is specified that based on a market price per share of €7.29 (closing market price as at 14 April 2014), BioAlliance Pharma's market capitalization will be € 229,506 thousand post-Merger compared to € 150,779 thousand based on the number of shares comprising BioAlliance Pharma's share capital as at the date of this Document E.

3.5.1.9. Indication of the impact of the Merger on the net profit per share calculation

	Number of shares	**Net income attributable as at 31 December 2013 (in thousand Euros)**	**Net income attributable per share as at 31 December 2014 (in thousand Euros)**
Pre-Merger	20,682,992	€(15,320)	€(0.74)
Post-Merger	31,482,333	€(20,009)	€(0.64)

3.5.1.10. New strategies under consideration, short and medium-term outlook for the business and possible reorganization measures, results and the dividend policy

The objective of the combined entity is to become a leading biopharmaceutical integrated company, dedicated to providing breakthrough innovative therapeutic options to patients suffering from a rare cancer disease and for whom the unmet need is very high.

The combined entity will lead to the creation of a new and immediately leading orphan oncology biopharma company, with prioritized, short term and mid/long value creating development projects oriented towards rare cancers and unmet medical needs in the orphan oncology area.

The combined entity will benefit from a highly skilled team, combination of expertise from both entities with proven expertise and will be led by a well experienced management, with high track record in development and value creation for shareholders.

The combined entity will consolidate two well-advanced orphan oncology products portfolios, each with several pre-clinical and clinical programs, resulting from BioAlliance Pharma and Topotarget.

(i) Lean and flexible organization

Research activities of the orphan oncology programs should be mainly led by BioAlliance Pharma R&D group in Paris. However, the operational clinical development of Beleodaq®

should be kept in Copenhagen, where the company intends to keep a permanent establishment with Beleodaq® clinical operations. Pre-clinical development activities relating to all products will probably be gathered in Paris, with inputs from the Copenhagen team. Same organization is foreseen with regards of regulatory activities.

As regards general and administrative activities, all activities should be grouped in Paris, which will take care of major activities such as HR, Business Development, Strategic marketing.

As a consequence of the Merger and BioAlliance Pharma's assumption of Topotarget's assets and liabilities, BioAlliance Pharma will acquire a permanent establishment in Denmark

(ii) Cost savings and synergies

The Merger as contemplated between BioAlliance Pharma and Topotarget should bring four major sources of synergies:

- Scale economies further to grouping the two companies' general and support services;
- Divest / stop all development of Specialty products pipeline of BioAlliance Pharma;
- Rationalization of both companies R&D platforms and redistribution of key programs within the team;
- Capitalization on expertise in clinical development to accelerate/optimize development costs.

(iii) Accelerate strategic plan implementation

- Leverage development plans

The first goal of the combined entity will be to ensure continuity of the development of the current programs Validive®, muco adhesive buccal tablet for the prevention of oral severe mucositis in patients undergoing radio chemotherapy for a head and neck cancer, as well as Livatag® for the treatment of primary liver cancer on one hand. On the other hand, R&D team will start development programs of Beleodaq®, possibly in hepatocellular carcinoma and hematologic diseases such as Myelodisplasic syndroms or Acute Myeloide Lymphoma, possibly in collaboration with Spectrum R&D team. Indeed, the choice and prioritization will depend on the outcome of the discussions with Beleodaq® US licensee, Spectrum Pharmaceuticals, and more in-depth evaluation of product interests in these various indications, including competition, market potential and development costs.

- Reinforce Business Development activities

Aside of these new development projects for Beleodaq®; the combined entity Business Development team will actively pursue and accelerate business development discussions to establish global presence through partnering deals on the strategic orphan oncology programs (excluding Spectrum territories).

One of the top priorities for this team will be to start discussion with potential Asian partners for Livatag®, as indeed, 50% of HCC patients are Asian and especially Chinese patients, due to the large incidence of hepatitis viral infection. Establishment of Livatag in

Asia, including China will require a bridging development plan including preclinical and clinical data, to be handled by a local and specialized partner.

(iv) Strengthened financing capacities

Merging of BioAlliance Pharma and Topotarget will result in the combined entity immediately having a varied sale base between revenues from licensees of the Lauriad® technological platform (Loramyc®, Sitavig®) and of Beleodaq® in the PTCL indication, which will be commercialized by Spectrum pharmaceuticals, under the condition that FDA grants the conditional approval, expected in August 2014.

The combined cash and expected milestones from BioAlliance Pharma and Topotarget together are € 15.5 million (comprising cash, cash equivalent and current financial assets). Upon approval for filing of Beleodaq®, Topotarget has received a USD 10 million milestone as well as 1 million Spectrum Pharmaceuticals shares. In addition, the cash level of the combined entity could be strengthened by the potential USD 25 million milestone to be paid by US licensee Spectrum by November 2014 at the latest in case of Beleodaq® conditional approval granted by FDA in early August 2014. The cash level of the combined entity will in any event be impacted by working capital needs by both companies following the Merger.

On a longer term perspective:

- First significant milestones from potential licensing deals could be expected on the core strategic products, following Validive then Livatag clinical results from 2015;
- Future milestones from Spectrum could also be received for the next indications of Beleodaq® to be developed after the PTCL approval, as per licensing agreement.

(v) Dividend distribution policy

No dividend distribution policy is planned in the short term.

3.5.2. Consequences for Topotarget and its shareholders

3.5.2.1. Issuance and settlement of New Ordinary Shares

As of the Merger Legal Effective Date, the universal transfer of all assets and liabilities of Topotarget to BioAlliance Pharma will take place. As of the Merger Legal Effective Date, Topotarget will cease to exist and all rights and obligations of Topotarget will be deemed to have passed to BioAlliance Pharma in their entirety, without any liquidating proceedings.

The New Ordinary Shares issued in context of the Merger shall represent 34.30 % of BioAlliance Pharma's share capital as at the Merger Legal Effective Date.

3.5.2.2. Danish Shareholder Rights

Pursuant to the Danish Companies Act, the shareholders of Topotarget may, subject to certain conditions and requirements, (i) request cash compensation from Topotarget if the consideration offered for the shares in Topotarget is not fair and reasonable, or (ii) request that their shares be redeemed by Topotarget.

(i) Right of Redemption

Pursuant to section 286 of the Danish Companies Act, shareholders of Topotarget who oppose the Merger at Topotarget's Shareholders Meeting may demand redemption of their shares by Topotarget by making a written request to this effect no later than four (4) weeks after the date of Topotarget's Shareholders Meeting. Furthermore, if the shareholders have been asked to declare before the vote at the general meeting of Topotarget whether they wish to exercise the right of redemption, any shareholder wishing to exercise that right must make a declaration to that effect at the general meeting in order to retain that right.

Any shareholder of Topotarget so demanding redemption of its shares is referred to herein as a "**Redemption Shareholder**" and all shares owned by the Redemption Shareholders are referred to herein as "**Redemption Shares**". All Redemption Shares owned by a Redemption Shareholder will – immediately upon Topotarget's receipt of a written demand for redemption and unless such Redemption Shareholder simultaneously agrees in writing to transfer all of its Redemption Shares to Topotarget at the Redemption Price – cease to be tradable on NASDAQ OMX Copenhagen and will be designated with a separate International Securities Identification Number (ISIN).

Redemption Shareholders will not be entitled to receive on the Merger Exchange Date the delivery of any New Ordinary Shares.

Instead, on the Merger Exchange Date, BioAlliance Pharma will deliver the Redemption Consideration Shares(as defined in Section 3.2.3.2(iv)) as each relevant Redemption Shareholder would have been entitled to receive on the Merger Exchange Date if such Redemption Shareholder had not exercised its redemption right to a financial institution designated by BioAlliance Pharma in lieu of such Redemption Shareholder.

On redemption, the Redemption Shareholders' Redemption Shares will be redeemed at a price corresponding to the value of the Redemption Shares. The board of directors of Topotarget has after due consideration determined that the redemption price (the "**Redemption Price**") for any Redemption Shares in Topotarget will be DKK 3.16 per share of each nominally DKK 1.00 corresponding to the volume weighted, average price per share of Topotarget during the 4 weeks period immediately preceding the announcement by the Companies of their agreement to merge.

In the event that any Redemption Shareholder disagrees with the Redemption Price offered by the board of directors of Topotarget, the Redemption Price will be determined by valuation experts appointed by the City Court of Copenhagen (in Danish: *Københavns Byret*). The valuation experts' costs must be paid by the relevant Redemption Shareholder that requests the valuation, but may be imposed on Topotarget if the valuation differs significantly from the Redemption Price offered by Topotarget as stated above and the valuation is used in whole or in part for the redemption. Either of Topotarget or the relevant Redemption Shareholder may bring the expert valuation before the court. Such proceedings must be commenced within three months of receipt of the expert valuation.

The Danish Business Authority cannot issue the certificate as to the completeness of the merger steps, unless and until adequate security has been provided by Topotarget for any requests for Redemption. The valuation experts appointed by the City Court of Copenhagen will determine whether the security provided by Topotarget is adequate. If the valuation experts' opinion is brought before the court, this will not delay the Danish Business

Authority in issuing the certificate as to the completeness of the merger steps, unless otherwise determined by the court.

The Redemption Consideration Shares will be repurchased by BioAlliance Pharma to such financial institution designated by BioAlliance Pharma within the framework of a share buy-back program implemented by BioAlliance Pharma in accordance with the provisions of article L. 225-209 of the French Commercial Code.

As mentioned in Section 3.2.1.3 above, it is reminded that the completion of the Merger is subject to the approval of the Merger by the shareholders of BioAlliance Pharma at the BioAlliance Pharma Shareholders Meeting, including, but not limited to, the acknowledgement of the rights of the Topotarget shareholders and their consequences for BioAlliance Pharma, in accordance with the requirements of the articles of association of BioAlliance Pharma and French law.

It is also reminded that the completion of the Merger is conditional upon the satisfaction of the Redemption Shares being less than 14,331,711 of shares (equal to 10% of the total outstanding share capital of Topotarget as at the date of the Definitive Merger Plan), corresponding to an aggregate maximum amount of DKK 45,288,206.76, where the redemption price for any Redemption Shares in Topotarget is DKK 3.16 per share, i.e. circa EUR 6 million.

Accordingly, and by reference to the Exchange Ratio, BioAlliance Pharma may potentially have to repurchase a maximum number of 1,061,608 Redemption Consideration Shares.

For the avoidance of doubt, the Redemption Shareholders' entitlement to redemption of their Redemption Shares shall be determined and executed in accordance with Section 15.3 of the Definitive Merger Plan and the relevant provisions of Danish law, and any Redemption Shareholders shall not have any right to require delivery of the Redemption Consideration Shares issued in lieu of such Shareholder's Redemption Shares. Any profit or loss realized by BioAlliance Pharma in relation to the repurchase of the Redemption Consideration Shares shall be of no consequence to the redemption of the Redemption Shares.

(ii) Cash Compensation

Pursuant to Section 285(1) of the Danish Companies Act, the shareholders of Topotarget may claim cash compensation from Topotarget if the consideration offered for the shares in Topotarget is determined not to be fair and reasonable, and if the shareholders have made a reservation to this effect at the general meeting of Topotarget at which the resolution to approve the Merger was passed ("**Reservation for Cash Compensation**").

Proceedings to claim compensation must be commenced within two (2) weeks after the Merger is adopted at both BioAlliance Pharma's Shareholders Meeting and Topotarget's Shareholders Meeting, to be held, respectively, on 27 June 2014 and on 30 June 2014 ("**Claim for Cash Compensation**"), cf. Section 285(2) of the Danish Companies Act.

It is noted, that the valuation statement in respect of the Definitive Merger Plan prepared pursuant to section 276(2) of the Danish Companies Act and attached as Schedule 2 concludes that the consideration offered for the shares in Topotarget is fair and reasonable.

If resolutions to approve the Merger have been adopted at BioAlliance Pharma's Shareholders Meeting and Topotarget's Shareholders Meeting, and if a shareholder of Topotarget has in this connection made a Reservation for Cash Compensation, the Danish Business Authority will not issue the required certificate as to the completeness of the merger steps before the two (2) week deadline in Section 285 of the Danish Companies Act, unless the valuation expert appointed by Topotarget, with their statement on the Definitive Merger Plan pursuant to Section 276 of the Danish Companies Act, conclude that the consideration offered for the shares in Topotarget is fair and reasonable, cf. Section 285(3) of the Danish Companies Act.

Accordingly, if a shareholder of Topotarget has made a Reservation for Cash Compensation and the statement of the valuation expert contains a reservation as to the fairness and reasonableness of the merger consideration, the Danish Business Authority will not issue the required certificate as to the completeness of the merger steps before the two (2) week deadline in Section 285(2) of the Danish Companies Act. Even after expiry of the two (2) week deadline, it will not be possible to dissolve Topotarget until Claims for Cash Compensation (i) have been settled or adequate security has been provided by Topotarget and (ii) the valuation expert appointed by Topotarget has declared that its original statement is not adversely affected to any significant extent, cf. Section 289(1), no. 3 of the Danish Companies Act. The valuation experts will determine whether the security provided by Topotarget is adequate.

If a shareholder of Topotarget has made a Reservation for Cash Compensation and the statement of the valuation expert does not contain a reservation as to the reasonableness of the share consideration, the Danish Business Authority will issue the certificate as to the completeness of the merger steps even before the two (2) week deadline and irrespective of any Reservations for Cash Compensation, unless the Danish Business Authority is notified of any Claims of Cash Compensation before registration.

3.5.2.3. Warrants of Topotarget

The general meeting of Topotarget has adopted authorizations to the board of directors of Topotarget to issue equity warrants to the employees, directors, consultants and advisors of Topotarget and Topotarget UK Limited. The board of directors of Topotarget has exercised the authorizations to issue equity warrants by issuing equity warrants entitling the holders of such equity warrants to subscribe for ordinary shares in Topotarget.

As of the date of the Merger Plan, the total amount of equity warrants issued and outstanding entitled the holders thereof to subscribe for up to a total of 6,580,888 new ordinary shares in Topotarget of each DKK 1.

Prior to the date of the Definitive Merger Plan, the board of directors of Topotarget has resolved and conducted an acceleration of the vesting and exercise of all equity warrants issued by Topotarget and has thereby allowed the holders of all equity warrants (including any warrants not yet vested) to exercise their warrants for a period of two weeks commencing on 6 May 2014 and ending on 20 May 2014 (included) (the "**Topotarget Warrant Exercise**"), such accelerated vesting and exercise being conditional upon the approval of the Merger by the general meetings of BioAlliance Pharma and Topotarget (the "**Warrant Exercise Condition**").

As of the date of registration of this Document E, the warrant holders of Topotarget have exercised a total of 2,473,998 equity warrants (in the aggregate) and have paid the

subscription amounts pertaining to such equity warrants to Nordea as escrow agent (the "**Escrow Bank**").

Accordingly,

(A) pending completion of the Warrant Exercise Condition, the subscription amounts paid by the respective warrant holders having given notice of exercise of their equity warrants and having paid their subscription amounts to the Escrow Bank will be held in escrow by the Escrow Bank, and

(B) upon completion of the Warrant Exercise Condition, the warrants shall be deemed to have been unconditionally exercised and the subscription amounts shall be released by the Escrow Bank to Topotarget, and

(C) in the event that the Warrant Exercise Condition has not been completed on or before 31 August 2014, the accelerated vesting of any unexercised equity warrants and the accelerated exercise by the warrant holders of equity warrants during the period stipulated by the board of directors of Topotarget shall be deemed to be null and void and all equity warrants issued by Topotarget and outstanding as of the date of the Definitive Merger Plan shall remain outstanding, unexercised and otherwise unaffected by the terms of the Definitive Merger Plan and any action taken in accordance herewith and in such case the Escrow Bank shall repay to the relevant warrant holders all amounts paid by them to the Escrow Bank together with interest accrued, and

(D) upon completion of the Warrant Exercise Condition, the articles of association of Topotarget will be amended to reflect (a) the increase of the share capital of Topotarget resulting from the exercise of the equity warrants and (b) the cancellation of all equity warrants in Topotarget which remain unexercised as of the date of the Definitive Merger Plan, and

(E) immediately following the satisfaction of the Warrant Exercise Condition (and in any event prior to the registration of the Merger) the board of directors of Topotarget will procure the registration with the Danish Business Authority of (i) the exercise of the equity warrants, (ii) the issuance of new shares in Topotarget in exchange for such exercised equity warrants and (iii) the cancellation of all equity warrants in Topotarget which remain unexercised as of the date of the Definitive Merger Plan.

Upon completion of the Warrant Exercise Condition, any equity warrants in Topotarget which remain unexercised as of the date of the Definitive Merger Plan shall become null and void without further notice or compensation.

The Topotarget Warrant Exercise is described in further detail in the Definitive Merger Plan attached herein as Schedule 1.

Except for the equity warrants mentioned above, Topotarget has not issued any other equity securities outstanding as of the date of this Document E, which would confer entitlement, through conversion, exchange, repayment, or exercise of a security or in any way whatsoever, to the allocation at any time or in the long term of securities, which are or shall be issued to this effect to represent a percentage of the capital or of voting rights of Topotarget.

3.6. Post-merger events

BioAlliance Pharma expects the following news flow in the 6 months following the merger:

- Preliminary results of the phase II clinical trial with Validive® assessing the efficacy of Validive® in prevention of severe oral mucositis in patients treated by chemo/radiation-therapy for a head-and-neck cancer, and

- 5th meeting of the Data Safety Monitoring Board (DSMB) relating to the phase III trial with Livatag® in primary liver cancer.

Topotarget has submitted a New Drug Application (NDA) for belinostat for the treatment of peripheral T-cell lymphoma (PTCL) for which the US Food and Drug Administration (FDA) has granted Acceptance to File. The potential approval of the NDA is expected by August 9, 2014 upon which Topotarget is eligible to receive a cash milestone payment of USD 25 million from US partner Spectrum Pharmaceuticals by November 2014 at the latest.

4. PRESENTATION OF THE TRANSFEREE COMPANY: BIOALLIANCE PHARMA

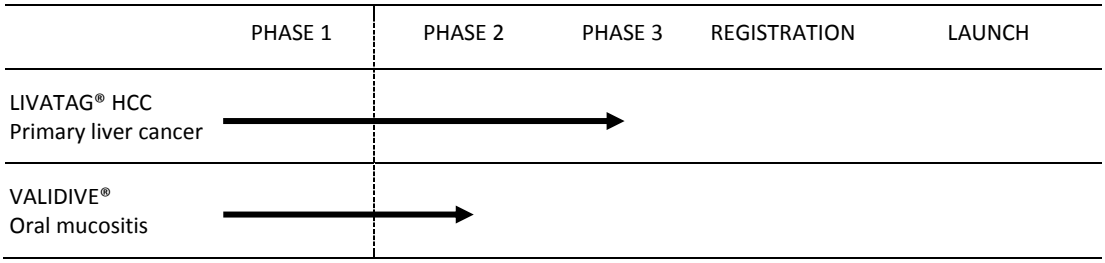
This Document E incorporates by reference the registration documents of BioAlliance Pharma for financial years closed on 31 December 2013, 2012 and 2011, which have been filed with the AMF.

These registration documents are made available, free of charge, in French and in English (non-official translation, for information purposes only), on the website of BioAlliance Pharma (www.bioalliancepharma.com) and, in French, on the website of the AMF (www.amf-france.org).

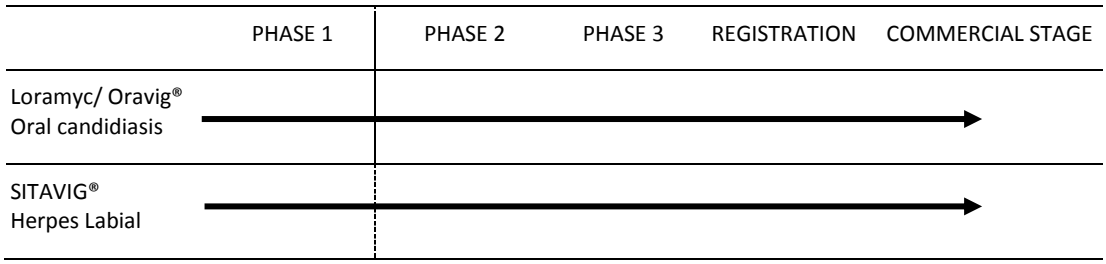
4.1. Recent events

2013 and early 2014 have seen decisive progress in terms of the growth of BioAlliance Pharma with major advancements for the two key assets of the orphan products in the oncology portfolio, Livatag® and Validive®. These two products enjoy significant market potential and will generate the major share of value creation over the coming years. The Company has also successfully registered Sitavig® in the United States making this product, after Loramyc®/Oravig®, the second to be registered by BioAlliance Pharma in this key market within the space of three years, thereby demonstrating the unique expertise of the research and development teams.

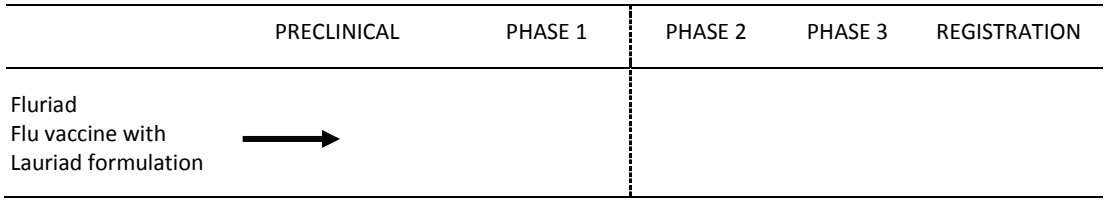
Orphan Oncology pipeline:



Specialty products – Registered:



Exploratory programs:



The significant events during 2013 and early 2014 are as follows:

- International extension of the "ReLive" Phase III trial with Livatag® (doxorubicine Transdrug™) with a very high rate of patient recruitment in over twenty centers across France. Authorization from the regulatory authorities to conduct the trial in the United States and in 7 other countries in Europe. Confirmation at this stage of the product's good tolerance profile by the Committee of Independent Experts responsible for monitoring tolerance.

- Active pursuit of the Phase II trial with Validive® (clonidine Lauriad®) in the United States and Europe. The Company anticipates recruitment of the final patient in Q2 2014 and announcement of preliminary results during the second half of the year.

- Registration of Sitavig® in the United States by the Food and Drug Administration and in France and Germany by the national health authorities for the treatment of recurrent herpes labialis.

- Successful capital increase of 8.4 million euros, oversubscribed by 155%, notably earmarked to complete the Phase II study with Validive®.

4.1.1. Livatag® (doxorubicine Transdrug™): strong progress in the Phase III clinical trial and receipt of Fast Track Designation from the FDA for the treatment of primary liver cancer.

Livatag® is a nanoparticle formulated treatment studied in patients with advanced hepatocellular carcinoma. This pathology, also called primary liver cancer, is an aggressive and resistant cancer and the third highest cause of mortality through cancer worldwide, for which there are few alternative therapies and accordingly represents a significant medical need.

The international randomized Phase III trial is designed to demonstrate the efficacy of Livatag® on the survival rate of nearly 400 patients suffering from hepatocellular carcinoma after failure to respond or intolerance to sorafenib. Some twenty centers have been

opened in France. The roll-out in Europe of the trial in 2013 took in 7 other countries (Germany, Spain, Italy, Russia, Hungary, Austria and Belgium). Having reviewed the development plan for Livatag®, in December 2013 the FDA gave its approval to conduct the trial in the United States.

As of the date of this report, over 100 patients have been recruited. The extension of the trial in the United States and Europe should enable recruitment to be accelerated in 2014. Recruitment is anticipated to have been completed in 2015 with preliminary results in 2016. BioAlliance is running this development internally, with external service provider from well established international CRO in charge of the sites monitoring on a continuous basis in Europe and in the US.

A committee of independent European experts (Data Safety and Monitoring Board, DSMB), chaired by Professor Michel Beaugrand, is monitoring the trial. Such committees are usually set up for pivotal Phase III clinical trials in order to ensure patient safety and the integrity of the study process and to recommend any protocol amendments. Since the effective commencement of the trial, the independent committee of experts has met on three occasions and has unanimously recommended continuation of the trial without amendment.

In early 2014, the issue of a new family of patents protecting the specific administration protocol of Livatag® strengthens and extends the protection of the product until 2032, during which period no generic product may be marketed.

Livatag® enjoys the status of orphan drug in Europe and the United States, enabling the product's development plan to be optimized in terms of cost and duration and also to strengthen its protection (market exclusivity). The product's sales potential is estimated at 800 million euros worldwide.

In a press release published on 19 May 2014, BioAlliance Pharma announced that it had obtained the Fast Track Designation for Livatag®. The Fast Track procedure is designed to expedite the development time and review period for drugs investigated as treatments for serious or life-threatening diseases with a high unmet medical need. This designation will therefore allow the company to benefit from facilitated interactions with the FDA and reduced review periods, notably in the framework of the "priority review" which allows shortening this period from 10 to 6 months.

4.1.2. Validive® (clonidine Lauriad®): international Phase II clinical trial into the prevention and treatment of severe oral mucositis

Validive® (clonidine Lauriad®) is a treatment based on the Lauriad® mucoadhesive technology designed to prevent and treat severe oral mucositis, an inflammation of the mucous membrane frequently affecting patients suffering from an ENT cancer treated with radiotherapy and chemotherapy.

The international double-blind placebo-controlled Phase II trial is underway in Europe and the United States. As of the date of this report, nearly 95% of the patients planned for the trial have been recruited. Recruitment is due to be completed in the first half of 2014 and results are expected during the second half of the year.

Bioalliance Pharma has fully performed the ongoing phase II, again using an international CRO to monitor the clinical sites on a continuous basis, implemented in various European countries as well as US.

In January 2014, Validive® received "fast-track" status from the Food and Drug Administration (FDA) enabling accelerated continuous review by the US agency in recognition of the severity of the treated pathology and the major need for suitable treatments.

In September 2013, a European and American Committee of Experts, recognized internationally in the field of oral mucositis, oral medicine, oncology and radiotherapy, was set up to focus on oral mucositis and the associated clinical developments based around Validive®. Its purpose is to offer its expertise and recommendations regarding the development strategy for Validive® and its medical positioning in oral mucositis.

Validive® enjoys the status of orphan drug in Europe, enabling the product's development plan to be optimized in terms of cost and duration and also to strengthen its protection (market exclusivity). The product's sales potential is estimated between 200 and 400 million euros worldwide.

4.1.3. Sitavig®, second product registered in Europe and the United States

Sitavig® (acyclovir Lauriad®), a second product developed by BioAlliance Pharma using Lauriad® technology, is designed to treat recurrent herpes labialis.

In Europe, BioAlliance Pharma has obtained registration of Sitavig® in eight countries as of the end of 2012 (Sweden, United Kingdom, Spain, Italy, Denmark, Finland, Norway and Poland) followed by France and Germany in early 2014. In the United States, BioAlliance Pharma received marketing authorization from the Food and Drug Administration (FDA) in April 2013, thereby providing access for the drug to world's largest market. After Loramyc®/Oravig®, Sitavig® is the second product developed by BioAlliance Pharma to have been successfully registered in Europe and the United States, demonstrating the expertise and know-how of the R&D teams. Since this success, BioAlliance Pharma has mobilized its business development resources in order to find a suitable partner for the commercialization of the product in this key market as quickly as possible.

4.1.4. International partnerships

BioAlliance has announced in March 2014 the signature of a licensing agreement with Innocutis Holding LLC to commercialize Sitavig® in North America. Under this agreement, BioAlliance Pharma is eligible to receive a total of USD5 million in upfront and milestones payments. The agreement also includes double-digit royalties which should represent significant downstream revenues. In addition, Innocutis shall fund a major portion of the pediatric clinical study required by the FDA, as well as U.S. regulatory taxes.

Within the context of the licensing contract signed in May 2011 with its partner Sosei for Loramyc® in Japan, in March 2013 BioAlliance Pharma announced the start of the Loramyc® Phase III clinical trial into the treatment of oropharyngeal candidiasis. In anticipation of the future marketing of the product, in February 2014 Sosei signed a partnership agreement with the Fujifilm group.

Furthermore, after the signing of a licensing agreement announced on 24 September 2012 between BioAlliance Pharma and Vestiq Pharmaceuticals for the marketing of Oravig® in the United States, the Vestiq marketing teams began promoting the product with American prescribing physicians at the beginning of January 2013. After one year of marketing, the sales performance for Oravig® is not meeting the expectations and the company has decided to regain its commercial right and the NDA. Consequently, BioAlliance Pharma will seek another commercial partner for Oravig® in the US.

On 2 April 2014, BioAlliance Pharma announced the signature of an exclusive supply and license agreement for Sitavig® (Acyclovir Lauriad®) with Daewoong Pharmaceutical Co., Ltd. for commercialization rights in South Korea. Moreover, Daewoong will be in charge to register Sitavig® in South Korea. Under this agreement, BioAlliance Pharma is eligible to receive significant upfront and milestones payments. The agreement also includes a double-digit royalty rate which should represent high downstream revenues. Daewoong Pharmaceutical Co., Ltd. is an international drug manufacturing and distribution company headquartered in Seoul, and it also holds its presence over major Asian markets, including China and India. The Company is expert at managing prescription drugs and has been ranking first on this market for many years in Korea.

4.1.5. Funding of BioAlliance Pharma and new collaborative projects

- Capital increases

In July 2013, BioAlliance Pharma successfully completed a capital increase with maintenance of the preferential subscription right, notably with a view to funding the international clinical development of Validive® and Livatag®. This financing operation received the support of BioAlliance Pharma's two largest shareholders, Financière de la Montagne and Idinvest, who committed to subscribing to up to 63% of the total operation amount, namely 5 million Euros. The net amount realized was 8.4 million euros after exercise of the extension clause in its entirety, the operation being oversubscribed at 155%. A total of 2,496,960 new shares were created, increasing equity from €4,539,928.75 to €5,164,168.75.

Following the capital increase, the equity holdings of Financière de la Montagne and Idinvest stood at 13.6% and 5.2% respectively.

At the end of January 2013, BioAlliance Pharma agreed a PACEO® equity line financing facility with Société Générale to provide periodic support for the acceleration of its development projects. This flexible tool enables the bank to subscribe, at the request of BioAlliance Pharma, to successive capital increases by maximum tranches of 400,000 shares over a 24-month period, up to a maximum of 1,765,000 shares (i.e. 9.9% of share capital at the end of 2012). In 2013, BioAlliance Pharma made two single drawdown totalling 500,000 shares, with net proceeds of 2.2 million Euros.

- Grants

On 3 July 2013, BioAlliance Pharma announced that it had obtained funding from BPIFRANCE of nearly €9m, of which €4.3m was granted directly under the ISI (Industrial Strategic Innovation) scheme, enabling it to accelerate the industrial development of Livatag®. This funding supports the establishment of the NICE (Nano Innovation for Cancer) consortium, the objective of which is to establish the first nanomedicine sector in France, notably focusing on the characterization and industrialization of specific nanomedicine

manufacturing processes. BioAlliance Pharma is the lead member of the consortium which includes 5 partner companies possessing unique know-how in the field of nanomedicine. Livatag®, doxorubicine nanoparticulate in Phase III in the treatment of primary liver cancer, will fully benefit from this expertise and the funding platform provided by BPIFRANCE will enable its development to be accelerated, especially in manufacturing terms.

4.2. Risk factors

Risk factors relating to BioAlliance Pharma and its business are described in the Registration Document and in the Annual Financial Report as of 31 December 2013, these documents being incorporated by reference in this Document E.

The risks that are specific to Topotarget or its business sector are described in Section 6 of this Document E.

In particular, regarding the liquidity risk and the update of the information related to this risk, BioAlliance Pharma, as a standalone company, considers that it is not facing a particular liquidity risk over the coming 12 months, given the firm financing commitments received in an aggregate amount of 10 million Euros.

In addition to these risk factors, the following risk factors relating to the Merger should also be taken into account.

4.2.1. Risks attached to the registration of the Merger both in Denmark and France

The Merger is a cross-border merger. Therefore, even though this Merger is largely governed by the European Directive 2005/56/EC dated 26 October 2005, merging entities shall also comply with specific requirements provided by Danish and French laws and regulations in order for the Merger to be completed. These dual-track requirements may result in a delay in the completion of the Merger.

4.2.2. The Merger is subject to conditions precedent

As at the date hereof, it is not possible to ascertain the certainty of the Merger, such Merger being subject to the satisfaction of a certain number of Conditions Precedent listed in Section 3.2.1.3 above, some of which may not be legally waived by Topotarget and/or BioAlliance Pharma.

4.2.3. Variation of stock market price

The number of the combined entity shares issued in the context of the Merger will not vary according to the market price of the BioAlliance Pharma shares.

The consideration for the Merger includes a pre-determined number of the combined entity shares which may not be adjusted.

The New Ordinary Shares will following the Merger Legal Effective Date be tradable on both Euronext Paris and NASDAQ OMX Copenhagen (subject to approval of the admission request). When shares are listed on more than one exchange, the action of investors may result in trading in the shares migrating from one of the markets where the shares are listed (either Euronext Paris or NASDAQ OMX Copenhagen) to the other market. Therefore there is no guarantee that the BioAlliance Pharma shares will be traded with satisfactory

liquidity on both markets which can have an effect on the efficiency of the pricing of the shares on the respective markets.

Furthermore the price of BioAlliance Pharma's share on Euronext Paris and NASDAQ OMX Copenhagen, respectively, will ultimately be determined by supply and demand for the share on the respective stock exchange, hence the price of the BioAlliance Pharma stock can from time to time trade at inconsistent levels (adjusted for FX) on Euronext Paris and NASDAQ OMX Copenhagen (subject to approval of the admission request), respectively.

4.2.4. Topotarget may become subject to appraisal proceedings in relation to the procedures of Cash Compensation and Redemption of shares

4.2.4.1. Cash Compensation

Pursuant to Section 285(1) of the Danish Companies Act, the shareholders of Topotarget may claim cash compensation from Topotarget if the consideration offered for the shares in Topotarget is deemed not to be fair and reasonable, and if the shareholders have made a reservation to this effect at the general meeting at which the resolution to approve the Merger was passed. Reference is made to sec. 3.5.2.2(ii) above. Legal proceedings to claim compensation must be commenced by the relevant shareholder within two (2) weeks after the Merger is adopted by both BioAlliance Pharma's Shareholders Meeting and Topotarget's Shareholders Meeting.

If such proceedings in relation to the Cash Compensation were brought and were successful, the relevant Topotarget shareholders would be entitled to a cash payment to reflect the court's assessment of the so determined higher value of the Topotarget shares.

4.2.4.2. Redemption of shares

Pursuant to sec. 286 of the Danish Companies Act, shareholders in Topotarget who oppose the Merger at the general meeting of Topotarget may demand redemption of their shares by Topotarget by making a written request to this effect no later than four weeks after the date of the general meeting. Furthermore, if the shareholders have been asked to declare before the vote at the general meeting of Topotarget whether they wish to exercise the right of redemption, any shareholder wishing to exercise that right must make a declaration to that effect at the general meeting in order to retain that right.

On redemption, the Redemption Shareholders' Redemption Shares will be redeemed at a price corresponding to the value of the Redemption Shares. The board of directors of Topotarget has after due consideration determined that the redemption price for any Redemption Shares in Topotarget will be DKK 3.16 per share of each nominally DKK 1.00 corresponding to the volume weighted, average price per share of Topotarget during the 4 weeks period immediately preceding the announcement by the Companies of their agreement to merge. In the event that any Redemption Shareholder disagrees with the redemption price offered by the board of directors of Topotarget, the redemption price will be determined by valuation experts appointed by the City Court of Copenhagen (in Danish: *Københavns Byret*). Either of Topotarget or the relevant Redemption Shareholder may bring the expert opinion before the court. Such proceedings must be commenced within three months of receipt of the expert opinion.

If such the determination of the redemption price by the valuation experts or by the court were determined in favor of the Redemption Shareholder (and – hence – higher than the

redemption price offered by Topotarget), the relevant the Redemption Shareholder as well as any other Redemption Shareholders would be entitled to redemption of their Redemption Shares based on the so determined higher redemption price.

4.2.5. Risks relating to provisions on a change in control or the transfer of certain agreements concluded by Topotarget and/or BioAlliance Pharma

Each of BioAlliance Pharma and Topotarget may, in the course of its normal operating activity, have entered into agreements containing change of control clauses or clauses on the transfer of contracts requiring that authorizations be obtained from the co-contracting party. The Merger could potentially render immediately payable amounts owed by BioAlliance Pharma or Topotarget, respectively, or authorize its co-contracting party to terminate or require amendments to the contract.

The immediate collectability of certain amounts owed could have an adverse impact on the results and financial position the combined entity. Furthermore, Topotarget or BioAlliance Pharma might not be successful in obtaining the consent of the co-contracting party or be required in connection with obtaining these authorizations for transferring the contract, to renegotiate terms that might be less favorable than those previously concluded.

If one or more of these risks were realized, it could have a material impact on the new merged group's business, results of operations, financial position, and prospects.

4.2.6. Risks relating to the integration of the activities of the two companies, costs relating to this integration and achieving synergies

The success of the Merger will be achieved as much through the preparation of the proposed Merger as through the integration process that will follow its legal completion. Two key points will be the capacity of the new merged group to achieve synergies and integrate their respective cultures.

Achieving synergies will not be automatic. The new combined entity may not have implemented the tools and organization allowing it to identify the best practices of Topotarget and BioAlliance Pharma.

Furthermore, a certain degree of operating integration is necessary for achieving cost reductions though it cannot be excluded that such integration could also result in a destruction of certain value and expertise necessary for its competitiveness. In effect, the combined entity may not have, or sufficiently, evaluated or developed the compatibility of the organizations, the degree of transformation they will be able to support as well as the execution of processes. It may be difficult to reconcile the operating requirements and the strategic vision of the new entity.

If one or more of these risks were realized, it could have a material impact on the new merged group's business, results of operations, financial position, and prospects.

4.2.7. Risks relating to the need to retain management and key personnel following the Merger

The success of the new group formed from the Merger will in large part depend on its capacity to retain the management and key personnel of the two companies and their subsidiaries. The inability of the combined entity to keep, attract and retain such key staff

could prevent it from achieving its overall objectives and therefore have a material impact on its business, results of operations, financial position, and prospects.

4.2.8. The value of BioAlliance Pharma and Topotarget and then of the combined entity shares are likely to fluctuate

Pursuant to the announcement of the proposed Merger, the market price and liquidity of BioAlliance Pharma and Topotarget shares may fluctuate significantly in response to different factors and events, among which are included the risk factors described in the Registration Document, the Annual Financial Report of BioAlliance Pharma, the Annual Financial Report of Topotarget.

Moreover, it should also be noted that financial markets have experienced significant fluctuations in recent years often unrelated to the results of the companies whose shares are traded. As the Exchange Ratio has been set, the number of shares that Topotarget shareholders will receive within the framework of this Merger will not change. No adjustment will be made to the Exchange Ratio in the event of fluctuations in the price of BioAlliance Pharma or Topotarget shares.

4.3. Statement on net working capital

4.3.1. BioAlliance Pharma standalone

BioAlliance Pharma has sufficient working capital for its present requirements, i.e. to cover the cash needs of the company over the full 12-months period following the registration of the present Document E.

4.3.2. BioAlliance Pharma and Topotarget combined

Upon registration of its lead product Beleodaq, due in August 2014, the combined entity is due to receive a milestone of USD 25 million from its US partner Spectrum Pharmaceuticals. Including this receipt, the combined entity has sufficient working capital for its present requirements, including the maximum requirements relating to the completion of the Merger, i.e. to cover the cash needs of the combined entity over the full 12-months period following the registration of the present Document E.

Excluding the USD 25 million milestone payment from Spectrum Pharmaceuticals, the combined entity does not have sufficient working capital for its present requirements. In that configuration, the cash shortfall to cover the full 12-months period following the registration of the present Document E amounts to € 5 million and the combined entity will consume its cash by March 2015. This amount takes into account the maximum requirements payable by the company in relation to the completion of the Merger and notably the maximum amount potentially due as regards to the redemption right of Topotarget shareholders (circa EUR 6 million). If necessary, the financing of this cash shortfall could, if need be and notably if market conditions allow it, be funded through drawdown from the existing equity line (PACEO) currently in place, and active research of complementary financings.

4.4. Capitalization and indebtedness

In compliance with the recommendations of the ESMA (European Securities and Markets Authority) (ESMA/2013/319), the following table presents the situation of consolidated

indebtedness and equity of BioAlliance Pharma, excluding earnings for the period, at 28 February 2014:

Shareholder's equity and indebtedness	At 28th february 2014
(€ thousands)	
Guaranteed	0
Secured	0
Unguaranteed / Unsecured	82
Total current debt	**82**
Guaranteed	0
Secured	0
Unguaranteed / Unsecured (*)	3 379
Total non-current debt (excluding current long-term debt)	**3 379**
Share capital	5 171
Additional paid-in capital	127 806
Legal reserve	0
Other reserves	9
Retained earnings/(accumulated deficit)	-125 125
Shareholders' equity	**7 861**

(*) including 2 479 k€ in relation to repayable advances

Analysis of net financial indebtedness (unaudited)	At 28th february 2014
(€ thousands)	
A. Cash	441
B. Cash equivalents	9 101
C. Trading securities	0
D. Liquidity (A + B + C)	**9 542**
E. Current financial receivables	0
F. Short-term bank debt	0
G. Short-term portion of the medium and long term debts	0
H. Other short-term financial debt	82
I. Short-term current financial debt (F + G + H)	**82**
J. Net current financial indebtedness (I -E - D)	**-9 460**
K. Long-term bank loans	0
L. Bonds issued	0
M. Other long-term financial debt (*)	3 379
N. Total non-current financial debt (K + L + M)	**3 379**
O. Net financial debt (J + N)	**-6 082**

(*) including 2 479 k€ in relation to repayable advances

This analysis of the net debt position reflects the situation of BioAlliance Pharma alone, and therefore does not include the debt of Topotarget, or the effects of the Merger.

4.5. Interests of individuals and legal entities taking part in the Merger

Not applicable.

4.6. Expenses related to the Merger

Total expenses related to the Merger (in particular bank consultancy commissions and fees for attorneys, independent experts and auditors) are estimated at € 6.5 million. Of these expenses, € 4.5 million will be incurred by BioAlliance Pharma and € 2 million by Topotarget.

4.7. Dilution

The consequences in terms of dilution of the Merger are presented above in section 3.5.1 of this Document.

4.8. Additional information (statutory auditors reports and independent experts)

Please refer to section 3.2.2.2 (Merger independent experts).

4.9. Summary of the delegations to the board of directors relating to operations on the share capital

[*Table next page*]

	Shareholders' meeting of 8 April 2014		**Propositions submitted to the shareholders' meeting of 30 June 2014 (Applicable post-merger depriving the previous delegations of effect)**	
	Term	**Maximum**	**Term**	**Maximum**
Delegation of authority to the Board of directors with a view to increasing the share capital, with immediate or deferred effect, through the issuance of ordinary shares or any other security giving access to the share capital, with shareholders' preferred subscription right attached	26 months 8 June 2016	Nominal €1,551,224.40 (6,204,898 actions) i.e. approx. 30% of the share capital as of 31/12/2013	26 months 30 August 2016	Nominal €2,361,175.02 (9,444,700 actions) i.e. approx. 30% of the share capital post-merger
Delegation of authority to the Board of directors with a view to increasing the share capital, with immediate or deferred effect, through a an offer as referred to in section II of article L.411-2 of the Financial and monetary code, to the benefit of qualified investors or a restricted number of investors	26 months 8 June 2016	Nominal €1,034,149.60 (4,136,598 actions) limited to 20% of the share capital per period of 12 months	26 months 30 August 2016	Nominal €1,574,116.68 (6,296,467 shares) limited to 20% of the share capital per period of 12 months
Delegation of authority to the Board of directors, upon issuance of shares or any other security giving access to the share capital, without shareholders' preferred subscription right attached, to set the subscription price	/	10% of the share capital per period of 12 months	/	10% of the share capital per period of 12 months
Delegation of authority to the Board of directors with a view to increasing the amount of each issuance, whether with or without shareholders' preferred subscription right attached	26 months 8 June 2016	15% of the initial issue	26 months 30 August 2016	15% of the initial issue
Delegation of authority to the Board of directors with a view to increasing the share capital in order to compensate contributions in kind or securities giving access to the share	26 months 8 June 2016	10% of the share capital	26 months 30 August 2016	10% of the share capital

	Shareholders' meeting of 8 April 2014		**Propositions submitted to the shareholders' meeting of 30 June 2014 (Applicable post-merger depriving the previous delegations of effect)**	
	Term	**Maximum**	**Term**	**Maximum**
capital of third party companies, outside the context of a tender offer				
Determination of the aggregate amount of the delegations granted under resolutions above	/	Nominal 1,551,224.40 €	/	Nominal 2,361,175.02 €
Delegation of authority to the Board of directors with a view to granting stock options	18 months 8 October 2015	206,800 options giving access to 206,800 shares (nominal €51,700) soit environ 1% du capital au 31/12/2013	18 months 30 December 2015	314,800 options giving access to 314,800 shares (nominal €78,700) soit environ 1% du capital post-fusion
Delegation of authority to the Board of directors with a view to granting existing or new free shares	18 months 8 October 2015	206,800 free shares giving access to 206,800 shares (nominal €51,700) i.e. approx. 1% of the share capital as of 31/12/2013	18 months 30 December 2015	314,800 free shares giving access to 314,800 shares (nominal €78,700) i.e. approx. 1% of the share capital post-merger
Delegation of authority to the Board of directors with a view to and granting equity warrants to the benefit of voting and non-voting members of the Company's Board of directors as of the date of granting, not being employees or officers of the Company or its subsidiaries	18 months 8 October 2015	206.800 warrants giving access to 206,800 shares (nominal €51,700) i.e. approx. 1% of the share capital as of	18 months 30 December 2015	314,800 warrants giving access to 314,800 shares (nominal €78,700) i.e. approx. 1% of the share capital post-

	Shareholders' meeting of 8 April 2014		**Propositions submitted to the shareholders' meeting of 30 June 2014 (Applicable post-merger depriving the previous delegations of effect)**	
	Term	**Maximum**	**Term**	**Maximum**
		31/12/2013		merger
Cap (number of shares) in relation to the delegations above on stock options, free shares and warrants for shares	/	310,000 shares i.e. approx. 1.5% of the share capital as of 31/12/2013	/	472,000 shares i.e. approx. 1.5% of the share capital post-merger
Authorization to the Company's Board of directors in relation to a share buyback program pursuant to Article L.225-209 et seq. of the Commercial Code	18 months 8 October 2015	€1,000,000 (max. €20 per share)	18 months 30 December 2015	€1,000,000 (max. €20 per share) Specific cap : €16,000,000 (max. €15 per share)
Authorization to the Company's Board of directors in relation to share capital reduction through the cancellation of treasury shares	18 months 8 October 2015	10% of the share capital per period of 24 months	18 months 30 December 2015	10% of the share capital per period of 24 months

5. PRO FORMA FINANCIAL INFORMATION

5.1. Unaudited pro forma financial information

5.1.1. Introductory comments

5.1.1.1. Context of the publication of the pro forma financial information:

On 16 April 2014, the Chief executive officer of BioAlliance Pharma and the authorized legal representative of Topotarget executed the Merger Plan and the Merger Agreement providing for the absorption of Topotarget by BioAlliance Pharma. On 21 May 2014, the Chief executive officer of BioAlliance Pharma and the members of the board of Topotarget executed the Definitive Merger Plan. Pursuant to Appendix II of the AMF Instruction no. 2005-11 dated 13 December 2005, as this transaction involves a change in size of BioAlliance Pharma, the accounting acquirer, of more than 25% in terms of total assets as well as market capitalization, pro forma financial information must be presented.

This pro forma financial information was prepared in accordance with the provisions of Annex II of the European Prospectus Regulation no. 809/2004, "Pro forma financial information building block", the recommendations issued by ESMA (formerly CESR) (ESMA/2013/319 of March 20, 2013) and the recommendation no. 2013-08 issued by AMF (*Autorité des Marché Financiers*) on pro-forma financial information.

5.1.1.2. Presented Pro forma financial information

The unaudited condensed combined pro forma balance sheet (hereafter referred to as the "**Pro Forma Balance Sheet**") was prepared as at 31 December 2013 in thousands of Euros and reflects the combination of BioAlliance Pharma and Topotarget using the acquisition method as if the Merger of BioAlliance Pharma and Topotarget had been completed on 31 December 2013.

The unaudited condensed combined pro forma income statements (hereafter referred to as the "**Pro Forma Income Statements**") for the year ended 31 December 2013 were prepared in thousands of Euros and reflect the combination of BioAlliance Pharma and Topotarget using the acquisition method as if the Merger of BioAlliance Pharma and Topotarget had been completed on 1 January 2013.

Pro forma adjustments are based on available information and a number of assumptions considered reasonable by BioAlliance Pharma and Topotarget.

The unaudited combined pro forma financial information (hereafter referred to as the "**Pro Forma Financial Information**") is presented exclusively for illustrative purposes and does not provide for an indication of the results of operating activities or the financial position of the combined company that would have been obtained as of and for the period ended on 31 December 2013 had the Merger been completed at the dates considered. Similarly, it does not provide for an indication of the future results of operating activities or financial position of the combined company.

5.1.2. Presentation of Pro Forma Financial Information as of 31 December 2013

5.1.2.1. Unaudited Pro Forma Balance Sheet as of 31 December 2013

(in thousands of euros) - Net value	BioAlliance Pharma historical data in pro forma presentation (note 5.1.3.5)	Topotarget historical data in pro forma presentation (note 5.1.3.4)	Pro forma adjustments (unaudited) (note 5.1.3.2)	Combined pro forma data (unaudited)
Goodwill			54 998	54 998
Intangible assets	23	30 600		30 622
Tangible assets	908	105		1 013
Financial assets	369			369
Other non-current assets		48		48
NON-CURRENT ASSETS	1 300	30 753	54 998	87 051
Inventories	3	0		3
Trade receivables	338	105		443
Other current assets	4 773	459		5 232
Marketable securities	7 357		(7 357)	0
Cash & cash equivalents	3 972	4 220	(337)	7 855
CURRENT ASSETS	16 443	4 784	(7 694)	13 533
TOTAL ASSETS	17 743	35 537	47 304	100 584

Share capital	5 171	19 211	(16 511)	7 871
Less: treasury shares	(59)	0		(59)
Additional paid-in capital	128 044			128 044
Merger premium			84 883	84 883
Reserves	(110 398)	18 063	(25 757)	(118 092)
Net income/(loss) for the year	(15 320)	(4 689)	4 689	(15 321)
SHAREHOLDERS' EQUITY	7 438	32 585	47 304	87 326
Provisions	457			457
Other non-current liabilities	3 030			3 030
NON-CURRENT LIABILITIES	3 487	0	0	3 487
Bank borrowings	91			91
Trade payables	4 557	483		5 041
Other current liabilities	2 170	2 469		4 639
CURRENT LIABILITIES	6 818	2 952	0	9 771
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	17 743	35 537	47 304	100 584

5.1.2.2. Unaudited Pro Forma Income Statement as at 31 December 2013

[*Table next page*]

(in thousands of euros) - Net value	BioAlliance Pharma historical data in pro forma presentation (note 5.1.3.5)	Topotarget historical data in pro forma presentation (note 5.1.3.4)	Pro forma adjustments (unaudited) (note 5.1.3.2)	Combined pro forma data (unaudited)
Net sales	1 467	1 118		2 585
Purchases	(264)			(264)
Personnel costs	(5 347)	(2 337)		(7 684)
External expenses	(10 707)	(2 946)		(13 653)
Taxes other than on income	(298)			(298)
Depreciation and amortization	(233)	(250)		(483)
Allowances to provisions	65			65
Other operating income	5			5
Other operating expenses	(125)			(125)
OPERATING INCOME / (LOSS)	(15 437)	(4 415)	0	(19 852)
Income from cash and cash equivalents	281	76		357
Other financial income	123			123
Financial expenses	(287)	(350)		(637)
FINANCIAL INCOME / (LOSS)	117	(274)	0	(158)
INCOME / (LOSS) BEFORE TAXATION	(15 320)	(4 689)	0	(20 009)
Income tax expense	0	0	0	0
NET INCOME / (LOSS)	(15 320)	(4 689)	0	(20 009)

5.1.3. Notes to the Pro Forma Financial Information

5.1.3.1. Basis of preparation

The Pro forma Financial Information was prepared based on published historical data of BioAlliance Pharma and Topotarget, which was subject to a number of restatements and presentation reclassifications. All numbers expressed in DKK have been converted into Euros using the closing exchange rate as at December 31, 2013 for the balance sheet and the 2013 average exchange rate for the income statement of Topotarget.

(i) Underlying financial information

The Pro Forma Financial Information has been prepared on the basis of the following financial items:

- The IFRS consolidated financial statements of BioAlliance Pharma as at 31 December 2013, audited by the joint statutory auditors (Ernst & Young and Grant Thornton) and for which an unqualified opinion was issued on 18 March 2014. These financial statements are presented on pages 100 to 137 of the BioAlliance Pharma Registration Document filed with the AMF under reference no. D.14-0303 and incorporated by reference in this Document E.

- The IFRS consolidated financial statements of Topotarget as at 31 December 2013, audited by the statutory auditor (Deloitte Statsautoriseret Revisionspartnerselskab) and for which an unqualified opinion was issued on 27 March 2014. These financial statements are presented on pages 21 to 52 of the Topotarget annual financial report, available on the company's website and an extract is presented in section 6.5 below ("Financial Information").

(ii) Accounting standards

The Pro Forma Financial Information has been prepared to reflect the application of measurement and presentation principles consistent in accordance with the IFRS accounting standards that will be applied in the next financial statements published by the combined entity. For the purposes of the preparation of the Pro Forma Financial Information, the Merger has been accounted for in the Pro Forma Financial Information as an acquisition of Topotarget by BioAlliance Pharma. This is consistent with the legal treatment of the transaction pursuant to which BioAlliance Pharma is the absorbing surviving legal entity and will be the company issuing new shares to Topotarget shareholders in consideration for the Merger. Pursuant to IFRS 3, BioAlliance Pharma is also considered the accounting acquirer given the respective stock market capitalization of BioAlliance Pharma and Topotarget on the date of approval of the transaction by the Management Boards of the two groups, the Exchange Ratio set out for the contemplated Merger and the shareholding structure subsequent to the Merger.

In addition, the presentation of the historical income statements of Topotarget as at for the year ended 31 December 2013 has been subject to a restatement in the Pro Forma Financial Information. Indeed, up until 31 December 2013, the Topotarget group presented its income statement by destination and Topotarget income statement has been reclassified by nature for purpose of the pro forma information of the combined company.

From the year ending 31 December 2014, Topotarget will opt for the presentation of its income statement by nature of expense, bringing it into line with the presentation adopted by BioAlliance Pharma in its financial statements. Sections 5.1.3.3 and 5.1.3.4 of this Document draw a comparison between these two presentations.

(iii) Assumptions

Pro forma adjustments in preparing the Pro Forma Income Statements were calculated based on the assumption that the Merger was completed on the first day of the financial year presented (i.e. 1 January 2013). Pro forma adjustments in preparing the Pro Forma Balance Sheet were calculated based on the assumption that the Merger was completed on 31 December 2013.

The Pro Forma Financial Information is presented exclusively for illustrative purposes and does not provide for an indication of the results of operating activities or the financial position of the combined company that would have been obtained for the period ending on 31 December 2013 had the Merger been completed on 1 January 2013. Similarly, it does not provide for an indication of the future results of operating activities or financial position of the combined company.

All pro forma adjustments that are factually supportable and directly attributable to the Merger and could be documented and estimated reliably have been reflected in the pro forma balance sheet and income statement.

The Pro Forma Financial Information does not take into account the following:

- any cost savings or other synergies potentially resulting from the Merger;

- specific items that could result from restructuring or integration costs potentially incurred as a result of the Merger;

- any tax expense or tax income potentially resulting from the new group structure;

- the potential impact resulting from changes in the financial structure of the combined company;

- the impact of the sale of certain asset that may be contemplated following the Merger;

- the potential exercise by Topotarget shareholders of a Redemption Right: pursuant to Danish law, Topotarget shareholders that vote against the Merger at the shareholders' meeting convened to approve the Merger may benefit from a Right of Redemption Right of their Topotarget shares. This right is subject to the completion of the Merger. In addition, the number of shares held by shareholders wishing to exercise this Redemption Right may not represent more than ten (10) % of the issued share capital of Topotarget as at the date of the Definitive Merger Plan. For the preparation of the Pro Forma Financial Information, it was assumed that no shareholders would exercise this right, as the combined group is not in a position to assess the decisions of Topotarget shareholders.

In addition to the changes in the presentation of the BioAlliance Pharma income statements, certain items were reclassified in the Pro Forma Financial Information prepared in accordance with IFRS standards, to take into account certain discrepancies in the presentation of the balance sheets and income statements of the two groups and in order to comply with the preliminary formats retained for the combined entity.

A preliminary analysis was also launched to identify the pro forma adjustments to be made, where applicable, in order to harmonize accounting standards applied to similar transactions. BioAlliance Pharma and Topotarget consider that other reclassifications or adjustments may prove to be necessary when the combined entity finalizes the format of its financial statements and its accounting standards and methods.

(iv) Inter-company transactions

Following completion of the Merger, all transactions between BioAlliance Pharma and Topotarget or one of its subsidiaries or companies in which it has holdings will be considered as inter-company transactions. To the best of the knowledge of the two companies, there are no reciprocal transactions between the companies of the combined group prior to 31 December 2013 that could have a material impact on the pro forma balance sheet positions or on the pro forma income statement of the combined group.

(v) Determination of preliminary goodwill

For the purposes of preparing this Pro Forma Financial Information, the acquisition price was determined using the Exchange Ratio of 2 New Ordinary Shares for 27 shares in Topotarget, i.e. circa 0.074.

The pro forma preliminary goodwill resulting from this calculation does not impact the final goodwill that will result from the fair market value remeasurement of assets and liabilities (purchase accounting), to be performed within a period of 12 months from the Merger

Legal Effective Date. Accordingly, the purchase accounting and the resulting pro forma adjustments are merely preliminary and were prepared solely for the purposes of preparing the Pro Forma Financial Information. In accordance with IFRS 3 Revised, these amounts may therefore be subject to subsequent modification to reflect the final fair market values determined after the Merger Legal Effective Date.

5.1.3.2. Description of pro forma adjustments to the financial position as at 31 December 2013

One-off items linked with the merger (transaction costs and success fees) are only presented in the balance sheet and not in the income statement (as they will not have any recurrent/continuing impact on the combined group).

(in thousands of euros)	Pro forma adjustments	Merger recording (note i)	Transaction costs (note ii)	Success fee to the Chairman and the CEO (note iii)
Goodwill	54 998	54 998		
Intangible assets	0			
Tangible assets	0			
Financial assets	0			
Other non-current assets	0			
NON-CURRENT ASSETS	**54 998**	**54 998**	**0**	**0**
Inventories	0			
Trade receivables	0			
Other current assets	0			
Marketable securities	0			
Cash & cash equivalents	(7 694)		(6 500)	(1 194)
CURRENT ASSETS	**(7 694)**	**0**	**(6 500)**	**(1 194)**
TOTAL ASSETS	**47 304**	**54 998**	**(6 500)**	**(1 194)**
Share capital	(16 511)	(16 511)		
Less: treasury shares	0			
Additional paid-in capital	0			
Merger premium	84 883	84 883		
Reserves	(25 757)	(18 063)	(6 500)	(1 194)
Net income/(loss) for the year	4 689	4 689		
SHAREHOLDERS' EQUITY	**47 304**	**54 998**	**(6 500)**	**(1 194)**
Provisions	0			
Other non-current liabilities	0			
NON-CURRENT LIABILITIES	**0**	**0**	**0**	**0**
Bank borrowings	0			
Trade payables	0			
Other current liabilities	0			
CURRENT LIABILITIES	**0**	**0**	**0**	**0**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**47 304**	**54 998**	**(6 500)**	**(1 194)**

(i) Recording of the acquisition

- Calculation of the acquisition price

On the Completion Date of the Merger, Topotarget shares will be exchanged at a rate of 2 BioAlliance Pharma shares for 27 Topotarget shares.

For the purposes of preparing the Pro Forma Financial Information, the acquisition price was estimated based on the number of Topotarget shares outstanding as of the day preceding the date of the board of directors meetings of BioAlliance Pharma and Topotarget to decide on the Merger, i.e. 20 May 2014, including all in-the-money warrants as of that date, the proposed Exchange Ratio and the closing price of the BioAlliance Pharma share as of the same day, i.e. € 8.11. The BioAlliance Pharma share price chosen is without prejudice to the intrinsic value of the BioAlliance Pharma share or the BioAlliance Pharma share value that will serve as a reference on the transaction completion date.

The number of Topotarget shares outstanding and the final value of BioAlliance Pharma ordinary shares for the determination of the acquisition cost of Topotarget will be determined based on the number of Topotarget shares outstanding and the BioAlliance Pharma share price on the Completion Date of the Merger.

For the purposes of the Pro Forma Financial Information, the acquisition price was determined as follows:

- Total number of Topotarget shares outstanding: 143,317,114
- Number of Topotarget shares including exercised warrants: 145,791,112
- Maximum number of New Ordinary Shares to be issued based on the Exchange Ratio adopted: 10,799,341
- BioAlliance Pharma's closing share price as of 20 May 2014 (in Euros): 8.11
- Estimated acquisition price (in thousands of Euros): 87,583

➢ Allocation of the acquisition price

The acquisition price of €87,583 thousand and Topotarget's shareholders' equity of €32,585 thousand as of 31 December 2013 results in a difference of €54,998 thousand.

For the purposes of preparing the Pro Forma Financial Information, the acquisition difference calculated above was recorded in full as goodwill based on the consolidated financial statements of Topotarget for the year ending 31 December 2013. Subsequent modifications are therefore likely to occur, to reflect the fair market value of assets acquired and liabilities assumed on the Merger Legal Effective Date. This fair market value must be determined within a period of 12 months from the Merger Legal Effective Date. Therefore the final purchase accounting may differ significantly from the preliminary purchase accounting included in the present Pro Forma Financial Information.

Purchase accounting - Impact of the Merger on the shareholders' equity:

[*Table next page*]

(in thousands of euros)	Total recording of the acquisition	Cancellation of Topotarget shareholders' equity	Share capital increase - merger
Share capital	-16 511	-19 211	2 700
Merger premium	84 883		84 883
Reserves	-18 063	-18 063	
Net income/(loss) for the year	4 689	4 689	
Shareholders' equity	**54 998**	**-32 585**	**87 583**

(ii) Costs related to the Merger

The costs related to the transaction are estimated at an overall amount of € 6,500 thousand.

(iii) Success fee clause for the chairman of the management board and the chief executive officer of Topotarget

Subject to the completion of the Merger, the chairman of the board of Topotarget and the chief executive officer of Topotarget have a contractual right each to a success fee equal to 2% of the amount by which the "take-over value per share" for the entire share capital of Topotarget exceeds a share price of DKK 2.55. The remuneration for each cannot exceed DKK 15,000,000.

The takeover value shall be the higher of:

- The takeover value derived from multiplying 143,317,114* shares with the Topotarget "offer price". The offer price is defined by converting the BioAlliance Pharma SA average share price on the day before announcement of the Merger (April 15, 2014) into DKK and divided by 13.5 (the Exchange Ratio being 27:2).

- The takeover value derived from multiplying the number of Topotarget shares at completion of the Merger** with the Topotarget "offer price". The offer price is established using the average share price of BioAlliance Pharma and the Exchange Ratio (27:2) at the date of completion of the Merger.

* Shares outstanding as of April 16, 2014.

** Shares outstanding 143,317,114 plus the actual number of warrants exercised before the extraordinary general meeting (planned for 27 June 2014) and less the number of shares tendered for redemption.

Each of them would then receive a gross amount of €597 thousand calculated according to the offer price defined in model 1.

5.1.3.3. Adjustments and reclassifications to Topotarget balance sheet and income statement

There are certain differences between the manner in which BioAlliance Pharma and Topotarget present their respective IFRS balance sheets and income statements. Therefore, certain items were reclassified in the Topotarget financial statements in order to comply with the formats used by BioAlliance.

(i) Reclassifications in the consolidated balance sheet of Topotarget as of 31 December 2013

(in thousands of euros)	Published Topotarget historical data *(thousands of DKK)*	Published Topotarget historical data	Pro forma reclassifications (unaudited)	Topotarget historical data in pro forma presentation (unaudited)
Acquired research and development project	228 282	30 600	-30 600	0
Intangible assets			30 600	30 600
Other fixtures and fittings, tools and equipment	784	105	-105	0
Tangible assets			105	105
Other receivables	359	48	-48	0
Other non-current assets			48	48
NON-CURRENT ASSETS	**229 425**	**30 753**	**0**	**30 753**
Trade receivables	784	105		105
Other receivables	1 884	253	-253	0
Prepayments	291	39	-39	0
Income tax receivables	1 250	168	-168	0
Other current assets			459	459
Cash & Cash equivalents	31 483	4 220		4 220
CURRENT ASSETS	**35 692**	**4 784**	**0**	**4 784**
TOTAL ASSETS	**265 117**	**35 537**	**0**	**35 537**
Share capital	143 317	19 211		19 211
Share-based payments	34 495	4 624	-4 624	0
Retained earnings	65 280	8 750	-8 750	0
Reserves			18 063	18 063
Net income/(loss) for the year			-4 689	-4 689
TOTAL SHAREHOLDERS' EQUITY	**243 092**	**32 585**	**0**	**32 585**
Other financial liabilities	15 440	2 070	-2 070	0
Trade payables	3 606	483		483
Other payables	2 979	399	-399	0
Other current liabilities			2 469	2 469
CURRENT LIABILITIES	**22 025**	**2 952**	**0**	**2 952**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**265 117**	**35 537**	**0**	**35 537**

- The "Acquired research and development project" heading has been reclassified in "Intangible assets";

- The "Other fixtures and fittings, tools and equipment" heading has been reclassified in "Tangible assets";

- The "Other receivables" (non-current assets) heading has been reclassified in "Other non-current assets";

- The "Other receivables, Prepayments, Income tax receivables" heading has been reclassified in "Other current assets";

- The "Share-based payments" heading has been reclassified in "Reserves";

- The "Retained earnings " heading has been reclassified in "Reserves";

- The "Other financial liabilities" and "Other payables" headings have been reclassified in "Other current liabilities".

(ii) Reclassifications in the consolidated income statement of Topotarget for the year ended on 31 December 2013

The presentation by estimation of the historical income statement of Topotarget for the year ended 31 December 2013 was changed in the pro forma financial information to bring it in line with the presentation by nature of expenses adopted by BioAlliance Pharma.

In addition, the research tax credit, which was presented in historical data in "Income tax", is presented as a deduction in "External expenses" in the pro forma financial information.

(in thousands of Euros)	Published Topotarget historical data (*thousands of DKK*)	Published Topotarget historical data	Reclassification of production costs (1)	Reclassification of Research and development costs (2)	Reclassification of Administrative expenses (3)	Reclassification of Financial Income (4)	Reclassification of R&D tax credit by nature (5)	Topotarget historical data in pro forma presentation (unaudited)
Revenue (net sales)	8 338	1 118	0	0	0	0	0	1 118
Production costs	(1 061)	(142)	142	0	0	0	0	0
Research and development costs	(23 019)	(3 087)	0	3 087	0	0	0	0
Administrative expenses	(18 406)	(2 468)	0	0	2 468	0	0	0
Personnel costs		0	(73)	(1 270)	(993)	0	70	(2 267)
External expenses		0	(69)	(1 699)	(1 342)	0	95	(3 016)
Depreciation and amortization		0	0	(117)	(132)	0	0	(250)
CURRENT OPERATING INCOME (LOSS)	**(34 148)**	**(4 579)**	**0**	**(0)**	**0**	**0**	**164**	**(4 415)**
Financial income	565	76	0	0	0	(76)	0	0
Income from cash and cash equivalents		0	0	0	0	76	0	76
Financial expenses	(2 610)	(350)	0	0	0	0	0	(350)
FINANCIAL INCOME	**(2 045)**	**(274)**	**0**	**0**	**0**	**0**	**0**	**(274)**
INCOME BEFORE TAX	**(36 193)**	**(4 853)**	**0**	**(0)**	**0**	**0**	**164**	**(4 689)**
Income tax	1 225	164	0	0	0	0	(164)	
NET INCOME	**(34 968)**	**(4 689)**	**0**	**(0)**	**0**	**0**	**0**	**(4 689)**

(1): production cost relates to external and personnel expenses recharged as services to partner Spectrum Pharmaceuticals.
(2): R&D expenses consist of payroll costs of the R&D teams, services/subcontracting from third parties for R&D programs and amortization. These costs are reclassified by nature respectively in "personnel costs", "external expenses" and "depreciation and amortization".
(2): Administrative expenses consist of payroll costs of the non R&D teams, general services from third parties and amortization. These costs are reclassified by nature respectively in "personnel costs", "external expenses" and "depreciation and amortization".
(4): Financial income is made of interest from short-term deposits and foreign exchange gains. These costs are reclassified in "income from cash and cash equivalents".
(5): Income tax credit is a percentage of third party costs incurred for R&D operations. This tax credit is reclassified by nature in "external expenses".

5.1.3.4. Adjustments and reclassifications to BioAlliance Pharma balance sheet and income statement

No Adjustments or reclassifications have been made to BioAlliance Pharma balance sheet and income statement for the year ended 31 December 2013.

5.2. Situation of consolidated indebtedness and equity of the combined entity

In compliance with the recommendations of the ESMA (European Securities and Markets Authority) (ESMA/2013/319, paragraph 127), the following table presents the situation of

consolidated indebtedness and equity of the combined entity, excluding earnings for the period, at 28 February 2014:

Shareholder's equity and indebtedness	BioAlliance Pharma	Topotarget	Merger adjustments	Total
(€ thousands)				
Guaranteed				0
Secured				0
Unguaranteed / Unsecured,	82	476		558
Total current debt	**82**	**476**	**0**	**558**
Guaranteed				0
Secured				0
Unguaranteed / Unsecured (*)	3 379	0		3 379
Total non-current debt (excluding current long-term debt)	**3 379**	**0**	**0**	**3 379**
Share capital	5 171	19 205	-16 511	7 865
Additional paid-in capital	127 806		84 883	212 689
Legal reserve				0
Other reserves	9			9
Retained earnings/(accumulated deficit)	-125 125	13 403	-21 068	-132 790
Shareholders' equity	**7 861**	**32 608**	**47 304**	**87 773**

(*) BioAlliance Pharma: including 2 479 k€ in relation to repayable advances

Analysis of net financial indebtedness (unaudited)	BioAlliance Pharma	Topotarget	Merger adjustments	Topotarget
(€ thousands)				
A. Cash	441	9 946	-7 694	2 693
B. Cash equivalents	9 101	5 689		14 790
C. Trading securities				0
D. Liquidity (A + B + C)	**9 542**	**15 635**	**-7 694**	**17 483**
E. Current financial receivables	0	549		549
F. Short-term bank debt				0
G. Short-term portion of the medium and long term debts				0
H. Other short-term financial debt	82	476		558
I. Short-term current financial debt (F + G + H)	**82**	**476**	**0**	**558**
J. Net current financial indebtedness (I -E - D)	**-9 460**	**-15 708**	**7 694**	**-17 474**
K. Long-term bank loans				0
L. Bonds issued				0
M. Other long-term financial debt (*)	3 379			3 379
N. Total non-current financial debt (K + L + M)	**3 379**	**0**	**0**	**3 379**
O. Net financial debt (J + N)	**-6 082**	**-15 708**	**7 694**	**-14 096**

(*) BioAlliance Pharma: including 2 479 k€ in relation to repayable advances

5.3. Statutory auditors' report on pro forma information

Statutory auditors' report on pro forma information is attached herein as Schedule 3.

6. PRESENTATION OF THE TRANSFEROR COMPANY: TOPOTARGET

6.1. General information

6.1.1. Name and corporate headquarters

6.1.1.1. Name

The legal name of the transferor company is Topotarget A/S.

6.1.1.2. Corporate headquarters

The corporate headquarter of Topotarget is located at Symbion Science Park, Fruebjergvej 3, 2100 Copenhagen, Denmark.

6.1.2. Date of incorporation and length of life of the company

6.1.2.1. Date of incorporation

Topotarget was formed on October 26, 2000 and Topotarget's shares were listed on the Copenhagen Stock Exchange (now NASDAQ OMX Copenhagen) on June 10, 2005 under the securities/ISIN code DK0060003556 and the trading symbol "TOPO".

6.1.2.2. Length of life of the company

Topotarget is a company that was formed for an unlimited period of time.

6.1.3. Legislation of the transferor company and legal form

Topotarget is a public limited liability company incorporated under the laws of Denmark.

6.1.4. Corporate purpose

The corporate purpose (objects clause) of Topotarget is defined in article 3 of its articles of association and is set forth below:

- The object of the company is to develop ideas and preparations for the combating of disease medically, to manufacture and sell such preparations or ideas, to own shares of companies with the same objects and to perform activities in natural connection with these objects.

6.1.5. Registration number

Topotarget is registered in the companies' register of Denmark under number 25695771.

6.1.6. Management

Topotarget's management is responsible for managing the day-to-day business. The board of directors is responsible for the appointment and removal of members of the management.

6.1.6.1. Name and functions

(i) Management

Anders Fink Vadsholt was appointed Topotarget's Chief Executive Officer ("CEO") in August 2012 and is registered as such with the Danish Business Authority. Prior to being appointed CEO he served as Topotarget's Chief Financial Officer ("CFO") since April 2010. After being appointed CEO, Anders Fink Vadsholt has maintained his responsibilities as CFO. Anders Fink Vadsholt is currently the only member of management.

(ii) Board of directors

The board of directors is entrusted with the ultimate responsibility for Topotarget and the supervision of management. The board of directors determines Topotarget's policies in relation to business strategy, organisation, accounting and finance and appoints the management. The Articles of Association provide that all board members are elected by the general meeting for terms of one year and shall retire when they attain the age of 70. Board members may be reelected for successive terms.

The following persons are currently members of the board of directors (all are elected by the shareholders of Topotarget):

Bo Jesper Hansen (chair) has been a member of the board of directors since 2009. He has been Chairman of the board of directors since 2010.

Anker Lundemose has been a member of the board of directors since 2010.

Gisela Schwab has been a member of the board of directors since 2011.

Ingelise Saunders has been a member of the board of directors since 2004.

Jeffrey H. Buchalter has been a member of the board of directors since 2006.

Karsten Witt has been a member of the board of directors since 2011.

Per Samuelsson has been a member of the board of directors since 2009.

6.1.6.2. Remuneration of management and compensation for board of directors

(i) Management

Management remuneration: For the year ended December 31, 2013, the aggregate compensation Topotarget paid to management amounted to DKK 2,827,303, including bonus payments and the value of warrants. For a description of the shares and warrants held by the member of the management, please refer to section 6.2.2.1 "Warrant Plans".

The table below sets forth the total compensation paid or accrued to management for the fiscal year ended December 31, 2013.

Name	Base salary (DKK)	Bonus (DKK)	Other benefits (DKK)	Total (DKK)	Warrants	
					Number	Fair market value (DKK)
Anders Fink Vadsholt	1,682,327	791,683	11,396	2,485,406	200,000	341,897

Anders Fink Vadsholt is entitled to receive compensation upon the completion of the Merger (see Section 5.1.3.2(iii) for more details).

Board of directors' compensation: Compensation for the members of the board of directors is determined on the annual general meeting in Topotarget. For the year ended December 31, 2013, the aggregate compensation paid by Topotarget to the members of the board of directors amounted to DKK 2,276,478.

Name	Cash compensation (DKK)	Warrants	
		Number	Fair market value (DKK)
Bo Jesper Hansen	450,000	50,000	110,780
Ingelise Saunders	220,000	25,000	55,390
Jeffrey H. Buchalter	250,000	25,000	55,390
Per Samuelsson*	293,304**	0	0
Ander Lundemose	240,000	25,000	55,390
Gisela Schwab	220,000	25,000	53,112
Karsten Witt	220,000	25,000	53,112

* Mr. Per Samuelsson is a partner in HealthCap funds (Odlander Fredrikson & Co. AB) holding 8.7% of Topotarget's outstanding shares

** Please note that this amount includes Swedisch social security contributions of DKK 53,304

6.1.7. Statutory Auditors

The statutory auditors for Topotarget are Deloitte Statsautoriseret Revisionspartnerselskab, Weidekampsgade 6, 2300 Copenhagen S, Denmark, CVR no. 33963556.

The partner in charge of the audit is Mr. Jens Rudkjær.

6.1.8. Special agreements

Related parties include the following:

Shareholders:

Per Samuelsson, member of the board of Directors in Topotarget is also Partner in HealthCap funds (Odlander Fredrikson & Co AB), the major shareholder in Topotarget holding 8.7% of the shares.
2013: No transactions
2012: No transactions

Orfacare Consulting, a company related to the Chairman of the Board, provides consultation regarding strategic M&A initiatives involving the Topotarget's shares. Both Orfacare and Topotarget's CEO are entitled to receive compensation upon the completion of a successful M&A transaction whereby at least 50% of the Topotarget's shares are acquired including as well a merger involving Topotarget. For more details, please refer to Section 5.1.3.2(iii) above.

Other related parties:

2013: Related parties to the board of directors and the management have received remuneration of TDKK 435 and warrants of TDKK 0; KW Biotech Consulting LLC, a company related to the independent board member Karsten Witt, has provided scientific advice. The company is entitled to receive compensation per hour.
2012: Related parties to the board of directors and the management have received remuneration of TDKK 175 and warrants of TDKK 0.

For the Parent Company:

The subsidiary Topotarget UK Limited:

- 2013: Intra-Group balance of TDKK 1,230 and interest on the intra-Group balance of TDKK 14
- 2012: Intra-Group balance of TDKK 33 and interest on the intra-Group balance of TDKK 4

The subsidiary Topotarget Germany AG:

- 2013: Intra-Group balance of TDKK 23 and interest on the intra-Group balance of TDKK 1
- 2012: Intra-Group balance of TDKK 22 and interest on the intra-Group balance of TDKK 1

The subsidiary Topotarget Switzerland S.A.:

- 2013: Intra-Group balance of TDKK 165,779 and interest on the intra-Group balance of TDKK 7,996
- 2012: Intra-Group balance of TDKK 159,428 and interest on the intra-Group balance of TDKK 3,196

Movements in intercompany balances all consist of transfer of cash to finance activities in subsidiaries.

6.1.9. Consultation of corporate documents and information on Topotarget

Corporate documents and information on Topotarget is available on its website www.topotarget.com.

6.2. General information concerning the share capital

6.2.1. Amount of subscribed capital, number and class of securities comprising the share capital with details on their main characteristics

6.2.1.1. Amount of subscribed capital, number and class of securities comprising the share capital

Topotarget's registered share capital is nominal DKK 143,317,114 divided into shares of nominal DKK 1 each and multiples hereof. The share capital has been fully paid up.

The table below sets out the changes to the share capital for the past five years:

Date of registration	Transaction	Change in share capital (DKK nominal value)	Price per share of nominal DKK 1	Share capital following change (DKK nominal value)
11 April 2013	Warrant exercise	22,500	2.02	143,317,114
26 March 2013	Directed issuance	10,642,564	2.49	143,294,614
12 April 2010	Warrant exercise	43,030	3.20	132,652,050
2 July 2009	Rights issue	66,304,510	2.00	132,609,020

6.2.1.2. Main characteristics of the common stock

Topotarget's shares shall according to the Articles of Association be bearer shares, but may be recorded in the name of the holder in the Topotarget's register of owners. Topotarget's register of owners shall be kept and maintained by Computershare A/S, Kongevejen 418, 2840 Holte, Denmark.

Topotarget's shares are issued through VP SECURITIES A/S and dividends, if any, are in accordance with the rules applicable from time to time for VP SECURITIES A/S paid by way of transfer to accounts designated by the shareholders. Topotaget has not paid out dividens to its shareholders.

Topotarget's shares are negotiable instruments.

No shares shall carry special rights.

No shareholder shall be obliged to have his shares redeemed in whole or in part by Topotarget or others other than according to mandatory legislation.

Each of Topotarget's shareholders is entitled to one vote per share of nominal DKK 1 at each general meeting of shareholders.

6.2.2. Characteristics of securities giving access to share capital

6.2.2.1. Warrant plans

For details on the Topotarget warrant plans, please refer to Section 3.5.2.3 above.

6.2.2.2. Convertible Notes

Apart from the issuance of warrants as set out above, Topotarget has not issued or authorized the issue of any convertible bonds, notes or similar instruments conferring a right to subscribe shares in Topotarget.

6.2.3. Share ownership and voting rights

As of 31 December 2013, Topotarget has recorded approximately 8,376 shareholders in its register of shareholders, representing more than 40 countries.

Topotarget has only one share class, and all shares carry the same voting rights.

The only shareholders holding 5% or more of Topotarget's share capital and voting rights are: HealthCap funds (Odlander Fredrikson & Co. AB) 8.7%.

Save for Voting Agreements, Topotarget is not aware that any of its shareholders have entered into shareholder agreements concerning the holding of shares in Topotarget.

Save for the Merger Agreement, the Merger Plan and the Definitive Merger Plan, Topotarget is not aware of any agreements that could later result in any parties taking control over the shares in Topotarget.

6.3. Information on Topotarget's activity

6.3.1. Main activities

6.3.1.1. Overview

Topotarget is a biopharmaceutical orphan oncology company focused on late-stage clinical development, and dedicated to finding and improving cancer therapies in rare cancer diseases. Topotarget currently focuses exclusively on advancing its lead compound, belinostat, into pivotal studies within rare cancer diseases.

Belinostat is a small molecule histone deacetylase inhibitor (HDACi). Belinostat has demonstrated a clear anti-neoplastic effect in both hematological malignancies and solid tumors. Belinostat's benign safety profile permits its combination with full doses of chemotherapy, which will be further explored to maximize belinostat's effect in upcoming clinical studies. Topotarget collaborates with the US based biotechnological company Spectrum Pharmaceuticals, Inc. on the development of belinostat. Spectrum Pharmaceuticals submitted the first New Drug Application (NDA) for belinostat to the US FDA in December 2013 for the hematological orphan indication Peripheral T-Cell Lymphoma (PTCL).

In order to achieve the company's goals of improving the quality of life and prolonging the lives of cancer patients, Topotarget aims to leverage the successful development of belinostat by:

- Exploring belinostat in other rare cancer diseases within hematology and solid tumors.

- Building a lean, flexible, and targeted force of medical liaisons, supplemented with competences covering business development and strategy, market access, etc.

- Seeking to establish a pipeline of late-stage innovative orphan oncology projects.

BELINOSTAT KEY CLINICAL STUDIES

Indication	Study	Sponsor	Phase I	Phase II	Pivotal	NDA	Target #	Enrollment status	Milestone	Time frame
PTCL	BELIEF (CLN-19)	SPR*	→				100	Completed	NDA approval	Q3 2014
PTCL	BelCHOP SPI-BB-12-104	SPR	→				28	Recruiting	Recruitment completed	Q4 2014
NSCLC	SPI-1014-B66	SPR	→				35	Completed	Recruitment completed	-
Mass balance study	SPI-12-101	SPR	→				6	Completed	Recruitment completed	-

Beleodaq is filed for a US approval in recurrent/refractory Peripheral T-Cell Lymphoma with expected PDUFA date in August 2014.

Upon approval, Topotarget is eligible to receive a cash milestone payment of USD 25 million.

Beleodaq will be commercialized in the US territory by Topotarget's partner, Spectrum Pharmaceuticals with an indicative launch in late 2014. Topotarget plans on leveraging on the US approval and start named patient sales shortly after the US approval, including finding partners in selective territories (e.g. Middle East), where the US approval can be used for the registration of Beleodaq.

As of 31 March 2014, Topotarget had 12 employees. Topotarget is situated in Copenhagen, Denmark. Topotarget's core scientific expertise lies in the in depth biological, chemical and regulatory knowledge of Belinostat.

6.3.1.2. Technology platform

Belinostat is a histone deacetylase inhibitor (HDACi). HDAC inhibitors, including Belinostat, belong to a new class of anti-tumor therapeutics that moved into clinical development, based on broad *in vitro* and *in vivo* pre-clinical anti-tumour activity in chemotherapy resistant solid tumors and hematological malignancies. The first marketing approval for HDAC inhibitors was obtained from the FDA in October 2006 (Merck's product Zolinza) for 3rd-line monotherapy treatment of Cutaneous T-Cell Lymphoma (CTCL). During the most recent years, Topotarget has focused all resources towards development of Belinostat into a commercial product, and Topotarget has elected not to use resources on developing or maintaining a particular technology platform.

6.3.1.3. Licensing Agreements

Spectrum Pharmaceuticals, Inc.:
In February 2010, Topotarget concluded a commercial partnership agreement with Spectrum Pharmaceuticals, Inc. concerning the commercialization of belinostat. Under the terms of the agreement, Topotarget received an upfront payment of USD 30 million in cash in 2010. The total potential value of up-front and milestones for both development and sales of the agreement, in the event of full commercial success could exceed USD 350 million (including the already received milestone payment of USD 10 million and 1 million shares related to the acceptance to file of the belinostat New Drug Application and the potential milestone payment upon an approval of this application of USD 25 million). In addition, Topotarget will receive a double digit royalty on sales of belinostat as well as one million Spectrum shares payable upon FDA acceptance of the first NDA filing by Spectrum.

Under certain circumstance as provided in the license agreement, resources for co-development in additional indications will have cost sharing, with Spectrum Pharmaceuticals contributing 70% and Topotarget contributing 30%.

As of October 2013, Spectrum Pharmaceuticals carries the responsibility for the manufacture of belinostat for all territories. This agreement has a term of five years with the possibility for prolongation.

The license agreement dated February 2010 between Topotarget and Spectrum Pharmaceuticals provides the right for Spectrum Pharmaceuticals to develop belinostat in the USA, Mexico, Canada and India. Topotarget has not entered into any other agreements with any other third parties with regards to the development of belinostat.

As Spectrum Pharmaceutical's interest in belinostat is related to the opportunities that the product offers in their territory, Topotarget does not believe that a merger outside their territory will have any direct impact on Spectrum Pharmaceutical's continued efforts with regards to belinostat, and it is therefore unlikely that the merger itself will result in a termination of the agreement by Spectrum.

Other:
Topotarget moreover has license agreements with the following companies: Edimer Pharmaceuticals for APO200, Multimeric Biotherapeutics, Inc. for TNF superfamily ligands (TNFSF), and Oncology Venture for APO010. All license agreements entail potential future milestones and royalty payments to Topotarget.

6.3.1.4. Intellectual Property

Topotarget's patent strategy is to secure and prosecute intellectual property rights that underpin its drug discovery programmes and to prosecute any infringers of its intellectual property rights. Topotarget initially seeks to file priority-generating applications in the United States, United Kingdom or Denmark with subsequent applications potentially being filed to strengthen or broaden the original claims within 12 months of filing. An international application (referred to as a Patent Cooperation Treaty ("PCT") application) is then filed, designating all PCT member states and the application is subsequently continued in selected PCT countries. European patent applications are filed with the European Patent Office ("EPO") under the European Patent Convention ("EPC"), which provides for protection in many European countries.

Topotarget's success will depend upon its ability, and upon the ability of its collaborators, to obtain protection for inventions incorporated into its product candidates, products or technologies in the major European countries, the U.S. and other important countries. The process of identifying and seeking patent protection is expensive and time consuming. The pending or future applications may not result in issued patents, or may need to be refined or narrowed before a patent is granted. The patent situation for biotechnology and pharmaceutical products is generally highly uncertain and involves complex legal and scientific questions.

In the United States, Topotarget's patent application covering belinostat and closely related compounds, compositions comprising these compounds, and methods of treatment (including treatment of proliferative conditions) employing these compounds has been granted. Further patent applications have been filed, covering manufacturing methods, drug formulations, and techniques for drug administration. In addition, active combinations of belinostat with other anti- cancer agents are claimed in yet further patent applications. All of these US patents and applications have corresponding family members granted or pending in all major territories.

6.3.2. Key financial indicators

DKK ' 000	2013	2012	2011	2010	2009
Financial highlights and ratios*)					
Consolidated financial highlights and ratios					
Revenue	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 discontinued operations	-	99	(3,999)	(29,096)	-
Total comprehensive income 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 sheets					
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 flows from operating activities	(35,623)	(80,973)	(88,847)	40,101	(99,197)
Cash flows from investing activities	152	8,131	(1,919)	34,686	37,861
Cash flows from financing activities	25,494	-	-	138	118,780

DKK ' 000	2013	2012	2011	2010	2009
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

6.3.3. Sources of financing of Topotarget

Topotarget is currently financed by equity and does not have any interest bearing debt.

6.3.4. Changes in Topotarget's workforce and that of its group over the last 3 financial years

Since Topotarget has focused all of its resources towards the commercialization of Belinostat and as part of this process Topotarget has significantly reduced its staff from 58 in 2009 to 13 in 2013.

6.3.5. Information on significant subsidiaries

Topotarget is the parent company of the Topotarget group of companies which consist of Topotarget A/S, Topotarget Switzerland S.A., Topotarget Germany AB and Topotarget UK Limited all of which are wholly-owned by Topotarget. Topotarget UK Limited is the owner and administrator of certain key patents.

6.3.6. Exceptional events and litigation

Topotarget is at the date of the Prospectus not involved in litigation or arbitration with any third party or governmental authority.

6.4. Risk factors specific to Topotarget and its activity

As Spectrum Pharmaceuticals interest in belinostat is related to the opportunities that the product offers in their territory, Topotarget does not believe that a merger outside their territory will have any direct impact on Spectrum Pharmaceutical's continued efforts with regards to belinostat, and it is therefore unlikely that the merger itself will result in a termination of the agreement by Spectrum.

Based on the time-lines related to the preceding cash milestone payment of USD 10 million and payment of the 1 million Spectrum Pharmaceuticals shares in Q1 2014, there is currently no reason to believe that Spectrum Pharmaceuticals will delay the payment of the cash milestone payment of USD 25 million related to the approval of the belinostat NDA by FDA, after the approval is granted in August 2014. Non-payment of the milestone will potentially be a breach of the agreement and the product will return to Topotarget for the Territory. Given the efforts that Spectrum Pharmaceuticals have put into the development of belinostat in PTCL and the filing of the NDA, it is accordingly not found likely that Spectrum Pharmaceuticals will delay the payment of the cash milestone payment of USD 25

million. In the event that an approval is not received by FDA, speculations on a termination by Spectrum Pharmaceuticals can be envisioned.

Spectrum Pharmaceuticals are currently preparing for a commercial launch and pre-marketing activities are taking place. Spectrum Pharmaceuticals have also paid for the full validation of the process and product will be ready to launch soon after the approval by FDA of the file and of the Package Insert and Labeling. On this basis, it is considered unlikely that a deliberate delay of the commercial launch of Beleodaq will take place.

Development and scientific risks:

Topotarget's research and development efforts, generally, may for a number of reasons not lead to commercially successful drugs, including that its product candidates may not prove to be safe and effective in clinical trials.

In general, as for all drug development, there is a risk that lack of efficacy or unexpected serious adverse events in relation to the clinical product will have adverse effect on study outcome. There is also the risk that inclusion of patients in clinical studies is insufficient to meet timelines. Moreover, unforeseen safety issues or changes of regulatory requirements can influence the timing and nature of our clinical development activities, costs, and related revenues such as milestone payments and cost reimbursement.

Other factors which may prevent the Topotarget from successfully commercializing its product candidate include:

- regulatory approvals may not be obtained, may be delayed pending further clinical testing, or may be obtained on more restrictive terms;
- Topotarget may not be able to maintain or enter into adequate partnership arrangements to complete the development and commercialization of its product candidate belinostat;
- Topotarget's collaborators may fail, or may not have, or may not devote adequate financial and other resources to complete the development and commercialization contemplated by the collaboration;
- the proprietary rights of third parties may preclude Topotarget and its collaborators from marketing its product candidates;
- any products that are approved may not be accepted in the marketplace; and
- the Topotarget's estimates, if any, of commercial market opportunity may prove to be over-optimistic.

If Topotarget's product candidate is not successfully developed, approved for marketing, or commercialized, Topotarget will be unable to generate significant revenues, if any. If the development programmes are delayed, Topotarget may be required to raise additional capital or reduce or cease its operations, either altogether or in respect of any projects or product candidates.

Regulatory risks:

Topotarget's activities can be affected by regulatory requirements and changes implemented in individual countries. Modified legislation or reinterpretation of legislation in Topotarget-relevant countries may result in unintended or unexpected costs or timeline extensions.

Risks related to the market and partners:

Topotarget's reliance on the collaboration with Spectrum Pharmaceuticals is very important for the business as well as future growth. A significant part of future revenue, in particular milestones and royalties, may depend on a continued good collaboration. Topotarget's business might be negatively affected if Spectrum Pharmaceuticals become unable to meet their obligations. Topotarget relies on Spectrum Pharmaceuticals' ability and willingness to file an NDA and for the FDA to subsequently grant a marketing authorization.

Topotarget is furthermore subject to a range of normal biopharmaceutical commercial risks, including but not limited to:

- Competition from existing treatments and/or new drugs
- Market size of lead indications
- Product pricing and reimbursement policies
- Interest from potential partners and investors
- Development time of new clinical trials
- Patent protection and ability to prevent infringements

Risk related to legal requirements:

Another risk scenario is that Topotarget's ability to protect itself in potential patent lawsuits is insufficient; for instance if Topotarget's intellectual property is not protected or Topotarget's products infringe on a competitor's intellectual property. Topotarget therefore continue to file necessary patent applications in an effort to protect the products and technologies. Topotarget maintain strict confidentiality standards and agreements for internal employees and any collaborating parties in order to protect business secrets.

Financial risks:

As Topotarget is conducting global clinical studies, have shared clinical costs with Spectrum Pharmaceuticals, and procuring services in a global environment, Topotarget is exposed to exchange rate fluctuations. The cash holdings consist of deposits held in cash.

Capital resources:

Topotarget is a drug development company without commercial revenue. Topotarget will, excluding revenue from collaboration partners, be cash consuming until belinostat becomes commercially available. It is therefore crucial that the Topotarget at all times ensures sufficient financial resources.

At present, Topotarget relies heavily on receiving, the expected milestone payments from Spectrum Pharmaceutical. Should any delays occur, it is crucial for Topotarget to be able to raise alternative financing until such milestone payments are received.

6.5. Financial information

The financial information presented hereunder have been extracted from the consolidated financial statements of Topotarget as at 31 December 2013 in accordance with the IFRS regulations, audited by the statutory auditor (Deloitte Statsautoriseret Revisionspartnerselskab), and for which an unqualified opinion was issued on 27 March 2014.

These financial statements are presented on pages 21 to 52 of the Topotarget annual financial report, available in English on the company's website (www.topotarget.com).

6.5.1. Consolidated financial statement for the past three years and statutory auditors reports

6.5.1.1. Consolidated statement of comprehensive income

	Group		
Dkk '000	2013	2012	2011
Revenue	8,338	2,395	65,598
Production costs	(1,061)	(1,377)	(1,840)
Research and development costs	(23,019)	(46,522)	(54,345)
Administrative expenses	(18,406)	(34,706)	(40,765)
Operating loss	**(34,148)**	**(80,210)**	**(31,352)**
Income after tax from investments in subsidiaries	-	-	-
Financial income	565	3,673	11,729
Financial expenses	(2,610)	(4,822)	(10,642)
Loss from continued operations before tax	**(36,193)**	**(81,359)**	**(30,265)**
Tax on profit/(loss) for the year	1,225	1,243	1,253
Net loss from continued operations	**(34,968)**	**(80,116)**	**(29,012)**
Net profit from discontinued operations	-	99	(3,999)
Total comprehensive income for the year	**(34,968)**	**(80,017)**	**(33,011)**
Total comprehensive income attributable to:			
Owners of the company	(34,968)	(80,017)	(33,011)
Non-controlling interests			
Total comprehensive income/loss for the year	**(34,968)**	**(80,017)**	**(33,011)**
Loss for the year			
Proposed distribution of loss:			
Retained earnings	-	-	
Basic EPS continued operations	(0.25)	(0.60)	(0.22)
Basic EPS continued and discontinued operations	(0.25)	(0.60)	(0.25)

6.5.1.2. Balance sheet

	Group		
Dkk '000	2013	2012	2011
Acquired research and development projects	228,282	228,902	229,626
Intangible assets	**228,282**	**228,902**	**229,626**
Other fixtures and fittings, tools and equipment	784	2,655	4,963
Tangible assets	**784**	**2,655**	**4,963**
Investment in subsidiaries	-	-	-
Receivables from subsidiaries	-	-	-
Other receivables	359	501	608
Non-current investments	**359**	**501**	**608**
Non-current assets	**229,425**	**232,058**	**235,197**
Trade receivables	784	1,239	1,643
Other receivables	1,884	2,150	8,774
Prepayments	291	779	792
Income tax receivable	1,250	1,250	-
Receivables	**4,209**	**5,418**	**11,209**
Short -term securities	**-**	**-**	**9,768**
Cash and cash equivalents	**31,483**	**41,460**	**114,302**
Current assets	**35,692**	**46,878**	**135,279**
Assets	**265,117**	**278,936**	**370,476**

	Group		
Dkk '000	2013	2012	2011
Share capital	143,317	132,652	132,652
Share-based payments	34,495	33,849	34,743
Retained earnings	65,280	84,746	163,333
Equity	**243,092**	**251,247**	**330,728**
Deferred tax	-	-	-
Other financial liabilities	-	3,212	13,585
Non-current liabilities	**-**	**3,212**	**13,585**

Other financial liabilities	15,440	11,396	-
Trade payables	3,606	8,427	16,274
Provision related to subsidiaries	-	-	-
Other payables	2,979	4,654	9,889
Current liabilities	**22,025**	**24,477**	**26,163**
Liabilities	**22,025**	**27,689**	**39,748**
Equity and liabilities	**265,117**	**278,936**	**370,476**

6.5.1.3. Cash flow statement

	Group		
Dkk '000	2013	2012	2011
Operating loss	(34,148)	(80,210)	(31,352)
Operations profit loss from discontinued operations	-	99	(6,560)
Reversal of share-based payments	1,319	535	3,521
Depreciation, amortization, and impairment losses	1,861	2,646	414
Working capital changes	(5,287)	(6,040)	(58,458)
Cash flows from operating activities before interest	**(36,255)**	**(82,970)**	**(92,435)**
Interest income etc. received	45	3,673	11,729
Interest expenses etc. paid	(663)	(1,669)	(9,394)
Refunded and paid income taxes	1,250	(7)	1,253
Cash flows from operating activities	**(35,623)**	**(80,973)**	**(88,847)**
Purchase of tangible assets	-	(344)	(2,283)
Sale of tangible assets	10	118	-
Capital increase in subsidiary	-	-	-
Change of loan to subsidiary	-	-	-
Change i non-current investment	142	107	364
Sales of securities	-	8,250	-
Cash flow from investing activities	**152**	**8,131**	**(1,919)**
Proceeds from issuance of shares	25,494	-	-
Cash flow from financing activities	**25,494**	-	**-**
Increase/decrease in cash and cash equivalents	(9,977)	(72,842)	(90,766)
Cash and cash equivalents at January 1	41,460	114,302	205,068
Cash and cash equivalents at December 31	**31,483**	**41,460**	**114,302**
Total cash and cash equivalents at December 31	**31,483**	**41,460**	**114,302**

6.5.1.4. Independent auditor's report

The independent auditor's reports have been issued in Danish and have subsequently been translated. In the event of any inconsistencies, the Danish version shall apply.

No audit procedures have been performed since the issuance of the independent auditor's report for 2013, dated 27 March 2014.

(i) Financial year 2013

To the shareholders of Topotarget A/S:

Report on the consolidated financial statements and the Parent financial statements

We have audited the consolidated financial statements and parent financial statements of Topotarget A/S for the financial year January 1 - December 31, 2013, which comprise the income statement, balance sheet, cash flow statement, statement of changes in equity and notes, including the accounting policies, for the Group as well as the Parent, and the statement of comprehensive income of the Group. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies, and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated and Parent financial statements
Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies as well as the preparation of parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on the consolidated financial statements and parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of accounting estimates made by Management, as well as the overall presentation of the consolidated financial statements and parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion
In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position at December 31, 2013, and of the results of its operations and cash flows for the financial year January 1 - December 31, 2013 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Further, in our opinion, the parent financial statements give a true and fair view of the Parent's financial position at December 31, 2013, and of the results of its operations for the financial year January 1 - December 31, 2013 in accordance with the Danish Financial Statements Act.

Statement on the management commentary
Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statements.

(ii) Financial year 2012

To the shareholders of Topotarget A/S:

Report on the consolidated financial statements and the Parent financial statements

We have audited the consolidated financial statements of Topotarget A/S and the Parent financial statements for the financial year January 1 to December 31, 2012, which comprise the income statement, balance sheet, statement of changes in equity and notes, including the accounting policies, for the Group as well as the Parent, as well as the statement of comprehensive income and cash flow statement for the Group. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies, and the Parent financial statements have been prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated and Parent financial statements
Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies as well as the preparation of Parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Management is also responsible for the internal control that it considers necessary for preparing consolidated financial statements and

Parent financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on the consolidated financial statements and Parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and Parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the Parent financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements and the Parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of consolidated financial statements and Parent financial statements that give a true and fair view. The purpose of this is to design procedures that are appropriate in the circumstances but not to express an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the Parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion
In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position at December 31, 2012 and of the results of the operations and cash flows for the financial year January 1 to December 31, 2012 in accordance with the International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Further, in our opinion, the Parent financial statements give a true and fair view of the Parent's financial position at December 31, 2012 and of the results of its operations for the financial year January 1 to December 31, 2012 in accordance with the Danish Financial Statements Act.

Emphasis of matter relating to the financial statements
Without qualifying our opinion, we draw attention to the disclosures in the Management's review and to Significant accounting assumptions and estimates (Note 2 to the annual report) under "Key risk factors" and "Going concern" in which Management has stated that the Company expects its funds to be sufficient to present the annual report on a going concern basis. If the expected milestone payments are not received or are delayed, management believes that the level of activities and the cost base can be adjusted accordingly. A natural uncertainty is attached to the company's 2013 budget and thus, the future capital resources.

Statement on the management's commentary
Pursuant to the Danish Financial Statements Act, we have read the management's commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and Parent financial statements.

On this basis, it is our opinion that the information provided in the management's commentary is consistent with the consolidated financial statements and Parent financial statements.

(iii) Financial year 2011

To the shareholders of Topotarget A/S:

Report on the consolidated financial statements and the Parent financial statements

We have audited the consolidated financial statements and the Parent financial statements of Topotarget A/S for the financial year January 1, 2011 to December 31, 2011, which comprise the statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies, for the Group as well as the Parent. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed financial enterprises, and the Parent financial statements have been prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated and Parent financial statements
Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies as well as the preparation of Parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Management is also responsible for the internal control that it considers necessary for preparing consolidated financial statements and Parent financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on the consolidated financial statements and Parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation.

This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and Parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the Parent financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements and the Parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of consolidated financial statements and Parent financial statements that give a true and fair view. The purpose of

this is to design procedures that are appropriate in the circumstances but not to express an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the Parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion
In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position at December 31, 2011 and of the results of its operations and cash flows for the financial year January 1 to December 31, 2011 in accordance with the International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Further, in our opinion, the Parent financial statements give a true and fair view of the Parent's financial position at December 31, 2011, and of the results of its operations and cash flows for the financial year January 1 to December 31, 2011 in accordance with the Danish Financial Statements Act.

Statement on the management's commentary
Pursuant to the Danish Financial Statements Act, we have read the management's commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and Parent financial statements.

On this basis, it is our opinion that the information provided in the management's review is consistent with the consolidated financial statements and Parent financial statements.

6.5.2. Significant excerpts from the notes to the financial statements necessary to properly assess income statement and balance sheet data

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Note 3. REVENUE

	Group		Parent	
DKK ' 000	**2011**	**2010**	**2011**	**2010**
Sale of goods	0	0	9,319	16,237
Sale of services	2,436	8,119	2,436	6,291
Milestone payments	63,162	99,707	56,260	89,092
Total	**65,598**	**107,826**	**68,015**	**111,620**

10. Discontinued operations

On December 29, 2011, Topotarget concluded the agreement to divest the subsidiary Topotarget USA, Inc., which was responsible for the sale of Totect® in the US. The decision to divest the US activity was taken in 2011 so that the main focus of the Parent Company could be continued, that of belinostat and bringing this product to market.

The divestment was complete with effect from December 29, 2011 after which control of the activity was passed to the buyer Apricus Biosciences, Inc.

The sales price was agreed to USD 2.0 million of which Topotarget received common stock in Apricus Biosciences, Inc. equal to one million seven hundred thousand dollars on December 29, 2011, and on December 29, 2012 (the one-year anniversary of the Closing Date), Topotarget will receive common stock in Apricus Biosciences, Inc. equal to three hundred thousand dollars.

A potential payment of up to USD 2.0 million in shares in Apricus Biosciences, Inc based on achievement of certain milestones has been agreed upon.

	Group	
DKK ´000	**2011**	**2010**
Operating income for the period until transfer of control	(6,560)	(3,376)
Profit on sale of net asset	2,561	32,473
Result from discontinued operations	**(3,999)**	**29,097**
Operating income for the period until the transfer of control can be specified as		
Revenue	12,536	21,212
Production cost	(5,579)	(5,490)
Gross profit	**6,957**	**15,722**
Sales and distribution costs	(13,056)	(19,098)
Administration costs	-	-
Profit from operations	**(6,099)**	**(3,376)**
Financial expenses/financial income	(461)	-
Loss/profit before tax	**(6,560)**	**(3,376)**
Tax for the period	**-**	**-**
Result	**(6,560)**	**(3,376)**

The discontinued operations in the financial year impacted cash flow statement as:

	Group	
DKK ´000	**2011**	**2010**
Cash flow from operating	(6,866)	24,991
Cash flow from investing activities	178	(175)
Cash flows from financing activities	**-**	

Sales of the discontinued operation are as follows

Book value of net assets	**(6,559)**	**(2,822)**
	(6,559)	**(2,822)**
Net proceeds on sale less sales costs	9,120	**35295**
Profit on sale	**2,561**	**32,473**

Note 22. Deferred income

The company signed a license and collaboration agreement concerning research and development of the belinostat project.
The agreement is a contract comprising of multiple components and the amount received of DKK 162.9 million (USD 30 million) was recognized over a period of 18 months from 2 February 2010. Please see note 2.

As at December 31, 2011 all deferred income from the Spectrum Pharmaceuticals agreement has been recognized.

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Note 3. Revenue

	Group		Parent	
DKK '000	2012	2011	2012	2011
Sale of goods	750	-	750	6,411
Sale of services	1,645	2,436	1,645	2,436
Licens income/milestone payments	-	63,162	1,403	59,168
Total	**2,395**	**65,598**	**3,798**	**68,015**

10. Discontinued operations

On December 29, 2011, Topotarget concluded the agreement to divest the subsidiary Topotarget USA, Inc., which was responsible for the sale of Totect® in the US. The decision to divest the US activity was taken in 2011 so that the main focus of the Parent Company - bringing belinostat to the market – could be continued.

The divestment was complete with effect from December 29, 2011 after which control of the activity was passed to the buyer Apricus Biosciences, Inc.

The sales price was agreed to USD 2.0 million of which Topotarget received common stock in Apricus Biosciences, Inc. equal to one million seven hundred thousand dollars on December 29, 2011, and on December 29, 2012 (the one-year anniversary of the Closing Date), Topotarget will receive common stock in Apricus Biosciences, Inc. equal to three hundred thousand dollars.

The result of the discontinued operations in 2012 relates to the final royalty income from Savene® and the closedown costs of Topotarget USA, Inc.

Note 10. Discontinued operations

	Group	
DKK '000	2012	2011
Operating income for the period until transfer of control	1,617	(6,560)
Profit on sale of net asset	(1,518)	2,561
Result from discontinued operations	**99**	**(3,999)**
Operating income for the period until the transfer of control can be specified as		
Revenue	2,153	12,536
Production cost	-	(5,579)
Gross profit	**2,153**	**6,957**
Sales and distribution costs	-	(13,056)
Administration costs	(536)	-
Profit from operations	**1,617**	**(6,099)**
Financial expenses/financial income	-	(461)
Loss/profit before tax	**1,617**	**(6,560)**
Tax for the period	-	-
Result	**1,617**	**(6,560)**

	Group	
DKK '000	2,012	2,011
The discontinued operations in the financial year impacted cash flow statement as		
Cash flow from operating activities	1,617	(6,866)
Cash flow from investing activities	-	178
Cash flow from financing activities	-	-
Sales of the discontinued operations are as follows:		
Book value of net assets	**(9,768)**	**(6,559)**
	(9,768)	**(6,559)**
Net proceeds on sale less sales costs	8,250	9,120
Profit on sale	**(1,518)**	**2,561**

Note 20. Other financial assets and other financial liabilities

Included in the current and non-current liabilities is the potential milestone payment of USD 3.0 million to CuraGen (2011: USD 3.0 million) in relation to the purchase of the full belinostat rights in April 2008. These are measured at present value.

The carrying amount of receivables and other current liabilities are measured at amortized cost.

Note 21. Other commitments

	Group		Parent	
DKK '000	2012	2011	2012	2011
A rent agreement has been concluded with notice of termination of six months equivalent to	1,127	2,596	1,102	1,528
Other lease contracts	-	-	-	-
Lease commitment, operational lease	64	131	64	131
Total	**1,191**	**2,727**	**1,167**	**1,659**
Other obligations are due as follows:				
Up to one year	1,191	2,667	1,167	1,599
One to five years	-	60	-	60
Total	**1,191**	**2,727**	**1,167**	**1,659**

The Parent has an obligation to finance Topotarget Switzerland S.A.'s activities for a period of 12 months from the balance sheet date.

An agreement has been made with an investment bank and certain members of management regarding remuneration upon a potential successful sale of the majority of the company shares. The remuneration of management is mentioned in Note 22.

Note 22. Related parties

Related parties include the following:

Group and Parent:

Shareholders
HealthCap funds, Stockholm, cf. Note 24
2012: No transactions
2011: No transactions

The company's Board of Directors and senior management
2012: Remuneration and salaries, cf. Note 6
2012: Shares and warrants, see section on the Board of Directors
2011: Remuneration and salaries, cf. Note 6
2011: Shares and warrants, see section on the Board of Directors

Orfacare Consulting, a company related to the Chairman of the Board, provides consultation regarding a potential sale of the majority of the company shares. Both Orfacare and Topotarget's CEO are entitled to receive compensation upon completion of a successful transfer of shares. The compensation for each party is calculated on a percentage of the value increase for the shareholders in a transfer of shares and it is capped at DKK 15 million each.

Other related parties
2012: Related parties to the Board of Directors and the executive management have received remuneration of TDKK 175 and warrants of TDKK 0.
2011: Related parties to the Board of Directors and the executive management have received remuneration of TDKK 715 and warrants of TDKK 0.

For the Parent Company:

The subsidiary Topotarget UK Limited
2012: Intra-Group balance of TDKK 33 and interest on the intra-Group balance of TDKK 4
2011: Intra-Group balance of TDKK 4 and interest on the intra-Group balance of TDKK 78

The subsidiary Topotarget Germany AG
2012: Intra-Group balance of TDKK 22 and interest on the intra-Group balance of TDKK 1
2011: Intra-Group balance of TDKK 20 and interest on the intra-Group balance of TDKK1

The subsidiary Topotarget USA, Inc.
2012: Intra-Group balance of TDKK 0 and interest on the intra-Group balance of TDKK 0
2011: Intra-Group balance of TDKK 0 and interest on the intra-Group balance of TDKK 5,763

The subsidiary Topotarget Switzerland S.A.
2012: Intra-Group balance of TDKK 159,428 and interest on the intra-Group balance of TDKK 3,196
2011: Intra-Group balance of TDKK 155,150 and interest on the intra-Group balance of TDKK 2,826

The subsidiary Topotarget Netherlands B.V.
2012: Intra-Group balance of TDKK 0 and interest on the intra-Group balance of TDKK 0
2011: Intra-Group balance of TDKK (18) and interest on the intra-Group balance of TDKK 1

Movements in intercompany balances all consist of transfer of cash to finance activities in subsidiaries.

Annual report 2013

Note 3. Revenues

	Group		Parent	
DKK '000	2013	2012	2013	2012
Sale of goods	-	750	-	750
Sale of services	1,600	1,645	1,600	1,645
Milestone payments	6,738	-	6,738	-
Licens income	-	-	-	1403
Total	**8,338**	**2,395**	**8,338**	**3,798**

Note 19. Other financials

Included in the current and non-current liabilities is the potential milestone payment of USD 3.0 million to Celldex Therapeutics (former CuraGen) (2012: USD 3.0 million) in relation to the purchase of the full belinostat rights in April 2008. These are measured at present value.

The potential milestone payment of USD 3.0 million to Celldex Therapeutics (former CuraGen) is classified as respectively short-term and long-term liability.

Note 21. Other commitments

	Group		Parent	
DKK '000	2013	2012	2013	2012
A rent agreement has been concluded with notice of termination of six months equivalent to	983	1,127	944	1,102
Other lease contracts	-	-	-	-
Lease commitment, operational lease	360	64	360	64
Total	**1,343**	**1,191**	**1,304**	**1,166**
Other obligations are due as follows:				
Up to one year	1,116	1,191	1,077	1,166
One to five years	227	-	227	-
Total	**1,343**	**1,191**	**1,304**	**1,166**

The Parent has an obligation to finance Topotarget Switzerland S.A.'s activities for a period of 12 months from the balance sheet date.

An agreement has been made with an investment bank and certain members of management regarding remuneration upon a potential successful sale of the majority of the company shares. The remuneration of management is mentioned in Note 22.

Note 22. Related parties

Related parties include the following:

Group and Parent:

Shareholders

HealthCap funds (Odlander Fredrikson & Co AB), cf. Note 23
2013: No transactions
2012: No transactions

Board of Directors and Executive Management
2013: Remuneration and salaries, cf. Note 6
2013: Shares and warrants, see section on the Board of Directors on page 12
2012: Remuneration and salaries, cf. Note 6
2012: Shares and warrants, see section on the Board of Directors on note 12

Orfacare Consulting, a company related to the Chairman of the Board, provides consultation regarding strategic M&A initiatives involving the company's shares. Both Orfacare and Topotarget's CEO are entitled to receive compensation upon the completion of a successful M&A transaction whereby at least 50% of the company's shares is acquired including as well a merger involving the company. The compensation for each party is calculated on a percentage of the value increase for the shareholders in case of a successful M&A transaction and it is capped at DKK 15 million each.

Other related parties
2013: Related parties to the Board of Directors and the Executive Management have received remuneration of TDKK435 and warrants of TDKK 0. KW Biotech consulting LLC, a company related to the independent board member Karsten Witt, has provided scientific advice. The company is entitled to receive compensation per hour.
2012: Related parties to the Board of Directors and the Executive Management have received remuneration of TDKK 175 and warrants of TDKK 0.

For the Parent Company:

The subsidiary Topotarget UK Limited
2013: Intra-Group balance of TDKK 1,230 and interest on the intra-Group balance of TDKK 14
2012: Intra-Group balance of TDKK 33 and interest on the intra-Group balance of TDKK 4

The subsidiary Topotarget Germany AG
2013: Intra-Group balance of TDKK 23 and interest on the intra-Group balance of TDKK 1
2012: Intra-Group balance of TDKK 22 and interest on the intra-Group balance of TDKK 1

The subsidiary Topotarget Switzerland S.A.
2013: Intra-Group balance of TDKK 165,779 and interest on the intra-Group balance of TDKK 7,996
2012: Intra-Group balance of TDKK 159,428 and interest on the intra-Group balance of TDKK 3,196

Movements in intercompany balances all consist of transfer of cash to finance activities in subsidiaries

26. Proceeds from capital increases

In 2013 proceeds from capital increase amounted to TDKK 25,494.
There have been no transactions in 2012.

6.5.3. Subsidiaries and shareholdings

Company	**Registered office**	**% of shares owned**
Topotarget UK Ltd.	7200 The Quorum Oxford Business Park North Garsington Road Oxford OX4 2JZ United Kingdom	100%
Topotarget Switzerland S.A.	Av. De Sévelin 18-20 1004 Lausanne Switzerland	100%
Topotarget Germany AB	Paul-Ehrlich-Str. 42 60596 Frankfurt am Main Germany	100%

6.6. Information relating to recent developments in Topotarget

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. No other significant event has occurred since 31/12-2013.

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SCHEDULES

SCHEDULE 1

Definitive Merger Plan

MERGER PLAN / FUSIONSPLAN / TRAITÉ DE FUSION

relating to the merger of / vedrørende fusionen mellem / relatif à la fusion de

BioAlliance Pharma S.A.

and / og / et

Topotarget A/S

Schedules		**BILAG**		**ANNEXES**	
Schedule 9.3	Specification of assets and liabilities transferred from Topotarget to BioAlliance Pharma on the basis of the Topotarget annual accounts as of the Merger Accounting Reference Date.	Bilag 9.3	Specifikation af aktiver og passiver, der overføres fra Topotarget til BioAlliance Pharma på grundlag af Topotargets årsrapport pr. den Regnskabsmæssige Referencedato.	Annexe 9.3	Descriptif de l'actif et du passif transféré par Topotarget à BioAlliance Pharma sur la base des comptes annuels de Topotarget à la Date de Référence Comptable de la Fusion
Schedule 17.1	Draft revised articles of association of BioAlliance Pharma.	Bilag 17.1	Udkast til reviderede vedtægter for BioAlliance Pharma.	Annexe 17.1	Le projet de statuts mis à jour de BioAlliance Pharma
Schedule 17.2	Draft revised articles of association of Topotarget.	Bilag 17.2	Udkast til reviderede vedtægter for Topotarget.	Annexe 17.2	Le projet de statuts mis à jour de Topotarget

The boards of directors of BioAlliance Pharma S.A. ("BioAlliance Pharma") and Topotarget A/S ("Topotarget") (BioAlliance Pharma and Topotarget are hereinafter jointly referred to as the "Companies") have authorized the execution of this Merger Plan with the intention of completing a cross border merger of the Companies in accordance with EU Directive 2005/56/EC of 26 October 2005 as implemented in (i) French law as more specifically set out under Articles L. 236-25 and *seq*. and R. 236-13 and *seq*. of the French Commercial Code as well as the legal and regulatory provisions applicable to mergers between French companies which do not conflict with the aforementioned and (ii) Danish law as more specifically set out in chapter 16, of the Danish Companies Act (in Danish *"selskabsloven"*), with BioAlliance Pharma as the continuing company and Topotarget as the discontinuing company.

1. Background – Purpose

1.1 BioAlliance Pharma

1.1.1 BioAlliance Pharma designs, develops and brings to market innovative drugs for the treatment of cancer and its associated pathologies, more specifically for severe and rare orphan-status diseases. BioAlliance Pharma focuses its therapeutic strategy on fighting drug resistance which poses ever-greater challenges to treatment. To do so, BioAlliance Pharma uses innovative and patented technologies to develop drugs that enable targeted action on organs, cells and cell receptors in order to reduce resistance and/or intolerance. BioAlliance Pharma has chosen to focus on orphan diseases which enable a

Bestyrelserne i BioAlliance Pharma S.A. ("BioAlliance Pharma") og Topotarget A/S ("Topotarget") (BioAlliance Pharma og Topotarget benævnes herefter samlet "Selskaberne") har godkendt underskrivelsen af denne Fusionsplan med henblik på gennemførelse af en grænseoverskridende fusion af Selskaberne i overensstemmelse med Europa Parlamentets og Rådets direktiv 2005/56/EF af 26. oktober 2005 som implementeret i (i) fransk ret, nærmere bestemt i artikel L. 236-25ff. og R. 236-13ff. i den franske handelslov (*Code de Commerce*), samt de lovgivningsmæssige og regulatoriske bestemmelser vedrørende fusioner mellem franske selskaber, som ikke er i strid med ovennævnte, og (ii) dansk ret, nærmere bestemt selskabslovens kapitel 16, med BioAlliance Pharma som det fortsættende selskab og Topotarget som det ophørende selskab.

1. Baggrund – Formål

1.1 BioAlliance Pharma

1.1.1 BioAlliance Pharma designer, udvikler og markedsfører innovative lægemidler til behandling af cancer og dermed forbundne sygdomme, særligt indenfor alvorlige og sjældne sygdomme. BioAlliance Pharma fokuserer sin behandlingsmæssige strategi på bekæmpelse af lægemiddelresistens, som udgør en stadigt stigende behandlingsmæssig udfordring. I denne forbindelse anvender BioAlliance Pharma innovative og patenterede teknologier i udviklingen af lægemidler, der muliggør målrettet påvirkning af organer, celler og cellereceptorer med henblik på at reducere resistens og/eller intolerance. BioAlliance

Les conseils d'administration de BioAlliance Pharma SA (« BioAlliance Pharma ») et de Topotarget A/S (« Topotarget ») (BioAlliance Pharma et Topotarget sont ci-après désignées conjointement les « Sociétés ») ont autorisé la signature du présent Traité de Fusion dans l'intention de procéder à une fusion transfrontalière des Sociétés conformément à la Directive UE 2005/56/CE du 26 octobre 2005 transposée en (i) droit français, notamment par les Articles L. 236-25 et seq. et R. 236-13 et seq. du Code de commerce français et des dispositions légales et réglementaires applicables aux fusions entre sociétés françaises non contraires à ce qui précède et (ii) droit danois, notamment au chapitre 16 de la Danish Companies Act (en danois, « selskabsloven »), BioAlliance Pharma étant la société absorbante et Topotarget étant la société absorbée.

1. Contexte – Objet

1.1 BioAlliance Pharma

1.1.1 BioAlliance Pharma conçoit, développe et met sur le marché des médicaments innovants pour le traitement du cancer et de ses pathologies associées, plus spécifiquement pour des maladies orphelines graves et rares. BioAlliance Pharma centre sa stratégie thérapeutique sur la lutte contre la résistance aux médicaments qui rend les traitements de plus en plus difficiles à élaborer. Pour ce faire, BioAlliance Pharma utilise des technologies innovantes et brevetées visant à développer des médicaments qui permettent une action ciblée sur les organes, les cellules et les récepteurs cellulaires afin de réduire la

targeted, synergistic and streamlined approach to developing these drugs, both in terms of development costs and time.

1.2 Topotarget

1.2.1 Topotarget is a Scandinavian-based biopharmaceutical company dedicated to improving cancer therapies. In collaboration with Spectrum Pharmaceuticals, Inc, Topotarget focuses on the development in pivotal studies of its lead HDACi, belinostat, which has demonstrated a clear anti-neoplastic effect in both hematological malignancies and solid tumors. Belinostat can be used in combination with full doses of chemotherapy and is currently in a pivotal trial within peripheral T-cell lymphoma (PTCL). Topotarget strives towards establishing belinostat as one of the most successful HDAC inhibitors in selected indications and its strategy is focused on accelerated development and commercialization of belinostat in Europe and in the United States.

1.3 Purpose

1.3.1 The purpose of the Merger is to create – through the merger of the Companies and their respective businesses and assets - a new leader in orphan oncology with a strong late-

Pharma har valgt at fokusere på sjældne sygdomme, som muliggør en målrettet, synergetisk og strømlinet tilgang til udviklingen af disse lægemidler, både for så vidt angår udviklingsomkostninger og -tid.

1.2 Topotarget

1.2.1 Topotarget er et skandinavisk-baseret biofarmaceutisk selskab, dedikeret til at forbedre mulighederne for behandling af cancer. Topotarget fokuserer i samarbejde med Spectrum Pharmaceuticals, Inc., på udviklingen af dets førende lægemiddelkandidat, belinostat, som har vist en klar antitumor-effekt i behandlingen af blodkræftsygdomme og solide kræfttumorer. Belinostat kan anvendes i kombinationsbehandling med fulde kemodoser og gennemgår på nuværende tidspunkt det afgørende (pivotale) studie til behandling af Perifær T-celle lymfekræft (PTCL). Topotarget stræber efter at gøre belinostat til en af de mest effektive HDAC-hæmmere i udvalgte indikationer og har i den forbindelse fokuseret sin strategi på at fremskynde udviklingen og den kommercielle udnyttelse af belinostat i Europa og i USA.

1.3 Formål

1.3.1 Formål med Fusionen er – gennem fusionen af Selskaberne og dermed deres respektive forretninger og aktiver – at skabe en ny markedsleder indenfor sjældne onkologiske

résistance et/ou l'intolérance. BioAlliance Pharma a choisi de mettre l'accent sur les maladies orphelines qui permettent une approche ciblée, synergique et rationalisée du développement de ces médicaments, à la fois en termes de coûts et de temps de développement.

1.2 Topotarget

1.2.1 Topotarget est une société biopharmaceutique scandinave qui se consacre à l'amélioration des traitements contre le cancer. En collaboration avec Spectrum Pharmaceuticals, Inc, Topotarget met actuellement l'accent sur le développement dans des études pivot de son principal HDACi, le bélinostat, qui a présenté un effet antinéoplasique important dans les malignités hématologiques et les tumeurs solides. Le bélinostat peut être utilisé en combinaison avec des doses complètes de chimiothérapie et est actuellement utilisé dans une étude pivot dans le lymphome à cellule T périphérique (PTCL). Topotarget s'efforce concevoir le bélinostat comme l'un des meilleurs inhibiteurs d'HDAC dans des indications sélectionnées et sa stratégie est centrée sur le développement et la commercialisation accélérés du bélinostat en Europe et aux États-Unis.

1.3 Objet

1.3.1 La Fusion a pour objet de créer – au travers de la fusion des Sociétés et de leurs activités et actifs respectifs – un nouveau leader en biotechnologie spécialisé dans les maladies

stage and diversified pipeline addressing significant unmet medical needs. The rationale for combining the two companies is to establish a strong biotech company with a critical mass and build an orphan oncology portfolio with a diversified and well balanced risk based on a solid and demonstrated expertise in orphan oncology product development. Combining the two portfolios will mitigate the inherent risk of research and development. The management team of the combined entity will lead a highly skilled organization that will maintain and grow operations in the areas of research and development, industrialization and commercialization allowing the combined entity to focus on existing and capture new development programs.

sygdomme med en stærk sen-stadie og diversificeret pipeline, der imødekommer væsentlige uopfyldte medicinske behov. Motivationen for sammenlægningen af de to selskaber er at skabe en stærk biotekvirksomhed med en kritisk masse og at opbygge en portefølje af produkter til behandling af sjældne onkologiske sygdomme med en diversificeret og balanceret risikoprofil baseret på en solid og dokumenteret ekspertise inden for udviklingen af produkter til sjældne onkologiske sygdomme. Sammenlægningen af de to porteføljer vil reducere den iboende risiko ved forskning og udvikling. Ledelsen i det fortsættende selskab kommer til at stå i spidsen for en højt specialiseret organisation, som vil fastholde og udvide sine aktiviteter inden for forskning og udvikling, industriel og kommerciel udnyttelse, og som derved vil give den sammenlagte virksomhed mulighed for at fokusere på eksisterende og at udarbejde nye udviklingsprogrammer.

oncologiques orphelines disposant d'un réseau fort, à une phase de développement avancé et diversifié répondant à des besoins médicaux non satisfaits. L'objectif du regroupement des deux sociétés est de créer une société biotechnologique forte, disposant d'une masse critique, et de construire un portefeuille de maladies oncologiques orphelines présentant un risque diversifié et bien équilibré, fondé sur une expertise solide et avérée dans le développement de produits pour les maladies oncologiques orphelines. En combinant les deux portefeuilles, le risque inhérent à la recherche et au développement sera atténué. L'équipe de direction de l'entité issue de la fusion dirigera une organisation hautement qualifiée qui maintiendra et développera des opérations dans les domaines de la recherche et du développement, de l'industrialisation et de la commercialisation, permettant à l'entité issue de la fusion de se concentrer sur les programmes de développement existants et d'en lancer de nouveaux.

1.4 The Merger Plan

1.4.1 The purpose of this Merger Plan is to set out the detailed information pertaining to the Merger and the Companies required by EU Directive 2005/56/EC of 26 October 2005 as implemented in French law and Danish law, respectively.

1.4 Fusionsplanen

1.4.1 Formålet med denne Fusionsplan er at give en detaljeret beskrivelse af Fusionen og Selskaberne som krævet i henhold til EU direktiv 2005/56/EF af 26. oktober 2005 som implementeret i henholdsvis fransk og dansk ret.

1.4 Le Traité de Fusion

1.4.1 Le présent Traité de Fusion vise à exposer les informations détaillées relatives à la Fusion et aux Sociétés, telles que prescrites par la Directive UE 2005/56/CE du 26 octobre 2005, transposée en droit français et en droit danois, respectivement.

2. Certain definitions

2.1 When used in this Merger Plan, the following capitalized terms and expressions shall –

2. Visse definitioner

2.1 Medmindre andet følger af sammenhængen, har de i denne Fusionsplan med stort

2. Définitions

2.1 Dans le présent Traité de Fusion, sauf si le contexte commande une interprétation

unless the context otherwise requires - have the meaning set out herein below:

BioAlliance Pharma means BioAlliance Pharma, a *société anonyme à conseil d'administration* (a French limited liability company with a board of directors) governed by the Laws of France and registered with the Companies Registry of Paris under registration number 410 910 095.

BioAlliance Pharma Merger Report has the meaning stipulated in clause 4.1.1.

Companies means BioAlliance Pharma and Topotarget and "Company" shall mean either of them as appropriate in the context.

Escrow Bank has the meaning stipulated in clause 3.2.9.

Exchange Ratio has the meaning stipulated in clause 6.1.1.

Fractional Consideration Shares has the meaning stipulated in clause 6.2.2.

Fractional Entitlements has the meaning stipulated in clause 6.2.1.

Material Adverse Change has the meaning stipulated in clause 13.1.

Merger Accounting Reference Date has the meaning

begyndelsesbogstav anvendte ord og udtryk følgende betydning:

BioAlliance Pharma betyder BioAlliance Pharma, et société anonyme à conseil d'administration (et fransk kapitalselskab med bestyrelse) underlagt fransk lovgivning og registreret hos Selskabsregistret i Paris under registreringsnummer 410 910 095.

BioAlliance Pharma Fusionsredegørelse har den betydning, der er angivet i pkt. 4.1.1.

Selskaberne betyder BioAlliance Pharma og Topotarget, og "Selskab" betyder det ene af disse alt efter konteksten.

Deponeringsbanken har den betydning, der er angivet i pkt. 3.2.9

Ombytningsforhold har den betydning, der er angivet i pkt. 6.1.1.

Vederlagsaktier for Brøkaktier har den betydning, der er angivet i pkt. 6.2.2

Brøkaktier har den betydning, der er angivet i pkt. 6.2.1.

Væsentlig Negativ Ændring har den betydning, der er angivet i pkt. 13.1.

Regnskabsmæssig Referencedato har den betydning,

différente, les termes et expressions commençant par une majuscule auront les significations ci-après:

BioAlliance Pharma désigne BioAlliance Pharma, *société anonyme à conseil d'administration* de droit français, immatriculée au Registre du Commerce et des Sociétés de Paris sous le numéro 410 910 095.

Rapport de Fusion de BioAlliance Pharma a la signification stipulée à la clause 4.1.1.

Société désigne BioAlliance Pharma et Topotarget et « Société » désigne l'une d'elles, suivant le contexte.

Banque Séquestre a la signification stipulée à la clause 3.2.9.

Rapport d'Échange a la signification stipulée à la clause 6.1.1.

Actions Nouvelles Ordinaires correspondant aux Droits Formant Rompus a la signification stipulée à la clause 6.2.2.

Droits Formant Rompus a la signification stipulée à la clause 6.2.1.

Événement Significativement Défavorable a la signification stipulée à la clause 13.1.

Date de Référence Comptable de la Fusion a la

stipulated in clause 12.1.	der er angivet i pkt. 12.1.	signification stipulée à la clause 12.1
Merger Legal Effective Date has the meaning stipulated in clause 12.3.	Selskabsretlig Fusionsdato har den betydning, der er angivet i pkt. 12.3.	Date d'Effet Juridique de la Fusion a la signification stipulée à la clause 12.3.
Merger Exchange Date has the meaning stipulated in clause 7.3.	Fusionsombytningsdato har den betydning, der er angivet i pkt. 7.3.	Date d'Échange des Actions a la signification stipulée à la clause 7.3.
Merger Plan means this merger plan together with the Schedules.	Fusionsplan betyder denne fusionsplan med Bilagene.	Traité de Fusion désigne le présent traité de fusion de même que les Annexes.
Merger Premium has the meaning stipulated in clause 11.2.	Fusionspræmien har den betydning, der er angivet i pkt. 11.2.	Prime de Fusion a la signification stipulée à la clause 11.2
New Ordinary Shares means the ordinary shares to be issued by BioAlliance Pharma in consideration for the Merger.	Nye Ordinære Aktier betyder de ordinære aktier, som BioAlliance Pharma udsteder som vederlag for Fusionen.	Actions Nouvelles Ordinaires désigne les actions ordinaires devant être émises par BioAlliance Pharma en contrepartie de la Fusion.
Nordea means Nordea Bank Danmark A/S, an *aktieselskab* (a Danish limited liability company with a board of directors) governed by the laws of Denmark and registered with the Danish Business Authority under registration number 13522197	Nordea betyder Nordea Bank Danmark A/S, et aktieselskab med bestyrelse underlagt dansk lovgivning og registeret i Erhvervsstyrelsen under CVR-nr. 13 52 21 97.	Nordea désigne Nordea Bank Danmark A/S (aktieselskab), une société de droit danois à Conseil d'administration identifiée sous le numéro 13522197 par la Danish Business Authority
Redemption Consideration Shares has the meaning stipulated in clause 6.3.1.	Indløsningsvederlagsaktier har den betydning, der er angivet i pkt. 6.3.1.	Actions Nouvelles Ordinaires correspondant aux Actions des Actionnaires Sortants a la signification stipulée à la clause 6.3.1.
Redemption Price has the meaning stipulated in clause 15.3.	Indløsningskurs har den betydning, der er angivet i pkt. 15.3	Prix de Rachat a la signification stipulée à la clause 15.3
Redemption Shareholder has the meaning stipulated in clause 15.3.	Indløsende Aktionær har den betydning, der er angivet i pkt. 15.3.	Actionnaires Sortants a la signification stipulée à la clause 15.3.
Redemption Shares has the meaning stipulated in	Indløsningsaktier har den betydning, der er angivet i	Actions des Actionnaires Sortants a la signification

clause 15.3.

Schedules means the schedules to this merger plan.

Topotarget means Topotarget A/S, an *aktieselskab* (a Danish limited liability company with a board of directors) governed by the laws of Denmark and registered with the Danish Business Authority under registration number 25695771.

Topotarget Merger Statement has the meaning stipulated in clause 4.2.1.

Topotarget Warrant Exercise has the meaning stipulated in clause 3.2.8.

Unallocated Shares has the meaning stipulated in clause 6.4.1.

Warrant Exercise Condition has the meaning stipulated in clause 3.2.8.

3. Companies participating in the Merger

3.1 BioAlliance Pharma

General presentation of BioAlliance Pharma

3.1.1 BioAlliance Pharma is a *société anonyme à conseil d'administration* (a French limited liability company with a board of directors) governed by the Laws of France and registered with the Companies Registry of Paris under registration number 410 910 095.

pkt. 15.3.

Bilag betyder denne fusionsplans bilag.

Topotarget betyder Topotarget A/S, et aktieselskab med bestyrelse underlagt dansk lovgivning og registreret i Erhvervsstyrelsen under CVR-nr. 25 69 57 71.

Topotarget Fusionsredegørelse har den betydning, der er angivet i pkt. 4.2.1.

Warrantudnyttelse i Topotarget har den betydning, der er angivet i pkt. 3.2.8.

Ikke-allokerede Aktier har den betydning, der er angivet i pkt. 6.4.1.

Betingelse for Warrantudnyttelse har den betydning, der er angivet i pkt. 3.2.8.

3. Selskaber, der deltager i Fusionen

3.1 BioAlliance Pharma

Generel præsentation af BioAlliance Pharma

3.1.1 BioAlliance Pharma er et société anonyme à conseil d'administration (et fransk kapitalselskab med bestyrelse) underlagt fransk lovgivning og registreret hos Selskabsregistret i Paris under registreringsnummer 410 910 095.

stipulée à la clause 15.3.

Annexes désigne les annexes au présent traité de fusion.

Topotarget désigne Topotarget A/S, aktieselskab (société anonyme à conseil d'administration) de droit danois, immatriculée auprès de l'Autorité du Commerce Danoise sous le numéro 25695771.

Topotarget « Merger Statement » a la signification stipulée à la clause 4.2.1.

Exercice des Bons de Souscription d'Actions (BSA) de Topotarget a la signification stipulée à la clause 3.2.8.

Actions Non-Allouées a la signification stipulée à la clause 6.4.1.

Condition d'Exercice des Bons de Souscription d'Actions a la signification stipulée à la clause 3.2.8.

3. Sociétés participant à la Fusion

3.1 BioAlliance Pharma

Présentation générale de BioAlliance Pharma

3.1.1 BioAlliance Pharma est une société anonyme à conseil d'administration de droit français, immatriculée au Registre du Commerce et des Sociétés de Paris sous le numéro 410 910 095.

3.1.2 BioAlliance Pharma has its registered address at 49 boulevard du Général Martial Valin, 75015 Paris, France. Following completion of the Merger, BioAlliance Pharma (as the continuing company), will continue to have its registered office at 49 boulevard du Général Martial Valin, 75015 Paris, France.

Share capital

3.1.3 The share capital of BioAlliance Pharma consists of 20,682,992 ordinary shares of each € 0.25 fully paid in, all from the same single class and bearing the same rights and obligations resulting in a total share capital of € 5,170,748. At all shareholders' meetings, each ordinary share entitles the holder to one vote per share.

3.1.4 As of 20 May 2014 BioAlliance Pharma is the owner of 9,633] ordinary shares of each € 0.25 as treasury shares.

3.1.5 The shares of BioAlliance Pharma are listed at Euronext Paris under ISIN FR0010095596 on the C compartment. The stock options and equity warrants issued by BioAlliance Pharma are not listed at Euronext Paris.

Stock options

3.1.6 BioAlliance Pharma has adopted four stock option plans dated 24 April 2010, 29 June 2011, 31 May 2012 and 26 June 2013 under which

3.1.2 BioAlliance Pharma' hjemstedsadresse er 49 boulevard du Général Martial Valin, 75015 Paris, Frankrig. BioAlliance Pharma vil efter Fusionens gennemførelse (som det fortsættende selskab) fortsat have sin hjemstedsadresse på 49 boulevard du Général Martial Valin, 75015 Paris, Frankrig.

Aktiekapital

3.1.3 BioAlliance Pharmas aktiekapital består af 20.682.992 ordinære aktier á EUR 0,25, som er fuldt indbetalt, alle tilhørerende den samme aktieklasse og med samme rettigheder og forpligtelser, og den samlede aktiekapital udgør således EUR 5.170.748. Hver ordinær aktie giver indehaveren ret til én stemme på alle generalforsamlinger.

3.1.4 Per 20. maj 2014 ejer BioAlliance Pharma 9.633 ordinære aktier á EUR 0,25 i form af egne aktier.

3.1.5 Aktierne i BioAlliance Pharma er optaget til notering på Euronext Paris under fondskoden FR0010095596, afdeling C. Aktieoptioner og warrants udstedt af BioAlliance Pharma er ikke optaget til notering på Euronext Paris.

Aktieoptioner

3.1.6 BioAlliance Pharma har vedtaget fire aktieoptionsordninger dateret henholdsvis 24. april 2010, 29. juni 2011, 31. maj 2012 og 26.

3.1.2 Le siège social de BioAlliance Pharma est sis au 49 boulevard du Général Martial Valin, 75015 Paris, France. Après la réalisation de la Fusion, le siège social de BioAlliance Pharma (en tant que société absorbante) restera au 49 boulevard du Général Martial Valin, 75015 Paris, France.

Capital social

3.1.3 Le capital social de BioAlliance Pharma est composé de 20 682 992 actions ordinaires, de 0,25 € chacune intégralement libérées, toutes d'une seule et même catégorie et auxquels les mêmes droits et obligations sont attachés, soit un capital social total de 5 170 748 €. Chaque action ordinaire confère à son titulaire une voix lors des assemblées des actionnaires.

3.1.4 A 20 mai 2014, BioAlliance Pharma détient 9 633de ses propres actions ordinaires de 0,25 € chacune.

3.1.5 Les actions de BioAlliance Pharma sont admises aux négociations à Euronext Paris sous le code ISIN FR0010095596 Compartiment C. Les options de souscription d'actions et bons de souscription d'actions émis par BioAlliance Pharma ne sont pas admis aux négociations sur Euronext Paris.

Options de souscription d'actions

3.1.6 BioAlliance Pharma a adopté quatre plans d'options de souscription d'actions datés des 24 avril 2010, 29 juin 2011, 31 mai 2012 et 26

1,038,368 options are outstanding of which 449,071 options can be exercised as at the date hereof and entitling their holders to subscribe up to 449,071 new ordinary shares of each € 0.25 of BioAlliance Pharma.

Equity warrants

3.1.7 BioAlliance Pharma also adopted three warrants schemes on 29 June 2011, 31 May 2012 and 26 June 2013 for a total number of 300,000 equity warrants, 75,328 of which are vested on the date hereof and entitle their holders (i) to receive 1 BioAlliance Pharma ordinary share upon exercise of 1 equity warrant and (ii) to subscribe up to 75,328 new ordinary shares of each € 0.25 of BioAlliance Pharma.

Other Securities

3.1.8 Except for the stock options and equity warrants mentioned above, BioAlliance Pharma has not issued any other equity securities outstanding as of the date of this document which would confer entitlement, through conversion, exchange, repayment, or exercise of a security or in any way whatsoever, to the allocation at any time or in the long term of securities, which are or shall be issued to this effect to represent a percentage of the capital or of voting rights of BioAlliance Pharma.

Cross-holding

juni 2013, i henhold til hvilke 1.038.368 optioner udestår, hvoraf 449.071 optioner kan udnyttes pr. d.d., og indehaverne kan tegne op til 449.071 nye ordinære aktier á EUR 0,25 i BioAlliance Pharma.

Warrants

3.1.7 BioAlliance Pharma har desuden vedtaget tre warrantordninger dateret henholdsvis 29. juni 2011, 31. maj 2012 og 26. juni 2013, for samlet 300.000 warrants, hvoraf 75.328 kan udnyttes pr. d.d., og som giver indehaverne ret til (i) at modtage én ordinær aktie i BioAlliance Pharma for hver warrant, der udnyttes, og (ii) at tegne op til 75.328 nye ordinære aktier á EUR 0,25 i BioAlliance Pharma.

Andre værdipapirer

3.1.8 Bortset fra de ovenfor anførte aktieoptioner og warrants har BioAlliance Pharma ikke udstedt andre egenkapitalrelaterede finansielle instrumenter, som er udestående på datoen for dette dokument, og som bærer retten - det være sig gennem konvertering, ombytning, indfrielse eller udnyttelse af et værdipapir eller på nogen anden måde – til på kort eller lang sigt at give indehaveren ret til at modtage værdipairer som er eller vil blive udstedt med ret til at repræsentere en procentdel af aktiekapitalen eller stemmerettighederne i BioAlliance Pharma.

Gensidig aktiebesiddelse

juin 2013 au titre desquels 449 071 options sur les 1 038 368 options peuvent être exercées à la date des présentes et conférant à leurs détenteurs le droit de souscrire jusqu'à 449 071 actions ordinaires nouvelles de 0,25 € chacune de BioAlliance Pharma.

Bons de souscription d'actions

3.1.7 BioAlliance Pharma a également adopté trois plans de bons de souscription les 29 juin 2011, 31 mai 2012 et 26 juin 2013 ayant émis au total 300 000 bons de souscription, dont 75 328 ont été exercés à ce jour et confèrent à leurs détenteurs le droit (i) de recevoir 1 action ordinaire de BioAlliance Pharma à l'exercice de 1 bon de souscription et (ii) de souscrire jusqu'à 75 328 actions ordinaires nouvelles de 0,25 € chacune de BioAlliance Pharma.

Autres valeurs mobilières

3.1.8 Hormis les options de souscription d'actions et les bons de souscription d'actions susvisés, BioAlliance Pharma n'a émis aucune autre valeur mobilière qui serait en circulation à la date du présent document et qui conférerait un droit, par conversion, échange, remboursement ou exercice d'un titre ou de toute autre manière que ce soit, à une attribution, à tout moment ou à terme, de valeurs mobilières, qui émises ou à émettre à cet effet et représentant un certain pourcentage du capital ou des droits de vote de BioAlliance Pharma.

Participations croisées

3.1.9 Neither BioAlliance Pharma nor any of BioAlliance Pharma's subsidiaries own any shares, stock options or equity warrants issued by Topotarget.

Management

3.1.10 The management of BioAlliance Pharma is composed of (i) a *Directeur Général* (Chief Executive Officer) empowered to act in the name and on behalf of BioAlliance Pharma and (ii) a *Conseil d'administration* (board of directors).

3.1.11 Neither BioAlliance Pharma nor Topotarget (nor any of their respective subsidiaries) have any common managers or directors.

3.1.12 Mrs. Judith Greciet holds, at the date hereof the corporate position of Chief Executive Officer. She is assisted in her duties by a deputy CEO, Mr. Pierre Attali.

3.1.13 The board members of BioAlliance Pharma are, at the date hereof, the following:

- Mr. Patrick Langlois, Chairman of the board;
- Mrs. Judith Greciet;
- Mr. Russell Greig;
- Mrs. Danielle Guyot-Caparros;
- Mr. Thomas Hofstaetter;
- Mr. David Solomon;
- Financière de la Montagne, represented by Mr. Nicolas Trebouta.

3.1.9 Hverken BioAlliance Pharma eller BioAlliance Pharmas datterselskaber ejer aktier, aktieoptioner eller warrants udstedt af Topotarget.

Ledelse

3.1.10 Ledelsen i BioAlliance Pharma består af (i) en *Directeur Général* (administrerende direktør), som er bemyndiget til at handle i BioAlliance Pharma' navn og på BioAlliance Pharma' vegne og (ii) en *Conseil d'administration* (bestyrelse).

3.1.11 Hverken BioAlliance Pharma eller Topotarget (eller deres respektive datterselskaber) har fælles direktører eller bestyrelsesmedlemmer

3.1.12 Judith Greciet er d.d. administrerende direktør. Hun assisteres i udførelsen af sine arbejdsopgaver af en viceadministrerende direktør, Pierre Attali.

3.1.13 Bestyrelsen i BioAlliance Pharma består d.d. af følgende personer:

- Patrick Langlois, bestyrelsesformand
- Judith Greciet
- Russell Greig
- Danielle Guyot-Caparros
- Thomas Hofstaetter
- David Solomon
- Financière de la Montagne, repræsenteret af Nicolas Trebouta

3.1.9 Ni BioAlliance Pharma ni aucune des filiales de BioAlliance Pharma ne détient d'actions, d'options de souscription d'action ou de bons de souscription d'actions émis par Topotarget.

Direction

3.1.10 La direction de BioAlliance Pharma est composée (i) d'un Directeur Général habilité à agir au nom et pour le compte de BioAlliance Pharma et (ii) d'un Conseil d'administration.

3.1.11 Ni BioAlliance Pharma ni Topotarget (ni aucune de leurs filiales respectives) n'ont de dirigeants ou administrateurs communs

3.1.12 À la date des présentes, Mme. Judith Greciet occupe le poste de Directeur Général. Elle est assistée dans ses fonctions par un Directeur Général adjoint, M. Pierre Attali.

3.1.13 Les membres du conseil de BioAlliance Pharma sont, à la date des présentes, les suivants

- M. Patrick Langlois, Président du conseil ;
- Mme Judith Greciet ;
- M. Russell Greig;
- Mme Danielle Guyot-Caparros;
- M. Thomas Hofstaetter;
- M. David Solomon;
- Financière de la Montagne, représentée par M. Nicolas Trebouta.

3.1.14 The board of directors of BioAlliance Pharma has authorized the execution of this Merger Plan.

Financial year

3.1.15 BioAlliance Pharma's financial year begins on 1 January and ends on 31 December of each year.

Tax

3.1.16 BioAlliance Pharma is a French tax resident and subject to corporation tax in France.

Employees

3.1.17 As at 31 March 2014, the number of BioAlliance Pharma employees was 52.

3.2 Topotarget

General presentation of Topotarget

3.2.1 Topotarget is an *aktieselskab* (a Danish limited liability company with a board of directors) governed by the laws of Denmark and registered with the Danish Business Authority under registration number 25695771.

3.2.2 Topotarget is domiciled in the municipality of Copenhagen and has its registered address at c/o Symbion, Fruebjergvej 3, 2100 Copenhagen, Denmark. Following completion of the Merger, BioAlliance Pharma (as the

3.1.14 Bestyrelsen i BioAlliance Pharma har godkendt underskrivelsen af denne Fusionsplan.

Regnskabsår

3.1.15 BioAlliance Pharmas regnskabsår løber fra den 1. januar til den 31. december hvert år.

Skat

3.1.16 BioAlliance Pharma er hjemmehørende i Frankrig i skattemæssig henseende og skattepligtig i Frankrig.

Medarbejdere

3.1.17 BioAlliance Pharma havde pr. 31.marts 2014 52 medarbejdere.

3.2 Topotarget

Generel præsentation af Topotarget

3.2.1 Topotarget er et aktieselskab med bestyrelse underlagt dansk lovgivning og registreret i Erhvervsstyrelsen under CVR-nr. 25 69 57 71.

3.2.2 Topotargets hjemsted er beliggende i Københavns Kommune, og dets registrerede hjemstedsadresse er c/o Symbion, Fruebjergvej 3, 2100 København Ø, Danmark. Efter Fusionens gennemførelse vil BioAlliance

3.1.14 Le conseil d'administration de BioAlliance Pharma a autorisé la signature du présent Traité de Fusion.

Exercice social

3.1.15 L'exercice social de BioAlliance Pharma commence le 1er janvier et prend fin le 31 décembre de chaque année.

Régime fiscal

3.1.16 BioAlliance Pharma a sa résidence fiscale en France et est soumise à l'impôt sur les sociétés en France.

Effectif salarié

3.1.17 Au 31 mars 2014, le nombre de salariés de BioAlliance Pharma était de 52.

3.2 Topotarget

Présentation générale de Topotarget

3.2.1 Topotarget est une *aktieselskab* (société anonyme à conseil d'administration) de droit danois, immatriculée auprès de la Danish Business Authority sous le numéro 25695771.

3.2.2 Topotarget est domiciliée dans la municipalité de Copenhague et son siège social est sis c/o Symbion, Fruebjergvej 3, 2100 Copenhague, Danemark. Après la réalisation de la Fusion, BioAlliance Pharma (en tant que société

continuing company), will continue to have a permanent establishment in Denmark.

Share capital

3.2.3 As of the date of this Merger Plan, the share capital of Topotarget consists of 143,317,114 ordinary shares of each DKK 1 fully paid in, all from the same single class and bearing the same rights and obligations, resulting in a total share capital of DKK 143,317,114.

3.2.4 Prior to the Merger Legal Effective Date and subject to the approval of the Merger by the general meetings of the Companies, the share capital of Topotarget will be increased as a result of the Topotarget Warrant Exercise such that effective as of the Merger Legal Effective Date the share capital of Topotarget will consist of 145,791,112 ordinary shares of each DKK 1 fully paid in, all from the same single class and bearing the same rights and obligations, resulting in a total share capital of DKK 145,791,112.

3.2.5 Topotarget owns no shares as treasury shares.

3.2.6 The shares of Topotarget are listed at NASDAQ OMX Copenhagen, under ISIN DK0060003556. The warrants issued by Topotarget are not listed at NASDAQ OMX Copenhagen.

Pharma (som det fortsættende selskab) fortsat have et fast driftssted i Danmark.

Aktiekapital

3.2.3 På datoen for denne Fusionsplan består Topotargets aktiekapital af 143.317.114 ordinære aktier á DKK 1, alle fuldt indbetalt, i samme aktieklasse og alle med samme rettigheder og forpligtelser, og den samlede aktiekapital udgør således DKK 143.317.114.

3.2.4 Forud for den Selskabsretlige Fusionsdato, og betinget af vedtagelsen af Fusionen på Selskabernes generalforsamlinger, vil aktiekapitalen i Topotarget blive forhøjet som følge af Warrantudnyttelsen i Topotarget, således, at aktiekapitalen i Topotarget pr. den Selskabsretlige Fusionsdato vil bestå af 145.791.112 ordinære aktier á DKK 1, alle fuldt indbetalt, i samme aktieklasse og alle med samme rettigheder og forpligtelser, således at den samlede aktiekapital udgør nominelt DKK 145.791.112.

3.2.5 Topotarget ejer ingen egne aktier.

3.2.6 Aktierne i Topotarget er optaget til notering på NASDAQ OMX Copenhagen under fondskoden DK0060003556. De af Topotarget udstedte Warrants er ikke optaget til notering på NASDAQ OMX Copenhagen.

absorbante) continuera d'avoir un établissement stable au Danemark.

Capital social

3.2.3 À la date du présent Traité de Fusion, le capital social de Topotarget est composé de 143 317 114 actions ordinaires, de 1 DKK chacune intégralement libérées, toutes d'une seule et même catégorie et auxquels les mêmes droits et obligations sont attachés, soit un capital social total de 143 317 114 DKK.

3.2.4 Préalablement à la Date d'Effet Juridique de la Fusion et sous réserve de l'approbation de la Fusion par les assemblées générales des Sociétés, le capital social de Topotarget sera augmenté en conséquence de l'Exercice des Bons de Souscription d'Actions (BSA) de Topotarget, de telle manière qu'à la Date d'Effet Juridique de la Fusion, le capital social de Topotarget sera divisé en 145 791 112 actions ordinaires d'une valeur nominale de 1 DKK chacune, entièrement libérées, appartenant toutes à la même catégorie, conférant les mêmes droits et obligations, et formant un capital social de 145 791 112 DKK.

3.2.5 Topotarget ne détient aucune action de ses propres actions.

3.2.6 Les actions de Topotarget sont admises aux négociations sur le NASDAQ OMX Copenhague, sous le code ISIN DK0060003556. Les bons de souscription d'actions émis par Topotarget ne sont pas admis aux négociations au NASDAQ OMX Copenhague.

Equity warrants

3.2.7 The general meeting of Topotarget has adopted authorisations to the board of directors of Topotarget to issue equity warrants to the employees, directors, consultants and advisors of Topotarget and Topotarget UK Ltd. The board of directors of Topotarget has exercised the authorisations to issue equity warrants by issuing equity warrants entitling the holders of such equity warrants to subscribe for ordinary shares in Topotarget. As of the date of this Merger Plan the total amount of equity warrants issued and outstanding entitle the holders thereof to subscribe for up to a total of 6,580,888 new ordinary shares of each DKK 1.

3.2.8 Prior to the date of this Merger Plan the board of directors of Topotarget has resolved and conducted an acceleration of the vesting and exercise of all equity warrants issued by Topotarget and has thereby allowed the holders of all equity warrants (including any warrants not yet vested) to exercise their warrants (the "Topotarget Warrant Exercise") such accelerated vesting and exercise being conditional upon the approval of the Merger by the general meetings of BioAlliance Pharma and Topotarget (the "Warrant Exercise Condition").

Warrants

3.2.7 Generalforsamlingen i Topotarget har bemyndiget bestyrelsen i Topotarget til at udstede warrants til medarbejdere, bestyrelsesmedlemmer, konsulenter og rådgivere i Topotarget og Topotarget Ltd. Bestyrelsen i Topotarget har udnyttet bemyndigelserne til at udstede warrants ved at udstede warrants, der giver indehaverne ret til at tegne ordinære aktier i Topotarget. På datoen for denne Fusionsplan giver det samlede antal udstedte og udestående warrants indehaverne ret til at tegne op til i alt 6.580.888 nye ordinære aktier á DKK 1.

3.2.8 Forud for datoen for denne Fusionsplan har Topotargets bestyrelse besluttet og gennemført en acceleration af modningen og udnyttelsen af alle warrants udstedt af Topotarget, og har dermed tilladt indehaverne af alle warrants (inklusive warrants der endnu ikke er modnet) at udnytte deres warrants ("Warrantudnyttelse i Topotarget"). Denne accelererede modning og udnyttelse er betinget af vedtagelsen af Fusionen på BioAlliance Pharmas og Topotargets generalforsamlinger ("Betingelse for Warrantudnyttelse").

Bons de souscription d'actions

3.2.7 L'assemblée générale de Topotarget a autorisé le conseil d'administration de Topotarget à émettre des bons de souscription d'actions en faveur des salariés, administrateurs, consultants et conseillers de Topotarget et de Topotarget UK Ltd. Le conseil d'administration de Topotarget a exercé ce droit d'émission de bons de souscription d'actions en émettant des bons de souscription d'actions conférant à leurs détenteurs le droit de souscrire à des actions ordinaires de Topotarget. À la date du présent Traité de Fusion, le montant total des bons de souscription d'actions émis et en circulation confère à leurs détenteurs le droit de souscrire au total jusqu'à 6 580 888 actions ordinaires nouvelles de 1 DKK chacune.

3.2.8 Préalablement à la date du présent Traité de Fusion, le Conseil d'administration de Topotarget a décidé et a mis en œuvre l'accélération de l'acquisition et de l'exercice de l'ensemble des bons de souscription d'actions émis par Topotarget et, en conséquence, a autorisé les détenteurs de l'ensemble des bons de souscription d'actions (en ce compris les bons non encore définitivement acquis) à exercer leurs bons de souscription (l' « Exercice des Bons de Souscription d'Actions (BSA) de Topotarget »), l'accélération de l'acquisition et de l'exercice étant soumise à la condition de l'approbation de la Fusion par les assemblées générales de BioAlliance Pharma et de Topotarget (la « Condition d'Exercice des Bons de Souscription d'Actions »).

3.2.9 As of the date of this Merger Plan, the warrant holders of Topotarget have exercised a total of 2,473,998 equity warrants (in the aggregate) and have paid the subscription amounts pertaining to such equity warrants to Nordea as escrow agent (the "Escrow Bank").

3.2.10 Accordingly,

(A) pending completion of the Warrant Exercise Condition, the subscription amounts paid or procured paid by the respective warrant holders having given notice of exercise of their equity warrants and having paid or procured paid their subscription amounts to the Escrow Bank will be held in escrow by the Escrow Bank, and

(B) upon completion of the Warrant Exercise Condition, the warrants shall be deemed to have been unconditionally exercised and the subscription amounts shall be released by the Escrow Bank to Topotarget, and

(C) in the event that the Warrant Exercise Condition has not been completed on or before 31 August 2014, the accelerated vesting of any unexercised equity warrants and the accelerated exercise by the warrant holders of equity warrants during the period stipulated by the board of directors

3.2.9 Pr. datoen for denne Fusionsplan, har warrant-indehaverne i Topotarget udnyttet i alt 2.473.998 warrants , og har indbetalt tegningsbeløbene i henhold til disse warrants til Nordea som depositar ("Deponeringsbanken").

3.2.10 I konsekvens heraf gælder, at

(A) indtil Betingelsen for Warrantudnyttelse er opfyldt, skal de tegningsbeløb, der er betalt eller foranlediget betalt af de respektive warrant-indehavere, som har givet meddelelse om udnyttelse af deres warrants, og som har indbetalt eller foranlediget indbetalt tegningsbeløbene til Deponeringsbanken inden udløbet af udnyttelsesperioden på to uger, deponeres hos Deponeringsbanken, og

(B) efter Betingelsen for Warrantudnyttelse er opfyldt, skal de pågældende warrants anses for at være udnyttet uden forbehold, og Deponeringsbanken skal frigive tegningsbeløbene til Topotarget, og

(C) såfremt Betingelsen for Warrantudnyttelse ikke er opfyldt senest den 31. august 2014, skal den accelererede modning af alle ikke-udnyttede warrants og warrant-indehavernes accelererede udnyttelse af warrants i den periode på to uger, der er fastsat af bestyrelsen i Topotarget, anses

3.2.9 A la date du présent Traité de Fusion, les détenteurs de bons de souscription d'actions de Topotarget ont exercé un nombre total de 2 473 998 de bons de souscription d'actions et ont versé le prix d'exercice de ces bons de souscription d'actions à Nordea en qualité de séquestre (la « Banque Séquestre »).

3.2.10 En conséquence,

(A) dans l'attente de la réalisation de la Condition de l'Exercice des Bons de Souscription d'Actions, le prix de souscription payé par les détenteurs des bons de souscription d'actions ayant remis une notification d'exercice de leurs bons de souscription d'actions ou pour leur compte et versé ou fait payer leur prix de souscription à la Banque Séquestre, seront détenus en séquestre par la Banque Séquestre, et

(B) lors de la réalisation de la Condition de l'Exercice des Bons de Souscription d'Actions, les bons de souscription d'actions seront réputés avoir été inconditionnellement exercés et leur prix de souscription sera remis par la Banque Séquestre à Topotarget, et

(C) dans le cas où la Condition de l'Exercice des Bons de Souscription d'Actions ne serait pas réalisée au plus tard le 31 août 2014, l'acquisition accélérée des bons de souscription d'actions non exercés et l'exercice accéléré des bons de souscription d'actions par leurs détenteurs au cours de

of Topotarget shall be deemed to be null and void and all equity warrants issued by Topotarget and outstanding as of the date of this Merger Plan shall remain outstanding, unexercised and otherwise unaffected by the terms of this Merger Plan and any action taken in accordance herewith and in such case the Escrow Bank shall repay to the relevant warrant holders all amounts paid by them to the Escrow Bank together with interest accrued, and

for en nullitet, og alle warrants, der er udstedt af Topotarget, og som udestår på datoen for denne Fusionsplan, skal forblive udestående, ikke-udnyttede og i øvrigt upåvirkede af vilkårene i denne Fusionsplan, og ethvert skridt, der er taget i overensstemmelse hermed, og i sådant tilfælde skal Deponeringsbanken til de relevante warrant-indehavere tilbagebetale alle beløb, disse måtte have indbetalt til Deponeringsbanken tillige med påløbne renter, og

la période fixée par le conseil d'administration de Topotarget seront réputés nuls et non avenus, et tous les bons de souscription d'actions émis par Topotarget et en circulation à la date du présent Traité de Fusion resteront en circulation et seront réputés ne pas avoir été exercés ou affectés de quelque manière que ce soit par les stipulations du présent Traité de Fusion ou par tout acte accompli conformément aux présentes ; dans un tel cas, la Banque Séquestre remboursera aux détenteurs des bons de souscription d'actions concernés le prix d'exercice versé par chacun d'eux à la Banque Séquestre, majoré des intérêts courus, et

(D) upon completion of the Warrant Exercise Condition, the articles of association of Topotarget will be amended to reflect (a) the increase of the share capital of Topotarget resulting from the exercise of the equity warrants and (b) the cancellation of all equity warrants in Topotarget which remain unexercised as of the date of this Merger Plan, and

(D) efter opfyldelse af Betingelsen for Warrantudnyttelse vil vedtægterne for Topotarget blive ændret, således at de afspejler (a) kapitalforhøjelsen i Topotarget som følge af udnyttelsen af warrants og (b) annulleringen af alle warrants i Topotarget, som ikke er udnyttet pr. datoen for denne Fusionsplan, og

(D) lors de la réalisation de la Condition de l'Exercice des Bons de Souscription d'Actions, les statuts de Topotarget seront modifiés pour refléter (a) l'augmentation du capital social de Topotarget résultant de l'exercice des bons de souscription d'actions et (b) l'annulation de tous les bons de souscription d'actions de Topotarget qui n'auront pas été exercés à la date du Présent Traité de Fusion et,

(E) immediately following the satisfaction of the Warrant Exercise Condition (and in any event prior to the registration of the Merger) the board of directors of Topotarget will procure the registration with the Danish Business Authority of (i) the exercise of the equity warrants, (ii) the issuance of new shares in Topotarget in exchange for such exercised equity warrants and (iii) the cancellation of all

(E) straks efter opfyldelsen af Betingelsen for Warrantudnyttelse (og under alle omstændigheder forud for registreringen af Fusionen) skal bestyrelsen i Topotarget foranledige Erhvervsstyrelsens registrering af (i) udnyttelsen af de pågældende warrants, (ii) udstedelsen af nye aktier i Topotarget til gengæld for de udnyttede warrants og (iii) annulleringen af alle warrants i Topotarget, som ikke er udnyttet

(E) immédiatement après la réalisation de la Condition d'Exercice des Bons de Souscription d'Actions (et, en tout état de cause, avant l'enregistrement de la Fusion), le conseil d'administration de Topotarget fera enregistrer auprès de la Danish Business Authority (i) l'exercice des bons de souscription d'actions, (ii) l'émission des actions nouvelles de Topotarget obtenues du fait de l'exercice de ces bons de

equity warrants in Topotarget which remain unexercised as of the date of this Merger Plan.

3.2.11 Upon completion of the Warrant Exercise Condition, any equity warrants in Topotarget which remain unexercised as of the date of this Merger Plan shall become null and void without further notice or compensation.

Other Securities

3.2.12 Except for the equity warrants mentioned above, Topotarget has not issued any other equity securities outstanding as of the date of this document which would confer entitlement, through conversion, exchange, repayment, or exercise of a security or in any way whatsoever, to the allocation at any time or in the long term of securities, which are or shall be issued to this effect to represent a percentage of the capital or of voting rights of Topotarget.

Cross-holding

3.2.13 Neither Topotarget nor any of Topotarget's subsidiaries own any shares, stock options or equity warrants issued by BioAlliance Pharma.

pr. datoen for denne Fusionsplan.

3.2.11 Efter opfyldelse af Betingelsen for Warrantudnyttelse bortfalder alle warrants i Topotarget, som ikke er udnyttet pr. datoen for denne Fusionsplan, automatisk og uden yderligere varsel eller kompensation.

Andre værdipapirer

3.2.12 Bortset fra de ovenfor anførte warrants har Topotarget ikke udstedt andre egenkapitalbaserede finansielle instrumenter, som er udestående på datoen for dette dokument og som bærer retten - det være sig gennem konvertering, ombytning, indfrielse eller udnyttelse af et værdipapir eller på nogen anden måde – til på kort eller lang sigt at give indehaveren ret til at modtage værdipairer som er eller vil blive udstedt med ret til at repræsentere en procentdel af aktiekapitalen eller stemmerettighederne i Topotarget.

Gensidig aktiebesiddelse

3.2.13 Hverken Topotarget eller Topotargets datterselskaber ejer aktier, aktieoptioner eller warrants udstedt af BioAlliance Pharma.

souscription d'actions exercés et (iii) l'annulation de tous les bons de souscription d'actions de Topotarget qui n'auront pas été exercés à la date du Présent Traité de Fusion.

3.2.11 Lors de la réalisation de la Condition de l'Exercice des Bons de Souscription d'Actions, l'ensemble des bons de souscription d'actions de Topotarget qui n'auront pas été exercés à la date du Présent Traité de Fusion deviendront nuls et non avenus, sans autre notification ou dédommagement.

Autres valeurs mobilières

3.2.12 Hormis les bons de souscription d'actions susvisés, Topotarget n'a émis aucune autre valeur mobilière qui serait en circulation à la date du présent document et qui conférerait un droit, par conversion, échange, remboursement ou exercice d'un titre ou de toute autre manière que ce soit, à une attribution, à tout moment ou à terme, de valeurs mobilières, qui émises ou à émettre à cet effet et représentant un certain pourcentage du capital ou des droits de vote de Topotarget.

Participations croisées

3.2.13 Ni Topotarget ni aucune des filiales de Topotarget ne détiennent d'actions, d'options de souscription d'action ni de bons de souscription d'actions émis par BioAlliance Pharma.

Management

3.2.14 The management of Topotarget is composed of (i) an *administrerende direktør* (Chief Executive Officer) and (ii) a *bestyrelse* (board of directors).

3.2.15 Neither Topotarget nor BioAlliance Pharma (nor any of their respective subsidiaries) have any common managers or directors.

3.2.16 Mr. Anders Fink Vadsholt holds, at the date hereof the corporate position of Chief Executive Officer.

3.2.17 The board members of Topotarget are, at the date hereof, the following:

- Bo Jesper Hansen (Chairman of the board);
- Ingelise Saunders;
- Jeffrey H. Buchalter;
- Per Anders Göte Samuelsson;
- Anker Gunvald Lundemose;
- Gisela Margarete Schwab;
- Karsten Witt.

3.2.18 The board of directors of Topotarget has authorized the execution of this Merger Plan.

Financial year

3.2.19 Topotarget's financial year begins on 1 January and ends on 31 December of each year.

Ledelse

3.2.14 Ledelsen i Topotarget består af (i) en administrerende direktør og (ii) en bestyrelse.

3.2.15 Hverken Topotarget eller BioAlliance Pharma (eller deres respektive datterselskaber) har fælles direktører eller bestyrelsesmedlemmer.

3.2.16 Anders Fink Vadsholt er d.d. administrerende direktør.

3.2.17 Bestyrelsen i Topotarget består d.d. af følgende personer:

- Bo Jesper Hansen (bestyrelsesformand)
- Ingelise Saunders
- Jeffrey H. Buchalter
- Per Anders Göte Samuelsson
- Anker Gunvald Lundemose
- Gisela Margarete Schwab
- Karsten Witt

3.2.18 Bestyrelsen i Topotarget har godkendt underskrivelsen af denne Fusionsplan.

Regnskabsår

3.2.19 Topotargets regnskabsår løber fra den 1. januar til den 31. december hvert år.

Direction

3.2.14 La direction de Topotarget est composée (i) d'un *administrerende direktør* (Directeur Général) et (ii) d'un *bestyrelse* (conseil d'administration).

3.2.15 Ni Topotarget ni BioAlliance Pharma (ni aucune de leurs filiales respectives) n'ont de dirigeants ou administrateurs communs.

3.2.16 À la date des présentes, M. Anders Fink Vadsholt occupe le poste de Directeur Général.

3.2.17 Les membres du conseil de Topotarget sont, à la date des présentes, les suivants:

- Bo Jesper Hansen (Président du Conseil);
- Ingelise Saunders;
- Jeffrey H. Buchalter;
- Per Anders Göte Samuelsson;
- Anker Gunvald Lundemose;
- Gisela Margarete Schwab;
- Karsten Witt.

3.2.18 Le conseil d'administration de Topotarget a autorisé la signature du présent Traité de Fusion.

Exercice social

3.2.19 L'exercice social de Topotarget commence le 1er janvier et prend fin le 31 décembre de chaque année.

Tax

3.2.20 Topotarget is a Danish tax resident and subject to corporation tax in Denmark.

Employees

3.2.21 As at 31 March 2014, the number of Topotarget employees was 12.

4. Report of the boards of directors (ref. EU directive 2005/56, art. 7)

4.1 BioAlliance Pharma

4.1.1 In accordance with Article L. 236-27 of the French Commercial Code and Article R. 236-16 of the French Commercial Code the board of directors of BioAlliance Pharma has issued a report (the "BioAlliance Pharma Merger Report") explaining the Merger in a detailed manner from a legal and economic standpoint, especially in relation to the share exchange ratio and the valuation methods used.

4.1.2 The BioAlliance Pharma Merger Report will be made available to BioAlliance Pharma's shareholders at BioAlliance Pharma's registered office in accordance with Article R. 236-16 of the French Commercial Code and may also be downloaded from BioAlliance Pharma's website at the following address: www.bioalliancepharma.com.

Skat

3.2.20 Topotarget er hjemmehørende i Danmark i skattemæssig henseende og skattepligtig i Danmark.

Medarbejdere

3.2.21 Topotarget havde pr. 31. marts 2014 12 medarbejdere.

4. Bestyrelsens redegørelse (jf. direktiv 2005/56, artikel 7)

4.1 BioAlliance Pharma

4.1.1 Bestyrelsen i BioAlliance Pharma har i overensstemmelse med artikel L. 236-27 og artikel R. 236-16 i den franske handelslov udarbejdet en detaljeret redegørelse ("BioAlliance Pharma Fusionsredegørelse") for Fusionen fra et juridisk og økonomisk perspektiv, særligt for så vidt angår aktieombytningsforholdet og de anvendte værdiansættelsesmetoder.

4.1.2 BioAlliance Pharma Fusionsredegørelse vil være til rådighed for aktionærerne i BioAlliance Pharma på BioAlliance Pharmas hjemstedsadresse i overensstemmelse med artikel R. 236-16 i den franske handelslov og kan tillige downloades fra BioAlliance Pharmas hjemmeside på følgende adresse: www.bioalliancepharma.

Régime fiscal

3.2.20 Topotarget a sa résidence fiscale au Danemark et est soumise à l'impôt sur les sociétés au Danemark.

Effectif salarié

3.2.21 Au 31 mars 2014, le nombre de salariés de Topotarget était de 12.

4. Rapport des conseils d'administration (réf. directive UE 2005/56, art. 7)

4.1 BioAlliance Pharma

4.1.1 Conformément à l'Article L. 236-27 du Code de commerce français et à l'Article R. 236-16 du Code de commerce français, le conseil d'administration de BioAlliance Pharma a émis un rapport expliquant de manière détaillée les aspects juridiques et économiques, notamment en ce qui concerne le rapport d'échange des actions et les méthodes d'évaluation utilisées (le « Rapport de Fusion de BioAlliance Pharma »).

4.1.2 Le Rapport de Fusion de BioAlliance Pharma sera mis à la disposition des actionnaires de BioAlliance Pharma au siège social de cette dernière conformément à l'Article R. 236-16 du Code de commerce français et pourra également être téléchargé sur le site Internet de BioAlliance Pharma à l'adresse suivante : www.bioalliancepharma.com

4.2 Topotarget

4.2.1 The board of directors of Topotarget has issued a merger statement in accordance with Sec. 273 of the Danish Companies Act (the "Topotarget Merger Statement") explaining and justifying the legal and economic aspects of the Merger and explaining the implications of the Merger for shareholders, creditors and employees.

4.2.2 The Topotarget Merger Statement will be made available to Topotarget's shareholders at Topotarget's registered office in accordance with sec. 280(5) of the Danish Companies Act and may also be downloaded from Topotarget's website at the following address: www.topotarget.com.

5. Names of the Companies and of the continuing Company

5.1 BioAlliance Pharma conducts business under the name BioAlliance Pharma S.A. BioAlliance Pharma does not have any ancillary names.

5.2 Topotarget conducts business under the name Topotarget A/S. Topotarget does not have any ancillary names.

5.3 Following completion of the Merger BioAlliance Pharma (as the continuing entity) will conduct business under the name "Onxeo".

4.2 Topotarget

4.2.1 Bestyrelsen i Topotarget har udarbejdet en fusionsredegørelse ("Topotarget Fusions-redegørelse") i overensstemmelse med selskabslovens § 273, hvor de juridiske og økonomiske aspekter af Fusionen forklares og begrundes, og hvor der redegøres for følgerne af Fusionen for aktionærerne, kreditorerne og medarbejderne.

4.2.2 Topotarget Fusionsredegørelsen vil være til rådighed for aktionærerne i Topotarget på Topotargets hjemstedsadresse i overensstemmelse med selskabslovens § 280, stk. 5, og kan tillige downloades fra Topotargets hjemmeside på følgende adresse: www.topotarget.com.

5. Selskabernes navne og navnet på det fortsættende selskab

5.1 BioAlliance Pharma driver virksomhed under navnet BioAlliance Pharma S.A. BioAlliance Pharma har ikke nogen binavne.

5.2 Topotarget driver virksomhed under navnet Topotarget A/S. Topotarget har ikke nogen binavne.

5.3 BioAlliance Pharma vil (som det fortsættende selskab) efter Fusionens gennemførelse drive virksomhed under navnet "Onxeo".

4.2 Topotarget

4.2.1 Le conseil d'administration de Topotarget a émis un « Merger Statement », conformément à l'Article 273 du Danish Companies Act, expliquant et justifiant les aspects juridiques et économiques de la Fusion et expliquant les conséquences de la Fusion pour les actionnaires, créanciers et salariés.

4.2.2 Le « Merger Statement » de Topotarget sera mis à la disposition des actionnaires de Topotarget au siège social de cette dernière conformément à l'Article 280(5) du Danish Companies Act et pourra également être téléchargé sur le site Internet de Topotarget à l'adresse suivante: www.topotarget.com

5. Dénominations des Sociétés et de la Société absorbante

5.1 BioAlliance Pharma exerce son activité sous la dénomination sociale BioAlliance Pharma S.A. BioAlliance Pharma n'a pas de noms commerciaux différents de sa dénomination sociale.

5.2 Topotarget exerce son activité sous la dénomination sociale Topotarget A/S. Topotarget n'a pas de noms commerciaux différents de sa dénomination sociale.

5.3 Après la réalisation de la Fusion, BioAlliance Pharma (en tant que société absorbante) exercera son activité sous la dénomination

6. Consideration for the shares in Topotarget

6.1 Consideration Shares

6.1.1 Based on the valuations of BioAlliance Pharma and Topotarget, respectively, as conducted by the Companies' respective boards of directors, and the registered and outstanding share capitals of each of the Companies as of the Exchange Date (as set out in clause 3.1.3 and clause 3.2.4, respectively) the Companies have agreed on an exchange ratio (the "Exchange Ratio") as follows: 2 New Ordinary Shares will be issued by BioAlliance Pharma for each set of 27 Topotarget shares. The Exchange Ratio is not subject to any adjustment until completion of the Merger.

6.1.2 Based on the application of the Exchange Ratio and outstanding share capitals of each of the Companies as of the Exchange Date (as set out in clause 3.1.3 and clause 3.2.4, respectively) the total number of newly issued shares in BioAlliance Pharma of each nominally € 0.25 resulting from the Merger will be 10,799,341 corresponding to a total nominal value of € 2,699,835.25.

6.1.3 At completion of the Merger, the shares of Topotarget will cease to exist. As consideration for the shares in Topotarget, each shareholder of Topotarget shall (subject to the provisions

6. Vederlag for aktierne i Topotarget

6.1 Vederlagsaktier

6.1.1 Selskaberne har på baggrund af værdiansættelsen af henholdsvis BioAlliance Pharma og Topotarget, foretaget af Selskabernes bestyrelser, og hver af Selskabernes registrerede og udestående aktiekapital på Fusionsombytningsdatoen (som anført i henholdsvis pkt. 3.1.3 og pkt. 3.2.4) aftalt følgende ombytningsforhold ("Ombytningsforholdet"): BioAlliance Pharma udsteder 2 Nye Ordinære Aktier for hver 27 aktier i Topotarget. Der vil ikke ske ændring af Ombytningsforholdet inden Fusionens gennemførelse.

6.1.2 Baseret på anvendelsen af Ombytnings-forholdet og den udestående aktiekapital i hvert af Selskaberne på Fusionsombytnings-datoen (som anført i henholdsvis pkt. 3.1.3 og pkt. 3.2.3) vil det samlede antal ny udstedte aktier i BioAlliance Pharma á nominelt EUR 0,25 som følge af Fusionen udgøre 10.799.341, svarende til i alt nominelt EUR 2.699.835,25.

6.1.3 Aktierne i Topotarget vil ophøre med at eksistere på tidspunktet for Fusionens gennemførelse. Hver aktionær i Topotarget modtager som vederlag for sine aktier (med

« Onxeo ».

6. Contrepartie pour les actions de Topotarget

6.1 Actions Nouvelles Ordinaires

6.1.1 Sur le fondement des évaluations de BioAlliance Pharma et de Topotarget, respectivement effectuées par le Conseil d'administration de chacune des Sociétés, et du capital social en circulation de chacune des Sociétés à la Date d'Echange des Actions (tel que stipulé à la clause 3.1.3 et à la clause 3.2.4, respectivement), les Sociétés sont convenues d'un rapport d'échange (le « Rapport d'Échange ») suivant : 2 Actions Nouvelles Ordinaires seront émises par BioAlliance Pharma pour chaque lot de 27 actions de Topotarget. Le Rapport d'Échange ne fera l'objet d'aucun ajustement jusqu'à la Réalisation de la Fusion.

6.1.2 Par application du Rapport d'Échange et sur la base du capital social en circulation de chacune des Sociétés à la Date d'Echange des Actions (tel que stipulé à la clause 3.1.3 et à la clause 3.2.4, respectivement), le nombre total d'Actions Nouvelles Ordinaires qui seront émises par BioAlliance Pharma, d'une valeur nominale chacune de 0,25 €, résultant de la Fusion sera égal à 10 799 341, correspondant à une valeur nominale totale de 2 699 835,25 €.

6.1.3 À la réalisation de la Fusion, les actions de Topotarget cesseront d'exister. En contrepartie des actions de Topotarget, chaque actionnaire de Topotarget recevra (sous réserve des

relating to Fractional Entitlements and Redemption Shares) receive New Ordinary Shares issued by BioAlliance Pharma (with a par value of € 0.25 each) in exchange for their Topotarget shares in accordance with the Exchange Ratio, ref. clause 6.1.1.

6.2 Fractional Entitlements

6.2.1 In the event that the application of the provisions in clauses 6.1.1 - 6.1.3 result in any shareholder in Topotarget being entitled to a fraction of a share in BioAlliance Pharma (a "Fractional Entitlement"), no New Ordinary Shares shall be delivered to such shareholder in Topotarget in respect of such Fractional Entitlement. Instead, such shareholder in Topotarget may purchase or sell – prior to the Merger Exchange Date – the relevant number of shares in Topotarget whereby such shareholder becomes entitled to receive on the Merger Exchange Date a whole number of full shares in BioAlliance Pharma.

6.2.2 Any shareholder in Topotarget who – notwithstanding such sale or purchase of shares in Topotarget prior to the Merger Exchange Date – on the Merger Exchange Date remains entitled to a Fractional Entitlement shall be entitled to a cash consideration for such Fractional Entitlement, the amount of which shall be procured and determined as follows in accordance with the provisions of article L. 228-6-1 of the French Commercial

forbehold for bestemmelserne vedrørende Brøkaktier og Indløsningsaktier) Nye Ordinære Aktier udstedt af BioAlliance Pharma (med en pålydende værdi på EUR 0,25) i bytte for deres aktier i Topotarget, i overensstemmelse med Ombytningsforholdet, jf. pkt. 6.1.1.

6.2 Brøkaktier

6.2.1 Såfremt anvendelsen af bestemmelsen i pkt. 6.1.1 - 6.1.3 medfører, at en aktionær i Topotarget bliver berettiget til en brøkdel af en aktie i BioAlliance Pharma (en "Brøkaktie"), leveres Nye Ordinære Aktier ikke til den pågældende aktionær i Topotarget som vederlag for sådanne Brøkaktier. Aktionæren i Topotarget kan i stedet – forud for Fusionsombytningsdatoen – købe eller sælge det relevante antal aktier i Topotarget, hvorved den pågældende aktionær bliver berettiget til på Fusionsombytningsdatoen at modtage et helt antal aktier i BioAlliance Pharma.

6.2.2 Enhver aktionær i Topotarget, der – uanset sådant salg eller køb af aktier i Topotarget forud for Fusionsombytningsdatoen – på Fusionsombytningsdatoen fortsat er berettiget til en Brøkaktie, vil være berettiget til et kontant vederlag for en sådan Brøkaktie, idet det pågældende kontante vederlag tilvejebringes og fastsættes som følger i overensstemmelse med bestemmelserne i artikel L. 228-6-1 i den franske handelslov:

stipulations relatives aux Droits Formant Rompus et aux Actions des Actionnaires Sortants) des Actions Nouvelles Ordinaires émises par BioAlliance Pharma (d'une valeur nominale de 0,25 € chacune) en échange de ses actions de Topotarget conformément au Rapport d'Échange tel que défini à la clause 6.1.1.

6.2 Droits Formant Rompus

6.2.1 Dans l'hypothèse où, par application des stipulations des clauses 6.1.1 - 6.1.3, des actionnaires de Topotarget auraient droit à des rompus d'action de BioAlliance Pharma (les « Droits Formant Rompus »), aucune Action Nouvelle Ordinaire ne sera attribuée aux actionnaires concernés de Topotarget en échange de ces Droits Formant Rompus. Lesdits actionnaires de Topotarget pourront acheter ou vendre – avant la Date d'Échange des Actions – le nombre d'actions de Topotarget nécessaire pour recevoir un nombre entier d'actions de BioAlliance Pharma à la Date d'Échange des Actions.

6.2.2 Tout actionnaire de Topotarget qui – nonobstant de tels ventes ou achats d'actions de Topotarget avant la Date d'Échange des Actions – continuerait à la Date d'Échange des Actions de disposer de Droits Formant Rompus, serait en droit de recevoir une contrepartie en numéraire pour ces Droits Formant Rompus, dont le montant sera déterminé conformément aux dispositions de l'article L 228-6-1 du Code de commerce:

Code:

(i) BioAlliance Pharma will issue a number of New Ordinary Shares (the "Fractional Consideration Shares") equal and corresponding (in the aggregate) to the total of all Fractional Entitlements to Nordea as escrow agent on behalf of all of the Topotarget shareholders who are entitled to cash settlement of their Fractional Entitlements.

(ii) BioAlliance Pharma will purchase all the Fractional Consideration Shares at a price per share equal to the volume weighted average price per share of BioAlliance Pharma quoted on Euronext Paris for the five trading days preceding the Merger Legal Effective Date, and pay the aggregate purchase price to the Topotarget shareholders who are entitled to cash settlement of their Fractional Entitlements *pro rata inter se* in proportion to their respective Fractional Entitlements.

6.3 Redemption Shares

6.3.1 Notwithstanding anything to the contrary herein, any Redemption Shareholder will not be entitled to receive on the Merger Exchange Date the delivery of any New Ordinary Shares. Instead, on the Merger Exchange Date, BioAlliance Pharma will deliver such number of New Ordinary Shares (the "Redemption

(i) BioAlliance Pharma udsteder et antal Nye Ordinære Aktier ("Vederlagsaktier for Brøkaktier"), der i alt udgør og svarer til summen af alle Brøkaktier, til Nordea som depositar på vegne af samtlige de aktionærer i Topotarget, som er berettiget til kontant vederlag for deres Brøkaktier.

(ii) BioAlliance Pharma tilbagekøber alle Vederlagsaktier for Brøkaktier til en kurs svarende til den volumen-vægtede gennemsnitskurs for BioAlliance Pharma aktier på Euronext Paris over de fem foregående handelsdage op til den Selskabsretlige Fusionsdato, og betaler den samlede købesum til de Topotarget aktionærer, der er berettiget til kontant betaling for deres Brøkaktier pro rata mellem disse i forhold til deres respektive Brøkaktier.

6.3 Indløsningsaktier

6.3.1 Uanset denne Fusionsplans øvrige bestemmelser vil en Indløsende Aktionær ikke være berettiget til på Fusionsombytningsdatoen at modtage Nye Ordinære Aktier. BioAlliance Pharma vil i stedet på Fusionsombytningsdatoen til en finansiel institution udpeget af BioAlliance Pharma på

(i) BioAlliance Pharma émettra un nombre d'Actions Nouvelles Ordinaires (les « Actions Nouvelles Ordinaires correspondant aux Droits Formant Rompus ») correspondant (globalement) au nombre total agrégé de l'ensemble des Droits Formant Rompus, ladite émission intervenant en faveur de Nordea, agissant en qualité de séquestre pour le compte de tous les actionnaires de Topotarget ayant droit au règlement en numéraire de leurs Droits Formant Rompus.

(ii) BioAlliance Pharma achètera toutes les Actions Nouvelles Ordinaires correspondant aux Droits Formant Rompus , à un prix par action égal au prix moyen pondéré (par le volume) par action de BioAlliance Pharma sur Euronext Paris sur les cinq jours de bourse précédant la Date d'Effet Juridique de la Fusion et BioAlliance Pharma paiera le prix d'achat global aux actionnaires de Topotarget ayant droit au règlement en numéraire de leurs Droits Formant Rompus proportionnellement à leurs Droits Formant Rompus respectifs.

6.3 Actions des Actionnaires Sortants

6.3.1 Nonobstant toute stipulation contraire des présentes, les Actionnaires Sortants ne seront pas en droit de recevoir, à la Date d'Échange des Actions, des Actions Nouvelles Ordinaires. À la Date d'Échange des Actions, BioAlliance Pharma remettra à une institution financière désignée par BioAlliance Pharma, en lieu et

Consideration Shares") as each relevant Redemption Shareholder would have been entitled to receive on the Merger Exchange Date if such Redemption Shareholder had not exercised its redemption right to a financial institution designated by BioAlliance Pharma in lieu of such Redemption Shareholder.

6.3.2 The Redemption Consideration Shares will be repurchased by BioAlliance Pharma within the framework of a share buy-back program implemented by BioAlliance Pharma in accordance with the provisions of article L. 225-209 of the French Commercial Code.

6.3.3 For the avoidance of doubt, the Redemption Shareholders' entitlement to redemption of their Redemption Shares shall be determined and executed in accordance with clause 15.3 and the relevant provisions of Danish law and any Redemption Shareholder shall not have any right to require delivery of the Redemption Consideration Shares issued in lieu of such Redemption Shareholder's Redemption Shares. Any profit or loss realized by BioAlliance Pharma in relation to the repurchase of the Redemption Consideration Shares shall be of no consequence to the redemption of the Redemption Shares.

6.4 Unallocated Shares

6.4.1 In accordance with the provisions of article L. 228-6 of the French Commercial Code,

vegne af sådan Indløsende Aktionær levere et sådant antal Nye Ordinære Aktier ("Indløsningsvederlagsaktier"), som hver enkelt Indløsende Aktionær ville have været berettiget til at modtage på Fusionsombytningsdatoen, hvis den pågældende Indløsende Aktionær ikke havde udnyttet sin indløsningsret.

6.3.2 Indløsningsvederlagsaktierne tilbagekøbes af BioAlliance Pharma inden for rammerne af et aktietilbagekøbsprogram, der implementeres af BioAlliance Pharma i overensstemmelse med bestemmelserne i artikel L. 225-209 i den franske handelslov.

6.3.3 For at undgå enhver tvivl, skal de Indløsende Aktionærers ret til indløsning af deres Indløsningsaktier fastlægges og gennemføres i overensstemmelse med pkt. 15.3, samt de relevante bestemmelser i dansk ret, og ingen Indløsende Aktionær skal have ret til at kræve udlevering af Indløsningsvederlagsaktierne udstedt i stedet for den Indløsende Aktionærs Indløsningsaktier. Ethvert overskud eller underskud, som realiseres af BioAlliance Pharma i forbindelse med tilbagekøbet af Indløsningsaktierne, skal ikke have nogen betydning for indløsningen af Indløsningsaktierne.

6.4 Ikke-allokerede Aktier

6.4.1 BioAlliance Pharma vil i overensstemmelse med bestemmelserne i artikel L. 228-6 i den

place des Actionnaires Sortants, le nombre d'Actions Nouvelles Ordinaires (les « Actions Nouvelles Ordinaires correspondant aux Actions des Actionnaires Sortants ») que chaque Actionnaire Sortant aurait été en droit de recevoir à la Date d'Échange des Actions si cet Actionnaire Sortant n'avait pas exercé son droit de rachat.

6.3.2 Les Actions des Actionnaires Sortants seront rachetées par BioAlliance Pharma dans le cadre d'un programme de rachat d'actions mis en œuvre par BioAlliance Pharma conformément aux dispositions de l'article L. 225-209 du Code de commerce français.

6.3.3 Afin d'éviter toute ambigüité, le droit de rachat des Actions des Actionnaires Sortants sera défini et effectué conformément à la clause 15.3 ci-après et aux dispositions applicables du droit danois et tout Actionnaire Sortant ne bénéficiera pas du droit de demander à recevoir les Actions Nouvelles Ordinaires correspondant aux Actions des Actionnaires Sortant émises à la place des Actions des Actionnaires Sortants. Tout profit ou perte réalisé par BioAlliance Pharma au titre du rachat des Actions Nouvelles Ordinaires correspondant aux Actions des Actionnaires Sortants n'aura aucune conséquence sur le droit de rachat des Actions des Actionnaires Sortants.

6.4 Actions Non-Allouées

6.4.1 Conformément aux dispositions de l'article L. 228-6 du Code de commerce français,

BioAlliance Pharma will be authorized to sell any New Ordinary Shares issued pursuant to the Merger for which the identity of the Topotarget shareholder is unknown and which therefore have not been claimed (the "Unallocated Shares").

6.4.2 As from the sale of such shares, the Topotarget shareholders will only be entitled to receive the proceeds of the sale of the New Ordinary Shares which were not claimed plus, as the case may be, the amount of dividends, interim dividends and distributions of reserves (or similar) that these New Ordinary Shares would have been entitled to, prior to their sale.

6.4.3 The Topotarget shareholders will be informed that the Company will make available to them the proceeds of the sale of the Unallocated Shares for 10 years, in a blocked account in a financial institution (amounts corresponding to dividends, interim dividends and distributions reserves (or similar) that may be distributed can only be claimed during a period of 5 years from their payment date). Once the 10-year period has expired, the sums will be transferred to the Caisse des Dépôts et Consignations where they can be claimed by the persons entitled thereto for up to 20 years. Once this period has expired, the sums will be definitively transferred to the French government.

6.5 General provisions pertaining to shares

franske handelslov være bemyndiget til at sælge eventuelle Nye Ordinære Aktier udstedt i henhold til Fusionen, hvor identiteten på aktionæren i Topotarget er ukendt, og hvorpå der derfor ikke er blevet gjort krav ("Ikke-allokerede Aktier").

6.4.2 Fra tidspunktet for salget af sådanne aktier vil aktionærerne i Topotarget kun være berettiget til at modtage det provenu fra salget af de Nye Ordinære Aktier, hvorpå der ikke er blevet gjort krav, samt alt efter omstændighederne udbytteudlodninger, udlodninger af aconto udbytte og udlodninger fra de frie reserver (el. lign.), som disse Nye Ordinære Aktier ville have været berettiget til forud for et salg heraf.

6.4.3 Aktionærerne i Topotarget vil blive informeret om, at Selskabet vil stille salgsprovenuet fra de Ikke-allokerede Aktier til rådighed for dem i 10 år på en spærret konto i en finansiel virksomhed (der kan kun gøres krav på eventuelle udbytteudlodninger, udlodninger af aconto udbytte og udlodninger fra de frie reserver (el. lign.), i en periode på fem år fra udbetalingstidspunktet). Beløbene overføres ved udløb af tiårsperioden til Caisse des Dépôts et Consignations, hvor de berettigede personer kan gøre krav på beløbet i op til 20 år. Beløbene tilfalder den Franske regering ved udløb af denne periode.

6.5 Generelle bestemmelser vedrørende aktier

BioAlliance Pharma sera autorisée à vendre les Actions Nouvelles Ordinaires émises au titre de la Fusion et pour lesquelles l'identité des actionnaires de Topotarget serait inconnue et que celles-ci n'auraient par voie de conséquence pas été revendiquées (les « Actions Non-Allouées »).

6.4.2 A compter de la date de la vente desdites actions, les actionnaires de Topotarget seront seulement en droit de recevoir le produit de la vente des Actions Nouvelles Ordinaires non réclamées, ainsi que le cas échéant le montant des dividendes, acomptes sur dividendes, et distributions de réserves (ou similaires) qui auront pu être versées au titre des Actions Nouvelles Ordinaires préalablement à leur vente.

6.4.3 Les actionnaires de Topotarget seront informés de ce que la Société tiendra à leur disposition le produit de la cession des Actions Non-Allouées, pendant 10 ans, sur un compte bloqué dans une institution financière (le montant des dividendes, acomptes sur dividendes, et distributions de réserves (ou similaires) qui ne peuvent être distribués ne peut être réclamé que pendant une durée de 5 ans à compter de leur date de mise en paiement). Une fois le délai de 10 ans expiré, les sommes seront transférées à la Caisse des Dépôts et Consignations, où elles pourront être réclamées par leurs ayants-droit pendant 20 ans. Une fois cette période expirée, les sommes seront définitivement appréhendées par l'Etat français.

6.5 Stipulations générales relatives aux actions

6.5.1 The New Ordinary Shares (including – for the avoidance of doubt – the Fractional Consideration Shares, the Unallocated Shares and the Redemption Consideration Shares) will be newly issued ordinary shares originating from an increase in the share capital of BioAlliance Pharma completed as a consequence of the Merger. The new shares issued by BioAlliance Pharma will rank *pari passu* in all respects with the existing ordinary shares issued by BioAlliance Pharma.

6.5.2 Save for the Fractional Consideration Shares, the Unallocated Shares and the Redemption Consideration Shares, the New Ordinary Shares will accrue entirely to Topotarget's shareholders (excluding – for the avoidance of doubt – the Redemption Shareholders) (*pro rata inter se* in proportion to their respective shareholdings in Topotarget on the Merger Exchange Date, subject only to the Fractional Entitlements).

6.5.3 The New Ordinary Shares shall entitle the respective shareholders to dividends and other rights in BioAlliance Pharma with effect as from the Merger Legal Effective Date, cf. Clause 12.4.

6.5.4 The New Ordinary Shares will be listed on Euronext Paris on the same terms as the

6.5.1 De Nye Ordinære Aktier (herunder – for at undgå enhver tvivl – Vederlagsaktierne for Brøkaktierne, de Ikke-allokerede Aktier og Indløsningsvederlagsaktierne) vil være nyudstedte ordinære aktier, der stammer fra en kapitalforhøjelse i BioAlliance Pharma, der gennemføres som følge af Fusionen. De nye aktier, der udstedes af BioAlliance Pharma, vil i enhver henseende være sideordnet med de eksisterende ordinære aktier udstedt af BioAlliance Pharma.

6.5.2 Bortset fra Vederlagsaktierne for Brøkaktierne, de Ikke-allokerede Aktier og Indløsningsvederlagsaktierne tilfalder de Nye Ordinære Aktier fuldt ud aktionærerne i Topotarget (bortset – for at undgå enhver tvivl – fra de Indløsende Aktionærer) (pro rata mellem de pågældende aktionærer i forhold til deres respektive aktiebesiddelser i Topotarget på Fusionsombytningsdatoen, bortset fra Brøkaktierne).

6.5.3 De Nye Ordinære Aktier giver de respektive aktionærer ret til udbytte og øvrige rettigheder i BioAlliance Pharma med virkning fra den Selskabsretlige Fusionsdato, jf. pkt. 12.4.

6.5.4 De Nye Ordinære Aktier vil blive optaget til notering på Euronext Paris på samme vilkår

6.5.1 Les Actions Nouvelles Ordinaires (y compris, afin de lever toute ambiguïté, les Actions Nouvelles Ordinaires correspondant aux Droits Formant Rompus, les Actions Non-Allouées et les Actions Nouvelles Ordinaires correspondant aux Actions des Actionnaires Sortants) seront des actions ordinaires nouvellement émises à titre d'augmentation du capital social de BioAlliance Pharma au titre de la Fusion. Les actions nouvelles émises par BioAlliance Pharma prendront rang pari passu à tous égards avec les actions ordinaires existantes émises par BioAlliance Pharma.

6.5.2 À l'exception des Actions Nouvelles Ordinaires correspondant aux Droits Formant Rompus, des Actions Non-Allouées et des Actions Nouvelles Ordinaires correspondant aux Actions des Actionnaires Sortants, les Actions Nouvelles Ordinaires reviendront entièrement aux actionnaires de Topotarget (à l'exclusion, afin de lever toute ambiguïté, des Actionnaires Sortants) (en proportion de leur participation respective dans Topotarget à la Date d'Échange des Actions, sous réserve uniquement des Droits formant Rompus.)

6.5.3 Les Actions Nouvelles Ordinaires confèrent à leurs titulaires le droit aux dividendes et autres droits dans BioAlliance Pharma avec effet à compter de la Date d'Effet Juridique de la Fusion, cf. Clause 12.4.

6.5.4 Les Actions Nouvelles Ordinaires seront admises aux négociations sur Euronext Paris

existing shares in BioAlliance Pharma. As a consequence of the Merger, the listing of the shares in Topotarget at NASDAQ OMX Copenhagen will cease with effect as of the completion of the Merger.

6.5.5 As required by section 212-34 of the General Regulation of the Autorité des Marchés Financiers ("AMF"), BioAlliance Pharma has prepared a Prospectus that will be filed with the AMF shortly after execution of this Merger Plan, in order to receive clearance by the AMF prior to its public disclosure, such disclosure to occur no less than one month before the BioAlliance Pharma shareholders' meeting convened to vote on the Merger. The BioAlliance Pharma Prospectus will be passported to Denmark in accordance with Article 18 of Directive 2003/71/EC.

6.5.6 BioAlliance Pharma will apply to NASDAQ OMX Copenhagen for a secondary listing of the shares of BioAlliance Pharma at NASDAQ OMX Copenhagen, such secondary listing to become effective at – and subject to the occurrence of – completion of the Merger.

7. Exchange of shares and payment of cash settlement of Fractional Entitlements

7.1 As a result of the Merger,

som de eksisterende aktier i BioAlliance Pharma. Noteringen af aktierne i Topotarget på NASDAQ OMX Copenhagen vil som følge af Fusionen ophøre med virkning fra Fusionens gennemførelse.

6.5.5 BioAlliance Pharma har i overensstemmelse med kravet i paragraf 212-34 i de generelle regler udstedt af de franske børstilsynsmyndigheder (Autorité des Marchés Financiers ("AMF")) udarbejdet et prospekt, som vil blive indleveret til AMF umiddelbart efter underskrivelsen af denne Fusionsplan med henblik på opnåelse af AMF's forhåndsgodkendelse forud for prospektets offentliggørelse, idet sådan offentliggørelse senest kan ske én måned før generalforsamlingen i BioAlliance Pharma der indkaldes med henblik på godkendelse af Fusionen. BioAlliance Pharma vil foretage passporting af prospektet til Danmark i overensstemmelse med artikel 18 i direktiv 2003/71/EF.

6.5.6 BioAlliance Pharma vil ansøge NASDAQ OMX Copenhagen om optagelse af aktierne i BioAlliance Pharma til sekundær notering på NASDAQ OMX Copenhagen, idet sådan sekundær notering skal træde i kraft på tidspunktet for – og med forbehold for – Fusionens gennemførelse.

7. Aktieombytning og kontant afregning af Brøkaktier

7.1 Som følge af Fusionen

dans les mêmes conditions que les actions existantes de BioAlliance Pharma. En conséquence de la Fusion, l'admission aux négociations des actions de Topotarget sur le NASDAQ OMX Copenhague cessera avec effet à compter de la réalisation de la Fusion.

6.5.5 Conformément à l'article 212-34 du Règlement Général de l'Autorité des Marchés Financiers (« AMF »), BioAlliance Pharma a préparé un Document E qui sera déposé auprès de l'AMF peu de temps après la signature du présent Traité de Fusion, afin d'obtenir son enregistrement par l'AMF avant sa mise à disposition du public, laquelle mise à disposition devra intervenir au minimum un mois avant l'assemblée générale des actionnaires de BioAlliance Pharma convoquée à l'effet de statuer sur la Fusion. Le Document E (sous forme de prospectus) de BioAlliance Pharma fera l'objet d'une procédure de passeport au Danemark, conformément à l'Article 18 de la Directive 2003/71/CE.

6.5.6 BioAlliance Pharma demandera la cotation secondaire des actions de BioAlliance Pharma au NASDAQ OMX Copenhague ; cette cotation secondaire prendra effet à la réalisation de la Fusion, sous réserve de sa survenance.

7. Échange des actions et règlement en numéraire des Droits Formant Rompus

7.1 En conséquence de la Fusion:

(i) all shares issued by Topotarget as at the Merger Legal Effective Date (excluding the Fractional Entitlements, the Unallocated Shares and the Redemption Shares, if any), will be exchanged in the accounts of the relevant Topotarget shareholders in VP SECURITIES A/S with New Ordinary Shares issued by BioAlliance Pharma in accordance with clause 6.1, and

(ii) all Fractional Entitlements will be settled by payment of a cash amount which will be procured and determined in accordance with clause 6.2, and

(iii) all Unallocated Shares, if any, will be settled by payment of a cash amount which will be procured and determined in accordance with clause 6.4, and

(iv) all Redemption Shares, if any, will be settled by payment of a cash amount in accordance with clause 15.3 and applicable law.

7.2 The New Ordinary Shares which are to be registered in VP SECURITIES A/S will be issued on the Merger Legal Effective Date in the existing ISIN-code of the BioAlliance Pharma shares and placed in a blocked custody account belonging to Nordea.

7.3 Exchange in VP SECURITIES A/S of Topotarget

(i) ombyttes alle aktier udstedt af Topotarget pr. den Selskabsretlige Fusionsdato (bortset fra eventuelle Brøkaktier, Ikke-allokerede Aktier og Indløsningsaktier), der henstår på de relevante Topotarget-aktionærers konti i VP SECURITIES A/S, med Nye Ordinære Aktier udstedt af BioAlliance Pharma i overensstemmelse med pkt. 6.1, og

(ii) afregnes alle Brøkaktier ved betaling af et kontant beløb, som tilvejebringes og fastsættes i overensstemmelse med pkt. 6.2, og

(iii) afregnes alle eventuelle Ikke-allokerede Aktier ved betaling af et kontant beløb, som tilvejebringes og fastsættes i overensstemmelse med pkt. 6.4, og

(iv) afregnes alle eventuelle Indløsningsaktier ved betaling af et kontant beløb, i overensstemmelse med pkt. 15.3 og gældende ret.

7.2 De Nye Ordinære Aktier, som vil blive registreret i VP SECURITIES A/S, udstedes på den Selskabsretlige Fusionsdato i den eksisterende ISIN-fondskode for BioAlliance Pharma aktier, og placeres på en spærret deponeringskonto tilhørende Nordea.

7.3 Ombytningen i VP SECURITIES A/S af aktier i

(i) toutes les actions émises par Topotarget à la Date d'Effet Juridique de la Fusion (à l'exclusion des Droits Formant Rompus, des Actions Non-Allouées et des Actions des Actionnaires Sortants, le cas échéant), seront échangées par mouvement du compte VP SECURITIES A/S des actionnaires de Topotarget concernés, contre des Actions Nouvelles Ordinaires émises par BioAlliance Pharma conformément aux stipulations de la clause 6.1, et

(ii) tous les Droits Formant Rompus seront réglés par le versement d'un montant en numéraire qui sera obtenu et déterminé conformément à la clause 6.2, et

(iii) toutes les Actions Non-Allouées, le cas échéant, seront réglées par le versement d'un montant en numéraire qui sera obtenu et déterminé conformément à la clause 6.4,

(iv) toutes les Actions des Actionnaires Sortants, le cas échéant, seront réglées par le versement d'un montant en numéraire conformément à la clause 15.3 et au droit applicable.

7.2 Les Actions Nouvelles Ordinaires devant être enregistrées dans le système VP SECURITIES A/S seront émises à la Date d'Effet Juridique de la Fusion sous le code ISIN existant de BioAlliance Pharma et placées dans un compte-titres bloqué appartenant à Nordea.

7.3 L'échange des actions de Topotarget dans le

shares for New Ordinary Shares will take place after the expiry of the second trading day following the last trading day of the Topotarget shares on NASDAQ OMX Copenhagen (the "Merger Exchange Date").

Topotarget til Nye Ordinære Aktier finder sted efter udløbet af den anden handelsdag efter den sidste handelsdag for aktierne i Topotarget på NASDAQ OMX Copenhagen ("Fusionsombytningsdatoen").

système VP SECURITIES A/S contre les Actions Nouvelles Ordinaires aura lieu après expiration du deuxième jour de négociation suivant le dernier jour de négociation des actions de Topotarget sur le NASDAQ OMX Copenhague (la « Date d'Échange des Actions »).

7.4 Each of Topotarget and BioAlliance Pharma will issue a separate announcement through NASDAQ OMX Copenhagen and Euronext Paris, respectively, designating the Merger Exchange Date, such announcement to be made not less than five trading days prior to the Merger Exchange Date.

7.4 Topotarget og BioAlliance Pharma udsender hver især mindst 5 handelsdage før Fusionsombytningsdatoen en separat meddelelse via henholdsvis NASDAQ OMX Copenhagen og Euronext Paris med angivelse af Fusionsombytningsdatoen.

7.4 Topotarget et BioAlliance Pharma feront chacune une annonce séparée, par l'intermédiaire du NASDAQ OMX Copenhague et de Euronext Paris, respectivement, fixant la Date de l'Échange des Actions ; cette annonce sera faite au moins cinq jours de négociation avant la Date d'Échange des Actions.

7.5 Payment of cash consideration for Fractional Entitlements, ref. clause 6.2, will be paid in DKK to each relevant Topotarget shareholder through VP SECURITIES A/S to the dividend account linked to the respective Topotarget shareholder's custody account on the first bank day (in Denmark) following the Merger Exchange Date.

7.5 Det kontante vederlag for Brøkaktier, jf. pkt. 6.2, udbetales i danske kroner til hver enkelt relevant aktionær i Topotarget gennem VP SECURITIES A/S til den udbyttekonto, der er knyttet til den pågældende Topotarget-aktionærs depot på den første bankdag (i Danmark) efter Fusionsombytningsdatoen.

7.5 Le versement de la contrepartie en numéraire pour les Droits Formant Rompus, cf. Clause 6.2, sera effectué en DKK au profit de chaque actionnaire de Topotarget par l'intermédiaire de VP SECURITIES A/S, sur le compte de dividendes lié au compte-titres de l'actionnaire concerné de Topotarget le premier jour ouvré (au Danemark) suivant la Date d'Échange des Actions.

7.6 Payment of the redemption amount to which each Redemption Shareholder is entitled, ref. clause 15.3, will be paid in DKK to each relevant Topotarget shareholder through VP SECURITIES A/S to the dividend account which on the Merger Exchange Date was linked to the respective Topotarget shareholder's custody account (or as otherwise agreed between Topotarget and the relevant Redemption Shareholder or ordered by the relevant court, as the case may be).

7.6 Det indløsningsbeløb, som de Indløsende Aktionærer hver især er berettiget til at modtage, jf. pkt. 15.3, udbetales i danske kroner til hver enkelt relevant aktionær i Topotarget gennem VP SECURITIES A/S til den udbyttekonto, der på Fusionsombytningsdatoen var knyttet til den pågældende Topotarget-aktionærs depot (eller som aftalt mellem Topotarget og den pågældende Indløsende Aktionær henholdsvis som bestemt af den relevante domstol).

7.6 Le versement du montant du remboursement des Actionnaires Sortants auxquels chaque Actionnaire Sortant aura droit, cf. Clause 15.3, sera effectué en DKK au profit de chacun des Actionnaires Sortants de Topotarget par l'intermédiaire de VP SECURITIES A/S, sur le compte de dividendes lié, à la Date d'Échange des Actions, au compte-titres de l'actionnaire concerné de Topotarget (ou de toute autre manière qui serait fixée d'un commun accord entre Topotarget et les Actionnaires Sortants

8. Evaluation of assets and obligations transferred to BioAlliance Pharma as the continuing company

8.1 The Companies have applied the Companies' respective annual reports as of 31 December 2013 as a basis for evaluating the assets and liabilities transferred from Topotarget as the discontinuing company to BioAlliance Pharma as the continuing company.

8.1.1 The annual report of BioAlliance Pharma for 2013 is available at BioAlliance Pharma's website: www.bioalliancepharma.com

8.1.2 The annual report of Topotarget for 2013 is available at Topotarget's website: www.topotarget.com

8.2 Reference is made to the statements made by the valuation experts appointed in respect of each of the Companies, referred to in clauses 10.1.3 and 10.2.2.

8.3 The Companies have not prepared – and will not prepare - interim accounts pursuant to sec. 274 of the Danish Companies Act as the annual reports of Topotarget and BioAlliance Pharma will have been approved by the respective annual general meetings no later than simultaneously with the approval of the Merger.

8. Vurdering af aktiver og forpligtelser, der overføres til BioAlliance Pharma som det fortsættende selskab

8.1 Selskaberne har anvendt Selskabernes respektive årsrapporter pr. 31. december 2013 som udgangspunkt for vurderingen af de aktiver og passiver, der overføres fra Topotarget som det ophørende selskab til BioAlliance Pharma som det fortsættende selskab.

8.1.1 Årsrapporten for 2013 for BioAlliance Pharma er tilgængelig på BioAlliance Pharmas hjemmeside: www.bioalliancepharma.com

8.1.2 Årsrapporten for 2013 for Topotarget er tilgængelig på Topotarget's hjemmeside: www.topotarget.com

8.2 Der henvises til vurderingsberetningerne, der er udarbejdet af de vurderingsmænd, der er udpeget for hvert af Selskaberne, jf. pkt. 10.1.3 og 10.2.2.

8.3 Selskaberne har ikke udarbejdet – og vil ikke udarbejde – en mellembalance i henhold til selskabslovens § 274, idet årsrapporterne for Topotarget og BioAlliance Pharma er blevet godkendt på de respektive ordinære generalforsamlinger senest samtidig med godkendelsen af Fusionen.

concernés, ou tel que fixé par le tribunal compétent, le cas échéant).

8. Évaluation des actifs et des passifs transférés à BioAlliance Pharma en qualité de société absorbante

8.1 Les Sociétés ont utilisé leurs rapports annuels respectifs établis au 31 décembre 2013 comme base pour évaluer l'actif et le passif transférés de Topotarget, en tant que société absorbée, à BioAlliance Pharma, en tant que société absorbante.

8.1.1 Le rapport annuel 2013 de BioAlliance Pharma est disponible sur le site internet de BioAlliance Pharma : www.bioalliancepharma.com

8.1.2 Le rapport annuel 2013 de Topotarget est disponible sur le site internet de Topotarget: www.topotarget.com

8.2 Il est fait référence aux rapports établis par les commissaires à la fusion désignés pour chacune des Sociétés, tels que mentionnés aux articles 10.1.3 et 10.2.2.

8.3 Les Sociétés n'ont pas établi – et n'établiront pas – de comptes intermédiaires en vertu de l'article 274 de la Danish Companies Act, dans la mesure où les rapports annuels de Topotarget et BioAlliance Pharma ont été approuvés par leurs assemblées générales annuelles respectives au plus tard simultanément à l'approbation de la Fusion.

8.4 In order to determine the Exchange Ratio in connection with the Merger and thereby the number of the new ordinary shares to be issued by BioAlliance Pharma to the shareholders of Topotarget in exchange for the shares of Topotarget and as further explained in the boards' reports referred to in clauses 4.1 and 4.2, BioAlliance Pharma and Topotarget have estimated the economic value of each Company relative to each other and then the relative value of each Topotarget share in comparison with one BioAlliance Pharma share.

9. Designation and evaluation of the transferred assets and liabilities

9.1 Topotarget shall transfer to BioAlliance Pharma all its property, rights and obligations and any assets and liabilities as they will exist as of completion of the Merger.

9.2 The list provided below sets out the valuation of Topotarget's assets and liabilities on the basis of the Topotarget annual accounts as of the Merger Accounting Reference Date. The list is provided for information purposes only and is not exhaustive as the Merger results in the transfer of all of Topotarget's assets and liabilities including those items not expressly mentioned below as they exist on the Merger Legal Effective Date, in accordance with the provisions of the Danish Companies Act and Article L. 236-3 of the French Commercial Code.

8.4 Med henblik på fastsættelse af Ombytningsforholdet i forbindelse med Fusionen og dermed antallet af nye ordinære aktier, der skal udstedes af BioAlliance Pharma til aktionærerne i Topotarget som vederlag for aktierne i Topotarget, og som yderligere forklaret i de respektive bestyrelsers redegørelser nævnt i pkt. 4.1 og 4.2, har BioAlliance Pharma og Topotarget vurderet de to Selskabers økonomiske værdi i forhold til hinanden og derefter den relative værdi af hver Topotarget-aktie sammenlignet med en BioAlliance Pharma-aktie.

9. Angivelse og vurdering af de overdragne aktiver og passiver

9.1 Topotarget overdrager samtlige formuegoder, rettigheder og forpligtelser samt alle aktiver og passiver, således som disse måtte eksistere ved Fusionens gennemførelse til BioAlliance Pharma.

9.2 Den nedenfor anførte oversigt viser værdiansættelsen af Topotargets aktiver og passiver på baggrund af Topotargets årsrapport pr. den Regnskabsmæssige Referencedato. Oversigten er alene til orientering og er ikke udtømmende, idet Fusionen indebærer overdragelse af samtlige Topotargets aktiver og passiver, herunder alle aktiver og passiver, som ikke måtte være nævnt nedenfor, som sådanne aktiver og passiver måtte eksistere på den Selskabsretlige Fusionsdato, i overensstemmelse med selskabsloven og artikel L. 236-3 i den franske handelslov.

8.4 Pour déterminer le Rapport d'Echange applicable à la Fusion et, en conséquence, le nombre d'actions ordinaires nouvelles devant être émises par BioAlliance Pharma en faveur des actionnaires de Topotarget en échange de leurs actions de Topotarget et, tel que cela est expliqué plus en détail dans les rapports des conseils visés aux clauses 4.1 et 4.2, BioAlliance Pharma et Topotarget ont estimé la valeur économique de chaque Société, l'une par rapport à l'autre, de même que la valeur relative de chaque action de Topotarget par rapport à une action de BioAlliance Pharma.

9. Désignation et évaluations de l'actif et du passif transférés

9.1 Topotarget transférera à BioAlliance Pharma l'ensemble de ses biens, droits et obligations, ainsi que l'ensemble de ses actifs et passifs, dans l'état où ils se trouveront à la date de réalisation de la Fusion.

9.2 La liste ci-dessous énonce l'évaluation de l'actif et du passif de Topotarget sur la base des comptes annuels de Topotarget à la Date de Référence Comptable de la Fusion. Cette liste est fournie à titre d'information uniquement et n'est pas exhaustive puisque la Fusion entraîne la transmission de la totalité de l'actif et du passif de Topotarget, y compris les éléments qui ne seraient pas expressément mentionnés ci-dessous, dans l'état où ils se trouvent à la Date d'Effet Juridique de la Fusion conformément aux dispositions du Danish Companies Act et de l'Article L. 236-3 du Code de commerce français.

Transferred assets

9.3 The assets of Topotarget transferred to BioAlliance Pharma with accounting effect as of the Merger Accounting Reference Date are listed as assets in schedule 9.3.

9.4 The fair market value of the contributed assets made on the basis of the Topotarget annual accounts as of the Merger Accounting Reference Date is estimated at €81,679,490.

Transferred liabilities

9.5 The liabilities of Topotarget transferred to BioAlliance Pharma with accounting effect as of the Merger Accounting Reference Date are listed as liabilities in schedule 9.3.

9.6 The fair market value of the contributed liabilities made on the basis of the Topotarget annual accounts as of the Merger Accounting Reference Date is estimated at €2,952,294.

9.7 BioAlliance Pharma will pay and discharge in lieu of Topotarget all its liabilities as of the Merger Legal Effective Date.

Provision for expected losses since 1 January 2014

9.8 No losses of Topotarget in respect of the

Overdragne aktiver

9.3 Aktiverne i Topotarget, som overdrages til BioAlliance Pharma med regnskabsmæssig virkning pr. den Regnskabsmæssige Referencedato, er anført som aktiver i bilag 9.3.

9.4 Markedsværdien af de indskudte aktiver er, på baggrund af Topotargets årsrapport pr. den Regnskabsmæssige Referencedato, anslået til EUR 81.679.490.

Overdragne passiver

9.5 Passiverne i Topotarget, som overdrages til BioAlliance Pharma med regnskabsmæssig virkning pr. den Regnskabsmæssige Referencedato, er anført som passiver i bilag 9.3.

9.6 Markedsværdien af de indskudte passiver er, på baggrund af Topotargets årsrapport pr. den Regnskabsmæssige Referencedato, anslået til EUR 2.952.294.

9.7 BioAlliance Pharma forpligter sig til på vegne af Topotarget at betale og opfylde alle dennes forpligtelser pr. den Selskabsretlige Fusionsdato.

Hensættelser til forventede tab siden 1. januar 2014

9.8 Der forventes ingen tab i Topotarget for så vidt

Actifs transférés

9.3 Les actifs de Topotarget transférés à BioAlliance Pharma avec effet comptable à partir de la Date de Référence Comptable, figurent en tant qu'actifs dans l'annexe 9.3.

9.4 La valeur de marché des actifs apportés évalués sur la base des comptes annuels de Topotarget à la Date de Référence Comptable de la Fusion est estimée à 81 679 490 €.

Passifs transférés

9.5 Les passifs de Topotarget, transférés à BioAlliance Pharma, avec effet comptable à partir de la Date de Référece Comptable figurent en tant que passifs dans l'annexe 9.3.

9.6 La valeur de marché du passif apporté évalué sur la base des comptes annuels de Topotarget est estimée à la Date de Référence Comptable de la Fusion à 2 952 294 €.

9.7 BioAlliance Pharma paiera et réglera, en lieu et place de Topotarget, la totalité de son passif tel qu'existant à la Date d'Effet Juridique de la Fusion.

Provision pour pertes intercalaires estimées depuis le 1er janvier 2014

9.8 Aucune perte intercalaire de Topotarget eu

transferred assets and liabilities are expected for the period from the Merger Accounting Reference Date until completion of the Merger.

Net contributed value assessed

9.9 Based on the above, the fair market value of the net assets and liabilities of Topotarget made on the basis of the Topotarget annual accounts as of the Merger Accounting Reference Date is estimated at €78,727,196 as follows:

Transferred assets:	€81,679,490
Transferred liabilities:	-€2,952,294
Total net assets:	€78,727,196

Off balance sheet commitments

9.10 As of the Merger Accounting Reference Date, Topotarget had no off-balance commitments.

10. Statements by valuation expert(s)

10.1 BioAlliance Pharma

10.1.1 In accordance with the provisions of Article L. 236-10 of the French Commercial Code, BioAlliance Pharma has filed on 13 March 2014 a request with the President of the Commercial

angår de overdragne aktiver og passiver for perioden fra den Regnskabsmæssige Referencedato og frem til tidspunktet for Fusionens gennemførelse.

Anslået tilført nettoværdi

9.9 Markedsværdien af nettoaktiverne og -passiverne i Topotarget er på baggrund af ovennævnte, og Topotargets årsrapport pr. den Regnskabsmæssige Referencedato, anslået til EUR €78.727.196, , som følger:

Overdragne aktiver:	EUR €81.679.490
Overdragne passiver:	EUR -2.952.294
Nettoaktiver i alt:	EUR 78,727,196

Ikke-balanceførte forpligtelser

9.10 Topotarget havde ingen ikke-balanceførte forpligtelser pr. den Regnskabsmæssige Referencedato.

10. Vurderingsmænds beretninger

10.1 BioAlliance Pharma

10.1.1 Den 13. marts 2014 indleverede BioAlliance Pharma i overensstemmelse med bestemmelserne i artikel L. 236-10 i den franske handelslov en anmodning til

égard à l'actif et au passif transférés n'est attendue pour la période allant de la Date de Référence Comptable de la Fusion jusqu'à la réalisation de la Fusion.

Évaluation de la valeur nette apportée

9.9 Sur la base de ce qui précède, la valeur de marché de l'actif et du passif nets de Topotarget évalués sur la base des comptes annuels de Topotarget à la Date de Référence Comptable de la Fusion est estimée à 78 727 196 €, comme suit :

Actif transféré :	€81 679 490 €
Passif transféré :	- 2 952 294 €
Total actif net :	78 727 196 €

Engagements hors bilan

9.10 A la Date de Référence Comptable de la Fusion, Topotarget n'a aucun engagement hors bilan.

10. Rapports du (des) commissaire(s) à la fusion

10.1 BioAlliance Pharma

10.1.1 Conformément aux dispositions de l'Article L. 236-10 du Code de commerce français, BioAlliance Pharma a déposé, le 13 mars 2014, une requête auprès Président du Tribunal de

Court of Paris in order to obtain the appointment of a merger appraiser for the purposes of:

- assessing the terms and conditions of the Merger;
- checking that the relative value assigned to the shares of Topotarget and of BioAlliance Pharma are relevant and that the exchange ratio is fair;
- assessing that the value of the contributions in kind made by Topotarget as part of the Merger is not over-estimated and assessing the special benefits which will be granted as part of the Merger; and
- preparing the reports as provided for in Articles L.236-10 I and III of the French Commercial Code.

10.1.2 The President of the Commercial Court of Paris has appointed Mr. Thierry Bellot and Mr. Olivier Marion to act as valuation expert(s) on behalf of BioAlliance Pharma in respect of the Merger Plan.

10.1.3 Mr. Thierry Bellot and Mr. Olivier Marion have issued an expert statement in respect of the Merger Plan which will be made available to BioAlliance Pharma's shareholders at BioAlliance Pharma's registered office and may also be downloaded from BioAlliance Pharma's website at the following address: www.bioalliancepharma.com.

10.1.4 No special advantages are granted to the valuation expert(s) appointed on behalf of BioAlliance Pharma other than arms-length remuneration for the services rendered by such valuation expert(s) to BioAlliance Pharma.

Præsidenten for Handelsretten i Paris om at udpege en vurderingsmand med henblik på at:

- vurdere Fusionens vilkår og betingelser,
- kontrollere, at den relative værdi, der er fastsat for aktierne i Topotarget og i BioAlliance Pharma, er relevant, og at ombytningsforholdet er rimeligt,
- vurdere, at værdien af apportindskuddene foretaget af Topotarget som led i Fusionen ikke er overvurderet og vurdere de særlige fordele, der tildeles som led i Fusionen, og
- udarbejde de rapporter, der skal udarbejdes i henhold til artikel L. 236-10 I og III i den franske handelslov.

10.1.2 Præsidenten for Handelsretten i Paris har udpeget Thierry Bellot og Olivier Marion til at fungere som vurderingsmænd på vegne af BioAlliance Pharma i forhold til Fusionsplanen.

10.1.3 Thierry Bellot og Olivier Marion har udarbejdet en sagkyndig erklæring i relation til Fusionsplanen, som vil blive gjort tilgængelig for BioAlliance Pharmas aktionærer på BioAlliance Pharmas registrerede kontor, og som også kan downloades på BioAlliance Pharmas hjemmeside på følgende adresse: www.bioalliancepharma.com.

10.1.4 De på vegne af BioAlliance Pharma udpegede vurderingsmænd indrømmes ingen særlige fordele, bortset fra et markedsbaseret honorar for de ydelser, som vurderingsmændene har ydet til BioAlliance Pharma.

Commerce de Paris, aux fins de désignation d'un commissaire à la fusion, afin que ce dernier :

- évalue les modalités de la Fusion ;
- vérifie que les valeurs relatives attribuées aux actions de Topotarget et de BioAlliance Pharma sont pertinentes et que le rapport d'échange est équitable ;
- vérifie que la valeur des apports en nature effectués par Topotarget dans le cadre de la Fusion n'est pas surestimée et apprécie les avantages particuliers qui seront accordés dans le cadre de la fusion ; et
- prépare les rapports prévus à l'Article L. 236-10 I et III du Code de commerce français.

10.1.2 Le Président du Tribunal de Commerce de Paris a désigné M. Thierry Bellot et M. Olivier Marion en qualité de commissaires à la fusion pour le compte de BioAlliance Pharma concernant le Traité de Fusion.

10.1.3 M. Thierry Bellot et M. Olivier Marion ont émis un rapport concernant le Traité de Fusion, qui sera mis à disposition des actionnaires de BioAlliance Pharma au siège social de BioAlliance Pharma et pourra également être téléchargé sur le site Internet de BioAlliance Pharma à l'adresse suivante : www.bioalliancepharma.com

10.1.4 Aucun avantage particulier n'est accordé aux commissaires à la fusion désignés pour le compte de BioAlliance Pharma en dehors de la rémunération habituelle prévue pour les services rendus par ces commissaires à la fusion à BioAlliance Pharma.

10.2 Topotarget

10.2.1 In accordance with section 276(2) and section 277(1) of the Danish Companies Act, the board of directors of Topotarget has appointed PricewaterhouseCoopers to act as valuation expert on behalf of Topotarget in respect of the Merger for the purposes of

- determining whether the consideration offered for the shares in Topotarget (as the discontinuing entity) is fair and reasonable,
- specifying the method(s) used for determining the consideration,
- assessing whether such methods are appropriate,
- specifying the values that result from each method and the relative importance that should be attached to each individual method in connection with the valuation,
- indicating, if relevant, whether and how the valuation has given rise to particular difficulties, and
- assessing whether the creditors of each of Topotarget can be considered to be sufficiently protected after the Merger.

10.2.2 PricewaterhouseCoopers has issued an expert statement in respect of the Merger Plan which will be made available to Topotarget's shareholders at Topotarget's registered office and may also be downloaded from Topotarget's website at the following address: www.topotarget.com.

10.2.3 PricewaterhouseCoopers has issued an expert

10.2 Topotarget

10.2.1 Bestyrelsen i Topotarget har i overensstemmelse med selskabslovens § 276, stk. 2, og § 277, stk. 1, udpeget PricewaterhouseCoopers som sagkyndig vurderingsmand på vegne af Topotarget i forbindelse med Fusionen med henblik på at:

- fastslå, om det vederlag, der tilbydes for aktierne i Topotarget (som det ophørende selskab), er rimeligt og sagligt begrundet,
- angive de(n) fremgangsmåde(r), der er anvendt ved fastsættelsen af vederlaget,
- vurdere, om sådanne fremgangsmåder er hensigtsmæssige,
- angive de værdier, som fremgangsmåderne hver for sig fører til, samt den betydning, der må tillægges fremgangsmåderne i forhold til hinanden ved værdiansættelsen,
- i relevant omfang anføre, om og hvorledes værdiansættelsen har givet anledning til særlige problemer og
- vurdere, om kreditorerne i Topotarget må antages at være tilstrækkeligt sikrede efter Fusionen.

10.2.2 PricewaterhouseCoopers har udarbejdet en vurderingsmandsudtalelse om Fusionsplanen som vil blive gjort tilgængelig for Topotargets aktionærer på Topotargets registrerede kontor, og som også kan downloades på Topotargets hjemmeside på følgende adresse: www.topotarget.com.

10.2.3 PricewaterhouseCoopers har udarbejdet en

10.2 Topotarget

10.2.1 Conformément à l'article 276(2) et à l'article 277(1) du Danish Companies Act, le conseil d'administration de Topotarget a désigné PricewaterhouseCoopers en qualité de commissaire à la fusion pour le compte de Topotarget en rapport avec la Fusion, afin que ce dernier :

- détermine si la rémunération offerte en échange des actions de Topotarget (en tant que société absorbée) est équitable et raisonnable,
- précise la ou les méthodes suivies pour la détermination de la rémunération,
- évalue si ces méthodes sont appropriées,
- précise les valeurs auxquelles chacune de ces méthodes conduit, et l'importance relative qui doit être donnée à ces méthodes dans la détermination de la valeur retenue,
- indique, s'il y a lieu, les difficultés particulières de l'évaluation, et
- détermine si les créanciers de Topotarget peuvent être considérés comme suffisamment protégés après la Fusion.
-

10.2.2 PricewaterhouseCoopers a émis un rapport concernant le Traité de Fusion, qui sera mis à disposition des actionnaires de Topotarget au siège social de Topotarget et pourra également être téléchargé sur le site Internet de Topotarget à l'adresse suivante : www.topotarget.com

10.2.3 PricewaterhouseCoopers a émis un rapport

statement as to whether the creditors of Topotarget can be considered to be sufficiently protected after the Merger which will be made available to Topotarget's shareholders at Topotarget's registered office and may also be downloaded from Topotarget's website at the following address: www.topotarget.com.

10.2.4 No special advantages are granted to the valuation expert appointed on behalf of Topotarget other than arms-length remuneration for the services rendered by such valuation expert to Topotarget.

11. Share capital increase – Merger Premium

11.1 Based on the share capital of Topotarget as at the date of this Merger Plan consisting of 143,317,114 shares, plus the issuance of 2,473,998 new shares to be issued as a consequence of the Warrant Exercise, the number of shares to be issued by BioAlliance Pharma in accordance with the Exchange Ratio will be 10,799,341 New Ordinary Shares with a par value of €0.25 each, resulting in a share capital increase of € 2,699,835.25. The share capital of BioAlliance Pharma will therefore be increased from € 5,170,748 to € 7,870,583.25.

11.2 The difference between the fair market value of the net assets and liabilities contributed by Topotarget and the nominal value of the capital increase of BioAlliance Pharma will be recorded as a merger premium (the "Merger

vurderingsmandserklæring om, hvorvidt kreditorerne i Topotarget må antages at være tilstrækkeligt sikrede efter Fusionen, som vil blive gjort tilgængelig for Topotargets aktionærer på Topotargets registrerede kontor, og som også kan downloades på Topotargets hjemmeside på følgende adresse: www.topotarget.com.

10.2.4 Den på vegne af Topotarget udpegede vurderingsmand indrømmes ingen særlige fordele bortset fra et markedsbaseret honorar for de ydelser, som denne har ydet til Topotarget.

11. Kapitalforhøjelse – Fusionspræmien

11.1 Baseret på aktiekapitalen i Topotarget på datoen for denne Fusionsplan, der består af 143.317.114 aktier, plus udstedelsen af 2.473.998 nye aktier som skal udstedes som konsekvens af Warrantudnyttelsen, vil det antal aktier, der skal udstedes af BioAlliance Pharma i overensstemmelse med Ombytningsforholdet, udgøre 10.799.341 Nye Ordinære Aktier á nominelt EUR 0,25, hvilket medfører en kapitalforhøjelse på EUR 2.699.835,25. Aktiekapitalen i BioAlliance Pharma vil derfor blive forhøjet fra EUR 5.170.748 til EUR 7.870.583,25.

11.2 Forskellen mellem markedsværdien af de af Topotarget indskudte nettoaktiver og forpligtelser og den nominelle værdi af kapitalforhøjelsen i BioAlliance Pharma vil blive posteret som en overkurs ("Fusionspræmien").

précisant si les créanciers de Topotarget peuvent être considérés comme suffisamment protégés après la Fusion, rapport qui sera mis à disposition des actionnaires de Topotarget au siège social de Topotarget et pourra également être téléchargé sur le site Internet de Topotarget à l'adresse suivante : www.topotarget.com

10.2.4 Aucun avantage particulier n'est accordé au commissaire à la fusion désigné pour le compte de Topotarget en dehors de la rémunération habituelle prévue pour les services rendus par ce commissaire à la fusion à Topotarget.

11. Augmentation du capital social – Prime de Fusion

11.1 Sur la base du capital social de Topotarget à la date du présent Traité de Fusion composé de 143 317 114 actions, plus l'émission de 2 473 998 actions nouvelles à émettre en conséquence de l'Exercice des Bons de Souscription d'Actions, le nombre d'actions devant être émises par BioAlliance Pharma conformément au Rapport d'Échange sera de 10 799 341 Actions Nouvelles Ordinaires d'une valeur nominale de 0,25 € chacune, entraînant une augmentation du capital social de 2 699 835,25 €. Le capital social de BioAlliance Pharma serait en conséquence augmenté de 5 170 748 € à 7 870 583,25 €.

11.2 La différence entre la valeur de marché de l'actif et du passif nets apportés par Topotarget et la valeur nominale de l'augmentation de capital de BioAlliance Pharma sera comptabilisée comme une prime de fusion (la

Premium").

11.3 The amount of the Merger Premium is €76,027,360.75 as detailed below.

Fair market value of net assets and liabilities contributed to BioAlliance Pharma	€ 78,727,196.00
Aggregate nominal value of the New Ordinary Shares	€ 2,699,835.25
Merger Premium	€ 76,027,360.75

11.4 The balance of the Merger Premium can be allocated in accordance with the applicable laws, as decided by the shareholders' meeting of BioAlliance Pharma.

11.5 It is expressly specified that BioAlliance Pharma's extraordinary shareholders' meeting convened to approve the Merger will be asked inter alia to grant all powers to its Chief Executive Officer to (i) deduct from the Merger Premium all expenses, rights, costs and taxes arising from the share capital increase resulting from the Merger, (ii) withhold, as applicable, from the Merger Premium the amounts necessary to recreate, as BioAlliance Pharma's liabilities, the reserves and regulated provisions as existing in Topotarget's balance sheet, as the case may be (iii) increase the legal reserve, as appropriate, (iv) proceed with the formalities as a consequence of the Merger and the corresponding share capital increase, (v) apply for the admission to trading of the New Ordinary Shares and existing ordinary

11.3 Fusionspræmien udgør EUR 76.027.360,75 som nærmere anført nedenfor.

Markedsværdien af tilførte nettoaktiver og passiver til BioAlliance Pharma	EUR 78.727.196,00
Samlet nominel værdi af de Nye Ordinære Aktie	EUR 2.699.835,25
Fusionspræmie	EUR 76.027.360,75

11.4 Fusionspræmien kan allokeres i overensstemmelse med gældende lovgivning som besluttet af generalforsamlingen i BioAlliance Pharma.

11.5 Der gøres udtrykkeligt opmærksom på, at den ekstraordinære generalforsamling i BioAlliance Pharma, der indkaldes med henblik på godkendelse af Fusionen, blandt andet vil blive bedt om at bemyndige den administrerende direktør til (i) fra Fusionspræmien at fratrække alle udgifter, rettigheder, omkostninger og skatter, i forbindelse med kapitalforhøjelsen som følge af Fusionen, (ii) i relevant omfang fra Fusionspræmien at indeholde de beløb, der måtte være nødvendige for at genskabe, som BioAlliance Pharmas passiver, de reserver henholdsvis de lovpligtige hensættelser, der måtte eksistere på Topotarget's balance, (iii) i nødvendigt omfang at forhøje den lovpligtige reservefond, (iv) at gennemføre de formaliteter, der følger af Fusionen og den tilhørende kapitalforhøjelse, (v) at ansøge om

« Prime de Fusion »).

11.3 Le montant de la Prime de Fusion s'élève à 76 027 360,75 €, comme détaillé ci-dessous.

Valeur de marché de l'actif net apporté à BioAlliance Pharma	78 727 196,00 €
Valeur nominale globale des Actions Nouvelles Ordinaires émises	2,699,835.25 €
Prime de Fusion	76 027 360,75 €

11.4 Le solde de la Prime de Fusion pourra recevoir toute affectation conformément au droit applicable, sur décision de l'assemblée des actionnaires de BioAlliance Pharma.

11.5 Il est expressément précisé qu'il sera, entre autres, demandé à l'assemblée extraordinaire des actionnaires de BioAlliance Pharma convoquée à l'effet d'approuver la Fusion d'accorder tous pouvoirs à son Directeur Général afin de (i) déduire de la Prime de Fusion toutes les dépenses, droits, coûts et taxes découlant de l'augmentation de capital social résultant de la Fusion, (ii) prélever s'il y a lieu sur la Prime de Fusion les montants nécessaires pour reconstituer, en tant que passif de BioAlliance Pharma, les réserves et provisions réglementées existant dans le bilan de Topotarget, suivant les cas, (iii) augmenter la réserve légale, s'il y a lieu, (iv) accomplir les formalités résultant de la Fusion et l'augmentation de capital social correspondante, (v) demander l'admission aux

shares on the Paris and Copenhagen regulatory stock exchanges and, in general, (vi) perform all formalities and take all measures needed or useful to achieve the completion of the Merger.

optagelse af de Nye Ordinære Aktier og eksisterende ordinære aktier til handel på fondsbørserne i Paris og København og generelt, (vi) at udføre alle sådanne formaliteter og foretage alle sådanne handlinger, som måtte være nødvendige eller hensigtsmæssige med henblik på Fusionens gennemførelse.

négociations des Actions Nouvelles Ordinaires et des actions existantes sur les marchés réglementés de Paris et de Copenhague et, en général, (vi) accomplir toutes les formalités et prendre toutes les mesures nécessaires ou utiles à la réalisation de la Fusion.

12. Effective time of the Merger

12.1 With reference to article 5, subsection 1 (f) of the EU Directive 56/2005, the Merger shall have effect as of 1 January 2014 (the "Merger Accounting Reference Date").

12.2 For the avoidance of doubt the stipulated Merger Accounting Reference Date shall be without prejudice for applicable accounting standards. Consequently, for purposes of BioAlliance Pharma's preparation of its consolidated accounts in accordance with IFRS accounting standards, the Merger will be recognized as of the date on which BioAlliance Pharma acquires control over the assets and activities of Topotarget. This date is expected to be no earlier than 30 June 2014 being the date of the latest of the general meetings of the Companies convened for the purpose of resolving the Merger, ref. clause 13.4).

12.3 The Merger will take effect for legal purposes when (i) the Danish Business Authority has issued the certificate prescribed by sec. 289(1) of the Danish Companies Act and (ii) the Merger is registered with the French relevant

12. Tidspunktet for Fusionens ikrafttræden

12.1 Fusionen træder i regnskabsmæssig henseende (jf. artikel 5, stk. 1, litra f i Rådets Direktiv 2005/56/EF) i kraft på pr. 1. januar 2014 (den "Regnskabsmæssige Referencedato").

12.2 For god ordens skyld bemærkes, at den anførte Regnskabsmæssige Referencedato skal være uden præjudice for anvendelsen af gældende regnskabsstandarder. I forbindelse med udarbejdelsen af BioAlliance Pharmas konsoliderede regnskaber i henhold til IFRS regsskabsstandarder, vil Fusionen således blive indregnet per den dato, hvor BioAlliance Pharma overtager kontrollen over Topotarget aktiver og passiver. Denne dato forventes at være tidligst den 30. juni 2014 som den seneste dato for de generalforsamlinger i Selskaberne indkaldt med henblik på godkendelse af Fusionen, jf. pkt. 13.4.

12.3 Fusionen træder i juridisk henseende i kraft, når (i) Erhvervsstyrelsen har udstedt en attest i henhold til selskabslovens § 289, stk. 1, og (ii) Fusionen er registreret hos de relevante franske myndigheder (*greffe* eller *notaire*), jf.

12. Date d'effet de la Fusion

12.1 Eu égard à l'article 5, sous-section 1 (f) de la Directive 56/2005, la Fusion prendra effet le 1er janvier (la « Date de Référence Comptable de la Fusion »).

12.2 Afin d'éviter toute ambiguïté, la Date de Référence Comptable de la Fusion est stipulée sans préjudice des règles comptables applicables. En conséquence, à l'effet pour BioAlliance Pharma de preparer ses comptes consolidés conformément aux normes comptables IRFS, la Fusion sera prise en compte à la date à laquelle BioAlliance Pharma acquerra le contrôle des actifs et passifs de Topotarget. Il est attendu que cette date n'interviendra pas avant le 30 juin 2014, c'est-à-dire la date de la dernière des assemblées générales apellées à approuver sur la Fusion, cf. clause 13.4).

12.3 La Fusion prendra juridiquement effet lorsque (i) la Danish Business Authority aura délivré le certificat prescrit par l'article 289(1) de la Danish Companies Act et (ii) la Fusion sera enregistrée auprès de l'autorité compétente

authority (*greffe or notaire*), cf. L.236-30 et L.236-31 of the French Commercial Code ("Merger Legal Effective Date").

12.4 As of the Merger Legal Effective Date:

- BioAlliance Pharma will acquire control over the assets and activities of Topotarget; and
- the universal transfer of all assets and liabilities of Topotarget into BioAlliance Pharma will take place; and
- Topotarget will cease to exist and all rights and obligations of Topotarget will be deemed to have passed to BioAlliance Pharma in their entirety, without any liquidating proceedings.

12.5 As soon as possible upon the Merger Legal Effective Date, the relevant French authority shall notify the Danish Business Authority of the registration of the Merger.

13. Conditions

13.1 Completion of the Merger is subject to the satisfaction of the following conditions prior to the general meetings of the respective Companies voting on the merger proposal:

(i) the registration (*enregistrement*) by the Autorité des Marchés Financiers of a merger prospectus (*Document E*) and the issuance of a *visa* by the Autorité des Marchés Financiers on the admission

artikel L.236-30 og L.236-31 i den franske handelslov (den "Selskabsretlige Fusionsdato").

12.4 Med virkning fra den Selskabsretlige Fusionsdato:

- opnår BioAlliance Pharma kontrol over Topotargets aktiver og aktiviteter, og
- overdrages alle aktiver og passiver i Topotarget til BioAlliance Pharma, og
- ophører Topotarget med at eksistere, og alle Topotargets rettigheder og forpligtelser anses for at være overgået til BioAlliance Pharma i deres helhed uden likvidation.

12.5 Den relevante franske myndighed skal snarest muligt efter den Selskabsretlige Fusionsdato oplyse Erhvervsstyrelsen om registreringen af Fusionen.

13. Betingelser

13.1 Gennemførelsen af Fusionen er betinget af opfyldelsen af følgende forhold forud for de respektive Selskabers afstemning om Fusionen på generalforsamling:

(i) Autorité *des Marchés Financiers'* (AMF) registrering (*enregistrement*) af et fusionsprospekt (Dokument E) samt udstedelsen af et *visa* fra *Autorité des Marchés Financiers* vedrørende

française (greffe ou notaire), cf. les Articles L. 236-30 et L. 236-31 du Code de commerce français (la « Date d'Effet Juridique de la Fusion »).

12.4 À la Date d'Effet Juridique de la Fusion :

- BioAlliance Pharma prendra le contrôle des actifs et activités de Topotarget ;
- La transmission universelle de l'actif et du passif de Topotarget au profit BioAlliance Pharma aura lieu ; et
- Topotarget cessera d'exister et tous les droits et obligations de Topotarget seront réputés avoir été intégralement transmis à BioAlliance Pharma, sans procédure de liquidation.

12.5 Dès que possible, à compter de la Date d'Effet Juridique de la Fusion, l'autorité française notifiera l'enregistrement de la Fusion à la Danish Business Authority.

13. Conditions

13.1 La réalisation de la Fusion est soumise à la réalisation des conditions suivantes, préalablement à l'assemblée générale des deux Sociétés appelée à voter sur le projet de fusion :

(i) L'enregistrement du Document E par l'Autorité des Marchés Financiers, et l'émission d'un visa par l'Autorité des Marchés Financiers sur le prospectus d'admission qui sera utilisé aux fins

prospectus to be used for passporting to Denmark;

(ii) passporting of the admission prospectus to Denmark;

(iii) No Material Adverse Change affecting either of the Companies shall have occurred and be pending or shall be threatening to occur, and

(iv) the number of shares issued by Topotarget held by shareholders of Topotarget who at the general meeting convened for the purpose of approving the Merger (a) have opposed the merger and (b) upon request of the chairman of general meeting of Topotarget pursuant to section 110(2) of the Danish Companies Act have indicated wishes to exercise their right to require redemption pursuant to section 286 of the Danish Companies Act, must not exceed 14,331,711 of shares (equal to 10% of the total outstanding share capital of Topotarget as of the date of this Merger Plan).

For the purpose of this section, the term "Material Adverse Change" shall have the following meaning: a change, event, circumstance, condition, state of fact, development, or other matter which has had or could reasonably be expected to have (in the aggregate) a material adverse effect on the business, assets, financial condition, prospects, result, or operations of the relevant party or any of such party's affiliates.

adgangsprospekt til brug for *passporting* til Danmark,

(ii) passporting af adgangsprospektet til *Danmark*,

(iii) ingen Væsentlige Negative Ændringer, som påvirker Selskaberne, er indtruffet og verserer, ligesom sådanne ikke må være truende, og

(iv) antallet af aktier udstedt af Topotarget og ejet af aktionærer i Topotarget, som på den generalforsamling, der er indkaldt med henblik på at vedtage Fusionen, (a) har modsat sig fusionen og (b) på opfordring fra dirigenten på generalforsamlingen i Topotarget i henhold til selskabslovens § 110, stk. 2, har tilkendegivet deres ønske om at benytte deres indløsningsret i henhold til selskabslovens § 286, kan maksimalt udgøre 14.331.711 aktier (svarende til 10 % af den samlede udestående aktiekapital i Topotarget pr. datoen for Fusionsplanen).

For så vidt angår dette punkt har udtrykket "Væsentlig Negativ Ændring" følgende betydning: en ændring, begivenhed, omstændighed, vilkår, kendsgerning, udvikling eller andet forhold, som har haft, eller med rimelighed kan forventes (samlet) at have en væsentlig negativ indvirkning på den relevante parts eller dennes tilknyttede virksomheders forretning, aktiver, finansielle stilling, fremtidsforventninger, resultat eller drift.

d'obtention du passeport au Danemark ;

(ii) La procédure de passeport du prospectus d'admission au Danemark ;

(iii) aucun Événement Significativement Défavorable affectant l'une ou l'autre des Sociétés ne sera survenu, sera en cours, ou menacerait de survenir, et

(iv) le nombre d'actions émises par Topotarget détenues par les actionnaires de Topotarget qui, à l'assemblée générale convoquée à l'effet d'approuver la Fusion, (i) se seront opposés à la fusion et (ii) qui, sur demande du président de l'assemblée générale de Topotarget en vertu de l'article 110(2) du Danish Companies Act, auront indiqué leur souhait d'exercer leur droit de remboursement en vertu de l'article 286 du Danish Companies Act, ne devra pas dépasser 14 331 711 actions (soit 10% de la totalité du capital social en circulation de Topotarget à la date du présent Traité de Fusion).

Pour les besoins du présent article, l'expression « Événement Significativement Défavorable » aura la signification suivante : un changement, un événement, une circonstance, une condition, un état de fait, un développement ou autre élément qui a eu ou qui pourrait raisonnablement être censé avoir (globalement) un effet significativement défavorable sur l'activité, les actifs, la situation financière, les perspectives, le résultat ou les opérations de la partie concernée ou de l'une des sociétés affiliées à cette

13.2 In addition to the conditions stipulated in clause 13.1 and for the avoidance of doubt, the completion of the Merger by Topotarget is subject to the approval of the Merger by the general meeting of Topotarget in accordance with the requirements of the articles of association of Topotarget and Danish law.

13.3 In addition to the conditions stipulated in clause 13.1 and for the avoidance of doubt, the completion of the Merger by BioAlliance Pharma is subject to (i) the prior approval of the Merger by the general meeting of Topotarget and (ii) the approval of the Merger by the general meeting of BioAlliance Pharma (including, but not limited to, the acknowledgement of the rights of the Topotarget shareholders and their consequences for BioAlliance Pharma) in accordance with the requirements of the articles of association of BioAlliance Pharma and French law.

13.4 The Merger is intended to be approved at extraordinary general meetings of each of the Companies to be held

(i) with respect to Topotarget, on 27 June 2014, and

(ii) with respect to BioAlliance Pharma, on 30 June 2014.

If deemed appropriate by the Companies, the approval

13.2 Udover de i pkt. 13.1 anførte betingelser og præciseres det for god ordens skyld, at Topotargets gennemførelse af Fusionen er betinget af Fusionens vedtagelse på generalforsamling afholdt i Topotarget i overensstemmelse med Topotargets vedtægters krav herom og dansk lovgivning.

13.3 Udover de i pkt. 13.1 anførte betingelser præciseres det for god ordens skyld, at BioAlliance Pharmas gennemførelse af Fusionen er betinget af (i) Fusionens forudgående godkendelse på generalforsamling afholdt i Topotarget og (ii) Fusionens vedtagelse på generalforsamling afholdt i BioAlliance Pharma (herunder, men ikke begrænset til, anerkendelsen af Topotarget aktionærernes rettigheder og betydningen deraf for BioAlliance Pharma) i overensstemmelse med BioAlliance Pharmas vedtægters krav herom og fransk lovgivning.

13.4 Fusionen påtænkes godkendt på ekstraordinære generalforsamlinger i hvert af Selskaberne, der afholdes

(i) for så vidt angår Topotarget, den 27. juni 2014, og

(ii) for så vidt angår BioAlliance Pharma, den 30. juni 2014.

Såfremt Selskaberne anser det for hensigtsmæssigt,

partie.

13.2 En complément des conditions stipulées à l'article 13.1 et pour éviter toute ambiguïté, il est précisé que la réalisation de la Fusion est, pour ce qui concerne Topotarget, soumise à la condition de l'approbation de la Fusion par l'assemblée générale de Topotarget, conformément aux exigences des statuts de Topotarget et du droit danois,

13.3 En complément des conditions stipulées à l'article 13.1 et pour éviter toute ambiguïté, il est précisé que la réalisation de la Fusion est, pour ce qui concerne BioAlliance Pharma , soumise à la condition (i) de l'approbation de la Fusion par l'assemblée générale de Topotarget et (ii) de l'approbation de la Fusion par l'assemblée générale de BioAlliance Pharma (notamment quant à la reconnaissance des droits des actionnaires de Topotarget et de leurs conséquences pour BioAlliance Pharma), conformément aux exigences des statuts de BioAlliance Pharma et du droit français.

13.4 Il est envisagé que la Fusion soit approuvée lors des assemblées générales extraordinaires des Sociétés devant être tenues :

(i) concernant Topotarget, le 27 juin 2014, et

(ii) concernant BioAlliance Pharma, le 30 juin 2014.

Si les Sociétés l'estiment approprié, l'approbation de la

of the Merger may be postponed to a later point in time, however no later than 31 August 2014.

13.5 For the avoidance of doubt, following the approval of the Merger by the general meetings of the respective Companies, the completion of the Merger shall not be subject to any conditions (including without limitation any of the conditions stipulated in clause 13.1) except for the registration of the Merger by the relevant French and Danish authorities.

13.6 In the event that the conditions stipulated in clauses 13.1 - 13.3 have not been satisfied by each Company on or before 31 August 2014 this Merger Plan shall automatically terminate and cease to have any further force or effect.

14. Taxation

14.1 General representation undertaking

14.1.1 Each Company undertakes to ensure that it will comply with all the legal requirements applicable with regard to the declarations to be made and the payment of corporate income tax and any other taxes resulting from the final completion of the Merger.

14.1.2 It is recalled that BioAlliance Pharma is subject to corporate income tax in France in application of Article 206 of the French Tax Code and is not liable to corporate income tax in Denmark, whereas Topotarget is a tax resident in Denmark and is not liable to

kan vedtagelsen af Fusionen udskydes til et senere tidspunkt, dog senest den 31. august 2014.

13.5 Det præciseres, at efter Fusionens vedtagelse på de respektive Selskabers generalforsamling er gennemførelsen af Fusionen ikke underlagt nogen betingelser (herunder, men ikke begrænset til, nogen af de i pkt. 13.1 anførte betingelser), udover registreringen af Fusionen hos de relevante franske og danske myndigheder.

13.6 Såfremt de i pkt. 13.1 - 13.3 anførte betingelser ikke er opfyldt af hvert af Selskaberne senest den 31. august 2014, bortfalder denne Fusionsplan automatisk og vil ikke længere have retskraft eller virkning.

14. Skat

14.1 Generel forpligtelse

14.1.1 Hvert af Selskaberne forpligter sig til at sikre overholdelse af alle juridiske krav i forhold til erklæringer, der skal afgives, samt betaling af selskabsskatter og andre afgifter som følge af Fusionens endelige gennemførelse

14.1.2 Det præciseres, at BioAlliance Pharma er selskabsskattepligtig i Frankrig i henhold til artikel 206 i den franske skattelov og ikke er selskabsskattepligtig i Danmark, hvorimod Topotarget er hjemmehørende i Danmark i skattemæssig henseende og ikke er

Fusion pourra être reportée à une date ultérieure, sans que celle-ci ne puisse être postérieure au 31 août 2014.

13.5 Pour éviter toute ambiguïté, consécutivement à l'approbation de la Fusion par les assemblées générales respectives des Sociétés, la réalisation de la Fusion ne sera soumise à aucune autre condition (y compris, et sans limitation, s'agissant des conditions visées à l'article 13.1) à l'exception de l'enregistrement de la Fusion par les autorités françaises et danoises compétentes.

13.6 Si les conditions stipulées aux clauses 13.1 à 13.3 n'ont pas été réalisées au plus tard le 31 août 2014, le présent Traité de Fusion sera caduc de plein droit et cessera de produire ses effets.

14. Taxation

14.1 Engagement déclaratif général

14.1.1 Chaque Société s'engage à veiller à se conformer à toutes les prescriptions légales concernant les déclarations devant être faites et le paiement de l'impôt sur les sociétés et autres taxes résultant de la réalisation définitive de la Fusion.

14.1.2 Il est rappelé que BioAlliance Pharma est soumise à l'impôt sur les sociétés en France en application de l'Article 206 du Code général des impôts français et n'est pas soumise à l'impôt sur les sociétés aux Danemark et Topotarget a sa résidence fiscale au Danemark et n'est pas

corporate income tax in France.

14.1.3 The Merger is not expected to trigger any tax impact in France since BioAlliance Pharma is the continuing company and Topotarget has no permanent establishment in France., The Merger is also not expected to trigger any tax impact in Denmark since the Merger will be subject in Denmark to the provisions of the Danish Act on Mergers, Divisions and Infusion of Assets, etc. ("*Fusionsskatteloven*"). BioAlliance Pharma and Topotarget each undertakes to ensure that it will comply with all of the French and Danish legal provisions.

14.2 Corporate income tax

Merger tax regime

14.2.1 The Merger is eligible to the tax provisions for mergers provided for by the European Council Directive 90/434/EC of 23 July 1990 amended and recodified by Directive 2009/133/EC of 19 October 2009 defining the main provisions applicable to mergers concerning companies of different Member States of the European Community.

14.2.2 BioAlliance Pharma and Topotarget have elected for the application of said set of tax rules to the Merger.

14.2.3 The representatives of BioAlliance Pharma and Topotarget declare that the Merger is not expected to trigger any tax impact in France since BioAlliance Pharma is the continuing

selskabsskattepligtig i Frankrig.

14.1.3 Fusionen forventes ikke at have nogen skattemæssig virkning i Frankrig, eftersom BioAlliance Pharma er det fortsættende selskab, og Topotarget ikke har noget fast driftssted i Frankrig. Fusionen forventes heller ikke at have nogen skattemæssige virkning i Danmark, idet Fusionen i Danmark vil være underlagt bestemmelserne i fusionsskatteloven. BioAlliance Pharma og Topotarget forpligter sig hver især til at sikre overholdelse af fransk og dansk lovgivning.

14.2 Selskabsskat

Skattemæssig behandling af fusioner

14.2.1 Fusionen kvalificerer til en skattemæssig behandling i henhold til reglerne i Rådets Direktiv 90/434/EF af 23. juli 1990 som ændret og efterfølgende kodificeret i Rådets Direktiv 2009/133/EF af 19. oktober 2009, som fastlægger de overordnede bestemmelser, der gælder for fusioner mellem selskaber i forskellige medlemsstater.

14.2.2 BioAlliance Pharma og Topotarget har valgt at anvende nævnte skatteregler i forbindelse med Fusionen.

14.2.3 Repræsentanterne for BioAlliance Pharma og Topotarget erklærer, at Fusionen ikke forventes af have nogen skattemæssig virkning i Frankrig, eftersom BioAlliance Pharma er det

soumise à l'impôt sur les sociétés en France.

14.1.3 La fusion ne devrait pas entraîner d'impact fiscal en France puisque BioAlliance Pharma est la société absorbante et que Topotarget n'a pas d'établissement stable en France. La Fusion ne devrait pas non plus entraîner d'impact fiscal au Danemark, dès lors que l'opération sera soumise au Danemark aux dispositions du Danish Act on Mergers, Divisions and Infusion of Assets, etc. (« *Fusionsskatteloven* »). BioAlliance Pharma et Topotarget s'engagent à veiller à se conformer à toutes les dispositions légales françaises et danoises.

14.2 Impôt sur les sociétés

Régime fiscal des fusions

14.2.1 La Fusion est éligible aux dispositions fiscales applicables aux fusions telles que prévues par la Directive du Conseil Européen 90/434/CE du 23 juillet 1990 amendée et recodifiée par la Directive 2009/193/CE du 19 octobre 2009, définissant les principales dispositions applicables aux fusions concernant de sociétés des différents Etats Membres de la Communauté Européenne.

14.2.2 BioAlliance Pharma et Topotarget ont choisi d'appliquer cet ensemble de règles fiscales à la Fusion.

14.2.3 Les représentants de BioAlliance Pharma et de Topotarget déclarent que la Fusion ne devrait pas entraîner d'impact fiscal en France puisque BioAlliance Pharma est la société absorbante et

company and Topotarget has no permanent establishment in France. The Merger *de facto* cannot be subject to the French favorable merger regime since it will not result in any transfer of French assets nor any French assets revaluation.

14.2.4 Topotarget undertakes to ensure that it will comply with all Danish and French legal provisions.

14.2.5 The Merger will be effected as a tax-deferred merger under the provisions of the Danish Act on Mergers, Divisions and Infusion of Assets, etc. ("Fusionsskatteloven").

Accounting entries

14.2.6 The Merger is performed on the basis of the fair market values.

14.2.7 As a consequence of the Merger and BioAlliance Pharma's assumption of Topotarget's assets and liabilities, BioAlliance Pharma will acquire a permanent establishment in Denmark.

14.3 Value added tax

14.3.1 Pursuant to sec. 8 of the Danish VAT Act, the transfer of assets and liabilities resulting from the Merger is exempt from Danish VAT.

14.3.2 The VAT credit and VAT receivables booked by Topotarget on the date of the definitive completion of the operation are transferred to

fortsættende selskab, og Topotarget ikke har noget fast driftssted i Frankrig. Fusionen kan *de facto* ikke være underlagt de gunstige franske fusionsregler, eftersom Fusionen ikke indebærer nogen overdragelse af franske aktiver eller opskrivning af franske aktiver.

14.2.4 Topotarget forpligter sig til at sikre overholdelse af fransk og dansk lovgivning i enhver henseende.

14.2.5 Fusionen gennemføres som en skattefri fusion i henhold til bestemmelserne i fusionsskatteloven.

Regnskabsposter

14.2.6 Fusionen gennemføres på baggrund af markedsværdier.

14.2.7 Som følge af Fusionen og BioAlliance Pharmas erhvervelse af Topotargets aktiver og passiver, etablerer BioAlliance Pharma – med virkning fra Fusionsdatoen – et fast driftssted i Danmark.

14.3 Moms

14.3.1 I henhold til momslovens § 8 er overdragelsen af de aktiver og passiver, der er et resultat af Fusionen, ikke underlagt dansk moms

14.3.2 Det momsfradrag og -tilgodehavende, der er bogført af Topotarget på datoen for den endelige gennemførelse af transaktionen,

que Topotarget n'a pas d'établissement stable en France. La Fusion ne peut donc de fait bénéficier de régime français de faveur des fusions puisqu'elle n'entraînera pas le transfert d'actifs français ni de réévaluation d'actifs français.

14.2.4 Topotarget s'engage à veiller à se conformer à toutes les dispositions légales danoises et françaises.

14.2.5 La Fusion sera réalisée comme une fusion soumise au régime fiscal de taxation différée au titre des dispositions du Danish Act on Mergers, Divisions and Infusion of Assets, etc. (« *Fusionsskatteloven* »).

Écritures comptables

14.2.6 La Fusion est réalisée sur la base des valeurs réelles.

14.2.7 En conséquence de la Fusion et de l'appréhension par BioAlliance Pharma de l'actif et du passif de Topotarget, BioAlliance Pharma constituera un établissement stable au Danemark.

14.3 Taxe sur la valeur ajoutée

14.3.1 En vertu de l'article 8 du Danish VAT Act, la transmission de l'actif et du passif résultant de la fusion est exonérée de la TVA danoise.

14.3.2 Le crédit de TVA et les créances de TVA comptabilisés par Topotarget à la date de réalisation définitive de l'opération sont

BioAlliance Pharma.

14.4 Registration duties

14.4.1 The Parties declare that the Merger benefits in France from the favorable tax regime enacted in the article 816 of the French Tax Code.

14.4.2 Consequently, the formality of registration shall be carried out in France for a fixed sum of EUR 500 pursuant to the article above-mentioned.

14.4.3 Registration of the Merger with the Danish Business Authority shall be subject to the payment of a single fixed registration fee of DKK 340.

14.5 Other taxes

14.5.1 Overall, BioAlliance Pharma shall purely and simply subrogate Topotarget regarding all the rights and obligations of Topotarget concerning all the taxes not expressly mentioned in this Agreement and related to the activity contributed.

14.6 Miscellaneous

14.6.1 BioAlliance Pharma and Topotarget hereby expressly declare for French purposes, a fraudulent declaration being subject to the penalties provided by Article 1837 of the French General Tax Code, that this Merger Plan expresses all of the contributed property and of the assumed liabilities.

overføres til BioAlliance Pharma.

14.4 Registreringsforpligtelser

14.4.1 Parterne erklærer, at Fusionen i Frankrig er omfattet af de gunstige skatteregler i artikel 816 i den franske skattelov.

14.4.2 Registrering sker således i Frankrig for et fast beløb på EUR 500 i henhold til ovennævnte artikel.

14.4.3 For registrering af Fusionen hos Erhvervsstyrelsen betales et engangsbeløb på DKK 340.

14.5 Øvrige skatter

14.5.1 Overordnet set skal BioAlliance Pharma indtræde i stedet for Topotarget for så vidt angår alle Topotargets rettigheder og forpligtelser vedrørende alle de skatter, som ikke er udtrykkeligt anført heri, og som vedrører de indskudte aktiviteter.

14.6 Generelt

14.6.1 BioAlliance Pharma og Topotarget erklærer hermed udtrykkeligt overfor de franske myndigheder, idet det er strafbart at afgive falsk erklæring efter bestemmelserne i artikel 1837 i den franske skattelov, at denne Fusionsplan anfører alle de indskudte formuegoder og påtagne forpligtelser.

transférés à BioAlliance Pharma.

14.4 Droits d'enregistrement

14.4.1 Les parties déclarent que la Fusion bénéficie en France du régime fiscal de faveur prévu à l'article 816 du Code général des impôts français.

14.4.2 En conséquence, la Fusion sera enregistrée en France moyennant le paiement d'un droit fixe de 500 EUR, en vertu de l'article susvisé.

14.4.3 L'enregistrement de la Fusion auprès de la Danish Business Authority est soumis au paiement d'un droit fixe unique de 340 DKK.

14.5 Autres taxes

14.5.1 D'une manière générale, BioAlliance Pharma sera purement et simplement subrogée dans les droits et obligations de Topotarget concernant toutes les taxes qui ne sont pas expressément stipulées dans le présent Traité de Fusion, relatives à l'activité apportée.

14.6 Divers

14.6.1 BioAlliance Pharma et Topotarget déclarent expressément par les présentes, sous peine des sanctions prévues par l'Article 1837 du Code général des impôts français en cas de déclaration frauduleuse, que le présent Traité de Fusion énonce la totalité des biens apportés et obligations prises en charge.

14.7 General qualification and notice to shareholders

14.7.1 Generally, the shareholders are advised to consult their own tax advisors with respect to their tax position in relation to the Merger.

15. Special rights for holders of shares or other securities

15.1 Except as otherwise stipulated in this Merger Plan, no rights shall be conferred by BioAlliance Pharma on any holders of shares or other securities issued by either BioAlliance Pharma or Topotarget and no measures are proposed to be taken concerning such persons.

15.2 Pursuant to sec. 285 of the Danish Companies Act, shareholders in Topotarget may claim compensation from Topotarget if the consideration offered for the shares in Topotarget is not fair and reasonable, and if they have made a reservation to this effect at the general meeting at which the resolution to approve the Merger was passed. Proceedings to claim compensation must be commenced within two weeks after the Merger is adopted by the general meetings of the Companies. It is noted, that the valuation statement in respect of the merger plan prepared pursuant to section 276(2) of the Danish Companies Act and referred to in clause 10.2.2 concludes that

14.7 Generelt forbehold og meddelelse til aktionærerne

14.7.1 Aktionærerne opfordres generelt til at indhente rådgivning fra egne skatterådgivere med hensyn til deres skattemæssige stilling i relation til Fusionen.

15. Særlige rettigheder for indehavere af aktier eller andre værdipapirer

15.1 Bortset fra tilfælde, hvor andet udtrykkeligt fremgår af denne Fusionsplan, indrømmer BioAlliance Pharma ingen rettigheder til indehavere af aktier eller andre værdipapirer udstedt af enten BioAlliance Pharma eller Topotarget, ligesom der ikke foreslås nogen foranstaltninger truffet i relation til sådanne personer.

15.2 I henhold til selskabslovens § 285 kan aktionærer i Topotarget kræve godtgørelse fra Topotarget, hvis det vederlag, der tilbydes for aktierne i Topotarget, ikke er rimeligt og sagligt begrundet, og hvis de har taget forbehold herom på generalforsamlingen, hvor der blev truffet beslutning om Fusionens gennemførelse. Sag vedrørende krav om kompensation skal anlægges senest to uger efter, at Fusionen er besluttet på generalforsamlingerne i Selskaberne. Det bemærkes, at vurderingsberetningen vedrørende Fusionsplanen udarbejdet i henhold til selskabslovens § 276, stk. 2, og henvist til i pkt. 10.2.2, konkluderer, at det

14.7 Réserve générale et avis aux actionnaires

14.7.1 De manière générale, il est conseillé aux actionnaires de consulter leurs propres conseillers fiscaux concernant leur situation fiscale en rapport avec la Fusion.

15. Droits spéciaux des détenteurs d'actions ou d'autres valeurs mobilières

15.1 Sauf stipulation contraire du présent Traité de Fusion, BioAlliance Pharma ne confère aucun droit aux détenteurs d'actions ou d'autres valeurs mobilières émises par BioAlliance Pharma ou Topotarget et aucune mesure n'est proposée concernant ces personnes.

15.2 En vertu de l'article 285 du Danish Companies Act, les actionnaires de Topotarget peuvent demander un dédommagement à Topotarget si la contrepartie offerte pour les actions de Topotarget n'est pas équitable et raisonnable et s'ils ont émis une réserve à cet effet lors de l'assemblée générale à laquelle la résolution approuvant la Fusion aura été adoptée. La procédure de demande de dédommagement doit être engagée dans les deux semaines suivant l'adoption de la Fusion par les assemblées générales des Sociétés. Il est noté que le rapport du commissaire à la fusion concernant le traité de fusion, établi en vertu de l'article 276(2) du Danish Companies Act et

the consideration offered for the shares in Topotarget is fair and reasonable.

15.3 Pursuant to sec. 286 of the Danish Companies Act, shareholders in Topotarget who oppose the Merger at the general meeting of Topotarget may demand redemption of their shares by Topotarget by making a written request to this effect no later than four weeks after the date of the general meeting. Furthermore, if the shareholders have been asked to declare before the vote at the general meeting of Topotarget whether they wish to exercise the right of redemption, any shareholder wishing to exercise that right must make a declaration to that effect at the general meeting in order to retain that right. Any shareholder of Topotarget so demanding redemption of its shares is referred to herein as a "Redemption Shareholder" and all shares owned by the Redemption Shareholders are referred to herein as "Redemption Shares". All Redemption Shares owned by a Redemption Shareholder will – immediately upon Topotarget's receipt of a written demand for redemption and unless such Redemption Shareholder simultaneously agrees in writing to transfer all of its Redemption Shares to Topotarget at the Redemption Price - cease to be tradable on NASDAQ OMX Copenhagen and will be designated with a separate International Securities Identification Number (ISIN). On redemption, the Redemption Shareholders' Redemption Shares will be redeemed at a price corresponding to the value of the Redemption Shares offered by Topotarget. The board of

vederlag, der tilbydes for aktierne i Topotarget, er rimeligt og sagligt begrundet.

15.3 I henhold til selskabslovens § 286 kan aktionærer i Topotarget, der modsætter sig Fusionen på generalforsamlingen i Topotarget, kræve, at Topotarget indløser deres aktier, hvis krav herom fremsættes skriftligt senest fire uger efter generalforsamlingens afholdelse. Hvis aktionærerne derudover inden afstemningen på generalforsamlingen i Topotarget er blevet anmodet om at tilkendegive, om de ønsker at udnytte deres indløsningsret, skal en eventuel aktionær, som ønsker at udnytte sin ret, afgive en erklæring herom på generalforsamlingen for at beholde denne ret. En aktionær i Topotarget, som fremsætter sådant krav om indløsning af sine aktier, benævnes her en "Indløsende Aktionær", og alle aktier, der ejes af Indløsende Aktionærer, benævnes her "Indløsningsaktier". Alle Indløsningsaktier der ejes af en Indløsende Aktionær vil – umiddelbart efter Topotargets modtagelse af et skriftligt indløsningskrav og medmindre den Indløsende Aktionær samtidig skriftligt accepterer at overføre all sine Indløsningsaktier til Topotarget til Indløsningskursen – ophøre med at kunne handles på NASDAQ OMX Copenhagen og vil blive forsynet med en separat ISIN-fondskode. De Indløsende Aktionærers Indløsningsaktier vil ved indløsning blive indløst til en kurs, der svarer til den pris, som Topotarget tilbyder for Indløsningsaktierne. Bestyrelsen i Topotarget har efter nøje overvejelse fastsat indløsningskursen ("Indløsningskursen") for

auquel il est fait référence à l'article 10.2.2, conclut que la contrepartie offerte pour les actions de Topotarget est équitable et raisonnable.

15.3 En vertu de l'article 286 du Danish Companies Act, les actionnaires de Topotarget qui s'opposent à la Fusion lors de l'assemblée générale de Topotarget peuvent demander le rachat de leurs actions par Topotarget, sur demande écrite établie à cet effet au plus tard quatre semaines après la date de l'assemblée générale. En outre, s'il a été demandé aux actionnaires de déclarer, avant le vote à l'assemblée générale de Topotarget, s'ils souhaitaient exercer le droit de rachat, tout actionnaire qui souhaite exercer ce droit et le conserver doit faire une déclaration à cet effet lors de l'assemblée générale. Tout actionnaire de Topotarget demandant le rachat de ses actions est désigné aux présentes sous le vocable « Actionnaire Sortant » et toutes les actions détenues par les Actionnaires Sortants sont désignées sous le vocable « Actions des Actionnaires Sortants ». Dès réception par Topotarget d'une demande écrite de rachat et à moins que l'Actionnaire Sortant accepte simultanément par écrit de transférer à Topotarget toutes ses actions au Prix de Rachat, les Actions des Actionnaires Sortants cesseront d'être négociées sur le NASDAQ OMX Copenhague et seront désignées par un Numéro International d'Identification de Valeurs Mobilières (ISIN) séparé. Au moment du rachat, les Actions des Actionnaires Sortants seront rachetées à un prix correspondant à la valeur des Actions des Actionnaires Sortants offerte par Topotarget. Le conseil

directors of Topotarget has after due consideration determined that the redemption price (the "Redemption Price") for any Redemption Shares in Topotarget will be DKK 3.16 per share of each nominally DKK 1.00 corresponding to the volume weighted, average price per share of Topotarget during the 4 weeks period immediately preceding the announcement by the Companies of their agreement to merge. In the event that any Redemption Shareholder disagrees with the Redemption Price offered by the board of directors of Topotarget, the redemption price will be determined by experts appointed by the City Court of Copenhagen (in Danish: Københavns Byret). The experts' costs must be paid by the relevant Redemption Shareholder that requests the valuation, but may be imposed on Topotarget if the valuation differs significantly from the Redemption Price offered by Topotarget as stated above and the valuation is used in whole or in part for the redemption. Either of Topotarget or the relevant Redemption Shareholder may bring the experts' valuation before the court. Such proceedings must be commenced within three months of receipt of the expert valuation.

Indløsningsaktierne i Topotarget til DKK 3,16 pr. aktie á nominelt DKK 1,00, svarende til den volumenvægtede gennemsnitskurs pr. aktie i Topotarget i de fire uger, der går umiddelbart forud for Selskabernes offentliggørelse af deres aftale om at fusionere. Hvis en Indløsende Aktionær er uenig i Indløsningskursen, der tilbydes af bestyrelsen i Topotarget, fastsættes indløsningskursen af skønsmænd udmeldt af Københavns Byret. Omkostningerne til skønsmændene bæres af den Indløsende Aktionær, som ønsker skønsmandsvurderingen foretaget, men kan pålægges Topotarget, hvis vurderingen afviger væsentligt fra den ovenfor anførte af Topotarget tilbudte Indløsningskurs, og lægges helt eller delvist til grund for indløsningen. Såvel Topotarget som den pågældende Indløsende Aktionær kan indbringe skønsmændenes vurdering for retten. Sag herom skal anlægges senest tre måneder efter modtagelsen af skønsmændenes vurdering.

d'administration de Topotarget, après un examen approprié, déterminé que le prix de rachat (le « Prix de Rachat ») des Actions des Actionnaires Sortants de Topotarget s'élèvera à 3,16 DKK par action d'une valeur nominale chacune de 1,00 DKK, correspondant au prix moyen par action de Topotarget pondéré en fonction du volume, au cours des 4 semaines précédant immédiatement l'annonce par les Sociétés de leur accord de fusion. Si un Actionnaire Sortant n'accepte pas le Prix de Rachat offert par le conseil d'administration de Topotarget, le Prix de Rachat sera déterminé par des experts désignés par le tribunal d'instance de Copenhague (en danois : Københavns Byret). Les coûts de l'expert doivent être supportés par l'Actionnaire Sortant qui demande l'évaluation mais pourront être imposés à Topotarget si l'évaluation diffère significativement du Prix de Rachat offert par Topotarget comme indiqué ci-dessus et si l'évaluation donnée par l'expert est utilisée en tout ou en partie pour le rachat. Topotarget ou l'Actionnaire Sortant concerné peut soumettre l'évaluation de l'expert à un tribunal. La procédure doit être intentée dans les trois mois de la réception de l'avis de l'expert.

16. Special rights for members of the Companies' boards of directors and boards of management

16.1 No special advantages are granted to members of the Companies' respective boards of directors or boards of management in connection with or as a result of the Merger except for the following:

16. Særlige rettigheder for medlemmer af Selskabernes bestyrelse og direktion

16.1 Medlemmerne af Selskabernes bestyrelse og direktion indrømmes ingen særlige fordele i forbindelse med eller som følge af Fusionen, bortset fra følgende:

16. Droits spéciaux des membres des conseils d'administration des Sociétés

16.1 Aucun avantage particulier n'est accordé aux membres des conseils d'administration respectifs des Sociétés en rapport avec la Fusion ou en conséquence de la Fusion à l'exception de :

16.1.1 Subject to completion of the Merger, Orfacare Consulting GmbH, a company owned and controlled by the chairman of the board of directors of Topotarget, Mr. Bo Jesper Hansen, is entitled to the payment of a transaction bonus in an estimated amount of approx. EUR 597,000.

16.1.2 Subject to completion of the Merger, the CEO of Topotarget, Mr. Anders Fink Vadsholt, is entitled to the payment of a transaction bonus in an estimated amount of approx. EUR 597,000.

16.1.3 The estimated bonus amounts mentioned in clauses 16.1.1 and 16.1.2 may be adjusted in accordance with a calculation formula defined by the board of directors of Topotarget; provided that such bonuses are capped at DKK 15 million for each of Orfacare Consulting GmbH and Mr. Anders Fink Vadsholt.

16.1.4 Subject to completion of the Merger, the CEO of Topotarget, Mr. Anders Fink Vadsholt is entitled to consider himself redundant with 24 months' notice if his service terms, including his position and responsibilities, are changed within 12 months following the Merger.

17. Articles of association of the Companies

16.1.1 Betinget af gennemførelsen af Fusionen, er Orfacare Consulting GmbH, der er ejet og kontrolleret af bestyrelsesformanden i Topotarget, Bo Jesper Hansen, berettiget til at modtage en transaktionsbonus, der anslås at udgøre ca. EUR 597.000.

16.1.2 Betinget af gennemførelsen af Fusionen, er den administrerende direktør i Topotarget, Anders Fink Vadsholt, berettiget til at modtage en transaktionsbonus, der anslås at udgøre ca. EUR 597.000.

16.1.3 De anslåede transaktionsbonusbeløb nævnt ovenfor i pkt. 16.1.1 og 16.1.2 kan ændres i overensstemmelse med en beregningsmekanisme der er fastsat af bestyrelsen i Topotarget, dog således at bonusserne er begrænset til DKK 15.000.000 for hhv. Orfacare Consulting GmbH og Anders Fink Vadsholt.

16.1.4 Betinget af gennemførelsen af Fusionen, er den administrerende direktør i Topotarget, Anders Fink Vadsholt, berettiget til at anse sig selv som opsagt med 24 måneders varsel, hvis hans ansættelsesvilkår, herunder hans position og ansvarsområder, bliver ændret indenfor 12 måneder efter Fusionen.

17. Selskabernes vedtægter

16.1.1 Sous réserve de la réalisation de la Fusion, Orfacare Consulting GmbH, une société détenue et contrôlée par le Président du Conseil d'administration de Topotarget, Monsieur Bo Jesper Hansen, a droit au paiement d'une prime de réalisation d'un montant estimé à approximativement EUR 597 000.

16.1.2 Sous réserve de la réalisation de la Fusion, le Directeur Général de Topotarget, Monsieur Anders Fink Vadsholt a droit au paiement d'une prime de réalisation d'un montant estimé à approximativement EUR 597 000.

16.1.3 Les montants estimés des bonus mentionnés aux clauses 16.1.1 et 16.1.2 peuvent être ajustés conformément à la formule de calcul définie par le conseil d'administration de Topotarget ; étant toutefois précisé que chacun de ces bonus est limité à un montant maximum de 15 000 000 DKK, tant pour Orfacare Consulting GmbH que pour M. Anders Fink Vadsholt.

16.1.4 Sous réserve de la réalisation de la Fusion, le Directeur Général de Topotarget, Monsieur Anders Fink Vadsholt pourra considérer avoir été révoqué de ses fonctions et bénéficier d'un préavis de 24 mois, dans l'hypothèse où les conditions d'exercice de ces fonctions, y compris son poste et ses responsabilités sont modifiés dans les 12 mois suivant la Fusion.

17. Statuts des Sociétés

17.1 Draft revised articles of association of BioAlliance Pharma to become effective upon completion of the Merger are attached as schedule 17.1.

17.2 Draft revised articles of association of Topotarget to become effective upon registration of the Topotarget Warrant Exercise are attached as schedule 17.2.

18. The likely impact of the Merger on the number of employees in the merging companies

18.1 At completion of the Merger, the employees of Topotarget will – as a consequence of the Merger – automatically and by virtue of EU Directive 2001/23/EC (as implemented in French and Danish law) become employees of BioAlliance Pharma on terms and conditions equal to their existing employment terms and conditions.

18.2 The boards of directors of the Companies expect that all employment contracts shall be maintained through the merging process. More particularly, Topotarget employee's contracts will be automatically transferred to BioAlliance Pharma and the terms and conditions set out in their individual employment contracts will be assumed and respected by BioAlliance Pharma.

19. Procedures for involving employees in the determination of their rights to representation in the new scope of the surviving limited liability company

17.1 Udkast til reviderede vedtægter for BioAlliance Pharma, som træder i kraft ved Fusionens gennemførelse, er vedhæftet som bilag 17.1

17.2 Udkast til reviderede vedtægter for Topotarget, som træder i kraft ved registrering af Warrantudnyttelsen i Topotarget, er vedhæftet som bilag 17.2.

18. Fusionens sandsynlige følger for beskæftigelsen i de deltagende selskaber

18.1 Medarbejderne i Topotarget overføres ved Fusionens gennemførelse – som følge af Fusionen – automatisk og i kraft af Rådets direktiv 2001/23/EF (som implementeret i fransk og dansk lovgivning) til BioAlliance Pharma på vilkår og betingelser, der svarer til deres eksisterende ansættelsesvilkår og -betingelser.

18.2 Selskabernes bestyrelser forventer at alle medarbejdernes ansættelseskontrakter vil blive videreført under fusionsprocessen. Navnlig vil alle Topotarget's ansættelseskontrakter automatisk blive overført til BioAlliance Pharma og vilkårene og betingelserne ifølge deres respektive ansættelseskontrakter overtages og overholdes af BioAlliance Pharma.

19. Procedurer til inddragelse af medarbejderne i fastlæggelsen af deres rettigheder med hensyn til medbestemmelse i det fortsættende

17.1 Le projet des statuts modifiés de BioAlliance Pharma devant prendre effet à la réalisation de la Fusion est joint en annexe 17.1.

17.2 Le projet des statuts modifiés de Topotarget devant prendre effet lors de l'enregistrement de l'Exercice des Bons de Souscription d'Actions (BSA) de Topotarget est joint en annexe 17.2.

18. Impact probable de la Fusion sur le nombre des salariés des sociétés à la fusion

18.1 À la réalisation de la Fusion, les salariés de Topotarget deviendront – par l'effet de la Fusion – de plein droit et en vertu de la Directive UE 2001/23/CE (transposée en droit français et en droit danois), des salariés de BioAlliance Pharma, sans modification des termes et conditions de leurs contrats de travail.

18.2 Les conseils d'administration des Sociétés envisagent que tous les contrats de travail seront maintenus au cours du processus de fusion. Plus particulièrement, les contrats de travail des salariés de Topotarget seront automatiquement transférés à BioAlliance Pharma et les termes et conditions établis dans chacun de leurs contrats de travail individuels seront repris et respectés par BioAlliance Pharma.

19. Procédures de participation des salariés dans la détermination de leurs droits à être représentés dans le nouveau cadre de la société absorbante

selskab

19.1 BioAlliance Pharma - current employee representation rights

19.1.1 As of the date hereof, BioAlliance Pharma employs a total of 52 employees.

19.1.2 Consequently a Works Council exists within BioAlliance Pharma.

19.2 Topotarget - current employee representation rights

19.2.1 As of the date hereof, Topotarget employs a total of 12 employees.

19.2.2 As of the date hereof, the employees of Topotarget (i) do not have employee representation on the board of directors of Topotarget today and (ii) are not entitled under Danish law to require employee representation on the board of directors of Topotarget as the total number of employees in Topotarget does not exceed 35 employees, ref. section 140 of the Danish Companies Act.

19.2.3 Topotarget does not have a Works Council.

19.3 Effect of the Merger on the entitlement of the employees of BioAlliance Pharma and Topotarget to employee representation

19.3.1 With reference to clauses 19.1 - 19.2, the

19.1 BioAlliance Pharma - aktuel medarbejder-repræsentation

19.1.1 Pr. d.d. har BioAlliance Pharma i alt 52 medarbejdere.

19.1.2 BioAlliance Pharma har således et samarbejdsudvalg.

19.2 Topotarget - aktuel medarbejder-repræsentation

19.2.1 Pr. d.d. har Topotarget i alt 12 medarbejdere.

19.2.2 Pr. d.d. er medarbejderne i Topotarget (i) ikke repræsenteret i Topotargets bestyrelsen og er heller ikke (ii) efter dansk lovgivning berettiget til at kræve medarbejderrepræsentation i Topotargets bestyrelse, idet det samlede antal medarbejdere i Topotarget ikke overstiger 35, jf. selskabslovens § 140.

19.2.3 Topotarget har ikke et samarbejdsudvalg.

19.3 Fusionens indvirkning på retten til medarbejderrepræsentation i BioAlliance Pharma og Topotarget

19.3.1 Det bemærkes med henvisning til pkt. 19.1 -

19.1 BioAlliance Pharma – droit de représentation des salariés actuels

19.1.1 À la date des présentes, BioAlliance Pharma emploie au total 52 salariés.

19.1.2 En conséquence, BioAlliance Pharma est dotée d'un Comité d'Entreprise.

19.2 Topotarget - droit de représentation des salariés actuels

19.2.1 À la date des présentes, Topotarget emploie au total 12 salariés.

19.2.2 À la date des présentes, les salariés de Topotarget (i) ne sont pas représentés au conseil d'administration de Topotarget et (ii) ne sont pas en droit, au titre du droit danois, d'exiger une représentation au conseil d'administration de Topotarget puisque le nombre total de salariés de Topotarget ne dépasse pas 35 salariés, cf. l'article 140 du Danish Companies Act.

19.2.3 Topotarget n'est pas dotée d'un Comité d'Entreprise.

19.3 Effet de la Fusion sur le droit des salariés de BioAlliance Pharma et de Topotarget à être représentés

19.3.1 Par référence aux clauses 19.1 - 19.2, le droit

employees of BioAlliance Pharma and Topotarget will not experience a decrease in their entitlement to employee representation as a consequence of the Merger.

19.4 Procedures to be invoked

19.4.1 As a result of the facts described in clauses 19.1 to 19.3 above and in accordance with Article L.2372-1 paragraph 2 – 2° of the French Labor Code, no special negotiation group will be set up in relation to employee participation.

19.4.2 Before entering into the Merger Plan, the Works Council of BioAlliance Pharma has been informed and consulted in accordance with the rules set forth in Articles L. 2323-19 and L. 2323-6 of the French Labour Code.

19.4.3 By a resolution voted as of 10 April 2014, the Works Council has rendered its opinion on the Merger.

19.4.4 Pursuant to Articles L.236-27 and R.236-16 of the French Commercial Code, the BioAlliance Pharma board report on the Merger will be made available to the staff delegates.

20. Filing and publicity formalities

20.1 BioAlliance Pharma and Topotarget shall carry out within the statutory timeframe all filing and disclosure formalities necessary for or

19.2, at medarbejderne i BioAlliance Pharma og Topotarget ikke vil opleve en forringelse af deres ret til medarbejderrepræsentation som følge af Fusionen.

19.4 Procedurer, der er fulgt

19.4.1 Som følge af de faktiske omstændigheder, der er beskrevet ovenfor i pkt. 19.1 til 19.3, og i overensstemmelse med artikel L.2372-1, afsnit 2 - 2° i den franske lov om arbejdsmarkedsforhold, vil der ikke blive nedsat et særligt forhandlingsorgan i relation til medarbejderrepræsentation.

19.4.2 Der er inden indgåelsen af Fusionsplanen sket orientering og høring af Samarbejdsudvalget i BioAlliance Pharma i overensstemmelse med reglerne i artikel L. 2323-19 og L. 2323-6 i den franske lov om arbejdsmarkedsforhold.

19.4.3 Samarbejdsudvalget har ved beslutning vedtaget den 10. april 2014 afgivet sin vurdering af Fusionen.

19.4.4 Den af bestyrelsen i BioAlliance Pharma udarbejdede redegørelse vedrørende Fusionen i henhold til artikel L.236-27 og R.236-16 i den franske handelslov vil blive gjort tilgængelig for medarbejderrepræsentanterne.

20. Registrering og offentliggørelse

20.1 BioAlliance Pharma og Topotarget skal inden for den lovpligtige tidsfrist foranledige opfyldelsen af alle registrerings- og

des salariés de BioAlliance Pharma et de Topotarget à être représentés ne diminuera pas du fait de la Fusion.

19.4 Procédures à appliquer

19.4.1 En conséquence des faits décrits aux clauses 19.1 à 19.33 ci-dessus et conformément à l'Article L.2372-1 alinéa 2 – 2° du Code du travail français, aucun groupe spécial de négociation ne sera mis en place concernant la participation des salariés.

19.4.2 Dès avant la signature du Traité de Fusion, le Comité d'Entreprise de BioAlliance Pharma a été informé et consulté conformément aux règles fixées aux Articles L. 2323-19 et L. 2323-6 du Code du travail français.

19.4.3 Par une résolution votée le 10 avril 2014, le Comité d'Entreprise a rendu son avis sur la Fusion.

19.4.4 En vertu des Articles L.236-27 et R.236-16 du Code de commerce français, le rapport du conseil d'administration de BioAlliance Pharma sur la Fusion sera mis à la disposition des délégués du personnel.

20. Dépôt et formalités de publicité

20.1 BioAlliance Pharma et Topotarget accompliront, dans les délais légaux, toutes les formalités de dépôt et de publicité nécessaires

consecutive to the performance hereof and generally all formalities required by law.

20.2 More particularly, this Merger Plan shall be filed with the Registry of the Commercial Court of Paris and with the Danish Business Authority and a notice shall be published in accordance with French and Danish law.

20.3 In accordance with Article L. 236-14 of the French Commercial Code the creditors of BioAlliance Pharma, other than bondholders, if any, may oppose the Merger in accordance with Article L. 236-14 of the French Commercial Code.

20.4 The creditors of Topotarget are referred to the statement issued by valuation expert to Topotarget regarding the creditors' position, referred to in clause 10.2.3, which confirms that the creditors of Topotarget are sufficiently secured following the Merger. Therefore, the creditors of Topotarget are not entitled to object to the Merger and/or require settlement and/or security for their claims.

20.5 In any event, the opposition by any creditor of BioAlliance Pharma shall not prevent the implementation of the Merger.

20.6 The provisions set out above shall not be construed as an acknowledgement of any debt

offentliggørelseskrav, som er nødvendige for, eller er en følge af opfyldelsen heraf, og generelt alle lovbestemte formaliteter.

20.2 Særligt bemærkes det, at denne Fusionsplan skal indleveres til Registreringskontoret for Handelsretten i Paris og til Erhvervsstyrelsen, og offentliggøres i overensstemmelse med fransk og dansk ret.

20.3 Kreditorerne i BioAlliance Pharma, bortset fra eventuelle obligationsejere, kan i overensstemmelse med artikel L. 236-14 i den franske handelslov modsætte sig Fusionen i overensstemmelse med artikel L. 236-14 i den franske handelslov.

20.4 Kreditorerne i Topotarget henvises til den erklæring, der er afgivet af vurderingsmanden til Topotarget vedrørende kreditorernes stilling, jf. pkt. 10.2.3, som bekræfter, at kreditorerne i Topotarget er tilstrækkeligt sikrede efter Fusionen. Kreditorerne i Topotarget er således ikke berettiget til at gøre indsigelse mod Fusionen og/eller kræve indfrielse og/eller sikkerhedsstillelse for deres fordringer.

20.5 Hvis en kreditor i BioAlliance Pharma modsætter sig Fusionen, skal dette under ingen omstændigheder forhindre Fusionens gennemførelse.

20.6 De ovenfor anførte bestemmelser skal ikke fortolkes som en anerkendelse af noget

à l'exécution des présentes ou consécutives à celle-ci et, généralement, toutes les formalités prescrites par la loi.

20.2 Plus particulièrement, le présent Traité de Fusion sera déposé auprès du Greffe du Tribunal de commerce de Paris et auprès de la Danish Business Authority et un avis sera publié conformément au droit français et au droit danois.

20.3 Conformément à l'Article L.236-14 du Code de commerce français, les créanciers de BioAlliance Pharma autres que les créanciers obligataires, le cas échéant, peuvent former opposition à la Fusion.

20.4 Les créanciers de Topotarget sont invités à se reporter au rapport émis par le commissaire à la fusion intervenant du côté de Topotarget concernant la situation des créanciers, tel que visé à la clause 10.2.3, qui confirme que les créanciers seront suffisamment protégés après la Fusion. En conséquence, les créanciers de Topotarget ne sont pas autorisés à former opposition à la Fusion et/ou à solliciter leur remboursement ou la constitution d'une garantie.

20.5 En toute hypothèse, l'opposition formée par un créancier de BioAlliance Pharma n'aura pas pour effet d'interdire la mise en œuvre de la Fusion.

20.6 Les stipulations ci-dessus ne seront pas interprétées comme une reconnaissance de

towards alleged creditors, who will be required to evidence their rights and to prove their claims.

skyldforhold overfor påståede kreditorer, som vil skulle dokumentere deres rettigheder og anmelde deres fordringer.

dette envers les créanciers, qui seront tenus de justifier leurs droits et de prouver leurs créances.

*****

[Signatures on next pages]

[Underskrifter på næste side]

[*Pages de signature à suivre*]

Made in five originals
On 21 May 2014

For BioAlliance Pharma S.A.:

Judith Greciet
Directeur Général

For Topotarget A/S:

Bo Jesper Hansen
Chairman of the board

[Signature page to follow]

For Topotarget A/S:

Jeffrey H. Buchalter

[Signature page to follow]

For Topotarget A/S:

Karsten Witt

[Signature page to follow]

For Topotarget A/S:

Ingelise Saunders

[Signature page to follow]

For Topotarget A/S:

Per Anders Göte Samuelsson

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For Topotarget A/S:

Anker Gundald Lundemose

[Signature page to follow]

For Topotarget A/S:

Gisela Margarete Schwab

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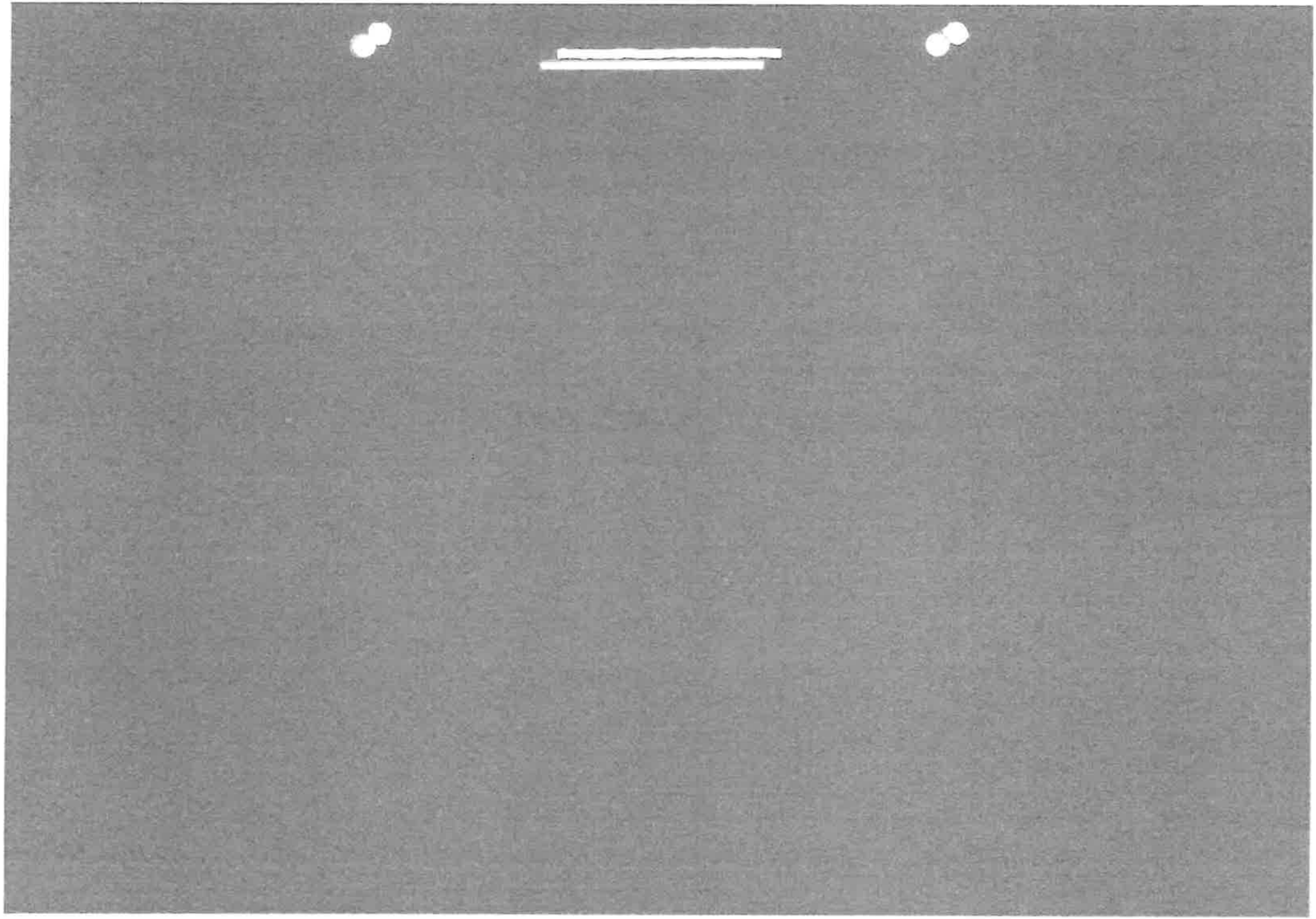


ANNEXE 9.3

Descriptif de l'actif et du passif transféré par Topotarget à BioAlliance Pharma sur la base des comptes annuels de Topotarget à la Date de Référence Comptable de la Fusion

Bilag 9.3

Specifikation af aktiver og passiver overført fra Topotarget til BioAlliance Pharma på basis af Topotargets årsregnskab pr. den Regnskabsmæssige Fusionsdato.

Balance – aktiver

		Koncern		Moderselskab	
DKK '000	Note	2013	2012	2013	2012
Erhvervede forsknings- og udviklingsomkostninger		228.282	228.902	201.484	202.104
Immaterielle aktiver	5, 12	**228.282**	**228.902**	**201.484**	**202.104**
Andre anlæg, driftsmateriel og inventar		784	2.655	784	2.654
Materielle aktiver	5, 13	**784**	**2.655**	**784**	**2.654**
Kapitalandele i dattervirksomheder	14	-	-	25.647	27.573
Tilgodehavender hos dattervirksomheder	14	-	-	1.606	55
Andre tilgodehavender		359	501	359	501
Finansielle aktiver		**359**	**501**	**27.612**	**28.129**
Langfristede aktiver		**229.425**	**232.058**	**229.880**	**232.887**
Tilgodehavender fra salg og tjenesteydelser	15	784	1.239	643	1.239
Andre tilgodehavender		1.884	2.150	1.782	2.119
Periodeafgrænsningsposter		291	779	273	753
Tilgodehavende skat		1.250	1.250	1.250	1.250
Tilgodehavender		**4.209**	**5.418**	**3.948**	**5.361**
Likvide beholdninger	18	**31.483**	**41.460**	**30.697**	**39.795**
Kortfristede aktiver		**35.692**	**46.878**	**34.645**	**45.156**
Aktiver		**265.117**	**278.936**	**264.525**	**278.043**

Balance – passiver

		Koncern		Moderselskab	
DKK '000	Note	2013	2012	2013	2012
Aktiekapital	16	143.317	132.652	143.317	132.652
Aktiebaseret vederlæggelse	17	34.495	33.849	34.495	33.849
Overført resultat		65.280	84.746	65.280	84.746
Egenkapital		**243.092**	**251.247**	**243.092**	**251.247**
Udskudt skat	9	-	-	-	-
Anden gæld	19	-	3.212	-	3.212
Langfristet gæld		**-**	**3.212**	**-**	**3.212**
Kortfristet del af langfristet gæld	19	15.440	11.396	15.440	11.396
Leverandører af varer og tjenesteydelser		3.606	8.427	3.028	7.542
Gæld til tilknyttede virksomheder		-	-	-	556
Anden gæld		2.979	4.654	2.965	4.090
Kortfristet gæld		**22.025**	**24.477**	**21.433**	**23.584**
Gæld		**22.025**	**27.689**	**21.433**	**26.796**
Passiver		**265.117**	**278.936**	**264.525**	**278.043**

Noter

Specifikation af immaterielle aktiver

	Koncern		Moderselskab	
DKK '000	2013	2012	2013	2012
Erhvervede igangværende forsknings- og udviklingsprojekter:				
Kostpris pr. 1. januar	533.143	533.791	213.379	214.027
Justering af anskaffelsespris	(620)	(648)	(620)	(648)
Afgang	(130.800)	-	(11.275)	-
Kostpris pr. 31. december	**401.723**	**533.143**	**201.484**	**213.379**
Afskrivninger pr. 1. januar	(304.241)	(304.241)	(11.275)	(11.275)
Afskrivninger vedrørende periodens afgang	130.800	-	11.275	-
Afskrivninger pr. 31. december	**(173.441)**	**(304.241)**	**-**	**(11.275)**
Regnskabsmæssig værdi pr. 31. december	**228.282**	**228.902**	**201.484**	**202.104**
Erhvervede forsknings- og udviklingsprojekter:				
Kostpris pr. 1. januar	-	76	-	76
Afgang	-	(76)	-	(76)
Kostpris pr. 31. december	-	-	-	-
Afskrivninger pr. 1. januar	-	-	-	-
Afskrivninger	-	-	-	-
Afskrivninger vedrørende periodens afgang	-	-	-	-
Afskrivninger pr. 31. december	-	-	-	-
Regnskabsmæssig værdi pr. 31. december	-	-	-	-
Erhvervede forsknings- og udviklingsprojekter i alt	**228.282**	**228.902**	**201.484**	**202.104**
Den vægtede gennemsnitlige restløbetid for erhvervede forsknings- og udviklingsprojekter udgør ca. år	-	-	-	-

Nedskrivningstest af erhvervede forsknings- og udviklingsprojekter
Værdien af erhvervede forsknings- og udviklingsprojekter indregnet i balancen pr. 31. december 2013 består af belinostat-programmet, der erhvervedes i forbindelse med købet af Topotarget UK i 2002 og i forbindelse med erhvervelsen fra den tidligere amerikanske samarbejdspartner med henblik på at opnå fuld kontrol over programmet i april 2008.

Frem til markedsføringstilladelsen er opnået, testes erhvervede forsknings- og udviklingsprojekter årligt for værdiforringelse. Når markedsføringstilladelsen er opnået, påbegyndes afskrivningen og en nedskrivningstest foretages derfor kun, såfremt begivenheder eller andre forhold indikerer, at den regnskabsmæssige værdi måske ikke er genindvindelig.

Inkluderet i de forudsætninger, der tages i betragtning, når der testes for værdiforringelse, er: Forventet markedsstørrelse og opnåelse af markedsandele, udgifter til udvikling, fremstilling, salg og markedsføring samt risikoen for, at udviklingen ikke lykkes, som hver især vil indvirke på værdien af det indregnede beløb. Indgående pengestrømme vedrørende de forventede milepælsbetalinger fra Spectrum Pharmaceuticals er desuden blevet evalueret. I 1. kvartal 2014 modtog Topotarget den første milepælsbetaling på USD 10 mio. (ca. DKK 54 mio.) samt 1 million aktier i Spectrum Pharmaceuticals med en aktuel værdi på ca. USD 8 mio. (ca. DKK 44 mio.). Efter en godkendelse af registreringsansøgningen for belinostat, som forventes i 2. halvår 2014, skal Spectrum Pharmaceuticals betale Topotarget den anden milepælsbetaling på USD 25 mio. (ca. DKK 135 mio.).

Der var ikke nogen nedskrivninger i 2013.

Schedule 9.3

Specification of assets and liabilities transferred from Topotarget to BioAlliance Pharma on the basis of the Topotarget annual accounts as of the Merger Accounting Effective Date.

Balance sheet – assets

		Group		Parent	
DKK '000	Note	2013	2012	2013	2012
Acquired research and development projects		228,282	228,902	201,484	202,104
Intangible assets	5, 12	**228,282**	**228,902**	**201,484**	**202,104**
Other fixtures and fittings, tools and equipment		784	2,655	784	2,654
Tangible assets	5, 13	**784**	**2,655**	**784**	**2,654**
Investment in subsidiaries	14	-	-	25,647	27,573
Receivables from subsidiaries	14	-	-	1,606	55
Other receivables		359	501	359	501
Non-current investments		**359**	**501**	**27,612**	**28,129**
Non-current assets		**229,425**	**232,058**	**229,880**	**232,887**
Trade receivables	15	784	1,239	643	1,239
Other receivables		1,884	2,150	1,782	2,119
Prepayments		291	779	273	753
Income tax receivables		1,250	1,250	1,250	1,250
Receivables		**4,209**	**5,418**	**3,948**	**5,361**
Cash and cash equivalents	18	**31,483**	**41,460**	**30,697**	**39,795**
Current assets		**35,692**	**46,878**	**34,645**	**45,156**
Assets		**265,117**	**278,936**	**264,525**	**278,043**

Balance sheet – equity & liability

		Group		Parent	
DKK '000	Note	2013	2012	2013	2012
Share capital	16	143,317	132,652	143,317	132,652
Share-based payments	17	34,495	33,849	34,495	33,849
Retained earnings		65,280	84,746	65,280	84,746
Equity		**243,092**	**251,247**	**243,092**	**251,247**
Deferred tax	9	-	-	-	-
Other financial liabilities	19	-	3,212	-	3,212
Non-current liabilities		**-**	**3,212**	**-**	**3,212**
Other financial liabilites	19	15,440	11,396	15,440	11,396
Trade payables		3,606	8,427	3,028	7,542
Provision related to subsidiaries		-	-	-	556
Other payables		2,979	4,654	2,965	4,090
Current liabilities		**22,025**	**24,477**	**21,433**	**23,584**
Liabilities		**22,025**	**27,689**	**21,433**	**26,796**
Equity and liability		**265,117**	**278,936**	**264,525**	**278,043**

Notes

Specification of intangible assets

DKK '000	Group 2013	Group 2012	Parent 2013	Parent 2012
Acquired research and development projects still in progress:				
Costs at January 1	533,143	533,791	213,379	214,027
Adjustment of acquisition value	(620)	(648)	(620)	(648)
Disposals	(130,800)	-	(11,275)	-
Costs at December 31	**401,723**	**533,143**	**201,484**	**213,379**
Amortization at January 1	(304,241)	(304,241)	(11,275)	(11,275)
Amortization regarding disposals for the year	130,800	-	11,275	-
Amortization at December 31	**(173,441)**	**(304,241)**	**-**	**(11,275)**
Carrying amount at December 31	**228,282**	**228,902**	**201,484**	**202,104**
Acquired research and development projects available for use:				
Costs at January 1	-	76	-	76
Disposals	-	(76)	-	(76)
Costs at December 31	**-**	**-**	**-**	**-**
Amortization at January 1	-	-	-	-
Amortization	-	-	-	-
Amortization regarding disposals for the year	-	-	-	-
Amortization at December 31	**-**	**-**	**-**	**-**
Carrying amount at December 31	**-**	**-**	**-**	**-**
Total acquired research and development projects	**228,282**	**228,902**	**201,484**	**202,104**
The weighted average residual term of licenses and rights (approx.number of years)	-	-	-	-

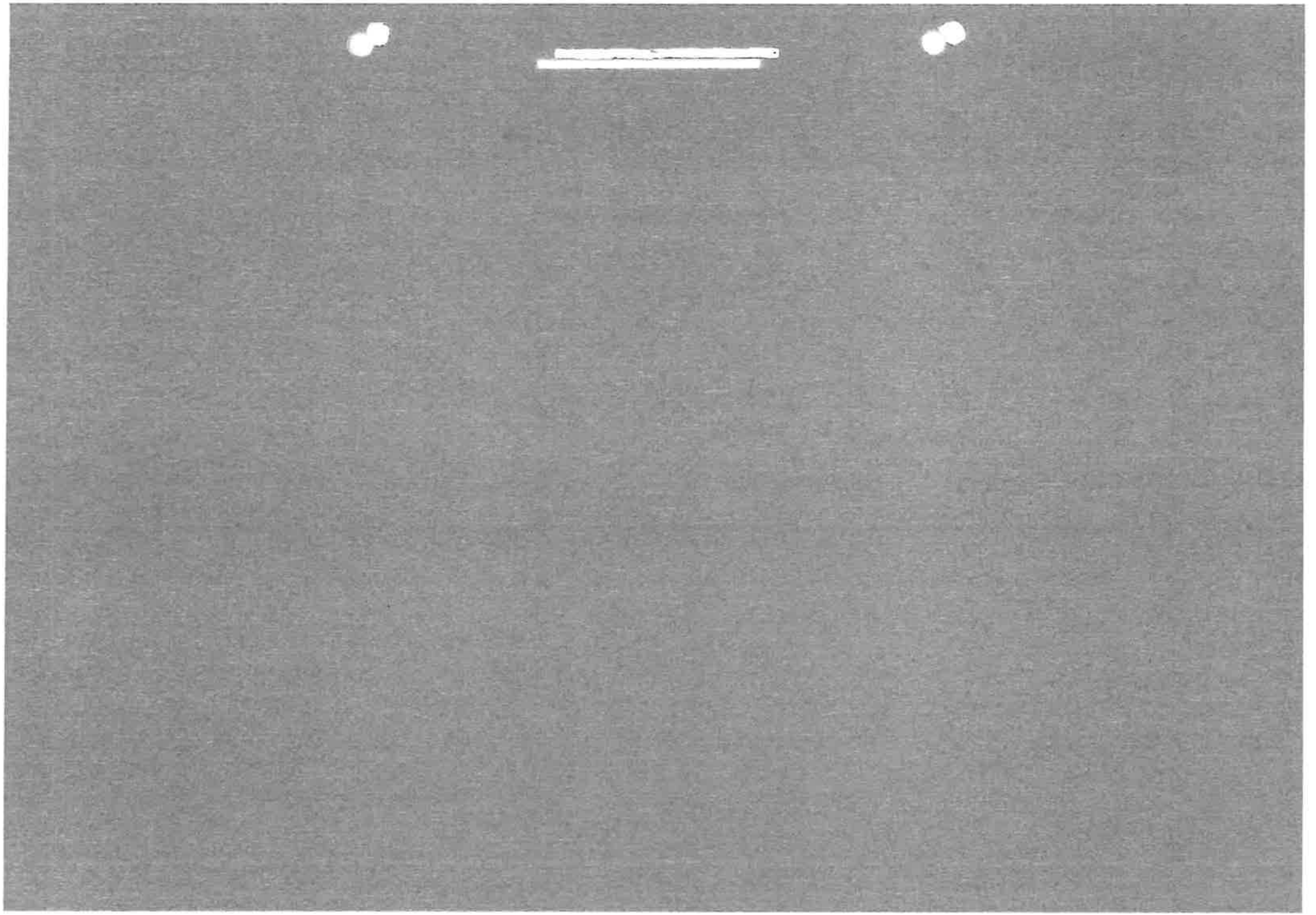
Impairment test of acquired research and development projects

The value of acquired research and development projects recognized in the balance sheet as at December 31, 2013 is of the belinostat program acquired in conjunction with the acquisition of Topotarget UK in 2002 and in conjunction with the repurchase from the former American partner to obtain the full control of this program in April 2008.

In the period until a marketing approval has been obtained, the acquired research and development project is tested for impairment annually. After marketing approval has been obtained, amortization of the asset will commence and an impairment test will hence only be performed when events or other circumstances indicate that the carrying amount may not be recoverable.

Included in the factors taken into account when testing for impairment are, among other things, expected market size and penetration thereof, the costs of development, manufacture, sales and marketing, and the risk that development will not prove successful, all of which have an effect on the value of the amount recognized. Moreover, cash in-flows in 2014 related to the expected milestone payments from Spectrum Pharmaceuticals have been evaluated. In Q1 2014, the first milestone payment of USD 10 million (approximately DKK 54 million) and 1 million Spectrum Pharmaceuticals shares, with a current value of approximately USD 8 million (approximately DKK 44 million), was received. Upon an approval of the belinostat NDA, which is anticipated in H2 2014, Spectrum Pharmaceuticals is to pay Topotarget the second milestone of USD 25 million (approximately DKK 135 million).

There was no down-writing in 2013.



ANNEXE 17.1

Le projet de statuts mis à jour de BioAlliance Pharma

Onxeo
Anciennement dénommée BioAlliance Pharma

Société Anonyme au capital de 7 870 583,25 euros
Siège social : 49, boulevard du général Martial Valin - 75015 Paris
410 910 095 RCS Paris

STATUTS MODIFIES PAR L'ASSEMBLEE GENERALE A CARACTERE MIXTE DU 30 JUIN 2014

Certifiés conformes
Le Directeur général

Judith Greciet

Onxeo
Anciennement dénommée BioAlliance Pharma

Société Anonyme au capital de 7 870 583,25 euros
Siège social : 49, boulevard du général Martial Valin - 75015 Paris
410 910 095 RCS Paris

STATUTS

ARTICLE 1 - Forme

La Société a la forme d'une société anonyme. Elle est régie par les lois et règlements en vigueur, ainsi que par les présents statuts.

ARTICLE 2 - Objet

La Société a pour objet en France et à l'étranger :

La conception, la recherche et le développement de produits destinés à la santé depuis la création jusqu'à l'obtention des autorisations de mise sur le marché, et toutes opérations s'y rattachant ;

L'acquisition, le dépôt, l'obtention, la cession et la concession de tous brevets, de toutes marques, de toutes licences, de tous procédés d'utilisation ;

La prise de participation ou d'intérêts dans toutes sociétés ou entreprises créées ou à créer, françaises ou étrangères, ayant ou non un objet similaire à celui de la Société ;

La prestation de services, le Conseil, la recherche, le développement et le marketing dans le domaine de la santé ;

Et, plus généralement, toutes opérations industrielles, commerciales, financières, civiles, mobilières ou immobilières, pouvant se rattacher directement ou indirectement à l'un des objets visés ci-dessus ou à tous objets similaires ou connexes et pouvant être utiles à la réalisation et au développement des affaires de la Société.

ARTICLE 3 - Dénomination

La dénomination de la Société est : Onxeo.

Tous les actes et documents émanant de la Société doivent mentionner la dénomination sociale, précédée ou suivie immédiatement des mots "*société anonyme*" ou des initiales "*S.A.*" et de l'énonciation du montant du capital social.

ARTICLE 4 - Siège social

Le siège social est fixé à Paris (15ème), 49, boulevard du général Martial Valin.

Il peut être transféré en tout autre lieu, conformément aux dispositions législatives et réglementaires en vigueur.

ARTICLE 5 - Durée

La durée de la Société est fixée à quatre vingt dix neuf années à compter de la date de son immatriculation au Registre du commerce et des sociétés, sauf dissolution anticipée ou prorogation.

ARTICLE 6 - Capital social

Lors de la Fusion par voie d'absorption par la société de la société de droit danois TOPOTARGET A/S, approuvée par l'assemblée générale des actionnaires de TOPORAGET le 27 juin 2014 et par l'assemblée générale des actionnaires de la Société le 30 juin 2014, le capital de la société a été augmenté d'un montant 2 699 835,25 €, par émission de 10 799 341 actions nouvelles de 0,25 € de valeur nominale chacune, en rémunération des apports de TOPOTARGET, s'élevant à un montant net de 78 727 196 €, la prime de fusion s'élevant à 76 027 360,75 €.

Le capital social est fixé à 7 870 583,25 euros, divisé en 31 482 333 actions de 0,25 euro chacune de valeur nominale, toutes de même catégorie et entièrement libérées.

Toutes les actions ont les mêmes droits.

ARTICLE 7 – Franchissement de seuil

Toute personne physique ou morale, agissant seule ou de concert qui vient à posséder un nombre d'actions ou des droits de vote aux assemblées représentant plus du vingtième du capital ou des droits de vote aux assemblées, ou tout seuil fixé aux termes de l'article L. 233-7 du code de commerce, informe la Société du nombre total d'actions et des droits de vote qu'elle possède dans les conditions fixées audit article dans un délai de quatre jours de bourse à compter du franchissement de chacun de ces seuils par lettre recommandée avec avis de réception ou par tous moyens équivalents pour les actionnaires résidents hors de France.

A défaut d'avoir été déclarées, les actions excédant la fraction qui aurait dû être déclarées sont privées de droit de vote dans les assemblées d'actionnaires dans les conditions prévues par la loi si, à l'occasion d'une assemblée, le défaut de déclaration a été constaté et si un ou plusieurs des actionnaires, détenant ensemble 5 % au moins du capital ou des droits de vote, en font la demande conformément à l'article L. 233-7 du code de commerce.

Toute personne est également tenue d'informer la Société dans les formes et délais prévus ci-dessus lorsque sa participation directe ou indirecte devient inférieure à chacun des seuils mentionnés ci-dessus.

ARTICLE 8 - Modifications du capital social

Le capital social peut être augmenté, réduit ou amorti conformément aux dispositions législatives et réglementaires en vigueur.

ARTICLE 9 - Libération et forme des actions

Les actions entièrement libérées revêtent la forme nominative ou au porteur, au choix de chaque actionnaire en ce qui le concerne, sous réserve, toutefois, de l'application des dispositions légales relatives à la forme des actions détenues par certaines personnes physiques ou morales. Les actions non entièrement libérées revêtent obligatoirement la forme nominative.

Les actions donnent lieu à une inscription en compte dans les conditions et selon les modalités prévues par les dispositions légales et réglementaires en vigueur.

La propriété des actions délivrées sous la forme nominative résulte de leur inscription en compte nominatif.

Les comptes d'actions nominatives sont tenus par la Société ou, pour son compte, par un mandataire désigné par elle.

Les comptes d'actions au porteur sont tenus par l'intermédiaire financier habilité, choisi par l'actionnaire.

La conversion des actions du nominatif au porteur et réciproquement s'opère conformément à la législation en vigueur.

La Société peut, à tout moment, conformément aux dispositions législatives et réglementaires en vigueur, demander au dépositaire central qui assure la tenue du compte émission de ses titres l'identification des détenteurs de titres de la Société, conférant, immédiatement ou à terme, le droit de vote dans ses assemblées ainsi que les quantités détenues et, le cas échéant, les restrictions dont les titres peuvent être frappés, le tout dans les conditions prévues par la législation en vigueur.

ARTICLE 10 - Transmission des actions

Les actions sont librement négociables sous réserve des dispositions légales et réglementaires. Elles se transmettent conformément aux dispositions légales et réglementaires.

ARTICLE 11 - Droits et obligations attachés aux actions

Chaque action donne droit dans les bénéfices et dans l'actif social à une part proportionnelle à la quotité du capital qu'elle représente et donne droit au vote et à la représentation dans les assemblées générales dans les conditions fixées par la loi et les présents statuts.

Sous réserve de leur date de jouissance, toutes les actions sont assimilables entre elles.

Tout actionnaire a le droit d'être informé sur la marche de la Société et d'obtenir communication de certains documents sociaux dans les conditions prévues par la loi et les règlements.

Les actionnaires ne sont responsables du passif social qu'à concurrence de leurs apports.

Les droits et obligations suivent l'action quel qu'en soit le titulaire.

La propriété d'une action comporte de plein droit adhésion aux statuts de la Société et aux décisions de l'assemblée générale.

Chaque fois qu'il sera nécessaire de posséder un certain nombre d'actions pour exercer un droit quelconque, les propriétaires qui ne possèdent pas ce nombre auront à faire leur affaire personnelle du groupement, et éventuellement de l'achat ou de la vente du nombre d'actions nécessaires.

Sous réserve des dispositions légales, aucune majorité ne peut imposer aux actionnaires une augmentation de leurs engagements.

ARTICLE 12 - Indivisibilité des actions - Nue propriété - Usufruit

Les actions sont indivisibles à l'égard de la Société.

Les copropriétaires d'actions indivises sont représentés aux assemblées générales par l'un d'eux ou par un mandataire unique. En cas de désaccord, le mandataire est désigné en justice à la demande du copropriétaire le plus diligent.

Le droit de vote appartient à l'usufruitier dans les assemblées générales ordinaires et au nu-propriétaire dans les assemblées générales extraordinaires. Cependant, les actionnaires peuvent convenir de toute autre répartition du droit de vote aux assemblées générales. La convention est notifiée par lettre recommandée à la Société, qui sera tenue d'appliquer cette convention pour toute assemblée qui se réunirait après l'expiration d'un délai d'un mois suivant l'envoi de cette lettre.

Le droit de vote est exercé par le propriétaire des titres remis en gage.

ARTICLE 13 – Conseil d'administration

La Société est administrée par un Conseil d'administration composé de trois membres au moins et de dix-huit au plus ; toutefois, ce nombre maximum est porté à vingt-quatre en cas de fusion, selon les conditions fixées par la loi.

La durée des fonctions des administrateurs est de trois années expirant à l'issue de la réunion de l'assemblée générale ordinaire des actionnaires statuant sur les comptes de l'exercice écoulé et tenue dans l'année au cours de laquelle expire le mandat.

En cas de vacance par décès ou par démission d'un ou plusieurs sièges d'administrateurs, le Conseil d'administration peut, entre deux assemblées générales, procéder à des nominations à titre provisoire.

Les nominations effectuées par le Conseil, en vertu de l'alinéa ci-dessus, sont soumises à la ratification de la plus prochaine assemblée générale ordinaire. A défaut de ratification, les délibérations prises et les actes accomplis antérieurement par le Conseil n'en demeurent pas moins valables.

Tout membre sortant est rééligible.

Par dérogation aux dispositions qui précèdent, le nombre des administrateurs ayant atteint l'âge de soixante-dix ans ne peut dépasser le tiers des membres du Conseil d'administration. Lorsque l'âge limite est atteint, l'administrateur le plus âgé est réputé démissionnaire d'office.

ARTICLE 14 – CONSEIL D'ADMINISTRATION – POUVOIRS

Le Conseil d'administration est convoqué par le président à son initiative et, s'il n'assume pas la direction générale, sur demande du directeur général ou encore, si le Conseil ne s'est pas réuni depuis plus de deux mois, sur demande du tiers au moins des administrateurs. La convocation se fait par écrit, en ce compris par voie électronique, dans un délai de cinq jours sauf cas d'urgence. Elle indique l'ordre du jour qui est fixé par l'auteur de la convocation.

Les réunions se tiennent au siège social ou en tout autre lieu indiqué dans la convocation.

Le Conseil d'administration ne délibère valablement que si la moitié au moins de ses membres est présente. Le règlement intérieur peut prévoir que sont réputés présents pour le calcul du quorum et de la majorité les administrateurs qui participent à la réunion par des moyens de visioconférence ou de télécommunication, dans les limites et sous les conditions fixées par la législation et la réglementation en vigueur. Ces procédés de visioconférence et de télécommunication ne peuvent être utilisés :

- pour l'établissement des comptes annuels et consolidés ;
- pour la nomination et la révocation du président, du directeur général et des directeurs généraux délégués.

Le Conseil d'administration prend ses décisions à la majorité des membres présents et représentés. En cas de partage des voix, celle du président de séance est prépondérante.

Le Conseil d'administration peut nommer, à chaque séance, un secrétaire qui peut être choisi en dehors des administrateurs.

Le Conseil d'administration détermine les orientations de l'activité de la Société et veille à leur mise en œuvre. Sous réserve des pouvoirs expressément attribués aux assemblées d'actionnaires et dans la limite de l'objet social, il se saisit de toute question intéressant la bonne marche de la Société et règle par ses délibérations les affaires qui la concernent. Il procède aux contrôles et vérifications qu'il juge opportuns.

Parmi les pouvoirs qui lui sont propres, il autorise les conventions et les engagements définis par la loi et notamment les engagements pris au bénéfice du président, du directeur général ou des directeurs généraux délégués correspondant à des éléments de rémunérations, des indemnités ou des avantages dus ou susceptibles d'être dus à raison de la cessation ou du changement de leurs fonctions ou postérieurement à celles-ci.

Le Conseil d'administration élit parmi ses membres son président. Il détermine sa rémunération.

La limite d'âge des fonctions de président est fixée à soixante-dix ans.

Le président du Conseil d'administration organise et dirige les travaux de celui-ci dont il rend compte à l'assemblée générale. Il veille au bon fonctionnement des organes de la Société et s'assure, en particulier, que les administrateurs sont en mesure de remplir leur mission.

Les copies ou extraits des délibérations du Conseil d'Administration sont valablement certifiés par le Président du Conseil d'Administration, le Directeur Général, un Directeur Général Délégué,

l'administrateur délégué temporairement dans les fonctions de président ou un fondé de pouvoir habilité à cet effet.

ARTICLE 15 – Direction générale

La direction générale est assumée, sous sa responsabilité, soit par le président du Conseil d'administration, soit par une autre personne physique choisie parmi les membres du Conseil ou en dehors d'eux, qui porte le titre de directeur général.

Le Conseil d'administration choisit entre les deux modalités d'exercice de la direction générale. Il peut à tout moment modifier son choix. Dans chaque cas, il en informe les actionnaires et les tiers conformément à la réglementation en vigueur.

Dans l'hypothèse où le président exerce les fonctions de directeur général, les dispositions des présents statuts relatives à ce dernier lui sont applicables.

Lorsque la direction générale n'est pas assumée par le président du Conseil d'administration, le Conseil d'administration nomme un directeur général auquel s'applique la limite d'âge fixée pour les fonctions de président.

ARTICLE 16 – Direction générale – Pouvoirs

Le directeur général est investi des pouvoirs les plus étendus pour agir en toute circonstance au nom de la Société. Il exerce ces pouvoirs dans la limite de l'objet social et sous réserve des pouvoirs expressément attribués par la loi aux assemblées d'actionnaires ainsi qu'au Conseil d'administration.

Sur la proposition du directeur général, le Conseil d'administration peut nommer un ou, dans la limite de cinq, plusieurs directeurs généraux délégués. La limite d'âge fixée pour les fonctions de président s'applique aussi aux directeurs généraux délégués.

Les directeurs généraux délégués disposent à l'égard des tiers, des mêmes pouvoirs que le directeur général.

Dans le cadre de l'organisation interne de la Société, les pouvoirs du directeur général et des directeurs généraux délégués peuvent être limités par le Conseil d'administration sans que cette limitation soit opposable aux tiers.

ARTICLE 17 - Commissaires aux comptes

Le contrôle de la Société est exercé par des commissaires aux comptes qui sont nommés et exercent leur mission conformément à la loi.

Conformément à la loi, des commissaires aux comptes suppléants sont nommés pour remplacer les commissaires aux comptes titulaires en cas de refus, d'empêchement, de démission ou de décès.

ARTICLE 18 - Assemblées générales

Les décisions collectives des actionnaires sont prises en assemblées générales ordinaires, extraordinaires ou spéciales selon la nature des décisions qu'elles sont appelées à prendre.

Les délibérations des assemblées générales obligent tous les actionnaires.

L'assemblée générale extraordinaire est seule habilitée à modifier les statuts dans toutes leurs dispositions. Elle ne peut toutefois augmenter les engagements des actionnaires.

ARTICLE 19 - Convocation et lieu de réunion des assemblées générales

Les assemblées générales d'actionnaires sont convoquées et délibèrent dans les conditions prévues par la loi.

Les réunions ont lieu soit au siège social, soit dans un autre lieu précisé dans l'avis de convocation. Le Conseil d'administration peut décider, lors de la convocation, la retransmission publique de l'intégralité de ces réunions par visioconférence et/ou télétransmission dans les conditions prévues

par la loi et les règlements applicables. Le cas échéant, cette décision est communiquée dans l'avis de réunion et dans l'avis de convocation.

ARTICLE 20 - Ordre du jour

L'ordre du jour des assemblées est arrêté par l'auteur de la convocation.

Un ou plusieurs actionnaires ont la faculté de requérir l'inscription de points ou de projets de résolutions à l'ordre du jour des assemblées dans les conditions légales et réglementaires.

L'assemblée ne peut délibérer sur une question qui n'est pas à l'ordre du jour. Elle peut cependant, en toutes circonstances, révoquer un ou plusieurs membres du Conseil d'administration et procéder à leur remplacement.

ARTICLE 21 - Accès aux assemblées - Pouvoirs

Tout actionnaire a le droit d'assister aux assemblées générales et de participer aux délibérations personnellement ou par mandataire, quel que soit le nombre d'actions qu'il possède, s'il est justifié, dans les conditions légales, de l'enregistrement comptable de ses titres à son nom ou à celui de l'intermédiaire inscrit pour son compte en application du septième alinéa de l'article 228-1 du Code de Commerce, au troisième jour ouvré précédant l'assemblée à zéro heure, de Paris, soit dans les comptes de titres nominatifs tenus par la Société, soit dans les comptes de titres au porteur tenus par l'intermédiaire habilité.

Sont réputés présents pour le calcul du quorum et de la majorité les actionnaires qui participent à l'assemblée par visioconférence ou par des moyens de télécommunication dans les conditions prévues par la réglementation en vigueur. Tout actionnaire peut adresser, dans les conditions fixées par les lois et règlements, son formulaire de procuration et de vote par correspondance concernant toute assemblée générale, soit sous forme papier, soit, sur décision du Conseil d'administration publiée dans l'avis de réunion et l'avis de convocation, par télétransmission.

ARTICLE 22 - Droit de communication des actionnaires

Tout actionnaire a le droit d'obtenir communication des documents nécessaires pour lui permettre de statuer en toute connaissance de cause sur la gestion et la marche de la Société.

La nature de ces documents et les conditions de leur envoi ou mise à disposition sont déterminées par la loi et les règlements.

ARTICLE 23 - Feuille de présence - Bureau - Procès-verbaux

Il est tenu une feuille de présence dans les conditions prévues par la loi.

Les assemblées sont présidées par le président du Conseil d'administration ou, en son absence, par un membre du Conseil d'administration spécialement délégué à cet effet par le Conseil. A défaut, l'assemblée désigne elle-même son président.

Les fonctions de scrutateurs sont remplies par les deux actionnaires, présents et acceptant, qui disposent, tant par eux-mêmes que comme mandataires, du plus grand nombre de voix.

Le bureau désigne le secrétaire, lequel peut être choisi en dehors des actionnaires.

Les copies ou extraits des procès-verbaux de l'assemblée générale sont valablement certifiés et délivrés conformément à la loi.

ARTICLE 24 - Assemblée générale ordinaire

L'assemblée générale ordinaire prend toutes les décisions qui ne modifient pas les statuts.

Elle est réunie au moins une fois par an, dans les délais légaux et réglementaires en vigueur, pour statuer sur les comptes de l'exercice écoulé.

Elle délibère dans les conditions de quorum et de majorité fixées par la loi.

ARTICLE 25 - Assemblée générale extraordinaire

L'assemblée générale extraordinaire est seule habilitée à modifier les statuts dans toutes leurs dispositions. Toute clause contraire est réputée non écrite. Elle ne peut, toutefois, augmenter les engagements des actionnaires, sous réserve des opérations résultant d'un regroupement d'actions régulièrement effectué.

Elle délibère dans les conditions de quorum et de majorité fixées par la loi.

ARTICLE 26 - Exercice social

Chaque exercice social a une durée d'une année qui commence le 1er janvier et finit le 31 décembre.

ARTICLE 27 - Inventaire - Comptes annuels

Il est tenu une comptabilité régulière des opérations sociales, conformément à la loi.

A la clôture de chaque exercice, le Conseil d'administration dresse l'inventaire et établit les comptes annuels dans les conditions légales en vigueur.

Le Conseil d'administration établit le rapport de gestion contenant les indications fixées par la loi.

ARTICLE 28 - Affectation et répartition des bénéfices

Si les comptes de l'exercice approuvés par l'assemblée générale font apparaître un bénéfice distribuable tel qu'il est défini par la loi, l'assemblée générale décide de l'inscrire à un ou plusieurs postes de réserves dont elle règle l'affectation ou l'emploi, de le reporter à nouveau ou de le distribuer.

Le compte de résultat qui récapitule les produits et charges de l'exercice fait apparaître par différence, après déduction des amortissements et des provisions, le bénéfice de l'exercice.

Sur le bénéfice de l'exercice diminué, le cas échéant, des pertes antérieures, il est prélevé cinq pour cent au moins pour constituer le fonds de réserve légale. Ce prélèvement cesse d'être obligatoire lorsque le fonds de réserve atteint le dixième du capital social.

Le bénéfice distribuable est constitué par le bénéfice de l'exercice diminué des pertes antérieures et des sommes à porter en réserve, en application de la loi et des statuts, et augmenté du report bénéficiaire.

Après avoir constaté l'existence de réserves dont elle a la disposition, l'assemblée générale peut décider la mise en distribution de sommes prélevées sur ces réserves, en indiquant expressément les postes de réserves sur lesquels les prélèvements sont effectués. Toutefois, les dividendes sont prélevés par priorité sur les bénéfices de l'exercice.

Hors le cas de réduction du capital, aucune distribution ne peut être faite aux actionnaires lorsque les capitaux propres sont ou deviendraient à la suite de celle-ci, inférieurs au montant du capital augmenté des réserves que la loi ou les statuts ne permettent pas de distribuer. L'écart de réévaluation n'est pas distribuable. Il peut être incorporé en tout ou partie au capital.

Toutefois, après prélèvement des sommes portées en réserve en application de la loi, l'assemblée générale peut prélever toutes sommes qu'elle juge à propos d'affecter à la dotation de tous fonds de réserves facultatives, ordinaires ou extraordinaires, ou de reporter à nouveau.

Les pertes, s'il en existe, sont après l'approbation des comptes par l'assemblée générale, reportées à nouveau, pour être imputées sur les bénéfices des exercices ultérieurs jusqu'à extinction.

ARTICLE 29 - Paiement des dividendes - Acomptes

Lorsqu'un bilan établi au cours ou à la fin de l'exercice et certifié par un commissaire aux Comptes fait apparaître que la Société, depuis la clôture de l'exercice précédent, après constitution des amortissements et provisions nécessaires et déduction faite s'il y a lieu des pertes antérieures ainsi que des sommes à porter en réserve, en application de la loi ou des statuts, a réalisé un bénéfice, il peut être distribué des acomptes sur dividende avant l'approbation des comptes de l'exercice. Le montant de ces acomptes ne peut excéder le montant du bénéfice ainsi défini.

Les modalités de mise en paiement des dividendes en numéraire sont fixées par l'assemblée générale, ou à défaut par le Conseil d'administration.

La mise en paiement des dividendes en numéraire doit avoir lieu dans un délai maximal de neuf mois après la clôture de l'exercice, sauf prolongation de ce délai par autorisation de justice.

L'assemblée générale statuant sur les comptes de l'exercice pourra accorder à chaque actionnaire, pour tout ou partie du dividende ou des acomptes sur dividende mis en distribution, une option entre le paiement du dividende ou des acomptes sur dividende en numéraire ou en actions.

Aucune répétition de dividende ne peut être exigée des actionnaires sauf lorsque la distribution a été effectuée en violation des dispositions légales et que la Société établit que les bénéficiaires avaient connaissance du caractère irrégulier de cette distribution au moment de celle-ci ou ne pouvaient l'ignorer compte tenu des circonstances.

Les dividendes non réclamés dans les cinq ans de leur mise en paiement sont prescrits.

ARTICLE 30 - Capitaux propres inférieurs à la moitié du capital social

Si, du fait des pertes constatées dans les documents comptables, les capitaux propres de la Société deviennent inférieurs à la moitié du capital social, le Conseil d'administration est tenu, dans les quatre mois qui suivent l'approbation des comptes ayant fait apparaître ces pertes, de convoquer l'assemblée générale extraordinaire des actionnaires, à l'effet de décider s'il y a lieu à dissolution anticipée de la Société.

Si la dissolution n'est pas prononcée, le capital doit être, sous réserve des dispositions légales relatives au capital minimum dans les sociétés anonymes, et dans le délai fixé par la loi, réduit d'un montant égal à celui des pertes qui n'ont pu être imputées sur les réserves si dans ce délai les capitaux propres ne sont pas redevenus au moins égaux à la moitié du capital social.

Dans tous les cas, la décision de l'assemblée générale doit être publiée dans les conditions légales et réglementaires.

En cas d'inobservation de ces prescriptions, tout intéressé peut demander en justice la dissolution de la Société. Il en est de même si l'assemblée, n'a pu délibérer valablement.

Toutefois, le Tribunal ne peut prononcer la dissolution si, au jour où il statue sur le fond, la régularisation a eu lieu.

ARTICLE 31 - Transformation de la société

La Société peut se transformer en société d'une autre forme dans les conditions fixées par la loi.

ARTICLE 32 - Dissolution - Liquidation

Sous réserve des cas de dissolution judiciaire prévus par la loi, la dissolution de la Société intervient à l'expiration du terme fixé par les statuts ou par décision de l'assemblée générale extraordinaire des actionnaires.

Un ou plusieurs liquidateurs sont alors nommés par l'assemblée générale extraordinaire aux conditions de quorum et de majorité prévues pour les assemblées générales ordinaires. Le liquidateur représente la Société. Il est investi des pouvoirs les plus étendus pour réaliser l'actif, même à l'amiable. Il est habilité à payer les créanciers et répartir le solde disponible.

L'assemblée générale des actionnaires peut l'autoriser à continuer les affaires en cours ou à en engager de nouvelles pour les besoins de la liquidation.

En cas de réunion de toutes les actions en une seule main, la dissolution de la Société, soit par décision judiciaire à la demande d'un tiers, soit par déclaration au greffe du Tribunal de commerce faite par l'actionnaire unique personne morale, entraîne la transmission universelle du patrimoine, sans qu'il y ait lieu à liquidation.

ARTICLE 33 - Contestations

Toutes les contestations qui peuvent s'élever pendant le cours de la Société ou de sa liquidation, soit entre les actionnaires, soit entre la Société et les actionnaires eux-mêmes, concernant l'interprétation ou l'exécution des présents statuts ou généralement au sujet des affaires sociales sont soumises à la juridiction des tribunaux compétents du lieu du siège social.

A cet effet, en cas de contestation, tout actionnaire doit faire élection de domicile dans le ressort du tribunal compétent du lieu du siège social, et toutes assignations et significations sont régulièrement délivrées à ce domicile.

A défaut d'élection de domicile, les assignations et significations sont valablement faites au Parquet du Procureur de la République près le Tribunal de grande instance du lieu du siège social.

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Advarsel: dette er en uautoriseret oversættelse af den franske udgave af Onxeos vedtægter. I tilfælde af uoverensstemmelse mellem denne oversættelse og den franske udgave, skal den franske udgave have forrang.

Onxeo
(*tidligere BioAlliance Pharma*)

Aktieselskab med en aktiekapital på 7.870.583,25 EUR
Hjemsted: 49, boulevard du général Martial Valin - 75015 Paris
Registreringsnummer 410 910 095 i erhvervs- og selskabsregistret i Paris

VEDTÆGTER ÆNDRET AF KOMBINERET ORDINÆR OG EKSTRAORDINÆR GENERALFORSAMLING DEN 30. JUNI 2014

Bekræftet overensstemmende
Den administrerende direktør

Judith Greciet

Advarsel: dette er en uautoriseret oversættelse af den franske udgave af Onxeos vedtægter. I tilfælde af uoverensstemmelse mellem denne oversættelse og den franske udgave, skal den franske udgave have forrang.

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VEDTÆGTER

§ 1 - Form

Selskabet er et aktieselskab. Det er underlagt gældende love og bestemmelser samt nærværende vedtægter.

§ 2 - Formål

Selskabets formål er i Frankrig og udlandet:

Udformning, forskning inden for og udvikling af sundhedsprodukter fra frembringelse til opnåelse af markedsføringsgodkendelser og enhver dertil knyttet handling;

Erhvervelse, indlevering, opnåelse, overdragelse af og indgåelse af licensaftale for ethvert patent, samtlige varemærker, licenser og anvendelsesmetoder;

Erhvervelse af kapitalandele eller interesser i ethvert eksisterende eller kommende selskab, det være sig fransk eller udenlandsk, der har eller ikke har et formål svarende til selskabets;

Levering af tjenesteydelser, rådgivning, forskning, udvikling og markedsføring inden for sundhedsområdet;

Og mere generelt enhver industriel, kommerciel, finansiel, civilretlig transaktion eller transaktion vedrørende løsøre eller fast ejendom, der direkte eller indirekte kan knytte sig til ét af ovennævnte formål eller ethvert lignende eller forbundet formål, og som kan være nyttige for gennemførelse eller udvikling af selskabets forretningsanliggender.

§ 3 - Navn

Selskabets navn er: Onxeo.

I samtlige skrivelser og dokumenter, der udgår fra selskabet, skal der umiddelbart før eller efter selskabets navn tydeligt anføres "*société anonyme*" (aktieselskab) eller initialerne "*S.A.*" samt aktiekapitalens størrelse.

§ 4 - Hjemsted

Selskabets hjemsted er Paris (15. arrondissement), 49, boulevard du général Martial Valin.

Det kan flyttes til ethvert andet sted i henhold til gældende lovbestemmelser og forskrifter.

§ 5 - Varighed

Selskabets varighed er fastsat til 99 år fra datoen for dets registrering i erhvervs- og selskabsregistret med forbehold af førtidig opløsning eller forlængelse.

§ 6 - Aktiekapital

Ved fusionen med overtagelse af det danske selskab TOPOTARGET A/S, der blev godkendt af aktionærernes generalforsamling i TOPOTARGET den 27. juni 2014 og af selskabets generalforsamling den 30. juni 2014, blev selskabets aktiekapital forhøjet med et beløb på 2.699.835,25 EUR ved udstedelse af 10.799.341 nye aktier à 0,25 EUR i pålydende værdi som vederlag for TOPOTARGETS indskud, der beløber sig til et nettobeløb på 78.727.196 EUR, med en fusionspræmie på 76.027.360,75 EUR.

Aktiekapitalen er fastsat til 7.870.583,25 EUR, der er opdelt i 31.482.333 aktier à 0,25 EUR i pålydende værdi. Samtlige aktier er af samme kategori og fuldt indbetalt.

Samtlige aktier har samme rettigheder.

§ 7 - Overskridelse af tærskel

Enhver fysisk eller juridisk person, der handler alene eller sammen, og som erhverver et antal aktier eller stemmerettigheder til generalforsamlinger, der repræsenterer mere end en tyvendedel af aktiekapitalen eller stemmerettighederne til generalforsamlingerne, eller enhver tærskel, der er fastsat i henhold til § L. 233-7 i den franske handelslov, *Code de commerce*, skal underrette selskabet om det samlede antal aktier eller stemmerettigheder, som denne er i besiddelse af, på de betingelser, der er fastsat i ovennævnte §, senest 4 børsdage fra overskridelsen af enhver af disse tærskler ved rekommanderet brev med modtagelsesbevis eller ved hjælp af et hvilket som helst tilsvarende middel for aktionærer, der er bosat uden for Frankrig.

Hvis der ikke er givet underretning, mister de aktier, der overskrider brøkdelen, og som skulle have været meddelt, stemmeret ved aktionærernes generalforsamlinger på de betingelser, der er foreskrevet ved lov, hvis den manglende meddelelse er konstateret ved en generalforsamling, eller hvis én eller flere aktionærer, der sammen ejer mindst 5 % af aktiekapitalen eller stemmerettighederne begærer dette i henhold til § L. 233-7 i den franske handelslov, *Code de commerce*.

Fysiske eller juridiske personer er endvidere forpligtet til at underrette selskabet på de måder og inden de frister, der er beskrevet ovenfor, når dennes deltagelse direkte eller indirekte falder til under én af ovennævnte tærskler.

§ 8 - Ændring af aktiekapitalen

Aktiekapitalen kan forhøjes, reduceres eller nedskrives i henhold til gældende lovbestemmelser og forskrifter.

§ 9 - Indbetaling og aktiernes form

De fuldt indbetalte aktier er enten navne- eller ihændehaveraktier, alt efter valget truffet af den pågældende aktionær, dog med forbehold af anvendelse af lovbestemmelserne vedrørende formen af aktier, der ejes af visse fysiske eller juridiske personer. Aktier, der ikke er fuldt indbetalt, skal være navneaktier.

Aktierne skal registreres på konti på de vilkår, der er fastsat i gældende lovbestemmelser og forskrifter.

Ejerskabet til de udleverede navneaktier fremgår af deres registrering på kontoen for navneaktier.

Kontiene for navneaktier føres af selskabet eller på dets vegne af en fuldmægtig, der er udpeget af selskabet.

Kontiene for ihændehaveraktier føres af et bemyndiget finansielt mellemled, der er valgt af aktionæren.

Konverteringen af navneaktier til ihændehaveraktier og omvendt sker i henhold til gældende lovgivning.

Selskabet kan til enhver tid og i henhold til gældende lovbestemmelser og forskrifter anmode værdipapircentralen, der varetager føring af emissionskontoen for dets værdipapirer, om at identificere indehavere af selskabets værdipapirer, som overdrager, det være sig øjeblikkeligt eller på sigt, stemmeretten til generalforsamlingerne samt det ejede antal, og i givet fald de restriktioner, som værdipapirerne måtte være omfattet af, på de betingelser, der er foreskrevet i gældende lov.

§ 10 - Overdragelse af aktierne

Aktierne er frit omsættelige med forbehold af lovbestemmelser og forskrifter. De omsættes i henhold til lovbestemmelser og forskrifter.

§ 11 - Rettigheder og forpligtelser i forbindelse med aktierne

Hver aktie giver ret til overskud og selskabets aktiver i et forhold, der er proportionelt med den andel af kapitalen, som aktien repræsenterer, og giver stemme- og repræsentationsret ved generalforsamlingerne på de betingelser, der er fastsat ved lov og i nærværende vedtægter.

Med forbehold af aktiernes valørdato er samtlige aktier ligestillede.

Enhver aktionær har ret til at blive underrettet om selskabets drift og få adgang til visse selskabsdokumenter på de betingelser, der er forskrevet ved lov og forskrifter.

Aktionærerne hæfter kun for selskabets passiver i forhold til deres indskud.

Rettigheder og forpligtelser følger aktien uanset aktionæren.

Ejerskabet til en aktie medfører uden videre tiltrædelse af selskabets vedtægter og de beslutninger, der træffes på generalforsamlingen.

Hver gang, det er nødvendigt at eje et bestemt antal aktier for at kunne udøve en ret, kan de aktionærer, der ikke har det tilstrækkelige antal, danne en gruppe, eventuelt købe eller sælge antallet af nødvendige aktier.

Med forbehold af lovbestemmelser kan ingen majoritet pålægge aktionærerne en øget forpligtelse.

§ 12 - Aktiernes udelelighed - Ejerskab - Ret til afkast

Opdeling af aktierne har ingen retsvirkning i forhold til selskabet.

Ejere af aktier i sameje repræsenteres på generalforsamlingerne af den ene af aktionærerne eller af en fælles fuldmægtig. Ved uenighed udpeges fuldmægtigen af retten, efter anmodning fra den samejer, der først anmoder herom.

Stemmeretten til ordinære generalforsamlinger tilkommer den person, der har retten til udbytte, og stemmeretten til ekstraordinære generalforsamlinger tilkommer ejeren. Aktionærerne kan imidlertid aftale enhver anden fordeling af stemmeretten til generalforsamlingerne. Selskabet underrettes ved rekommanderet brev om aftalen og vil være forpligtet til at anvende denne aftale ved enhver generalforsamling, der afholdes efter udløbet af en frist på en måned efter afsendelse af dette brev.

Stemmeretten udøves af ejeren af pantsatte værdipapirer.

§ 13 - Bestyrelse

Selskabet administreres af en bestyrelse, der mindst består af tre medlemmer og højest atten. Dette antal kan imidlertid forhøjes til 24 i tilfælde af fusion og i henhold til de betingelser, der er fastsat ved lov.

Varigheden af bestyrelsesmedlemmernes hverv er tre år, der udløber ved aktionærernes ordinære generalforsamling, der stemmer om regnskaberne i det forgangne år, hvori mandatet udløb.

I tilfælde af en ledig bestyrelsespost efter dødsfald eller afgang for ét eller flere bestyrelsesmedlemmer kan bestyrelsen mellem to generalforsamlinger beslutte at foretage midlertidige udnævnelser.

De udnævnelser, der foretages af bestyrelsen i medfør af ovenstående afsnit, skal godkendes på den første efterfølgende ordinære generalforsamling. Hvis de ikke godkendes, forbliver de tidligere trufne beslutninger og foretagne handlinger fra bestyrelsens side ikke desto mindre gyldige.

Ethvert afgående medlem kan genvælges.

Som en afvigelse fra ovenstående bestemmelser kan antallet af bestyrelsesmedlemmer, der er fyldt 70 år, ikke overstige en tredjedel af bestyrelsens medlemmer. Når aldersgrænsen er nået, anses det ældste bestyrelsesmedlem automatisk for afgået.

§ 14 - Bestyrelse - Beføjelser

Bestyrelsen indkaldes af formanden på hans eller hendes initiativ, og hvis han eller hun ikke er den administrerende direktør, efter anmodning fra den administrerende direktør, eller endvidere hvis bestyrelsen ikke har holdt møde i mere end to måneder, efter anmodning fra mindst en tredjedel af bestyrelsesmedlemmerne. Indkaldelsen sker skriftligt, herunder elektronisk, med et varsel på fem dage, bortset fra i hastende tilfælde. Indkaldelsen indeholder dagsordenen, der fastlægges af den, der indkalder generalforsamlingen.

Møderne afholdes på hjemstedet eller ethvert andet sted, der er anført i indkaldelsen.

Bestyrelsen er kun beslutningsdygtig, hvis mindst halvdelen af bestyrelsesmedlemmerne er til stede. Forretningsordenen kan foreskrive, at bestyrelsesmedlemmer, der deltager i mødet via webkonference- eller telekommunikationsmidler, anses for tilstedeværende med hensyn til beregning af det beslutningsdygtige antal og majoriteten på de betingelser, der er fastsat i gældende lovbestemmelser og forskrifter. Disse fremgangsmåder med webkonference og telekommunikation kan ikke anvendes:

- ved udfærdigelse af års- og koncernregnskaber;
- ved udnævnelse og tilbagekaldelse af formanden, den administrerende direktør og kommitterede administrerende direktører.

Bestyrelsen træffer sine afgørelser med majoriteten af de tilstedeværende og repræsenterede medlemmer. I tilfælde af stemmelighed er formandens stemme udslagsgivende.

Bestyrelsen kan til ethvert møde udnævne en sekretær, der kan vælges blandt bestyrelsesmedlemmerne.

Bestyrelsen fastlægger retningslinjerne for selskabets aktiviteter og fører tilsyn med deres gennemførelse. Med forbehold af beføjelser, der eksplicit er tildelt aktionærernes generalforsamlinger og inden for selskabets formål, forelægges bestyrelsen ethvert anliggende, der angår selskabets drift og afvikler ved sine bestemmelser de anliggender, der angår selskabet. Bestyrelsen foretager de kontroller og tilsyn, som den skønner hensigtsmæssige.

Blandt de beføjelser, der alene tilkommer bestyrelsen, er godkendelse af aftaler og forpligtelser, der er defineret ved lov, og navnlig forpligtelser, der er påtaget til fordel for formanden, den administrerende direktør eller de kommitterede administrerende direktører, svarende til anliggender om honorarer, godtgørelser eller fordele, der er skyldige eller kan blive skyldige grundet ophør eller ændring af deres funktioner eller på et senere tidspunkt.

Bestyrelsen vælger en formand blandt sine medlemmer. Bestyrelsen fastsætter formandens honorar.

Aldersgrænsen for udøvelse af funktionerne som formand er fastsat til 70 år.

Bestyrelsesformanden tilrettelægger og leder bestyrelsens arbejde og redegør herfor på generalforsamlingen. Han fører tilsyn med selskabsorganernes funktion og forsikrer sig navnlig, at bestyrelsesmedlemmerne er i stand til at opfylde deres hverv.

Kopier eller ekstrakter af bestyrelsens beslutninger bekræftes gyldigt af bestyrelsesformanden, den administrerende direktør, en kommitteret administrerende direktør, et bestyrelsesmedlem, der midlertidigt varetager formandens funktoner, eller en fuldmægtig, der er bemyndiget hertil.

§ 15 - Generel ledelse

Den generelle ledelse varetages enten af bestyrelsesformanden under dennes ansvar eller af en fysisk person, der er valgt blandt bestyrelsens medlemmer eller uden for bestyrelsen, og som bærer titel administrerende direktør.

Bestyrelsen vælger mellem to måder for udøvelse af den generelle ledelse. Den kan til enhver tid ændre sit valg. Den underretter i hvert tilfælde aktionærerne og tredjemand i henhold til gældende lov.

Såfremt formanden opfylder funktionerne som administrerende direktør, finder bestemmelserne i nærværende vedtægter vedrørende denne anvendelse for formanden.

Når den generelle ledelse ikke varetages af bestyrelsesformanden, udnævner bestyrelsen en administrerende direktør, for hvilken den aldersgrænse, der er fastsat for formandens funktioner, gælder.

§ 16 - Generel ledelse - Beføjelser

Den administrerende direktør har de videste beføjelser til at handle i ethvert forhold i selskabets navn. Den administrerende direktør udøver disse beføjelser inden for grænserne for selskabets formål og med forbehold for de beføjelser, der udtrykkeligt er tildelt aktionærernes generalforsamlinger samt bestyrelsen ved lov.

Efter forslag fra den administrerende direktør kan bestyrelsen udnævne én eller flere, højest fem, kommitterede administrerende direktører. Den fastsatte aldersgrænse for formandens funktioner gælder ligeledes for kommitterede administrerende direktører.

De kommitterede, administrerende direktører har i forhold til tredjemand samme beføjelser som den administrerende direktør.

Som led i selskabets interne organisation kan den administrerende direktørs og de kommitterede, administrerende direktørers beføjelser begrænses af bestyrelsen, uden at denne begrænsning er bindende over for tredjemand.

§ 17 - Revisor

Revisionen af selskabet foretages af selskabsrevisorer, der er udnævnt og udøver deres hverv i henhold til loven.

I henhold til loven udnævnes revisorsuppleanter for selskabets revisorer i tilfælde af afvisning, forhindring, afgang eller dødsfald.

§ 18 - Generalforsamlinger

Aktionærernes fælles beslutninger træffes på ordinære, ekstraordinære eller særlige generalforsamlinger alt efter arten af de beslutninger, som de indkaldes for at træffe.

Generalforsamlingernes beslutninger er bindende for samtlige aktionærer.

Den ekstraordinære generalforsamling er alene bemyndiget til at ændre vedtægterne i alle deres bestemmelser. Den kan imidlertid ikke øge aktionærernes forpligtelser.

§ 19 - Indkaldelse og sted for afholdelse af generalforsamlinger

Generalforsamlingerne indkaldes og træffer afgørelser i henhold til de vilkår, der er fastsat ved lov.

Møderne finder sted enten på hjemstedet eller ethvert andet sted, der er anført i indkaldelsen. Bestyrelsen kan i forbindelse med indkaldelsen beslutte offentlig transmission af hele mødet ved webkonference og/eller teletransmission på de betingelser, der er foreskrevet ved gældende love og forskrifter. Denne beslutning meddeles i givet fald i mødeindkaldelsen.

§ 20 - Dagsorden

Dagsordenen for generalforsamlingerne fastlægges af den, der indkalder generalforsamlingen.

En eller flere aktionærer kan få optaget punkter eller beslutningsforslag på generalforsamlingernes dagsorden på vilkårene i henhold til loven og forskrifter.

Generalforsamlingen kan ikke behandle et anliggende, der ikke er optaget på dagsordenen. Den kan imidlertid under alle omstændigheder tilbagekalde ét eller flere bestyrelsesmedlemmer og sørge for udskiftning af disse.

§ 21 - Adgang til generalforsamlingerne - Beføjelser

Enhver aktionær har ret til at deltage i generalforsamlingerne og til at deltage personligt eller ved fuldmægtig i forhandlingerne, uanset det antal aktier, denne er i besiddelse af, og hvis den regnskabsmæssige registrering af dennes værdipapirer i eget navn eller i mellemleddets navn, der er indskrevet på hans konto, dokumenteres i medfør af stk. 7 i § 228-1 i den franske handelslov, *Code de Commerce*, på tredje hverdag forud for generalforsamlingen før midnat, Paris-tid, eller på kontiene for navneaktier, der føres af selskabet, eller på kontiene for ihændehaveraktier, der føres af det bemyndigede mellemled.

De aktionærer, der deltager i generalforsamlingen via webkonference eller telekommunikationsmidler i henhold til betingelserne i gældende bestemmelser, anses for at være tilstedeværende med hensyn til beregning af det beslutningsdygtige antal stemmer og majoriteten af aktionærer. Enhver aktionær kan på de betingelser, der er foreskrevet i love og forskrifter, fremsende sin fuldmagtsformular og brevstemmeformular vedrørende enhver generalforsamling enten i papirform eller efter bestyrelsens beslutning, der offentliggøres i mødeindkaldelsen, ved teletransmission.

§ 22 - Aktionærernes ret til aktindsigt

Enhver aktionær har ret til indsigt i nødvendige dokumenter for at gøre det muligt for denne at træffe en afgørelse med fuldt sagkundskab om selskabets ledelse eller funktion.

Arten af disse dokumenter og betingelserne for deres fremsendelse eller rådighedsstillelse er bestemt ved lov eller forskrifter.

§ 23 - Mødeprotokol - Præsidium - Protokollat

Der føres en mødeprotokol i henhold til de betingelser, der er fastsat ved lov.

Generalforsamlingerne ledes af bestyrelsesformanden eller i dennes fravær af et bestyrelsesmedlem, der er specifikt udpeget hertil af bestyrelsen. Hvis en sådan ikke er udpeges, udpeger generalforsamlingen selv en dirigent.

Funktionerne som stemmetællere varetages af to aktionærer, der er til stede og accepterer, og som selv eller i egenskab af fuldmægtige har det største antal stemmer.

[Præsidiet] udpeger sekretæren, der kan vælges uden for kredsen af aktionærer.

Kopier eller uddrag af generalforsamlingens protokollater bekræftes overensstemmende og udleveres i henhold til loven.

§ 24 - Ordinær generalforsamling

Den ordinære generalforsamling træffer samtlige afgørelser, der ikke ændrer vedtægterne.

Den afholdes én gang årligt inden for fristerne i henhold til gældende lov og forskrifter for at træffe afgørelse om regnskaberne for det forgangne regnskabsår.

Den træffer afgørelse i henhold til det beslutningsdygtige flertal og majoriteten, der er fastsat ved lov.

§ 25 - Ekstraordinær generalforsamling

Den ekstraordinære generalforsamling er alene bemyndiget til at ændre vedtægterne i alle deres bestemmelser. Enhver modstridende klausul anses for ugyldig. Den kan imidlertid ikke øge de for aktionærerne påhvilende forpligtelser, medmindre der er tale om transaktioner, der følger af en sammenlægning af aktier, som har fundet sted i overensstemmelse med de fastsatte regler.

Den træffer afgørelse i henhold til det beslutningsdygtige flertal og majoriteten, der er fastsat ved lov.

§ 26 - Regnskabsår

Hvert regnskabsår har en varighed af ét år, der starter den 1. januar og slutter den 31. december.

§ 27 - Fortegnelse over aktiver og passiver - Årsregnskab

Der føres et behørigt regnskab over selskabets transaktioner i henhold til loven.

Ved udgangen af hvert regnskabsår udfærdiger bestyrelsen fortegnelsen over aktiver og passiver i henhold til gældende lovbestemmelser.

Bestyrelsen udarbejder en beretning med de oplysninger, der er krævet ved lov.

§ 28 - Anvendelse og fordeling af overskud

Hvis regnskabsårets regnskaber, der er godkendt af generalforsamlingen, udviser et overskud, der kan udloddes, således som dette defineres i loven, træffer bestyrelsen beslutning om at overføre overskuddet til én eller flere reserveposter, for hvilke den træffer beslutning om anvendelse, overførsel til næste regnskabsår eller udlodning.

Resultatopgørelsen, der indeholder regnskabsårets indtægter og udgifter, viser som difference, efter fradrag af afskrivninger og hensættelser, regnskabsårets overskud.

Af regnskabsårets overskud, eventuelt med fradrag af underskud fra tidligere år, henlægges mindst fem % til oprettelse af en lovpligtig reservefond. Denne henlæggelse ophører med at være obligatorisk, når reservefonden udgør en tiendedel af aktiekapitalen.

Det overskud, der kan udloddes, består af regnskabsårets overskud med fradrag af tidligere underskud og beløb, der i medfør af loven eller vedtægterne er overført til reservefonden, og med tillæg af overført overskud.

Efter konstatering af eksistensen af reserver, som generalforsamlingen råder over, kan den beslutte at udlodde beløb fra disse reserver ved udtrykkeligt at angive, hvilke reserveposter midlerne stammer fra. Udbytte udloddes imidlertid primært fra regnskabsårets overskud.

Bortset fra i tilfælde af nedsættelse af aktiekapitalen kan der ikke ske udlodning til aktionærerne, når egenkapitalen er eller herved bliver mindre end det beløb for aktiekapitalen med tillæg af reserverne, som loven eller vedtægterne ikke tillader udlodning af. Reserven for opskrivninger kan ikke udloddes. Den kan helt eller delvis inkorporeres i kapitalen.

Efter overførsel af beløb til reserverne i henhold til loven kan generalforsamlingen afsætte ethvert beløb, som den finder formålstjenligt, med henblik på henlæggelse til frivillige, ordinære eller ekstraordinære reservefonde eller overførsel til senere regnskabsår.

Eventuelle tab overføres efter generalforsamlingens godkendelse af regnskaberne til næste år for at blive trukket fra overskuddet i efterfølgende regnskabsår, indtil tabet ikke længere eksisterer.

§ 29 - Betaling af udbytte - Acontobetaling

Når en balance, der er udarbejdet i løbet af eller ved udgangen af regnskabsåret og påtegnet af selskabets revisor, viser, at selskabet siden afslutningen af forrige regnskabsår, efter foretagelse af de nødvendige afskrivninger og hensættelser samt fradrag, hvis der er tidligere tab, samt overførsel af beløb til reserverne, i medfør af loven eller vedtægterne, har opnået et overskud, kan der foretages acontoudlodninger inden godkendelse af regnskabsårets regnskaber. Beløbet for disse acontoudlodninger kan ikke overstige det således fastsatte overskud.

Måderne for kontant udbetaling af udbytte fastsættes af generalforsamlingen eller eventuelt af bestyrelsen.

Den kontante udbetaling af udbytte skal imidlertid ske senest ni måneder efter regnskabsårets afslutning, medmindre fristen forlænges ifølge retlig tilladelse.

Generalforsamlingen, der træffer afgørelse om regnskabsårets regnskaber, kan give hver aktionær valget, for hele eller en del af udbyttet eller acontoudbyttet, mellem betaling af udbytte eller acontobetaling af udbytte i kontante midler eller i aktier.

Aktionærerne kan ikke kræve tilbagesøgning af udbytte, bortset fra når udlodningen er foretaget i strid med lovens bestemmelser, og selskabet påviser, at de begunstigede havde kendskab til udlodningens uregelmæssige karakter på udlodningstidspunktet eller ikke kunne være uvidende herom henset til omstændighederne.

Udbytte, der ikke er gjort krav på senest fem år efter udbetaling, er forældet.

§ 30 - Egenkapital på under halvdelen af aktiekapitalen

Hvis selskabets egenkapital på grund af tab konstateret i regnskabsdokumenterne, falder til under halvdelen af aktiekapitalen, er bestyrelsen forpligtet til senest fire måneder efter godkendelse af de regnskaber, der udviste disse tab, at indkalde til en ekstraordinær generalforsamling, der skal træffe afgørelse om, hvorvidt selskabet skal førtidigt opløses.

Hvis der ikke træffes afgørelse om opløsning, skal aktiekapitalen med forbehold af lovbestemmelser om minimumkapital for aktieselskaber senest inden udløbet af den frist, der er fastsat ved lov, reduceres med et beløb svarende til det tab, som ikke har kunnet dækkes af reserverne, såfremt egenkapitalen inden for denne frist ikke på ny mindst svarer til halvdelen af aktiekapitalen.

Generalforsamlingens beslutning skal under alle omstændigheder offentliggøres i henhold til betingelserne i love og forskrifter.

Hvis disse krav ikke overholdes, kan enhver interesseret part begære selskabet opløst ved dom. Det samme er tilfældet, hvis generalforsamlingen ikke gyldigt har kunnet træffe en afgørelse.

Retten kan dog kun opløse selskabet, hvis en berigtigelse ikke har fundet sted på datoen for realitetsafgørelsen.

§ 31 - Omdannelse af selskabet

Selskabet kan omdannes til et selskab af enhver anden form i henhold til de betingelser, der er fastsat ved lov.

§ 32 - Opløsning - Likvidation

Med forbehold af opløsning ved dom i henhold til loven opløses selskabet ved udløbet af dets varighed, der er fastsat i vedtægterne, eller efter beslutning truffet af aktionærernes generalforsamling.

En eller flere likvidatorer udpeges af den ekstraordinære generalforsamling på betingelserne for beslutningsdygtighed og majoritet, der er foreskrevet for ordinære generalforsamlinger. Likvidatoren repræsenterer selskabet. Likvidatoren har de videste beføjelser til at realisere aktiverne, eventuelt ved

underhåndssalg. Likvidatoren er bemyndiget til at betale kreditorerne og fordele den disponible saldo.

Aktionærernes generalforsamling kan give likvidatoren tilladelse til at fortsætte igangværende forretninger eller til at indgå aftale om nye, hvis det er nødvendigt af hensyn til likvidationen.

Såfremt én enkelt aktionær ejer samtlige aktier, medfører selskabets opløsning, det være sig ved dom på foranledning af tredjemand, eller ved erklæring, der indleveres til justitskontoret ved handelsretten af eneaktionæren som juridisk person, at selskabets formue overgår til eneaktionæren uden foretagelse af likvidation.

§ 33 - Indsigelser

Samtlige indsigelser, der måtte fremkomme i selskabets levetid eller under dets likvidation, det være sig mellem aktionærerne, eller mellem selskabets og aktionærerne, vedrørende fortolkningen eller opfyldelsen af nærværende vedtægter eller generelt vedrørende selskabets anliggender, indbringes for de kompetente domstole for selskabets hjemsted.

I tilfælde af indsigelse skal enhver aktionær i denne henseende vælge procesdomicil i retskredsen for hjemstedets kompetente domstol, og enhver stævning og forkyndelse afleveres behørigt på dette domicil.

Hvis der ikke vælges procesdomicil, kan stævninger og forkyndelser behørigt indleveres til anklagemyndigheden ved retten for større sager, *Tribunal de grande instance*, for selskabets hjemsted.

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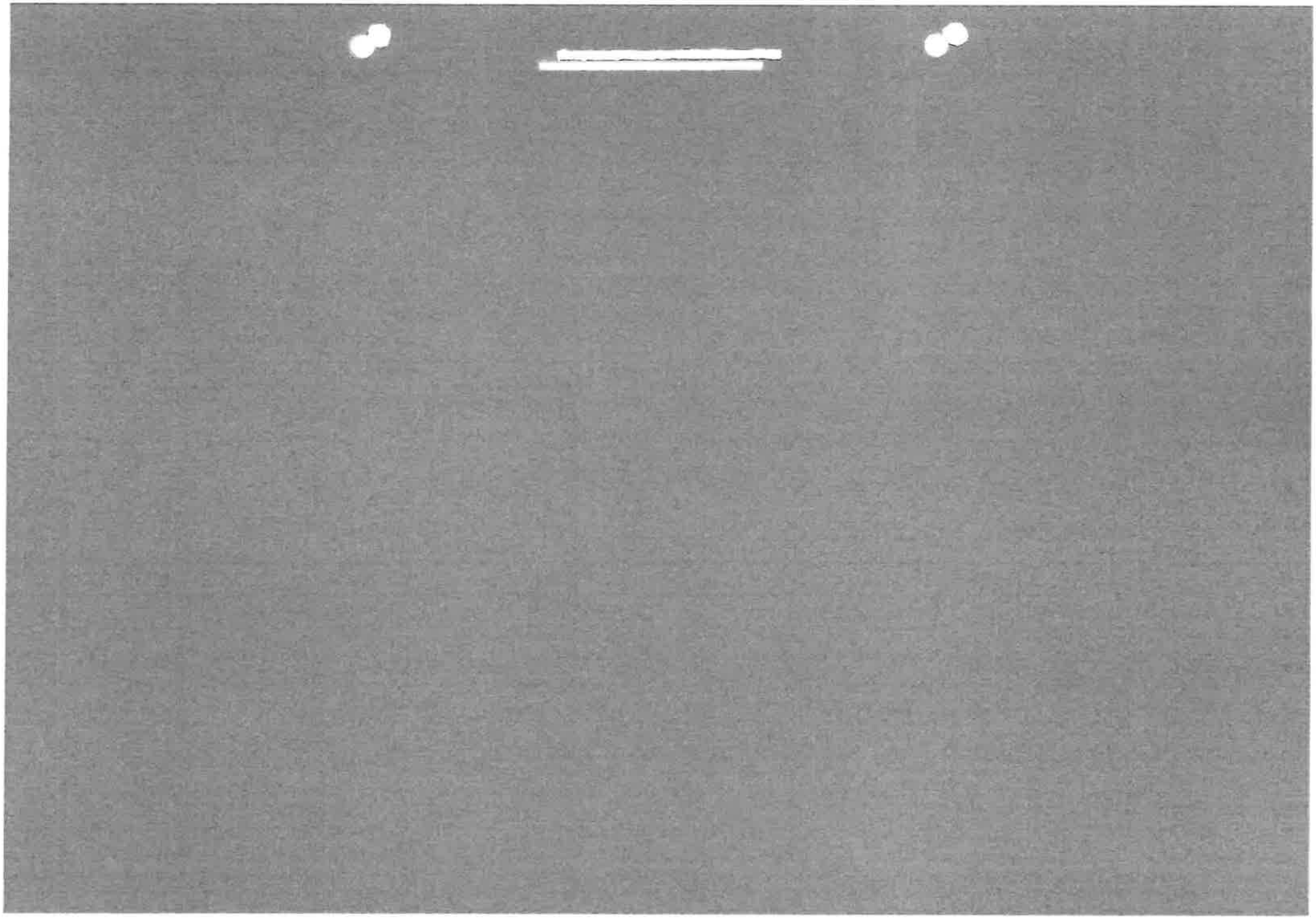

ANNEXE 17.2

Le projet de statuts mis à jour de Topotarget

REF. 15361

VEDTÆGTER

Topotarget A/S

(CVR-nr. 25 69 57 71)

SELSKABETS NAVN, HJEMSTED OG FORMÅL:

§ 1

Selskabets navn er Topotarget A/S.

§ 2

Selskabets hjemsted er Københavns kommune.

§ 3

Selskabets formål er at udvikle idéer og præparater til sygdomsbekæmpelse ad medicinsk vej, at producere og sælge sådanne præparater eller idéer, at eje aktier i selskaber med samme formål samt at udøve virksomhed, som står i naturlig forbindelse hermed.

SELSKABETS AKTIEKAPITAL:

§ 4

Selskabets aktiekapital udgør nominelt kr. 145.791.112 fordelt i aktier á kr. 1,- og multipla heraf. Aktiekapitalen er fuldt indbetalt.

ARTICLES OF ASSOCIATION

Topotarget A/S

(Registration no 25 69 57 71)

NAME, REGISTERED OFFICE AND OBJECTS OF THE COMPANY:

Article 1

The Company's name is Topotarget A/S.

Article 2

The Company's registered office is situated in the municipality of Copenhagen.

Article 3

The object of the Company is to develop ideas and preparations for the combating of disease medically, to manufacture and sell such preparations or ideas, to own shares of companies with the same objects and to perform activities in natural connection with these objects.

THE COMPANY'S SHARE CAPITAL:

Article 4

The Company's share capital is nominal DKK 145,791,112 divided into shares of DKK 1 each and multiples hereof. The share capital has been fully paid up.

AKTIETEGNINGSOPTIONER:

§ 5

Selskabets generalforsamlinger og selskabets bestyrelse (i henhold til bemyndigelser fra selskabets aktionærer) har tidligere udstedt warrants (aktietegningsoptioner) til at tegne aktier i selskabet til bl.a. medarbejdere, direktion, bestyrelsesmedlemmer, konsulenter og rådgivere i selskabet og dets datterselskaber uden fortegningsret for selskabets aktionærer. Bestyrelsen traf ved bestyrelsesbeslutning af 24. april 2014, under henvisning til de for de udstedte warrants gældende vilkår, beslutning om, at samtlige udestående warrants kunne udnyttes ekstraordinært i perioden den 6.-20. maj 2014, og at warrants, som ikke blev udnyttet senest den 20. maj 2014, bortfalder uden kompensation til indehaveren. Både udnyttelse af warrants og bortfald af warrants i henhold til ovenstående var betinget af, at fusionen mellem selskabet og BioAlliance Pharma S.A. blev vedtaget på en ekstraordinær generalforsamling i selskabet den 27. juni 2014 og på en ekstraordinær generalforsamling i BioAlliance Pharma S.A. den 30. juni 2014. Begge disse betingelser er blevet opfyldt og Selskabets aktiekapital er derfor ved bestyrelsesbeslutning af 30. juni 2014 blevet forhøjet med i alt nominel kr. 2.473.998, som følge af udnyttelse af warrants og alle øvrige warrants er pr. samme dato bortfaldet, således at der pr. 30. juni 2014 ikke længere er udestående warrants til at tegne aktier i selskabet. Som følge heraf har bestyrelsen den 30. juni 2014 besluttet at slette følgende i vedtægterne: Hidtidige § 5 (omkring tidligere tildelinger af warrants), hidtidige § 5a (omkring tidligere udnyttelser af warrants), §§ 6, 6a, 6b, 6d (om fuld udnyttelse af tidligere bemyndigelser) samt vedtægternes bilag 1, 2 og 4 (vilkår for

WARRANTS:

Article 5

The company's general meetings and the Company's Board of Directors (acting in accordance with authorisations granted by the shareholders) have previously issued warrants to subscribe shares in the Company to, amongst others, employees, management, board members, consultants and advisors in the Company and its subsidiaries without preemptive subscription rights for the company's shareholders. By board resolution dated 24 April 2014, the Board of Directors resolved, referring to the terms for the warrant issued, that all outstanding warrants would be extraordinarily exercisable during the period 6-20 May 2014 and that warrants that were not exercise latest on 20 May 2014 would lapse without compensation to the holder. The exercise and lapse of warrants in accordance with the stipulation above was conditional upon the duly approval of the merger between the Company and BioAlliance Pharma S.A. on the extraordinary general meeting held in the Company on 27 June 2014 and at an extraordinary general meeting held in BioAlliance Pharma S.A. on 30 June 2014. Both these conditions have been met and the Company's share capital has therefore by board decision dated 30 June 2014 been increased by a total of nominal DKK 2,473,998, as a result of warrant exercise and all other outstanding warrants have lapsed on the same date, so that as of 30 June 2014 there are no warrants issued and outstanding to subscribe shares in the Company. As a result, the Board of Directors resolved on 30 June 2014 to delete the following from the articles of association: Existing article 5 (concerning previous issuances of warrants), existing article 5a

udstedte warrants). Nummereringen af vedtægternes § 6c er endvidere ændret til § 6a og § 6e er ændret til § 6b.

(concerning previous exercises of warrants), articles 6, 6a, 6b, 6d (concerning full exercise of previous authorisations) as well as appendices 1, 2 and 4 of the articles of association (warrant terms). The numbering of article 6c of the articles of association has been changed to article 6a and article 6e has been changed to article 6b.

§ 6a

Article 6a

Selskabet har på generalforsamlingen den 26. november 2012 vedtaget overordnede retningslinjer for incitamentsaflønning af selskabets bestyrelse og direktion.

At the Extraordinary General Meeting held on 26 November 2012, the shareholders approved general guidelines for incentive remuneration of the company's Board of Directors and Management.

§ 6b

Article 6b

Bestyrelsen er i perioden frem til 9. april 2018 bemyndiget til ad én eller flere gange at udstede op til i alt 705.000 stk. warrants (aktietegningsoptioner), der hver giver ret til tegning af 1 aktie à nominelt kr. 1 i selskabet mod kontantindskud og til at foretage den hertil hørende kapitalforhøjelse.

In the period until 9 April 2018, the Board of Directors is authorized to make one or more issues of up to a total of 705,000 warrants, each entitling the holder to subscribe for one share of DKK 1 nominal value in the Company against cash payment and to make the relevant capital increases.

Warrants kan udstedes til medarbejdere, direktion, bestyrelsesmedlemmer, konsulenter eller rådgivere i selskabet og dets datterselskaber uden fortegningsret for selskabets aktionærer. Udnyttelseskursen på warrants, som udstedes i henhold til bemyndigelsen, skal som minimum svare til markedskursen på selskabets aktier på tidspunktet for udstedelsen af de pågældende warrants. De øvrige vilkår for warrants, der udstedes i henhold til bemyndigelsen, fastsættes af bestyrelsen.

The warrants may be issued to employees, the management, board members, consultants, or advisors to the Company and its subsidiaries without pre-emptive rights for the Company's shareholders. The exercise price for warrants issued under the authorization shall correspond at least to the market price of the Company's shares at the date of issuance of the warrants. The other terms relating to warrants issued under the authorization shall be fixed by the Board of Directors.

BEMYNDIGELSE TIL KAPITALFORHØJELSE:

§ 7

7.1(a) Bestyrelsen er i tiden indtil den 9. april 2018 bemyndiget til ad én eller flere gange at forhøje aktiekapitalen med op til i alt nominelt kr. 15.000.000 med fortegningsret for selskabets aktionærer. Kapitalforhøjelser i henhold til nærværende bemyndigelsesbestemmelse skal af bestyrelsen gennemføres ved kontantindskud. Bestyrelsen er bemyndiget til at foretage de fornødne vedtægtsændringer i tilfælde af udnyttelse af bemyndigelsen til at forhøje aktiekapitalen.

7.1(b) Bestyrelsen er i tiden indtil den 9. april 2018 bemyndiget til ad én eller flere gange at forhøje aktiekapitalen med op til i alt nominelt kr. 15.000.000 uden fortegningsret for selskabets aktionærer. Kapitalforhøjelser i henhold til nærværende bemyndigelsesbestemmelse kan af bestyrelsen gennemføres ved apportindskud, gældskonvertering og/eller kontantindskud og skal ske til markedskurs. Bestyrelsen er bemyndiget til at foretage de fornødne vedtægtsændringer i tilfælde af udnyttelse af bemyndigelsen til at forhøje aktiekapitalen.

7.1(c) For nye aktier som udstedes i henhold til § 7.1(a) eller 7.1(b) skal gælde, at de er omsætningspapirer udstedt til ihændehaveren, men kan noteres på navn. De nye aktier skal ikke være undergivet omsætningsbegrænsninger, og ingen aktionær skal være forpligtet til at lade sine aktier indløse helt eller delvist. Aktierne skal i det hele være ligestillet med den bestående aktiekapital. De nye aktier skal give ret til udbytte og andre

AUTHORISATION TO INCREASE THE SHARE CAPITAL:

Article 7

7.1(a) The Board of Directors is until 9 April 2018 authorized at one or more times to increase the Company's share capital with up to nominal DKK 15,000,000 with pre-emptive subscription rights for the Company's shareholders. Capital increases according to this authorization shall be carried out by the Board of Directors by way of cash contributions. The Board of Directors is authorized to make the required amendments of the Articles of Association if the authorization to increase the share capital is used.

7.1(b) The Board of Directors is until 9 April 2018 authorized at one or more times to increase the Company's share capital with up to nominal DKK 15,000,000 without pre-emptive subscription rights for the Company's shareholders. Capital increases according to this authorization can be carried out by the Board of Directors by way of contributions in kind, conversion of debt and/or cash contributions and must be carried out at market price. The Board of Directors is authorized to make the required amendments of the Articles of Association if the authorization to increase the share capital is used.

7.1(c) For shares issued pursuant to Article 7.1(a) or 7.1(b) the following shall apply: The new shares shall be negotiable shares issued to the bearer, but may be recorded in the name of the holder. The new shares shall not have any restrictions as to their transferability and no shareholder shall be obliged to have the shares redeemed fully or partly. The shares shall be with the same rights as the existing share capital. The new

rettigheder i selskabet fra det tidspunkt, som fastsættes af bestyrelsen i forhøjelsesbeslutningen.

shares shall give rights to dividends and other rights in the Company from the time which is determined by the Board of Directors in connection with the decision to increase the share capital.

7.1(d) Den samlede kapitalforhøjelse, der kan vedtages af bestyrelsen i henhold til bemyndigelserne i §§ 7.1(a) og 7.1(b) kan ikke overstige i alt nominelt DKK 15.000.000.

7.1(d) The capital increase, which the Board of Directors may decide upon, pursuant to Article 7.1(a) and Article 7.1(b), cannot exceed a nominal amount of DKK 15,000,000 in the total aggregate.

§ 7a

Article 7a

Bestyrelsen er bemyndiget til i perioden indtil 26. november 2017 ad én eller flere gange at træffe beslutning på vegne af selskabet om optagelse af lån mod udstedelse af konvertible obligationer, der giver ret til tegning af aktier i selskabet. Selskabets aktionærer skal ikke have fortegningsret ved udstedelsen af de konvertible obligationer i henhold til denne bemyndigelse, og de konvertible obligationer skal udbydes til en tegningskurs og en konverteringskurs, som under ét mindst svarer til aktiernes markedskurs på tidspunktet for bestyrelsens beslutning om at udstede de konvertible obligationer. Lånene skal indbetales kontant. I øvrigt fastsætter bestyrelsen de nærmere vilkår for de konvertible obligationer, der udstedes i henhold til bemyndigelsen.

During the period ending 26 November 2017, the Company may at one or more times by resolution of the Board of Directors obtain loans against issuance of convertible bonds which gives the right to subscribe for shares in the Company. The Company's existing shareholders shall not have pre-emption right and the convertible bonds shall be offered at a subscription price and a conversion price that correspond in aggregate to at least the market price of the shares at the time of the decision of the Board of Directors. The loans shall be paid in cash. The terms and conditions for the convertible bonds shall be determined by the Board of Directors.

Til gennemførelse af den til konvertering af de konvertible gældsbreve hørende kapitalforhøjelse bemyndiges bestyrelsen til i perioden indtil 26. november 2017 at forhøje selskabets aktiekapital ad én eller flere gange med indtil i alt nominelt kr. 13.260.902 ved konvertering af de konvertible obligationer og på øvrige vilkår fastsat af selskabets bestyrelse. Selskabets hidtidige aktionærer skal ikke have fortegningsret til aktier, der udstedes ved konvertering af de konvertible

As a consequence of the conversion of the convertible bonds, the Board of Directors is authorized during the period until 26 November 2017 to increase the share capital by a nominal value of up to DKK 13,260,902 at one or more times by resolution of the Board of Directors by conversion of the convertible bonds and on such other terms as the Board of Directors may determine. The Company's existing shareholders shall not have pre-emption right to subscribe for

obligationer.

shares issued by conversion of the convertible bonds.

De nye aktier, som måtte blive tegnet ved konvertering, skal være omsætningspapirer udstedt til ihændehaveren, men kan noteres på navn. De nye aktier skal ikke være undergivet omsætningsbegrænsninger, og ingen aktionær skal være forpligtet til at lade sine aktier indløse helt eller delvist. Aktierne skal i det hele være ligestillet med den bestående aktiekapital. De nye aktier skal give ret til udbytte og andre rettigheder i selskabet fra det tidspunkt, som fastsættes af bestyrelsen i forhøjelsesbeslutningen.

The new shares issued based on convertible bonds shall be negotiable shares issued to bearer, but may be recorded in the name of the holder. The new shares shall not have any restrictions as to their transferability and no shareholder shall be obliged to have the shares redeemed fully or partly. The shares shall be with the same rights as the existing share capital. The new shares shall give rights to dividends and other rights in the Company from the time which is determined by the Board of Directors in connection with the decision to increase the share capital.

SELSKABETS AKTIER:

THE COMPANY'S SHARES:

§ 8

Article 8

Selskabets aktier udstedes til ihændehaveren, men kan noteres på navn i selskabets ejerbog. Selskabets ejerbog føres af Computershare A/S, Kongevejen 418, DK-2840 Holte.

The Company's shares shall be bearer shares, but may be recorded in the name of the holder in the Company's Register of Owners. The Company's Register of Owners shall be kept and maintained by Computershare A/S Kongevejen 418, DK-2840 Holte.

Selskabets aktier udstedes gennem VP Securities A/S, og udbytte udbetales ved overførsel til de af aktionærerne anviste konti i overensstemmelse med de til enhver tid gældende regler for VP Securities A/S.

The Company's shares are issued through VP Securities Services and dividends are in accordance with the rules applicable from time to time for VP Securities Services paid by way of transfer to accounts designated by the shareholders.

Selskabets aktier er omsætningspapirer.

The Company's shares are negotiable instruments.

Ingen aktier har særlige rettigheder.

No shares shall carry special rights.

Ingen aktionær er forpligtet til at lade selskabet eller andre indløse sine aktier helt eller delvis.

No shareholder shall be obliged to have his shares redeemed in whole or in part by the Company or others.

GENERALFORSAMLINGER:

§ 9

Selskabets generalforsamlinger afholdes i Københavns kommune eller i det storkøbenhavnske område.

Generalforsamlinger indkaldes med et varsel på mindst 3 uger og højst 5 uger ved bekendtgørelse i Erhvervsstyrelsens edb-informationssystem og via selskabets hjemmeside. Indkaldelse skal endvidere ske skriftligt ved almindeligt brev til alle i ejerbogen noterede aktionærer, som har fremsat begæring herom. Indkaldelsen skal indeholde dagsordenen for generalforsamlingen. Såfremt dagsordenen indeholder forslag, til hvis vedtagelse der kræves kvalificeret majoritet, skal indkaldelsen tillige indeholde en angivelse af disse forslag og deres væsentligste indhold.

§ 10

Ordinær generalforsamling skal afholdes inden 4 måneder efter regnskabsårets udløb.

Forslag fra aktionærer skal for at komme til behandling på den ordinære generalforsamling være indgivet skriftligt til bestyrelsen senest 6 uger før generalforsamlingens afholdelse. Modtages forslaget senere end 6 uger før generalforsamlingen, afgør bestyrelsen, om kravet er fremsat i så god tid, at emnet kan optages på dagsordenen.

Ekstraordinære generalforsamlinger afholdes efter beslutning af generalforsamlingen eller bestyrelsen eller efter skriftlig anmodning til

GENERAL MEETINGS:

Article 9

General Meetings of the Company shall be held in Copenhagen municipality or in the Greater Copenhagen area.

General Meetings shall be convened with a notice of a minimum 3 weeks and a maximum of 5 weeks by publication in the Danish Business Authority's computerised information system and at the Company's webpage. A convening notice shall, furthermore, be forwarded in writing by ordinary mail to all shareholders recorded in the Register of Owners who have requested such notification. The convening notice shall contain the agenda for the General Meeting. If the agenda contains proposals, the adoption of which require a qualified majority, the convening notice shall contain a specification of such proposals and their material contents.

Article 10

The Annual General Meeting shall be held within 4 months after the expiry of the accounting year.

Proposals from shareholders shall in order to be considered at the annual General Meeting be filed in writing with the Board of Directors at the latest 6 weeks before the annual General Meeting. If a motion is filed later than 6 weeks before the General Meeting the Board of Directors decides whether the motion was filed in such timely fashion that the motion can be included on the agenda.

Extraordinary General Meetings shall be held according to resolutions by the General Meeting or the Board of Directors or upon

bestyrelsen fra en af de valgte revisorer, samt hvis skriftlig begæring herom fremsættes af aktionærer, der tilsammen råder over mindst 1/20 af aktiekapitalen. Begæring fra aktionærer, der råder over mindst 1/20 af aktiekapitalen, skal angive hvilket emne, der ønskes behandlet. Generalforsamlingen skal i dette tilfælde indkaldes inden 2 uger efter, at begæringen herom er fremsat overfor bestyrelsen.

written request to the Board of Directors from one of the elected auditors and if a request is presented by shareholders representing in aggregate at least 1/20 of the share capital. A request from shareholders representing at least 1/20 of the share capital shall specify the proposal to be considered by the General Meeting. The General Meeting shall in this case be convened within 2 weeks from the date the proposal has been presented to the Board of Directors.

§ 11

Article 11

Senest 3 uger før generalforsamlingens afholdelse (inklusive dagen for denne afholdelse) skal selskabet gøre følgende oplysninger og dokumenter tilgængelige for aktionærerne på selskabets hjemmeside: Indkaldelsen, det samlede antal aktier og stemmerettigheder på datoen for indkaldelsen, de dokumenter der skal fremlægges på generalforsamlingen, dagsordenen og de fuldstændige forslag samt de formularer, der skal anvendes ved stemmeafgivelse ved fuldmagt og ved brev, medmindre disse sendes direkte til aktionærerne. Kan nævnte formularer af tekniske årsager ikke gøres tilgængelige på internettet, oplyser selskabet på sin hjemmeside, hvordan formularerne kan fås i papirform. I sådanne tilfælde sender selskabet formularerne til enhver aktionær der ønsker det.

At the latest 3 weeks before a General Meeting (inclusive of the day of the General Meeting), the Company shall make the following information and documents available on the Company's webpage: The convening notice, the total number of shares and voting rights on the date of the convening, the documents that shall be presented at the General Meeting, the agenda and the complete proposals as well as the forms to be used for proxy voting or voting by letter unless these are sent directly to the shareholders. If said forms cannot be made available for technical reasons on the internet, the Company shall on its webpage inform how the form can be obtained in hardcopy; in which case the Company shall send the forms to any shareholders who requests this.

Dagsorden for den ordinære generalforsamling skal omfatte:

The agenda of the Annual General Meeting shall include:

1. Beretning om selskabets virksomhed i det forløbne år.

1. *Report on the Company's activities during the past year.*

2. Fremlæggelse af revideret årsrapport med revisionspåtegning til godkendelse samt meddelelse af decharge til bestyrelse og direktion.

2. *Presentation of audited annual report with auditor's statement for approval and discharge of the Board of Directors and mana-*

	gement.
3. Beslutning om anvendelse af overskud eller dækning af tab i henhold til den godkendte årsrapport.	*3. Resolution on application of profits or covering of losses as per the adopted annual report.*
4. Valg af medlemmer til bestyrelsen samt eventuelle suppleanter for disse.	*4. Election of board members and alternates, if any.*
5. Valg af statsautoriseret revisor.	*5. Election of state authorised public auditor.*
6. Eventuelle forslag fra bestyrelsen og/eller aktionærer.	*6. Any proposals from the Board of Directors and/or shareholders.*
§ 12	*Article 12*
På generalforsamlingen giver hvert aktiebeløb på kr. 1,- én stemme.	*At General Meetings, each share of DKK 1 shall carry one vote.*
En aktionærs ret til at deltage i og stemme på en generalforsamling fastsættes på grundlag af de aktier, aktionæren besidder på registreringsdatoen. Registreringsdatoen ligger 1 uge før generalforsamlingens afholdelse. De aktier, den enkelte aktionær besidder, opgøres på registreringsdatoen på grundlag af noteringen af aktionærens ejerforhold i ejerbogen samt meddelelser om ejerforhold, som selskabet har modtaget med henblik på indførsel i ejerbogen.	*A shareholder's right to attend General Meetings and to vote at General Meetings is determined on the basis of the shares that the shareholder owns on the registration date. The registration date shall be 1 week before the General Meeting is held. The shares which the individual shareholder owns are calculated on the registration date on the basis of the registration of ownership in the Register of Owners as well as notifications concerning ownership which the Company has received with a view to update the ownership in the Register of Owners.*
Enhver aktionær, der er berettiget til at møde på generalforsamlingen og som ønsker at deltage i generalforsamlingen, skal senest 3 dage før generalforsamlingen anmode om adgangskort til generalforsamlingen.	*Any shareholder who is entitled to attend a General Meeting and who wishes to attend must have requested an admission card from the Company no later than 3 days in advance of the General Meeting.*
Aktionæren kan møde personligt eller ved fuldmægtig, og både aktionæren og fuldmægtigen kan møde sammen med en råd-	*The shareholder is entitled to attend in person or be represented by proxy and both the shareholder and the proxy holder may*

giver. Stemmeret kan udøves i henhold til fuldmagt. Det er en betingelse, at fuldmægtigen fremlægger en skriftlig fuldmagt, som er dateret. Fuldmagt til selskabets ledelse kan ikke gives for en længere periode end 12 måneder og skal gives til en bestemt generalforsamling med en på forhånd kendt dagsorden.

attend together with an advisor. A shareholder may vote by proxy. It is a condition that the representative presents a written power of attorney, which is dated. A power of attorney cannot be given to the company's board of directors or management for a period in excess of 12 months and must be given to a specific general meeting with an agenda known in advance.

Aktionærer med stemmeret efter § 12, stk. 2, har mulighed for at brevstemme. Brevstemmer skal være fremkommet til selskabet senest én hverdag inden kl. 12.00 før afholdelse af generalforsamlingen.

Shareholders who are entitled to vote cf. article 12(2) may vote by letter. Votes made by letter must be received by the Company no later than 12.00 noon the business day before the general meeting.

§ 13

Article 13

De på generalforsamlingen behandlede anliggender afgøres ved simpel stemmeflerhed, medmindre selskabsloven eller vedtægterne foreskriver andet.

Decisions at General Meetings shall be adopted by a simple majority of votes unless the Companies Act or the Articles of Association provide otherwise.

I tilfælde af stemmelighed om et forslag bortfalder det.

In case of equality of votes the motion shall be deemed annulled.

Generalforsamlingen ledes af en dirigent, som udpeges af bestyrelsen. Dirigenten skal sikre, at generalforsamlingen afholdes på en forsvarlig og hensigtsmæssig måde. Dirigenten råder over de nødvendige beføjelser hertil. Over forhandlingerne på generalforsamlingen skal der føres en protokol, der underskrives af dirigenten.

A Chairman appointed by the Board of Directors shall preside over the General Meeting. The Chairman shall ensure that the general meeting is passed in a safe and appropriate manner and is granted all the necessary capacity and powers to ensure this. Minutes of the proceedings at the General Meeting shall be drawn up and shall be signed by the Chairman.

BESTYRELSE:

BOARD OF DIRECTORS:

§ 14

Article 14

Selskabet ledes af en af generalforsamlingen valgt bestyrelse bestående af mindst 4 og højst 7 generalforsamlingsvalgte medlem-

The Company shall be governed by the Board of Directors, consisting of no less than 4 and no more than 7 board members,

mer. Bestyrelsen vælges for ét år ad gangen.

elected by the General Meeting. The Board of Directors is elected for one year at a time.

Der kan vælges et antal suppleanter svarende til antallet af medlemmer af bestyrelsen; disse vælges ligeledes for ét år ad gangen.

A number of alternate board members corresponding to the number of board members may be elected. Alternate board members shall also be elected for one year at a time.

Et medlem af bestyrelsen skal udtræde senest på den førstkommende ordinære generalforsamling, efter at vedkommende er fyldt 70 år.

Any board member shall retire from the Board of Directors at the ordinary General Meeting following immediately after such member attaining the age of 70.

§ 15

Article 15

Bestyrelsen vælger af sin midte sin formand.

The Board of Directors shall elect their Chairman from their own number.

Bestyrelsen fastsætter ved en forretningsorden nærmere bestemmelser om udførelsen af sit hverv og påser, at selskabets virksomhed udøves i overensstemmelse med vedtægterne og den til enhver tid gældende lovgivning.

The Board of Directors shall adopt its own Rules of Procedure and ensure that the Company conducts its activities in conformity with the Articles of Association and the legislation in force at any time.

Bestyrelsen er beslutningsdygtig, når over halvdelen af medlemmerne er tilstede. De i bestyrelsen behandlede anliggender afgøres ved simpelt flertal. I tilfælde af stemmelighed skal formandens stemme være udslagsgivende.

The Board of Directors forms a quorum when more than half of the Board Members are present. Board resolutions require simple majority. In case of parity of votes the Chairman shall have the casting vote.

Formanden indkalder til møder, når dette anses for nødvendigt, eller når dette forlanges af bestyrelsen eller en direktør.

The Chairman shall convene board meetings whenever the Chairman finds it necessary, or when any board member or member of management so requests.

Over det på et bestyrelsesmøde passerede føres en protokol, der underskrives af samtlige tilstedeværende bestyrelsesmedlemmer.

Minutes of the proceedings at board meetings shall be entered into a Minute Book, which shall be signed by all present board members.

DIREKTION:

§ 16

Bestyrelsen ansætter en direktion bestående af 1-3 direktører til varetagelse af den daglige ledelse af selskabet og fastsætter de nærmere vilkår for antagelsen. Direktionen skal udføre sit hverv i overensstemmelse med bestyrelsens retningslinier og anvisninger.

MANAGEMENT:

Article 16

The Board of Directors shall employ a management consisting of 1-3 members to attend to the day-to-day management of the Company, and the Board of Directors shall determine the terms and conditions of the employment. The management shall perform its duties in accordance with the guidelines and directions issued by the Board of Directors.

TEGNINGSRET:

§ 17

Selskabet tegnes af bestyrelsens formand eller næstformand i forening med en direktør eller af tre medlemmer af bestyrelsen.

Bestyrelsen kan meddele prokura, enkel eller kollektiv.

AUTHORISATION TO BIND THE COMPANY:

Article 17

The Company shall be bound by the Chairman or the Deputy Chairman of the Board of Directors and one member of management jointly or by 3 members of the Board of Directors.

The Board of Directors may issue individual or joint powers of attorney.

REVISION:

§ 18

Selskabets årsrapporter revideres af en på generalforsamlingen for ét år ad gangen valgt statsautoriseret revisor.

AUDIT:

Article 18

One state authorised public accountant, elected by the General Meeting for one year at a time, shall audit the Company's annual reports.

REGNSKABSÅR/ÅRSRAPPORT:

§ 19

Selskabets regnskabsår er kalenderåret.

ACCOUNTING YEAR/ANNUAL REPORT:

Article 19

The Company's accounting year shall be the calendar year.

Selskabets årsrapport skal give et retvisende billede af selskabets aktiver og passiver, dets økonomiske stilling samt resultat.

The Company's annual report shall present a true and fair view of the Company's assets and liabilities, its financial position and results.

ELEKTRONISK KOMMUNIKATION:

§ 20

Selskabet kan anvende elektronisk dokumentudveksling samt elektronisk post (elektronisk kommunikation) i kommunikationen mellem Selskabet og dets aktionærer, jf. selskabslovens § 92. Selskabet kan dog til enhver tid vælge at kommunikere med aktionærerne ved almindeligt brev, men er ikke forpligtet dertil.

Alle meddelelser og dokumenter fra selskabet, herunder alle meddelelser og dokumenter, som i henhold til selskabets vedtægter, selskabsloven samt børslovgivning og –regler skal udveksles mellem selskabet og aktionærerne, herunder for eksempel indkaldelse til ordinær og ekstraordinær generalforsamling med tilhørende dagsorden og fuldstændige forslag, fuldmagter, delårsrapport, årsrapport, selskabsmeddelelser, adgangskort, finanskalender og prospekter samt i øvrigt generelle oplysninger fra selskabet til aktionærerne kan sendes af selskabet som en vedhæftet fil til en e-mail eller ved en præcis angivelse i e-mail af, hvorfra dokumentet kan downloades (et link).

Selskabet skal anmode de navnenoterede aktionærer om en e-mail adresse, hvortil meddelelser mv. kan sendes. Det er aktionærens ansvar at sikre, at selskabet til stadighed er i besiddelse af den korrekte e-mail adresse.

ELECTRONIC COMMUNICATION

Article 20

The Company may make use of electronic document exchange and electronic mail (electronic communication) in its communications with shareholders cf. section 92 of the Danish Companies Act. The Company may at any time elect to communicate by ordinary mail but is not obligated to do so.

All announcements and documents that pursuant to the Company's Articles of Association, the Danish Companies Act as well as stock exchange legislation and regulations must be exchanged between the Company and the shareholders, including, by example, notices to convene annual or extraordinary general meetings along with agendas and full wordings of proposed resolutions, proxies, interim reports, annual reports, stock exchange announcements, financial calendar and prospectuses, as well as general information from the Company to the shareholders may be sent as an attached file by e-mail or by including in an e-mail exact information as to where the document may be downloaded (a link).

The Company shall request its name-registered shareholders to forward an electronic address which may be used for electronic notices. It is the responsibility of the individual shareholder to ensure that the Company is informed of the correct address.

Aktionærerne kan på selskabets hjemmeside, www.topotarget.dk, finde nærmere oplysninger om kravene til de anvendte systemer samt om fremgangsmåde i forbindelse med elektronisk kommunikation.

Information about system requirements and about the procedure for electronic communications can be found on the Company's webpage www.Topotarget.com.

SPROG:

LANGUAGE

§ 21

Article 21

Selskabets koncernsprog er engelsk.

The corporate language shall be English.

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Således senest ændret ved bestyrelsesbeslutning af 30. juni 2014.

As latest adopted by the board on 30 June 2014.

[*English translation of French "Document E"*]

SCHEDULE 2

French Merger Appraisers Report and Danish Merger Appraiser Report/Statement

Report by the merger certifying accountants on the value of the capital contributions

pursuant to Article L. 225-147 of the Commercial Code

Merger by way of absorption of Topotarget A/S by BioAlliance Pharma S.A.

Traduction
Certifié conforme à l'original :
N° d'inscription : 1405 47 -1
Ecrit en langue : Française
Fait le : 23/05/14

MARA SCAGLIONE
Expert
Traducteur - Interprète
Cour d'Appel de Paris
Italien - Anglais - Français
8, ch. du Clotinet - 91

The participating companies

Topotarget A/S
Aktieselskab
with a registered capital of DKK 143,317,144
Fruebjergvej 3,
DK-2100 Copenhagen
Denmark

BioAlliance Pharma S.A.
Société anonyme
with a registered capital of €5,170,748
49, boulevard Martial Valin
75015 Paris
France

The merger certifying accountants

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Extraordinary General Meeting of BioAlliance Pharma S.A. of [30 June] 2014

Report dated 22 May 2014

Merger certifying accountants' report on the value of the contributions pursuant to Article L. 225-147 of the Commercial Code

Merger by absorption of Topotarget A/S

by BioAlliance Pharma S.A.

Dear shareholders,

Carrying out the tasks which have been entrusted to us by order of the Presiding Judge of the Paris *Tribunal de Commerce* (Commercial Court) of 19 March 2014, concerning the merger by way of the absorption of Topotarget A/S ("Topotarget" or the "Absorbed Company") by BioAlliance Pharma S.A. ("BioAlliance" or the "Absorbing Company"), we have drawn up this report on the value of the capital contributions as provided for by Article L.236-10 of the Commercial Code, it being specified that our assessment concerning the remuneration of the capital contributions is the subject of a separate report.

The contributed net assets have been defined in the draft merger agreement dated 16 April 2014. It is our task to express a conclusion as to the fact that the value of the contributions has not been overestimated.

We have carried out our tasks in accordance with the professional standards of the *Compagnie Nationale des Commissaires aux Comptes* (National Society of Statutory Auditors). They consisted essentially in:

- assessing the value of the capital contributions and satisfying ourselves that they are not overvalued;
- verifying that it at least corresponds to the par value of the shares to be issued by the company benefitting from the capital contributions incremented by the merger premium.

Since our tasks end with the filing of our reports, it is not for us to update this report in order to take account of any facts or circumstances postdating its signature.

We did not at any time find ourselves in one of the cases of incompatibility, prohibition or disqualification laid down by law. In accordance with the order appointing us, we have sent a certificate of independence and impartiality to the senior management of the companies concerned by the operation.

You will find our observations below, presented in the following order:

1. **Presentation of the operation**
2. **Tasks undertaken and assessment of the value of the capital contributions**
3. **Conclusion**

1 Presentation of the operation and description of the capital contributions

1.1 Context of the operation, reasons for and aims of the merger

The aim of the merger is to create a leader in biotechnologies specialising in orphan oncological diseases, by developing a portfolio of diversified products making it possible to reduce the risk associated with research and development.

1.2 Participating companies

- **Absorbing Company: BioAlliance Pharma S.A.**

BioAlliance is a biotechnology company specialising in researching, developing and putting on the market of medicines which are more specifically intended to treat rare cancers and their associated pathologies.

In its portfolio, it has in particular Livatag®, a medicine which is currently in phase 3, intended for the treatment of a type of liver cancer, and Validive®, a treatment administered for the prevention and treatment of oral mucositis provoked by ENT cancer treatments.

Created in 1997, BioAlliance is a *société anonyme* (corporation) having its registered offices at 49, boulevard Martial Valin, 75015 Paris. It is registered in the Paris Trade and Companies Register under the number 410 910 095. Listed on the stock market since 2005, its shares are admitted to trading in compartment C of NYSE Euronext Paris (ISIN FR0010095596). Before the announcement of the merger, its market capitalisation was around €150m.

At the date of signature of the draft merger agreement, the registered capital of BioAlliance amounted to €5,170,748, divided into 20,682,992 ordinary shares of a par value of €0.25. Its main shareholders are Financière de la Montagne (13.6%) and the Idinvest fund (5.2%).

In addition, it should be emphasised that there are two types of instrument providing access to the registered capital of BioAlliance:

- share subscription options, making it possible to subscribe to 1,038,368 ordinary shares in BioAlliance of €0.25 each, of which 449,071 may be exercised;
- share warrants making it possible to subscribe to 173,730 ordinary shares in BioAlliance of €0.25 each, of which 75,328 may be exercised.

- **Absorbed Company: Topotarget A/S**

Topotarget is a Danish biopharmaceutical company. It has developed the Belinostat molecule, which can be used for the treatment of various types of cancers, notably haematological ones.

Topotarget is an *Aktieselskab*, equivalent to a French *société anonyme* (corporation), having its registered offices at Fruebjergvej 3 – DK-2100 Copenhagen, Denmark. It is registered under the number 25695771. Since 2005, its shares are traded n NASDAQ OMX of Copenhagen (ISIN DK0060003556). Before the announcement of the merger, its stock market capitalisation was around DKK 430m (i.e. approximately €58m).

At the date of signature of the draft merger agreement, the registered capital of Topotarget amounted to DKK 143,317,114 (DKK meaning *danske kroner*, Danish kroner), divided into ordinary actions of a par value of DKK 1.00. The company's share capital is atomised, and only one shareholder has more than 5% of the share capital, the HealthCap fund with 10%.

It should be noted that Topotarget has issued share warrants making it possible to subscribe to 6,580,888 new ordinary shares in Topotarget, of which 3,977,365 may be exercised[1].

- **Capital ties between the participating Companies**

Prior to the capital contribution, BioAlliance and Topotarget (referred to together as the "Companies") have no capital ties between them, of any nature whatsoever.

1.3 Legal and tax organisation

From an accounting standpoint, the merger will have retrospective effect as of 1 January 2014.

On the legal level, the merger will be effective once the Danish Business Authority has issued the certificate required by Article 289(1) of the Danish Companies Act, the merger has been registered with the competent French authority and the conditions described below have been fulfilled:

- approval of the merger by the general meeting of Topotarget planned for 27 June 2014;
- approval of the merger by the general meeting of BioAlliance planned for 30 June 2014;
- the registration of Document E by the *Autorité des marchés financiers* (French financial markets authority), and issue of approval by the *Autorité des marchés financiers* of the admission prospectus which will be used to obtain the passport in Denmark;
- the passport procedure for the admission prospectus in Denmark;
- no material adverse event (as defined in the draft merger agreement), affecting either of the companies, either occurs or is in the process of occurring or threatens to occur;

[1] At the end of the subscription period, 2,473,998 Topotarget shares were subscribed to, cf. below

- the number of shares issued by Topotarget, held by its shareholders who, at the general meeting called for the purposes of approving the merger, (i) oppose the merger and (ii) who, on the request of the chairman of the general meeting of Topotarget pursuant to Article 110(2) of the Danish Companies Act, state their wish to exercise their right to reimbursement pursuant to Article 286 of the Danish Companies Act, do not exceed 14,331,711 shares (i.e. 10% of the total registered capital of Topotarget in circulation on the date of the draft merger agreement).

If the companies consider it to be appropriate, approval of the merger may be pushed back to a later date, without this being able to be later than 31 August 2014. If the conditions are not fulfilled by 31 August 2014, the draft merger agreement shall automatically lapse and cease to produce its effects.

In tax terms, the operation is:

- eligible for the tax provisions applicable to mergers as provided for by Council Directive 90/434/EC of 23 July 1990, as amended and re-codified by Directive 2009/193/EC of 19 October 2009, defining the main provisions applicable to mergers of companies of different Member States of the European Community.

- for matters of stamp duty in France, placed under the legal framework organised by Article 816 of the General Tax Code, and will give rise to a fixed duty of €500.

It should be noted that as a consequence of the merger, BioAlliance will constitute a stable establishment in Denmark

1.4 Description, assessment and remuneration of the capital contributions

Since the operation involves companies which are under distinct control, and pursuant to the provisions of CRC (French accounting regulatory body) Regulation No. 2004-01, the transferred assets and liabilities shall be contributed at their actual value.

Under the draft merger agreement dated 16 April 2014, the contributions by Topotarget represent a global value of €78,727,196, breaking down as follows:

Breakdown of the net contributed assets	
Actual value of the contributed assets	€81,679,490
Actual value of the transferred liabilities	€-2,952,294
Net contributed assets	€78,727,196

It should be noted that the liabilities transferred by Topotarget, of a value of €2,952,294, do not take account of the success fees to be paid to the relevant parties in the event that the merger takes place, estimated at €1,226,000 in the draft merger agreement

The global value of the capital contributions has been determined as follows:

Determining the contribution value of Topotarget		
BioAlliance spot price (14 March 2014-	A	€7,29
Exchange ratio	B	0.074074x
Exchange value per Topotarget share	C = A x B	€0.54
Number of Topotarget shares[(1)]	D	147,294,479
Global contribution value of Topotarget	**E = C x D**	**€78,727,196**

[(1)] of which 2,473,998 shares arising from the exercise of options

meaning as a function of:

- the closing price for BioAlliance of 14 April 2014, two days before the announcement of the merger between the two Companies, i.e. €7.29;
- the exchange ratio fixed by the parties at 0.074074 new BioAlliance shares for one Topotarget share (or 2 new BioAlliance shares for 27 Topotarget shares);
- the 145,791,112 Topotarget shares, corresponding to the 143,317,114 Topotarget shares in circulation plus the 2,473,998 new Topotarget shares arising from the exercise[2] of warrants.

On the basis of the above elements, the net contributed assets of €78.7m will be remunerated by the attribution to Topotarget shareholders of 10,799,341 new BioAlliance shares of a par value of €0.25 each, i.e. a capital increase of €2,699,835.25, together with a contribution premium equal to the difference between the amounts of the contributed assets and of the capital increase, i.e. €76,027,360.75, as set out below:

Calculation of the amount of the capital increase and merger premium		
Number of Topotarget shares	A	145,791,112
Exchange ratio	B	0.074074x
Number of new BioAlliance shares issued	C = A x B	10,799,341
Value of the contributions	D	€78,727,196
Capital increase for BioAlliance	E = C x €0.25	€2,699,835.25
Merger premium	F = D - E	€76,027,360.75

2 Tasks undertaken and assessment of the value of the capital contributions

2.1 Tasks undertaken

We have undertaken those tasks that we deemed necessary, in accordance with the professional standards of the Compagnie Nationale des Commissaires aux Comptes (National Society of Statutory Auditors), in order to assess the value of the capital contributions.

[2] Out of a total of 3,977,365 warrants in the money

In particular:

- we have met or spoken with the managers of BioAlliance in charge of the operation and their advisers, including notably:
    - Mrs Judith Gréciet, and Mr Nicolas Fellmann, respectively Chief Executive and Chief Financial Officer of BioAlliance;
    - M[e] Jean-Nicolas Soret, barrister with the firm Altana, counsel for BioAlliance;
    - Mr Ercument Tokat, partner of the investment bank Centerview Partners, advising BioAlliance;
    - Mr Jean-Pierre Colle and Mr Nicolas Bouttier, respectively the partner and senior manager of the audit firm Grant Thornton, one of BioAlliance's Statutory Auditors;

- we have met or spoken with the managers of Topotarget in charge of the operation, including notably:
    - Mr Anders Vadsholt, Chief Executive of Topotarget,
    - Mrs Lone Dahl, Chief Financial Officer of Topotarget;

- we have studied the draft Prospectus dated 22 May 2014 and the Merger Agreement signed on 16 April 2014;

- we have analysed Topotarget's financial statements and particularly those for the financial years ended on 31 December 2012 and 2013;

- we have examined Topotarget's 2014-2050 business plan drawn up by its management and revised by BioAlliance's management with the assistance of the investment bank Centerview Partners (hereinafter Centerview Partners or the Advising Bank);

- we have studied the assessment report concerning Topotarget produced by Centerview Partners;

- we have adopted a multi-criteria approach to the global value of Topotarget and carried out analyses as to the sensitivity of the obtained values to variations in the assumptions which are structural to these valuations;

- we have received a letter of affirmation from Topotarget's management, pertaining in particular to the absence, until the closing date of the operation, of any facts or circumstances which might materially change the value of the contribution.

Our tasks, laid down by law, are not those of an audit or of a limited inspection. Their aim is therefore neither to give any opinion on the financial statements nor to proceed with any particular verifications as to compliance with company law. In particular, they cannot be likened to the due diligence carried out by a lender or purchaser and do not include the work required for this type of intervention. Therefore, our report enters only within the strict framework of our tasks and cannot be used in any other context.

2.2 Assessment of the value of the contributions

As stated above, the value of shareholders' equity for Topotarget has been fixed by mutual agreement between the parties at €78.7m.

2.2.1 *Assessment methods used by the company and its advisers*

The valuation of Topotarget has been carried out by applying the following methods:

- the discounted cash flow (DCF) method on the basis of the 2014-2050 business plan drawn up by the Absorbing Company and its advisers;
- reference to the enterprise value exteriorised by the stock market capitalisation comparable listed companies, i.e. for which the stock market capitalisation is between €25m and €250m and which mainly develop a phase 2 or 3 oncological treatment molecule;
- reference to the enterprise value exteriorised by market operations over the 2008-2014 period covering comparable companies, i.e. where the amount of the transaction is between €25m and €250m, each of which mainly develop a molecule, generally in phase 2 or 3 and/or for oncological treatment;
- as cross-reference, the stock market price references, the analysts' target prices and the premiums paid during the market operations referred to above.

This work has led to values for Topotarget of between €40.3m and €147.0m, set out in detail in the following table:

Topotarget Value of shareholders' equity	in €m Min	Central	Max
DCF	101.5	-	137.9
Reference to enterprise values	69.5	-	147.0
Stock market price (52 week min and max)	40.3	-	69.5
Stock market price plus control premium	71.8	-	106.7
Analyst target price		61.4	

The rejection of the comparable transactions, stock market comparisons and Adjusted Net Assets (ANA) methods seems justified to us for the following reasons:

- such methods are based on value multiples which are ineffective for biotechnology companies where income and profitability at the present time, and in the medium term, are not significant with respect to those expected beyond the usual forecasting horizon used for this type of approach;

- applying the ANA method would essentially consist in estimating the value of the Absorbed Company's patents, an approach which would come to the same result as the discounted cash flows method.

As for our own approaches, we do not retain the methods based on references to the enterprise value of listed companies or arising out of transactions which, from our point of view, would lead to setting very wide limits to Topotarget's value rather than actually assessing it, insofar as this method is completely disconnected from the Absorbed Company's aggregate line items with the exception of the net financial position.

2.2.2 Assessment by the merger certifying accountants

We have based our assessment work on the work carried out by the Advising Bank and the documents and information which has been communicated to us.

We verified the correct application of the retained valuation methods, and we developed our own approach to the global value of Topotarget, on the basis of the business plan, verifying the proper modelling of that plan.

The forecast business levels are based on the knowledge that BioAlliance's management has of the healthcare and economic potential of the various therapeutic applications of Belinostat. The estimates therefore concern the number and sale price of future treatments, together with their probable market share. These projections are then attributed a probability of success according to state of progress of clinical trials required for them to obtain marketing authorisation from the health authorities.

It should be pointed out that both the sale price and the market share the products in question are subject to a degree of uncertainty and that future achievements, even in the event that marketing authorisation is obtained, may diverge from current expectations.

We had BioAlliance's management provide written confirmation that these forecasts correspond to their best estimate, at the date of our report, of the future revenues and margins of the Absorbed Company. In addition, concerning the probabilities of success, we ensured that they were coherent with the practices of investors in the biotechnology sector according to each of the three successive trial phases required to obtain marketing authorisation.

The probabilities of success applied in the business plan thus step up from 20% for the treatment of liver cancer with Belinostat[3], to 85% for Peripheral T-cell lymphoma (PTCL)[4], which is currently being reviewed by the American health authority (the FDA) until 9 August 2014, date on which it is to give its opinion. It should be noted that in the event that this marketing authorisation is obtained, Topotarget will then receive, from its American commercial partner, a payment of and amount of USD 25m. Globally, considering the number of treatments retained in the forecasts and their probability of obtaining marketing authorisation, and according to our calculations, we attain an expected success rate of 25%, corresponding to the ratio between anticipated cumulative revenues after taking the probabilities of obtaining marketing authorisation into account and hypothetical cumulative revenues in the event that all of the marketing authorisations are obtained.

[3] Hepatocellular carcinoma (HCC) or primary liver cancer.

[4] As stated in English in the company's annual report, or *lymphome T périphérique en rechute ou réfractaire* in French.

Discounted cash flows method

In the same way as the Advising Bank, we assessed the value of the Absorbed Company on the basis of revenues which would potentially be obtained from treatments which have currently already attained the first phase of clinical trials in the marketing authorisation procedure. Indeed, we consider it to be prudent and reasonable to thus limit the assessment to applications which have sufficient probability of commercialisation to be able to contribute materially to the valuation of the company. It should be noted that by taking the 2050 financial year as forecasting horizon, the assessment by the DCF method includes the whole of the probable marketing cycle for each treatment, from it being put on the market until the end of protection from its patent followed by the progressive extinction of sales.

We validate the discounting rate of 14.30% used by Centerview Partners and its application to both the valuation of Topotarget and that of BioAlliance. According to our analysis, this 14.30% rate incorporates a specific risk premium of 2.0% to take account of the relative high dispersion of possible forecast flows around their anticipated amount which stems from the probability of success attributed to each molecule in the development phase. This 14.30% rate can therefore, in our opinion, be broken down as follows:

- a beta coefficient of 1.43 equal to the average, weighted by coefficients of determination, of betas for comparable companies, calculated by us using three French and international samples (Europe outside France and United States), which cover a total of 25 companies;
- a share risk premium of 5.84%, calculated at the end of March 2014 from the average of the last 6 monthly risk premiums produced by the firm Fairness Finance on the basis of a prospective model for discounting forecast cash flows;
- an average return for OAT TEC 10 of 2.28%, calculated over the same period as that used for the share risk premium;
- an illiquidity / size premium of 1.67% as arising on average over the last six months in the calculations of the firm Fairness Finance for companies with a stock market capitalisation equal to that which would arise from the combination of the Absorbing Company and the Absorbed Company;
- as stated beforehand, a specific risk premium of around 2% in order to take account of the particular distribution function of future flows, stemming from the probabilities of success of the various treatments currently in development and the forecast flows scenarios arising from their combination.

As opposed to the Advising Bank, we have not based our assessment solely on the median scenario arising from the anticipated future revenues but we also implemented a Monte Carlo-type simulation which takes account of other possible scenarios, between the failure of all of the treatments and the success of each of them. By this approach, we assessed the forecasting risk of the Absorbed Company and Absorbing Company. As a result, considering the distribution between fixed costs and variable costs in Topotarget's operating accounts, the approach that we have applied is more conservative in that it leads to a lower anticipated level of cash flows that what was retained by Centerview Partners, which based its margin calculations on one single scenario. However, insofar as the prospective risk premiums that we use were based on more specific models than those used by Centerview Partners (based on a single scenario) and the Monte Carlo approach would lead to risk premiums which are generally lower than those produced by Fairness Finance, we finally opted for a discounting rate of 14%, slightly lower than that described above, and which according to our calculations would lead via the Monte Carlo method to an anticipated value per share which is identical to that which would arise from the application of a single scenario with a rate of 14.30%.

Again according to our calculations, the business plan drawn up by management leads to a Topotarget share value of €0.80 (i.e. DKK 5.97[5]), with a coefficient of variation of 73%[6] according to the various possible combinations of the treatments currently in development attaining marketing authorisation. The result is a value of shareholders' equity of €116.8m on the basis of 145.8 million shares (€114.8m on a basis of 143.3 million shares, after application of the treasury method). This value includes that portion of the costs connected with the merger that will be borne by the Absorbed Company as well as the synergies in operating costs which are currently expected by management of BioAlliance. According to our calculations, taking these synergies into account has an impact of €0.05 per Topotarget share.

A variation of 0.50% in the discounting rate has an impact of +/- €0.04 on the value of the share.

Stock market price criterion

In the same way as the Advising Bank, we also analysed the stock market price for Topotarget which is a pertinent criterion insofar as the share is regularly listed, has a substantial float and has sufficient liquidity. The table below shows the average volume-weighted price over various periods as of 15 April 2014, the day before the announcement of the merger, and the value of shareholders' equity which derives therefrom (Mkt. Cap. in €m):

Weighted average market price at 15 April 2014	Topotarget		
	DKK/share	€/share	Mkt. Cap. in €m
36 months	DKK 2.51	€0.34	48.3
24 months	DKK 2.53	€0.34	48.6
12 months	DKK 3.00	€0.40	57.7
6 months	DKK 3.10	€0.42	59.5
3 months	DKK 3.13	€0.42	60.0
20 days	DKK 3.14	€0.42	60.3
Spot	DKK 3.01	€0.40	57.8
Max. 3 months	DKK 3.57	€0.48	68.5
Min 3 months	DKK 2.85	€0.38	54.7

By adopting the most recent weighted averages (20 days and 3 months), the value of Topotarget comes out at approximately €60m. It must however be emphasised that this value does not integrate the synergies that are expected with the merger. Thus, following in the footsteps of the Advising Bank, we will use this criterion only as a cross-reference.

In addition, it should be borne in mind that the stock market price does not integrate the premium for control. As these are biotechnology or pharmaceutical companies, observations on transactions concerning majority holdings over the period 2008-2013 show premiums of between 23.8% and 80.2% (the 25th and 75th percentiles, respectively) and a median premium of 57.2%.

[5] Exchange rate of 15 April 2014 : €1 = DKK 7.4662

[6] Standard deviation of values of the share (€0.58) divided by the anticipated value of the share (0.80).

Taking the 2012-2013 period as being relevant, the premiums were between 17.7% and 52.5%, for a median premium of 22.1%. Applied to the weighted average market price over 3 months, this gives a value of shareholders' equity of between €70.7m and €91.6m and a median of €73.3m.

Criterion of analysts' target price

Topotarget is only followed by two analysts, Danske Bank and Edison. This modest coverage leads us to present this criterion only for information.

The last published price objectives were as follows:

Company	Analyst	Date	Target price in DKK	Target price in €	Reference market price in €
Topotarget	Danske Bank (1)	31 Jan 2014	3.2	€0.43	€0.42
	Danske Bank (1)	31 Jan 2014	4.2	€0.56	€0.42
	Edison (2)	10 Feb 2014	10.0	€1.34	€0.42

(1) stand-alone: DKK 3.20; in the context of a takeover or merger: DKK 4.20

(2) Edison does not present a target price with a horizon, but the result of its DCF

Retaining only the Danske Bank target, since the one provided by Edison appears to be too far from the stock market price and the assumptions of the post-merger business plan drawn up by BioAlliance (see above), the value of the shareholders' equity for Topotarget comes to between €61.4m on a stand-alone basis, and €80.6m in the event of takeover or merger.

We would note that Edison's target price is based on a higher number of treatments than retained in the business plan drawn up by BioAlliance, which, coherently with its strategy, focuses on the treatment of cancers or orphan diseases. These treatments, which were not retained by BioAlliance[7], contribute for approximately one half of Edison's target price.

2.2.3 Summary

The table below presents a summary of the results concerning the value of the shareholders' equity of Topotarget arising out of our work:

Value of shareholders' equity	in €m			in €/share		
	Min.	Central	Max.	Min.	Central	Max.
Main methods						
DCF	116.1	121.8	127.5	€0.81	€0.85	€0.89
Monte Carlo DCF	109.0	114.8	120.5	€0.76	€0.80	€0.84
As cross-reference or for information						
Stock market price (20 days - 3 months)	60.0	60.2	60.3	€0.42	€0.42	€0.42
Stock market price plus control premium	70.7	73.3	91.6	€0.49	€0.51	€0.64
Analysts' target price	61.4	71.0	80.6	€0.43	€0.50	€0.56

[7] NSCLC for "Non Small Cell Lung Cancer", STS for "Soft Tissue Sarcoma" and thymus cancer

We observe that the values arising out of the criteria used for cross-reference or for information surround the value for contributions fixed at €78.7m, and that the application of the DCF method leads on average to a range of values which are around 50% higher than the value of the contributions. The latter does not therefore appear to be overvalued.

It should however be borne in mind that the value of shareholders' equity of Topotarget is mainly tied to the success of Belinostat for the treatment of various oncological pathologies. Thus, a rejection or delay by the FDA concerning the marketing authorisation for Beleodaq®, expected at the beginning of August 2014, would probably have materially negative effects on the valuation of the capital contributions by Topotarget.

3 Conclusion

As conclusion for our work, it is our opinion that the value of the capital contributions, amounting to €78,727,196, is not overvalued and, as a consequence, that the amount of net assets contributed by the Absorbed Company is at least equal to the amount of the capital increase by the Absorbing Company plus the merger issue premium.

Done in Paris, on 22 May 2014

The Merger Certifying Accountants

Thierry Bellot
Signature

Olivier Marion
Signature

Members of the *Compagnie Régionale des Commissaires aux Comptes de Paris*
(Paris Regional Society of Statutory Auditors)

Report by the merger certifying accountants on the remuneration of the capital contributions

pursuant to Article L. 236-10 of the Commercial Code

Merger by way of absorption of Topotarget A/S

by BioAlliance Pharma S.A.

Traduction
Certifié conforme à l'original :
N° d'inscription : 140547
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The participating companies

Topotarget A/S
Aktieselskab
with a registered capital of DKK 143,317,144
Fruebjergvej 3,
DK-2100 Copenhagen
Denmark

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Dear shareholders,

Carrying out the tasks which have been entrusted to us by order of the Presiding Judge of the Paris *Tribunal de Commerce* (Commercial Court) of 19 March 2014, concerning the merger by way of the absorption of Topotarget A/S ("Topotarget" or the "Absorbed Company") by BioAlliance Pharma S.A. ("BioAlliance" or the "Absorbing Company"), we have drawn up this report on the remuneration of the capital contributions as provided for by Article L. 225-147 of the Commercial Code, it being specified that our assessment concerning the value of the capital contributions is the subject of a separate report.

The remuneration for the contributed assets derives from the exchange ratio which has been defined in the draft merger agreement dated 16 April 2014. It is our task to express an opinion as to the fair nature of this exchange ratio.

We have carried out our tasks in accordance with the professional standards of the *Compagnie Nationale des Commissaires aux Comptes* (National Society of Statutory Auditors). They consisted essentially in:

- verifying that the relative values attributed to the shares in the companies participating in the operation are pertinent;
- analysing the positioning of the exchange ratio compared to relative values which have been deemed to be pertinent.

Since our tasks end with the filing of our reports, it is not for us to update this report in order to take account of any facts or circumstances postdating its signature.

We did not at any time find ourselves in one of the cases of incompatibility, prohibition or disqualification laid down by law. In accordance with the order appointing us, we have sent a certificate of independence and impartiality to the senior management of the companies concerned by the operation.

You will find our observations below, presented in the following order:

1 Presentation of the operation and description of the capital contributions

1.1 Context of the operation, reasons for and aims of the merger

The aim of the merger is to create a leader in biotechnologies specialising in orphan oncological diseases, by developing a portfolio of diversified products making it possible to reduce the risk associated with research and development.

1.2 Participating companies

- **Absorbing Company: BioAlliance Pharma S.A.**

BioAlliance is a biotechnology company specialising in researching, developing and putting on the market of medicines which are more specifically intended to treat rare cancers and their associated pathologies.

In its portfolio, it has in particular Livatag®, a medicine which is currently in phase 3, intended for the treatment of a type of liver cancer, and Validive®, a treatment administered for the prevention and treatment of oral mucositis provoked by ENT cancer treatments.

Created in 1997, BioAlliance is a *société anonyme* (corporation) having its registered offices at 49, boulevard Martial Valin, 75015 Paris. It is registered in the Paris Trade and Companies Register under the number 410 910 095. Listed on the stock market since 2005, its shares are admitted to trading in compartment C of NYSE Euronext Paris (ISIN FR0010095596). Before the announcement of the merger, its market capitalisation was around €150m.

At the date of signature of the draft merger agreement, the registered capital of BioAlliance amounted to €5,170,748, divided into 20,682,992 ordinary shares of a par value of €0.25. Its main shareholders are Financière de la Montagne (13.6%) and the Idinvest fund (5.2%).

In addition, it should be emphasised that there are two types of instrument providing access to the registered capital of BioAlliance:

- share subscription options, making it possible to subscribe to 1,038,368 ordinary shares in BioAlliance of €0.25 each, of which 449,071 may be exercised;
- share warrants making it possible to subscribe to 173,730 ordinary shares in BioAlliance of €0.25 each, of which 75,328 may be exercised.

- **Absorbed Company: Topotarget A/S**

Topotarget is a Danish biopharmaceutical company. It has developed the Belinostat molecule, which can be used for the treatment of various types of cancers, notably haematological ones.

Topotarget is an *Aktieselskab*, equivalent to a French *société anonyme* (corporation), having its registered offices at Fruebjergvej 3 – DK-2100 Copenhagen, Denmark. It is registered under the number 25695771. Since 2005, its shares are traded n NASDAQ OMX of Copenhagen (ISIN DK0060003556). Before the announcement of the merger, its stock market capitalisation was around DKK 430m (i.e. approximately €58m).

At the date of signature of the draft merger agreement, the registered capital of Topotarget amounted to DKK 143,317,114 (DKK meaning *danske kroner*, Danish kroner), divided into ordinary actions of a par value of DKK 1.00. The company's share capital is atomised, and only one shareholder has more than 5% of the share capital, the HealthCap fund with 10%.

It should be noted that Topotarget has issued share warrants making it possible to subscribe to 6,580,888 new ordinary shares in Topotarget, of which 3,977,365 may be exercised[1].

- **Capital ties between the participating Companies**

Prior to the capital contribution, BioAlliance and Topotarget (referred to together as the "Companies") have no capital ties between them, of any nature whatsoever.

1.3 Legal and tax organisation

From an accounting standpoint, the merger will have retrospective effect as of 1 January 2014.

On the legal level, the merger will be effective once the Danish Business Authority has issued the certificate required by Article 289(1) of the Danish Companies Act, the merger has been registered with the competent French authority and the conditions described below have been fulfilled:

- approval of the merger by the general meeting of Topotarget planned for 27 June 2014;
- approval of the merger by the general meeting of BioAlliance planned for 30 June 2014;
- the registration of Document E by the *Autorité des marchés financiers* (French financial markets authority), and issue of approval by the *Autorité des marchés financiers* of the admission prospectus which will be used to obtain the passport in Denmark;
- the passport procedure for the admission prospectus in Denmark;
- no material adverse event (as defined in the draft merger agreement), affecting either of the companies, either occurs or is in the process of occurring or threatens to occur;
- the number of shares issued by Topotarget, held by its shareholders who, at the general meeting called for the purposes of approving the merger, (i) oppose the merger and (ii) who, on the request of the chairman of the general meeting of Topotarget pursuant to Article 110(2) of the Danish Companies Act, state their wish to exercise their right to reimbursement pursuant to Article 286 of the Danish Companies Act, do not exceed 14,331,711 shares (i.e. 10% of the total registered capital of Topotarget in circulation on the date of the draft merger agreement).

[1] At the end of the subscription period, 2,473,998 Topotarget shares were subscribed to, cf. below.

If the companies consider it to be appropriate, approval of the merger may be pushed back to a later date, without this being able to be later than 31 August 2014. If the conditions are not fulfilled by 31 August 2014, the draft merger agreement shall automatically lapse and cease to produce its effects.

In tax terms, the operation is:

- eligible for the tax provisions applicable to mergers as provided for by Council Directive 90/434/EC of 23 July 1990, as amended and re-codified by Directive 2009/193/EC of 19 October 2009, defining the main provisions applicable to mergers of companies of different Member States of the European Community.

- for matters of stamp duty in France, placed under the legal framework organised by Article 816 of the General Tax Code, and will give rise to a fixed duty of €500.

It should be noted that as a consequence of the merger, BioAlliance will constitute a stable establishment in Denmark

1.4 Description, assessment and remuneration of the capital contributions

Since the operation involves companies which are under distinct control, and pursuant to the provisions of CRC (French accounting regulatory body) Regulation No 2004-01, the transferred assets and liabilities shall be contributed at their actual value.

Under the draft merger agreement dated 16 April 2014, the contributions by Topotarget represent a global value of €78,727,196, breaking down as follows:

Breakdown of the net contributed assets	
Actual value of the contributed assets	€81,679,490
Actual value of the transferred liabilities	€-2,952,294
Net contributed assets	€78,727,196

It should be noted that the liabilities transferred by Topotarget, of a value of €2,952,294, do not take account of the success fees to be paid to the relevant parties in the event that the merger takes place, estimated at €1,226,000 in the draft merger agreement.

The global value of the capital contributions has been determined as follows:

Determining the contribution value of Topotarget		
BioAlliance spot price (14 March 2014-	A	€7,29
Exchange ratio	B	0.074074x
Exchange value per Topotarget share	C = A x B	€0.54
Number of Topotarget shares[1]	D	147,294,479
Global contribution value of Topotarget	**E = C x D**	**€78,727,196**

[1] of which 2,473,998 shares arising from the exercise of options

meaning as a function of:

- the closing price for BioAlliance of 14 April 2014, two days before the announcement of the merger between the two Companies, i.e. €7.29;
- the exchange ratio fixed by the parties at 0.074074 new BioAlliance shares for one Topotarget share (or 2 new BioAlliance shares for 27 Topotarget shares);
- the 145,791,112 Topotarget shares, corresponding to the 143,317,114 Topotarget shares in circulation plus the 2,473,998 new Topotarget shares arising from the exercise[2] of warrants.

On the basis of the above elements, the net contributed assets of €78.7m will be remunerated by the attribution to Topotarget shareholders of 10,799,341 new BioAlliance shares of a par value of €0.25 each, i.e. a capital increase of €2,699,835.25, together with a contribution premium equal to the difference between the amounts of the contributed assets and of the capital increase, i.e. €76,027,360.75, as set out below:

Calculation of the amount of the capital increase and merger premium		
Number of Topotarger shares	A	145,791,112
Exchange ratio	B	0.074074x
Number of new BioAlliance shares issued	C = A x B	10,799,341
Value of the contributions	D	€78,727,196
Capital increase for BioAlliance	E = C x €0.25	€2,699,835.25
Merger premium	F = D - E	€76,027,360.75

2 Verification of the pertinence of the relative values attributed to the shares in the companies participating in the operation

2.1 Tasks undertaken

We have undertaken those tasks that we deemed necessary, in accordance with the professional standards of the *Compagnie Nationale des Commissaires aux Comptes* (National Society of Statutory Auditors), in order to assess the pertinence of the relative values presented in the draft prospectus and to fix the relative weight of the value of the capital contributions compared to that of the beneficiary company as proposed in the draft merger agreement.

[2] Out of a total of 3,977,365 warrants in the money

In addition to the tasks described in our report on the value of the contributions, this mainly consisted in:

- examining the BioAlliance's draft registration document (*document de référence*) for the 2013 financial year;

- examining BioAlliance's 2014-2050 business plan drawn up by its management with the assistance of the investment bank Centerview Partners;

- studying the assessment report concerning BioAlliance produced by Centerview Partners;

- making a multi-criteria approach to the global value of BioAlliance and carrying out analyses as to the sensitivity of the obtained values to variations in the assumptions which are structural to these valuations;

- obtaining a letter of affirmation from BioAlliance's management, pertaining in particular to the absence, until the closing date of the operation, of any facts or circumstances which might materially change the value of the contribution.

Our tasks, laid down by law, are not those of an audit or of a limited inspection. Their aim is therefore neither to give any opinion on the financial statements nor to proceed with any particular verifications as to compliance with company law. In particular, they cannot be likened to the due diligence carried out by a lender or purchaser and do not include the work required for this type of intervention. Therefore, our report enters only within the strict framework of our tasks and cannot be used in any other context.

2.2 Valuation methods and relative values attributed to the shares in the companies which are party to the operation

With respect to Topotarget, the value of the contributions representing the entirety of the share capital and voting rights has been fixed at €78.7m on the basis of the BioAlliance stock market price on 15 April 2014, an exchange ratio fixed between the parties at two BioAlliance shares for 27 Topotarget shares, i.e. 0.07407x, and a number of Topotarget shares which includes 2,473,998 new shares arising out of the exercise of the Absorbed Company's warrants, i.e. a total of 145,791,112 shares.

The valuation methods and criteria applied by Centerview Partners, BioAlliance's advising bank (hereinafter Centerview Partners or the Advising Bank) are described in our report on the value of the contributions. They have been applied to BioAlliance in the same manner as to Topotarget. However, with respect to the calculation of the exchange ratio, the method consisting in applying a control premium has not been used. To summarise, the exchange ratio sits within a broad range as presented in the table below:

Value of shareholders' equity	Topotarget in €/share			BioAlliance in €/share			Exchange ratio Topo /BioA		
	Min.	Central	Max.	Min.	Central	Max.	Min.	Central	Max.
Main methods									
DCF without synergies	€0.74	€0.81	€0.89	€7.71	€8.45	€9.28	0.080x	0.096x	0.115x
DCF with synergies (1)	€0.79	€0.86	€0.95	€7.71	€8.45	€9.28	0.085x	0.102x	0.123x
DCF without synergies & sensi PoS: -5% / 0%	€0.70		€0.81	€7.75		€8.45	0.082x		0.104x
Enterprise value of comparable companies	€0.48		€1.01	€3.18		€6.77	0.070x		0.317x
As cross-reference or for information									
Stock market price (min/max 52 weeks)	€0.28		€0.46	€3.37		€11.74	0.024x		0.144x
Analysts' target price		€0.43		€9.40		€10.20	0.042x		0.046x

(1) Allocated to Topotarget
(2) Min. Topotarget / Max. BioAlliance
(3) Max. Topotarget / Min. BioAlliance

On the basis of these elements, we observe that the proposed exchange ratio of 0.07407x is generally positioned in favour of the shareholders of the company benefiting from the contributions, particularly under the main methods used.

2.3 Assessment of the relative values

In order to assess the relative values attributed to the shares in the companies which are party to this operation, we have undertaken and developed our own valuation work. In particular:

- we did not retain the method based on the enterprise values of listed companies or arising out of transactions since it appears to us that this method, disconnected from the respective aggregate line items of both companies, leads to setting very wide limits to the value of shareholders' equity rather than actually assessing its value;
- we completed the classical DCF approach by implementing a Monte Carlo-type simulation for both companies as described in our report on the value of the contributions;
- we privileged volume-weighted averages of recent stock market prices for the two companies, i.e. 20 days and 3 months, rather than the extreme prices observed over the last 12 months.

2.3.1 *Topotarget*

Concerning Topotarget, our work, set out in more detail in our report on the value of the contributions, led to the following values per share, compared to those arising out of the Advising Bank's work:

Topotarget Value of shareholders' equity	Merger Certifying Accountants in €/share			Advising Bank in €/share		
	Min.	Central	Max.	Min.	Central	Max.
Main methods						
DCF	€0.81	€0.85	€0.89	€0.70		€0.95
Monte Carlo DCF	€0.76	€0.80	€0.84			
As cross-reference or for information						
Stock market price (20 days - 3 months) (1)	€0.42	€0.42	€0.42	€0.28		€0.48
Stock market price plus control premium (2)	€0.49	€0.51	€0.64	€0.50		€0.74
Analysts' target price	€0.43	€0.50	€0.56		€0.43	

(1) For Centerview, max. and min. intraday price 52 weeks
(2) For Centerview, control premiums observed 2008-2013; for the MCAs: 2012-2013

2.3.2 *BioAlliance*

We developed the same methods and criteria in order to value BioAlliance.

Discounted cash flow approach

The forecast business levels are based on the knowledge that BioAlliance's management has of the healthcare and economic potential of the molecule which is in the process of being developed. The estimates therefore concern the number and sale price of future treatments, together with their probable market share. These projections are then attributed a probability of success according to state of progress of clinical trials required for them to obtain marketing authorisation from the health authorities.

It should be pointed out that both the sale price and the market share of the products in question are subject to a degree of uncertainty and that future achievements, even in the event that marketing authorisation is obtained, may diverge from current expectations.

BioAlliance's management confirmed to us that these forecasts correspond to their best estimate, at the date of our report, of the future revenues and margins of the Absorbing Company. In addition, concerning the probabilities of success, we ensured that they were coherent with the practices of investors in the biotechnology sector according to each of the three successive trial phases required to obtain marketing authorisation. The probabilities of success applied in the business plan are thus close to 45% (excluding treatments which are already being marketed) on average.

It should be noted that BioAlliance is involved in two disputes, with Eurofins Scientific and Spepharm Holding. These disputes are described in the registration document (*document de reference*) of the Absorbing Company which, in agreement with its Statutory Auditors, considers that there is no basis for recognising contingency provisions. The most significant dispute, with Spepharm Holding, has reciprocal claims for damages of between €45m and €50m. Considering the high degree of uncertainty as to the financial outcome of these proceedings, we have applied a negative sum to the valuation of BioAlliance for

the net balance of the reciprocal claims, with a probability of 50%, and we would note that taking this risk into account via this approach does not have a significant impact on the value of BioAlliance shares. It should however be noted that the resolution of the current proceedings could nevertheless give rise to significantly different financial consequences, whether positive or negative.

In the same way as the Advising Bank, we assessed the value of the Absorbing Company on the basis of revenues which would potentially be obtained from treatments which have currently already attained the first phase of clinical trials in the marketing authorisation procedure. Indeed, we consider it to be prudent and reasonable to thus limit the assessment to applications which have sufficient probability of commercialisation to be able to contribute materially to the valuation of the company. It should be noted that by taking the 2050 financial year as forecasting horizon, the assessment by the DCF method includes the whole of the probable marketing cycle for each treatment, from it being put on the market until the end of protection from its patent followed by the progressive extinction of sales.

We validate the discounting rate of 14.30% used by Centerview Partners and its application to both the valuation of Topotarget and that of BioAlliance. According to our analysis, this 14.30% rate incorporates a specific risk premium of 2.0% to take account of the relative high dispersion of possible forecast flows around their anticipated amount, which stems from the probability of success attributed to each molecule in the development phase. This 14.30% rate can therefore, in our opinion, be broken down as follows:

- a beta coefficient of 1.43 equal to the average, weighted by coefficients of determination, of betas for comparable companies, calculated by us using three French and international samples (Europe outside France and United States), which cover a total of 25 companies;
- a share risk premium of 5.84%, calculated at the end of March 2014 from the average of the last 6 monthly risk premiums produced by the firm Fairness Finance on the basis of a prospective model for discounting forecast cash flows;
- an average return for OAT TEC 10 of 2.28%, calculated over the same period as that used for the share risk premium;
- an illiquidity / size premium of 1.67% as arising on average over the last six months in the calculations of the firm Fairness Finance for companies with a stock market capitalisation equal to that which would arise from the combination of the Absorbing Company and the Absorbed Company;
- as stated beforehand, a specific risk premium of around 2% in order to take account of the particular distribution function of future flows, stemming from the probabilities of success of the various treatments currently in development and the forecast flows scenarios arising from their combination.

As opposed to the Advising Bank, we have not based our assessment solely on the median scenario arising from the anticipated future revenues but we also implemented a simulation of the Monte Carlo type which takes account of other possible scenarios, between the failure of all of the treatments and the success of each of them. By this approach, we assessed the forecasting risk of the Absorbed Company and Absorbing Company. As a result, considering the distribution between fixed costs and variable costs in BioAlliance's operating accounts, the approach that we have applied is more conservative in that it leads to a lower anticipated level of cash flows that what was retained by Centerview Partners, which based its margin calculations on one single scenario. However, insofar as the prospective risk premiums that we use were based on more specific models than those used by Centerview Partners (based on a single scenario) and the Monte Carlo approach would lead to risk premiums which are generally lower than those produced by Fairness Finance, we finally opted for a discounting rate of 14%, slightly lower than that described

above, which according to our calculations would lead via the Monte Carlo method to an anticipated value per share which is identical to that which would arise from the application of a single scenario with a rate of 14.30%.

Again according to our calculations, the business plan drawn up by management leads to a BioAlliance share value of €7.58, with a coefficient of variation of 76%[3] according to the various possible combinations of the treatments currently in development attaining marketing authorisation. The result is a value of shareholders' equity of €156.8m on the basis of 20.7 million shares. This value includes that portion of the costs connected with the merger that will be borne by the Absorbing Company. In addition, a variation of 0.50% in the discounting rate has an impact of +/- €0.40 on the value of the share..

Stock market price criterion

We also analysed the stock market price for BioAlliance which is a pertinent criterion insofar as the share is regularly listed, and has substantial float and liquidity. The table below shows the average volume-weighted price over various periods as of 15 April 2014, the day before the announcement of the merger, and the value of shareholders' equity which derives therefrom (Mkt. Cap. in €m):

Weighted average market price at 15 April 2014	BioAlliance	
	€/share	Mkt. Cap. in €m
36 months	€6.74	139.3
24 months	€7.04	145.7
12 months	€7.60	157.3
6 months	€7.95	164.4
3 months	€8.48	175.3
20 days	€8.49	175.5
Spot	€7.16	148.1
Max. 3 months	€11.74	242.8
Min 3 months	€4.68	96.8

By adopting the most recent weighted averages (20 days and 3 months), the value of BioAlliance comes out at approximately €175m.

Criterion of analysts' target price

BioAlliance is only followed by three analysts, CM-CIC, Invest Securities and Edison. This modest coverage leads us to present this criterion only for information.

[3] Standard deviation of values of the share (€0.58) divided by the anticipated value of the share (0.80).

The last published price objectives were as follows:

Company	Analyst	Date	Target price	Reference market price in €
BioAlliance	Edison (1)	8 Jan 2014	€5.71	€4.64
	Invest Securities	2 Apr 2014	€9.40	€8.60
	CM-CIC	15 Apr 2014	€10.20	€7.29

(1) Edison does not present a target price with a horizon, but the result of its DCF

Retaining only the CM-CIC and Invest Securities targets, since the one determined by Edison appears to be too far from the current stock market price which takes account of the announcement of "Fast Track" status for Validive® on 23 January 2014, the value of shareholders' equity for BioAlliance comes to between €194.4m and €211m.

Summary

The table below presents a summary of the results concerning the value of the shareholders' equity of BioAlliance arising out of our work:

Value of shareholders' equity	in €m			in €/share		
	Min.	Central	Max.	Min.	Central	Max.
Main methods						
DCF	161.7	162.6	163.4	€7.82	€7.86	€7.90
Monte Carlo DCF	155.9	156.8	157.6	€7.54	€7.58	€7.62
As cross-reference or for information						
Stock market price (20 days - 3 months)	175.3	175.4	175.5	€8.48	€8.48	€8.49
Analysts' target price	194.4	202.7	211.0	€9.40	€9.80	€10.20

As with Topotarget, the value of BioAlliance's shareholders' equity is tied to the success of the marketing of its molecules. In addition, it should be borne in mind that these values take account of a limited financial impact of current litigation, particularly the one with Spepharm, which is the subject of reciprocal claims by each of the parties of around €50m.

3 Assessment of the fair nature of the proposed exchange ratio

We undertook our own approach to the relative values attributed to Topotarget and BioAlliance and, according to our work, the positioning of the range of exchange ratios is as follows, depending on the various criteria and methods used:

Value of shareholders' equity	Topotarget in €/share			BioAlliance in €/share			Exchange ratio Topo./BioA.		
	Min.	Central	Max.	Min.	Central	Max.	Min.	Central	Max.
Main methods									
DCF	€0.81	€0.85	€0.89	€7.82	€7.86	€7.90	0.104x	0.108x	0.113x
Monte Carlo DCF	€0.76	€0.80	€0.84	€7.54	€7.58	€7.62	0.101x	0.106x	0.110x
As cross-reference or for information									
Stock market price (20 days - 3 months) (1)	€0.42	€0.42	€0.42	€8.48	€8.48	€8.49	0.049x	0.050x	0.050x
Analysts' target price	€0.43	€0.50	€0.56	€9.40	€9.80	€10.20	0.046x	0.051x	0.055x

As stated above, as opposed to the Advising Bank, we did not retain the enterprise value of comparable companies. In addition, concerning the stock market prices, we privileged recent volume-weighted averages compared to the extreme prices over 12 months retained by Centerview Partners. Finally, we calculated the exchange ratios by comparing the minima and maxima to themselves, and not by comparing the minima of one with the maxima of the other as the Advising Bank has done.

The DCF method used as main method for assessment, both in its classic form and via a Monte Carlo simulation, shows exchange ratios which are advantageous to the shareholders of BioAlliance.

Conversely, the exchange ratios arising out of the market price and target price criteria are positioned below the proposed exchange ratio. However, the pertinence of these criteria, which we have retained here to provide a cross-reference, should be kept in perspective since (i) the stock market price for Topotarget does not include a control premium, which can attain very high levels (more than 80%) in the biotechnology sector, and (ii) for the analysts' target prices, there is little coverage of the companies involved in the operation.

Finally, it should be borne in mind that the failure of a molecule, or a delay in or rejection of marketing authorisation, for either of the companies involved in the operation, could lead to a downwards adjustment of the relatives values for the company in question and would have the consequence of changing the exchange ratios presented above.

4 Conclusion

As conclusion for our work, it is our opinion that the proposed exchange ratio of 0.074074 new BioAlliance shares for one Topotarget share is fair.

Done in Paris, on 22 May 2014

The Merger Certifying Accountants

Thierry Bellot
Signature

Olivier Marion
Signature

Members of the *Compagnie Régionale des Commissaires aux Comptes de Paris*
(Paris Regional Society of Statutory Auditors)

pwc

Valuation Experts' Statement issued by Independent Auditor

To the Danish Business Authority/Creditors of Topotarget A/S, CVR No 25695771

The Board of Directors of Topotarget A/S has appointed us as independent valuation experts in pursuance of section 37 (1) of the Danish Companies Act. We have prepared the below Statement in accordance with section 277 of the Danish Companies Act. The Statement is prepared in connection with the merger of BioAlliance Pharma SA and Topotarget A/S at 21 May 2014 with BioAlliance Pharma SA as the continuing company.

It is the responsibility of the Boards of Directors of Topotarget A/S that the creditors of Topotarget A/S are sufficiently secured after the merger. Our responsibility is to express a conclusion based on our work as to whether the creditors of Topotarget A/S can be considered to be sufficiently secured after the merger.

Scope of Work
We conducted our work in accordance with the international standard on other assurance engagements and additional requirements in accordance with Danish auditor regulation in order to obtain reasonable assurance in respect of our conclusion. In assessing whether the creditors of Topotarget A/S are sufficiently secured after the merger, we have assessed the financial position of the merging companies based on the merger plan prepared by the Boards of Directors of BioAlliance Pharma SA & Topotarget A/S as well as audited financial statements for 2013 audited by Grant Thornton and Ernst and Young Audit on 18 March 2014 respectively Deloitte on 27 March 2014 and significant subsequent events. Moreover, we have reviewed budgets for 2014 and credit and equity facilities negotiated for the continuing company.

We believe that the work performed provides a sufficient basis for our conclusion.

Conclusion
In our opinion, the creditors of Topotarget A/S can be considered to be sufficiently secured after the merger based on the current position of the individual Company, cf. section 277 of the Danish Companies Act.

Copenhagen, 21 May 2014
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Gert Fisker Tomczyk
State Authorised Public Accountant

pwc

Vurderingsmandserklæring afgivet af uafhængig revisor

Til Erhvervsstyrelsen/kreditorerne i Topotarget A/S, CVR nr. 25695771

Bestyrelsen i Topotarget A/S har udpeget os som uvildige, sagkyndige vurderingsmænd efter selskabslovens § 37, stk. 1. Vi har udarbejdet efterfølgende erklæring, jf. selskabslovens § 277. Erklæringen udarbejdes i forbindelse med fusionen af BioAlliance Pharma SA og Topotarget A/S pr. 21. maj 2014 med BioAlliance Pharma SA som fortsættende selskab.

Bestyrelsen i Topotarget A/S har ansvaret for, at kreditorerne i Topotarget A/S er tilstrækkeligt sikrede efter fusionen. Vores ansvar er på grundlag af vores undersøgelser at udtrykke en konklusion om, hvorvidt kreditorerne i Topotarget A/S må antages at være tilstrækkeligt sikrede efter fusionen.

Det udførte arbejde
Vi har udført vores arbejde i overensstemmelse med den internationale standard om andre erklæringsopgaver med sikkerhed og yderligere krav ifølge dansk revisorlovgivning med henblik på at opnå høj grad af sikkerhed for vores konklusion. Ved vurderingen af, om kreditorerne i Topotarget A/S er tilstrækkeligt sikrede efter fusionen, har vi med udgangspunkt i den af bestyrelserne for BioAlliance Pharma SA & Topotarget A/S udarbejdede fusionsplan samt de af Grant Thornton og Ernst and Young Audit pr. 18. marts 2014 henholdsvis Deloitte pr. 27. marts 2014 reviderede årsregnskaber for 2013 og væsentlige efterfølgende begivenheder vurderet de fusionerende selskabers finansielle stilling. Vi har endvidere gennemgået budgetter for 2014 og forhandlede kredit- og kapitalfaciliteter for det fortsættende selskab.

Det er vores opfattelse, at det udførte arbejde giver et tilstrækkeligt grundlag for vores konklusion.

Konklusion
Det er vores opfattelse, at kreditorerne i Topotarget A/S må antages at være tilstrækkeligt sikrede efter fusionen i forhold til det enkelte selskabs nuværende situation, jf. selskabslovens § 277.

København, den 21. maj 2014
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Gert Fisker Tomczyk
statsautoriseret revisor

pwc

Valuation Experts' Statement on the Merger Plan issued by Independent Practitioner

To the Shareholders of Topotarget A/S, CVR No 25695771

Introduction
The Board of Directors of Topotarget A/S has appointed us as independent expert valuers in pursuance of section 37(1) of the Danish Companies Act in connection with the merger between BioAlliance Pharma SA and Topotarget A/S with BioAlliance Pharma SA as the continuing company. We have prepared this Statement on the merger plan pursuant to section 276 of the Danish Companies Act.

The companies are merged on terms laid down by the Board of Directors of BioAlliance Pharma SA and Topotarget A/S. The terms laid down, including the exchange ratio of the shares, are the responsibility of the Board of Directors and they have made a statement in this respect in the merger plan.

In our capacity of valuers we are to express a conclusion on the merger plan including whether the consideration for the shares of the discontinuing company is fairly and reasonably justified in accordance with section 276(4) of the Danish Companies Act.

The Merger Plan
In pursuance of section 272 of the Danish Companies Act, the Board of Directors of Topotarget A/S and BioAlliance Pharma SA have prepared a merger plan of 21 May 2014 (the "Merger Plan") for the merger between the companies Topotarget A/S and BioAlliance Pharma SA with BioAlliance Pharma SA as the continuing company. In connection with the merger, all assets and liabilities of the discontinuing company, Topotarget A/S, will be transferred to the continuing company, BioAlliance Pharma SA.

Consideration for the Shares of the Discontinuing Company
Based on the valuations of BioAlliance Pharma SA and Topotarget A/S, respectively, as conducted by the companies' respective Boards of Directors, and the registered and outstanding share capitals of each of the companies as of the Exchange Date (as set out in clause 3.1.3 and clause 3.2.3, respectively, of the Merger Plan) the companies have agreed on an exchange ratio (the "Exchange Ratio") as follows: 2 New Ordinary Shares will be issued by BioAlliance Pharma SA for each set of 27 Topotarget A/S shares. The Exchange Ratio will imply the allocation of 1 New Ordinary Share plus a Fractional Entitlement for each full set of 14 Topotarget A/S shares. Any Fractional Entitlements of a Topotarget A/S shareholder will be accumulated and – if equal to or exceeding a full set of 14 full Topotarget A/S shares in the aggregate - exchanged for New Ordinary Shares in accordance with the Exchange Ratio. The Exchange Ratio is not subject to any adjustment until completion of the merger.

Based on the application of the Exchange Ratio and outstanding share capitals of each of the companies as of the Exchange Date (as set out in clause 3.1.3 and clause 3.2.3, respectively, of the Merger Plan) the total number of newly issued shares in BioAlliance Pharma SA of each nominally € 0.25 resulting from the merger will be 10,799,341 corresponding to a total nominal value of € 2,699,835.25.

At completion of the merger, the shares of Topotarget A/S will cease to exist. As consideration for the shares in Topotarget A/S, each shareholder of Topotarget A/S shall (subject to the provisions relating to Fractional Entitlements and Redemption Shares) receive New Ordinary Shares issued by BioAlliance Pharma SA (with a par value of € 0.25 each) in exchange for their Topotarget A/S shares in accordance with the Exchange Ratio, ref. clause 6.1.1 of the Merger Plan.

Fair value assessments which are mainly based on a combination of the listed share prices of BioAlliance Pharma SA and Topotarget A/S, market valuations obtained from independent sources and stand-alone discounted cash flow forecasts are subject to subjective expectations and estimates. Therefore, inherent risks exist that not all assumptions will be met and that unforeseen events may occur

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which imply material deviations from expectations. This may cause material changes to the values calculated.

The valuation has not been subject to any special difficulties.

Scope of Work
We conducted our work in accordance with the International Standard on other assurance engagements and additional requirements under Danish Auditor regulation to obtain reasonable assurance in respect of our conclusion. Our work comprised a review of the Merger Plan in pursuance of section 276 of the Danish Companies Act. The assets and liabilities of the companies appear from the Financial Statements of Topotarget A/S and BioAlliance Pharma SA, respectively, for 2013. The Financial Statements of the companies for 2013 have formed part of the basis of our work. The financial statements for 2013 of Topotarget A/S have been provided with an unqualified auditor's report without emphasis of matter. The financial statements for 2013 of BioAlliance Pharma SA have been provided with an unqualified auditor's report with an emphasis of matter regarding the application of the going concern assumption. The basis for the going concern as adopted by the Board of Directors of BioAlliance Pharma SA has been disclosed in note 1 of the consolidated financial statements.

In assessing the fair values of the companies, we considered whether the valuation method applied are appropriate in the circumstances and whether the key assumptions provide a reasonable basis for the valuations. Furthermore, we tested the data applied and the calculations made. Moreover, we checked the financial development of the companies since the date on which the exchange ratio was fixed against the assumptions applied for valuation purposes.

We believe that the work performed provides a reasonable basis for our conclusion.

Conclusion
In our opinion, the procedures applied by the Board of Directors of Topotarget A/S for assessing the fair values of the companies and the fixing of the exchange ratio are appropriate. On this basis, in our opinion, the consideration for the shares of Topotarget A/S is fairly and reasonably justified.

Copenhagen, 21 May 2014
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Gert Fisker Tomczyk
State Authorised Public Accountant

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Vurderingsmandsudtalelse om fusionsplanen afgivet af uafhængig revisor

Til aktionærerne i Topotarget A/S, CVR-nr. 25695771

Indledning
Bestyrelsen i Topotarget A/S har udpeget os som uvildige, sagkyndige vurderingsmænd i henhold til selskabslovens § 37, stk. 1, i forbindelse med fusionen af BioAlliance Pharma SA og Topotarget A/S med BioAlliance Pharma SA som fortsættende selskab. Vi har udarbejdet denne udtalelse om fusionsplanen i henhold til selskabslovens § 276.

Virksomhederne fusioneres på vilkår, der er fastsat af bestyrelserne i BioAlliance Pharma SA og Topotarget A/S. Bestyrelserne har ansvaret for de fastsatte vilkår, herunder aktiernes ombytningsforhold, og har udtalt sig herom i fusionsplanen.

Det er vores opgave som vurderingsmænd at udtale os om fusionsplanen, herunder hvorvidt vederlaget for aktierne i det ophørende selskab er rimeligt og sagligt begrundet jf. selskabslovens § 276, stk. 4.

Fusionsplanen
Bestyrelserne i Topotarget A/S og BioAlliance Pharma SA har den 21. maj 2014 i henhold til selskabslovens § 272 udarbejdet en fusionsplan ("Fusionsplanen") om fusion af selskaberne Topotarget A/S og BioAlliance Pharma SA med BioAlliance Pharma SA som det fortsættende selskab. Ved fusionen overdrages alle aktiver og forpligtelser i det ophørende selskab, Topotarget A/S, til det fortsættende selskab, BioAlliance Pharma SA.

Vederlaget for aktierne i det ophørende selskab
I henhold til værdiansættelsen af henholdsvis BioAlliance Pharma SA og Topotarget A/S foretaget af selskabernes respektive bestyrelser og den registrerede og udestående aktiekapital i hvert selskab på Fusionsombytningsdatoen (som anført i henholdsvis pkt. 3.1.3 og pkt. 3.2.3 i Fusionsplanen) er selskaberne blevet enige om et ombytningsforhold ("Ombytningsforholdet"), der er som følger: BioAlliance Pharma SA udsteder 2 Nye Ordinære Aktier for hver 27 Topotarget A/S-aktier, der besiddes. Ombytningsforholdet betyder, at der tildeles 1 Ny Ordinær Aktie plus en Brøkaktie for hver 14 Topotarget A/S-aktier. Brøkaktier, der besiddes af aktionærer i Topotarget A/S, akkumuleres og – hvis de samlet er lig med eller overstiger 14 Topotarget A/S-aktier – ombyttes de til Nye Ordinære Aktier i henhold til Ombytningsforholdet. Der vil ikke ske ændring af Ombytningsforholdet inden fusionens gennemførelse.

Med udgangspunkt i Ombytningsforholdet og selskabernes udestående aktiekapital på Fusionsombytningsdatoen (i henhold til henholdsvis pkt. 3.1.3 og pkt. 3.2.3 i Fusionsplanen) vil det samlede antal af nyudstedte aktier i BioAlliance Pharma SA á nominelt EUR 0,25 som følge af fusionen udgøre 10.799.341, svarende til i alt nominelt EUR 2.699.835,25.

Aktierne i Topotarget A/S vil ophøre med at eksistere på tidspunktet for fusionens gennemførelse. Hver aktionær i Topotarget A/S modtager som vederlag for sine aktier (med forbehold for bestemmelserne vedrørende Brøkaktier og Indløsningsaktier) Nye Ordinære Aktier udstedt af BioAlliance Pharma SA (med en pålydende værdi på EUR 0,25) i bytte for deres aktier i Topotarget A/S, i overensstemmelse med Ombytningsforholdet, jf. pkt. 6.1.1 i Fusionsplanen.

Værdiansættelser til dagsværdi, der hovedsagelig er baseret på en kombination af de noterede aktiekurser for BioAlliance Pharma SA og Topotarget A/S, markedsvurderinger indhentet fra uafhængige kilder og enkeltstående diskonterede pengestrømsprognoser, hviler på subjektive forventninger og skøn. Der er således iboende risici for, at ikke alle forudsætninger opfyldes, og der kan indtræffe uforudsete begivenheder og hændelser, som medfører væsentlige afvigelser fra det forventede. Dette kan medføre væsentlige ændringer i de opgjorte værdier.

Der har ikke været særlige vanskeligheder ved vurderingen.

Det udførte arbejde
Vi har udført vores arbejde i overensstemmelse med den internationale standard om andre erklæringsopgaver med sikkerhed og yderligere krav ifølge dansk revisorlovgivning med henblik på at opnå høj grad af sikkerhed for vores konklusion. Arbejdet har omfattet en gennemgang af Fusionsplanen i henhold til selskabslovens § 276. Selskabernes aktiver og forpligtelser fremgår af årsregnskabet for 2013 for henholdsvis Topotarget A/S og BioAlliance Pharma SA. Selskabernes årsregnskaber for 2013 har indgået i grundlaget for vores arbejde. Årsregnskabet for Topotarget A/S for 2013 er forsynet med en revisionspåtegning uden forbehold eller supplerende oplysninger. Årsregnskabet for BioAlliance Pharma SA for 2013 er forsynet med en revisionspåtegning uden forbehold men med supplerende oplysninger vedrørende anvendelse af forudsætning om going concern. Grundlaget for going concern, der er vedtaget af bestyrelsen i BioAlliance Pharma SA, fremgår af note 1 i koncernregnskabet.

Ved vurderingen af virksomhedernes dagsværdi har vi taget stilling til, om de anvendte værdiansættelsesmetoder er passende efter omstændighederne, og om de væsentlige forudsætninger giver et rimeligt grundlag for værdiansættelserne, samt testet de anvendte data og udførte beregninger. Vi har endvidere foretaget en undersøgelse af virksomhedens økonomiske udvikling siden datoen for fastsættelsen af bytteforholdet i forhold til de forudsætninger, som er lagt til grund ved værdiansættelserne.

Det er vores opfattelse, at det udførte arbejde giver et tilstrækkeligt grundlag for vores konklusion.

Konklusion
Det er vores opfattelse, at den af bestyrelsen i Topotarget A/S anvendte fremgangsmåde ved vurderingen af selskabernes dagsværdi og fastsættelsen af bytteforholdet er hensigtsmæssig. På det grundlag er det vores opfattelse, at vederlaget for aktierne i Topotarget A/S er rimeligt og sagligt begrundet.

København, 21. maj 2014
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Gert Fisker Tomczyk
statsautoriseret revisor

[*English translation of French "Document E"*]

SCHEDULE 3

Statutory auditors' report on combined pro forma accounts

GRANT THORNTON
French member of Grant Thornton International

ERNST & YOUNG Audit

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking users.
This report should be read in conjunction with, and is construed in accordance with, French law and professional standards applicable in France.

BioAlliance Pharma

Statutory auditors' report on the pro forma financial information

GRANT THORNTON
French member of Grant Thornton International
100, rue de Courcelles
75849 Paris Cedex 17
S.A. au capital de € 2.297.184

Commissaire aux Comptes
Membre de la compagnie
régionale de Paris

ERNST & YOUNG Audit
1/2, place des Saisons
92400 Courbevoie - Paris-La Défense 1
S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

BioAlliance Pharma

Statutory auditors' report on the pro forma financial information

To the Chairman of the Board of Directors and Chief Executive Officer,

In our capacity as statutory auditors and in accordance with the requirements of EC Regulation N° 809/2004, we have prepared the present report on the unaudited pro forma combined financial information of BioAlliance Pharma and Topotarget for fiscal year 2013 (the "Pro forma Financial Information"), which is included in section 5 of the prospectus prepared at the time of the merger between BioAlliance Pharma and Topotarget (the "Prospectus"), dated May 23, 2014.

This Pro Forma Financial Information has been prepared solely for the purpose of reflecting the impact of the merger between BioAlliance Pharma and Topotarget could have had on the consolidated balance sheet had the transaction occurred at December 31, 2013, and on the consolidated income statement had the transaction occurred at January 1, 2013. By its very nature, the Pro Forma Financial Information describes a hypothetical situation and is not necessarily representative of the financial position or the performance which might have been recorded had the transaction or event occurred at a date earlier than its actual or foreseeable occurrence.

This Pro Forma Financial Information has been prepared under your responsibility in accordance with EC Regulation N° 809/2004 and the ESMA's recommendations relating to pro forma information, based on the consolidated financial statements of BioAlliance Pharma for the year ended December 31, 2013 audited by ERNST & YOUNG Audit and Grant Thornton and on the consolidated financial statements of Topotarget for the year ended December 31, 2013 audited by Deloitte & Associés.

It is our responsibility to express a conclusion, on the basis of our work and in the terms required by Annex II paragraph 7 of EC Regulation N° 809/2004, on the proper compilation of the Pro Forma Financial Information.

We performed those procedures which we considered necessary to comply with professional guidance issued by the French national auditing body (*Compagnie nationale des commissaires aux comptes*). These procedures, which do not include an examination of the financial information supporting the preparation of the Pro Forma Financial Information, have mainly consisted in verifying that the bases on which the Pro Forma Financial Information has been prepared is consistent with the source documents described in the notes to the Pro Forma Financial Information, reviewing the evidence supporting the pro forma restatements and conducting interviews with the management of BioAlliance Pharma to obtain information and explanations which we deemed necessary.

In our opinion:

- the Pro Forma Financial Information has been properly compiled on the basis indicated in the notes to this information;
- this basis is consistent with the accounting policies adopted by BioAlliance Pharma.

Without qualifying the conclusion expressed above, we draw your attention to:

- paragraph 5.1.3. iii of section 5 of the Prospectus which specifies the hypothesis used in the Pro Forma Financial Information for the accounting treatment of the redemptions rights;
- paragraph 5.1.3.2. i "Recording of the acquisition" which explains the detail of the temporary Topotarget goodwill calculation.

This report is issued solely for the filing of the Prospectus with the French Securities Regulator (*Autorité des marchés financiers*) and if applicable, with the purpose of the public offering in France and other European Union countries in which the prospectus will be published and may not be used for any other purpose.

Paris and Paris-La Défense, May 23, 2014

The statutory auditors
French original signed by

GRANT THORNTON	ERNST & YOUNG Audit
French member of Grant Thornton International	
Jean-Pierre Colle	Béatrice Delaunay

[*English translation of French "Document E"*]

SCHEDULE 4

Topotarget financial statements for FY11, FY12 and FY13

Annual report **2011**

topotarget

Strategy for 2012 and beyond

Topotarget strives towards establishing belinostat as one of the most successful HDAC inhibitors in selected indications. In particular, we aim to:

- Finalize the late-stage PTCL and CUP studies
- Submit an NDA to the FDA for belinostat in PTCL together with our partner Spectrum Pharmaceuticals
- Explore commercial opportunities outside the US, including Europe, Asia/Pacific, Latin America, and the rest of the world, in order to maximize the value of belinostat
- Unlock the full potential for belinostat by initiating further clinical studies in the most advantageous indications within hematology and solid tumor oncology, based on the data from the PTCL and CUP studies

Content

INGE HOLM LAURITZEN
VP BD&L /
Strategic Planning

FRANCOIS MARTELET
CEO

ANDERS FINK VADSHOLT
CFO

ELISABETH V. CARSTENSEN
Director of Pharmaceutical Operations

AXEL MESCHEDER
CMDO

Financial highlights and ratios

DKK ' 000	2011	2010	2009	2008	2007
Financial highlights and ratios*)					
Consolidated financial highlights and ratios					
Revenue	65,598	107,826	43,979	43,890	44,890
Research and development costs	(54,345)	(71,608)	(89,884)	(146,906)	(129,111)
Write-down of research and development projects	-	(189,541)	(21,200)	(93,500)	-
Sales and distribution costs	-	-	(29,136)	(44,796)	(57,722)
Operating loss	(31,352)	(197,543)	(132,492)	(294,371)	(219,801)
Net financials	1,087	68,773	(10,250)	(11,737)	5,754
Net loss from continued operations	(29,012)	(84,785)	-	-	-
Net loss discontinued operations	(3,999)	29,096	-	-	-
Total comprehensive income for the year	(33,011)	(55,689)	(140,464)	(301,209)	(211,600)
Basic and diluted EPS continued operations	(0.22)	(0.64)			
Basic and diluted EPS continued and discontinued operations	(0.25)	(0.42)	(1.41)	(4.68)	(3.92)
Consolidated balance sheets					
Cash and cash equivalents	114,302	205,068	130,145	107,998	403,617
Equity	330,729	360,219	411,798	429,376	665,068
Total assets	370,476	465,824	585,413	619,032	834,175
Investment in tangible assets (net)	(1,844)	(1,633)	2,016	(164)	(7,965)
Consolidated cash flow statement					
Cash flows from operating activities	(88,847)	40,101	(99,197)	(169,545)	(208,933)
Cash flows from investing activities	(1,919)	34,686	37,861	(44,366)	25,666
Cash flows from financing activities	-	138	118,780	(499)	332,026
Consolidated ratios					
Number of fully paid shares, year-end	132,652,050	132,652,050	132,609,020	66,304,510	61,304,510
Average number of shares for the period	132,652,050	132,640,379	99,456,765	64,323,636	53,955,186
Assets/equity	1.1	1.3	1.4	1.4	1.2
Market price, year-end (DKK)	2.51	3.57	2.59	3.62	16.76
Net asset value per share (DKK)	2.49	2.73	3.11	6.48	10.85
Average number of full-time employees	42	50	58	109	141

*) The figures for 2007 also include Topotarget Switzerland S.A. from June 27, 2007
Finally the figures for 2008 also include Topotarget Netherlands B.V. from January 1, 2008

Figures for 2010 has been changed as Savene® and Totect® activities now are presented as discontinued operations. Other years are presented as continued operations.

Management letter to shareholders

Francois Martelet
Chief Executive Officer

During 2011, Topotarget A/S took further transformative steps towards ensuring a cost-effective organization fully focused on belinostat and the future. Two vital events included the reorganization plan for Topotarget followed by the divestiture of all remaining Savene®/Totect® activities in North and South America including the US subsidiary. Both initiatives represent significant steps that will allow us to devote our focus on the late-stage clinical development and commercialization of belinostat, in line with our core strategy and commitment to our shareholders, and ensure a cost-effective operational structure for this purpose.

2011 was also the year when we established a Global Oncology Advisory Board (GOAB) intended to improve the understanding of the pre-clinical and clinical work of belinostat, to assist in creating effective development strategies for belinostat, and to provide advice on the best possible design regarding potential new clinical studies to be initiated. Hence, we will make utmost use of our GOAB to discuss and identify the most advantageous indications and optimal development strategies for belinostat. The GOAB is led by Professor Jean-Louis Misset.

Throughout 2011, Topotarget presented 15 abstracts, including presentations held at the ASCO (annual meeting of the American Society of Clinical Oncology), ESMO (European Multidisciplinary Cancer Congress), and ASH (American Society of Hematology) conferences. Further, we made important progress in our clinical development studies, and we remain on track with the clinical development of belinostat within both hematological cancer indications and solid tumors.

Our overarching strategy is to develop belinostat in indications in which we have strong reasons to believe potential clinical efficacy exists, and to establish belinostat as one of the most successful HDAC inhibitors within these indications. Further, we remain focused on maintaining a cost-effective operational structure.

Clinical progress in PTCL
– BELIEF study
Belinostat is currently in a registrational, pivotal trial for the treatment of relapsed or refractory PTCL (peripheral T-cell lymphoma), which is sponsored, conducted, and finalized by our partner, Spectrum Pharmaceuticals, Inc. This study in a hematological cancer indication is considered the main value driver of Topotarget.

A key milestone was reached in September 2011, when Topotarget and Spectrum Pharmaceuticals achieved the target enrollment of 129 patients for the pivotal BELIEF trial. Topotarget is expecting top-line phase IIb data to be announced by Spectrum Pharmaceuticals in the second half of 2012. A subsequent New Drug Application (NDA) submission to the FDA is expected by the end of 2012, with an estimated approval from the FDA during 2013.

In addition to PTCL, we believe that belinostat may hold potential for other oncology indications (e.g. for MDS (myelodysplastic syndromes)) and support our commitment to developing novel treatments for lymphoma. Further, it is also Topotarget's strategy to seek to maximize the commercial potential of belinostat through exploration of the best strategic opportunities outside the US.

Clinical progress in CUP
– CLN-17 study
The CLN-17 study in CUP (cancer of unknown primary) within solid tumors is currently in a randomized phase II clinical study. The CUP study is fully sponsored by Topotarget.

Topotarget is currently awaiting the study's progression-free survival (PFS) results to be available. These results will provide important evidence of belinostat's potential and may guide us in regard to which benefits the HDAC inhibitor may add in terms of efficacy in an established chemotherapy regimen (BelCaP). The obtained results will therefore be used to evaluate and potentially support further clinical studies in other solid tumor indications, including cancers related to bladder, ovarian, colorectal, and NSCLC (non-small cell lung cancer).

Top-line data from the CUP study is expected to be reported during the first half of 2012.

Other clinical studies
Topotarget's other clinical studies include seven on-going clinical studies with belinostat, conducted by both Topotarget alone, in collaboration with Spectrum Pharmaceuticals, and several studies in collaboration with other partners, including the NCI (National Cancer Institute, USA).

Reorganization
A reorganization plan was initiated during December 2011 as a proactive and necessary step to secure financing capabilities of our main activities until expected significant milestone payments related to the belinostat development in PTCL.

The main elements in the initiated reorganization included:

- Directing relevant development efforts and investments into the

finalization of the PTCL pivotal study for belinostat and the subsequent NDA filing together with Topotarget's partner, Spectrum Pharmaceuticals

- Finalizing the randomized phase II CUP study for belinostat

- Continuing the clinical development of belinostat in solid tumor diseases, e.g. NSCLC and hematological cancer indications. These studies are run by Topotarget in collaboration with the NCI and other entities

- Divestiture of the Totect®-related operations in the US

- Reducing the number of employees in Denmark by approximately 40%

Divestiture of Totect®
In late December 2011, Topotarget announced the completion of the divestiture of Totect® to Apricus Biosciences, Inc.

The divestiture was made in line with our core strategy to focus on the late-stage clinical development and commercialization of belinostat, as well as maintaining a cost-effective operational structure.

Looking forward
2012 will be another exciting year for Topotarget, where our dedicated clinical focus will be concentrated on Topotarget's two late-stage clinical belinostat studies within PTCL and CUP, which remain our two most important value drivers, where the main objective is to complete a timely submission of an NDA to the FDA for PTCL.

We are dedicated to the clinical development of innovative treatment concepts for malignant diseases. Cancer remains one of the most relevant challenges in medicine with many patients suffering from the progression of the disease, aggressive treatment regimens, and resulting sequelae. Belinostat is aiming to improve patients' outcome combined with a favorable safety and tolerability profile. We focus our clinical development on the treatment of malignancies with a, still, highly unmet medical need. It is our aim to provide a meaningful contribution for the benefit of the patients.

Finally, I wish to thank our employees for their hard and dedicated work during 2011 and to express my gratitude to our shareholders for their continued support.

Value drivers

PTCL – BELIEF study

- Phase IIb
- Registrational and pivotal study with 129 patients enrolled (complete)
- Study sponsored, conducted, and finalized by partner, Spectrum Pharmaceuticals
- Topotarget is expecting top-line phase IIb data to be announced by Spectrum Pharmaceuticals in H2 2012
- NDA submission to the FDA expected by end 2012, with estimated approval in 2013
- Expected milestone payments from Spectrum Pharmaceuticals:

1. Following FDA acceptance of NDA (one million shares of common stock in Spectrum Pharmaceuticals, and a double-digit million USD cash payment)
2. Upon FDA approval (double-digit million USD cash payment)

- Following market launch, Topotarget will receive double-digit royalty payments from Spectrum Pharmaceuticals
- Possibility of subsequent drug approval in emerging markets for PTCL indication (provided FDA approval)
- Topotarget pursues partnerships regarding Europe, Asia/Pacific, Latin America, and in the rest of the world (ROW)
- Potential value of belinostat may exist in other liquid tumor indications, e.g. MDS

CUP clinical study (CLN-17)

- Phase II
- Randomized, controlled study with 89 patients enrolled (complete)
- Fully sponsored by Topotarget
- Announcement of top-line phase II data expected in H1 2012
- Based on the design and modest powering of the CUP study, the study does not serve as a registration study
- However, an obtained PFS improvement rate of 20-40% will be viewed as a positive trend warranting further studies in this indication

Other clinical studies

- Seven clinical studies with belinostat on-going, conducted by both Topotarget alone, in collaboration with Spectrum Pharmaceuticals, and several in collaboration with other partners, including the NCI
- Phase II clinical studies expected to be initiated in bladder and MDS, respectively, during 2013

Global Oncology Advisory Board

JEAN-LOUIS MISSET
Chairman

Jean-Louis Misset is Professor of Oncology at the University and at the St. Louis Hospital Oncology Division in Paris, France. Professor Misset has a strong oncology background as an advisor in the field of drug development.

As a member of many scientific boards and as an advisor, Professor Misset has extended experience with the clinical development of drugs, including Eloxatin® (Sanofi), Topotecan® (SmithKlineBeecham), Taxotere® (Aventis), Alimta® (Eli Lilly), and Herceptin® (Roche).

Jean-Louis Misset has published more than 200 publications in internationally well-known referenced journals.

ALAIN CATALIN MITA
GOAB member

MD, Co-Director of the Experimental Therapeutics Program at the Samuel Oschin Comprehensive Cancer Center, Cedars-Sinai Medical Center, Los Angeles, California, USA.

HANS-JOACHIM SCHMOLL
GOAB member

MD, Professor of Internal Medicine and Director of the Department of Hematology and Oncology at the Martin Luther University, Halle-Wittenberg, Germany.

DANIEL D. VON HOFF
GOAB member

MD, F.A.C.P., Physician in Chief, Senior Investigator and Director of Clinical Translational Research Division at TGen (Translational Genomics Research Institute), USA.

MATTI AAPRO
GOAB member

MD, Director of the Multidisciplinary Oncology Institute at the Clinique de Genolier in Genolier, Switzerland.

Belinostat – put into perspective

By Professor Jean-Louis Misset*)

Cancer cells are characterized by dysfunction of regulatory proteins driving the cellular processes of proliferation, differentiation, and cell death. Dysfunction may be consecutive to various abnormalities. The gene coding for the protein may be mutated giving rise to proteins that can be either non- or over-functional. Gene rearrangements can give rise to fusion proteins, also non- or over-functional. The gene may be partially deleted resulting in a truncated, either non-functional protein or even missing. Finally, the gene may be amplified and/or overexpressed resulting in an excess of functional protein as observed in Her2 positive breast cancer.

Mechanisms contributing to oncogenesis

Modification of the activation of certain genes, but not the basic structure of the DNA, can also be modified in cancer cells. In addition, even if the protein of interest is qualitatively and quantitatively normal, it remains subject to physiologic regulation processes through allosteric mechanisms affecting protein function through modification of its quaternary structure. These mechanisms such as phoshorylation-dephosphorylation and acetylation-deacetylation are also referred to as epigenetics. They can also be modified in cancer cells and contribute to the oncogenesis.

Histones in general as anti-tumor agents

Histones belong to a family of nuclear proteins which regulates protein translation and expression. When histones are acetylated, they are "open" for the access to the DNA for the enzymatic machinery for translation which allows protein synthesis. When deacetylated, histones wind up around DNA precluding access for the translation enzymatic machinery thus inhibiting protein expression. Histone deacetylases have consistently been shown to be overexpressed in a large variety of cancer cells, making their inhibition a potential epigenetic therapeutic target. The universal implication of histone deacetylase (HDAC) in oncogenesis suggests that targeting HDAC may have wide applications, both in the field of hematological malignancies as well as in solid tumors. Indeed, HDAC inhibitors (HDACi) have proven to be active anti-tumor agents in a large variety of pre-clinical models, in vitro and in vivo.

– and belinostat in particular

Belinostat is an HDACi belonging to the family of hydroxamic acid and is the lead product of Topotarget. As compared to other HDACi undergoing pre-clinical or clinical development, it has several advantages. First, on a molecular basis, belinostat is much more potent than many other HDACis, including several belonging to the same chemical family. Second, it has a much wider spectrum of anti-tumor activity: Not a single cancer cell line has been resistant to belinostat. Third, the safety profile has proven to be highly favorable, both in pre-clinical animal models and in the frame of already acquired clinical experience. For example, full doses of belinostat (1000mg/m^2/day) could be combined with full doses of the widely used combination of carboplatin+paclitaxel without additional toxicity. This observation has been confirmed with many other chemotherapy drugs or combinations.

Clinical experience with belinostat

Clinical experience of belinostat includes several large clinical studies paving the way to registration, and a large array of supporting evidence in many hematological malignancies and solid tumors on smaller numbers of patients. A large phase II study (129 patients enrolled) on peripheral T-cell lymphoma (PTCL) has completed accrual. The results are presently being analyzed and will be submitted to regulatory agencies. A randomized, controlled phase II study on cancer of unknown primary (CUP) comparing carboplatin and paclitaxel with or without belinostat has also completed accrual. Results will be available within a few months and may guide the further development of combination therapy in solid malignancies.

Additional supporting evidence includes encouraging early data on hematological malignancies such as cutaneous T-cell lymphoma (CTCL), relapsed acute myeloid leukemia (AML), myelodysplastic syndromes (MDS), and multiple myeloma (MM). Signals of clinical activity and a favorable safety profile have been observed in a number of solid tumors, such as ovarian cancer, including tumors resistant to platinum, bladder cancer, lung cancer, thymoma, hepatocellular cancer, and colorectal cancer.

Global Oncology Advisory Board

Topotarget's management has sought scientific advice from a wide range of internationally acknowledged clinical experts within the field of new drug development or various malignancies targeted in the development of belinostat. In 2011, several meetings involving high-caliber, international experts were performed.

Future prospects

Future prospects for belinostat may include further investigation of the administration and dosing seeking to alleviate the inconveniency of a five-day infusion schedule. Above all, the development of belinostat may provide patients and physicians with a new therapeutic opportunity based on an innovative mechanism of action and well-tolerated treatment in malignancies facing unmet needs in hematology and solid tumors. Belinostat has the potential to increase survival and improve the outcome for cancer patients in many cases. This will require completion of pivotal registration studies, which are presently in consideration in the above-mentioned clinical situations. Conclusively, belinostat appears to be one of the promising new drugs in the field of oncology and targeted therapies.

*) Chairman of Topotarget's Global Oncology Advisory Board
Professor of Oncology at the St. Louis Hospital Oncology Division in Paris, France


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FOR CLINICAL TRIAL

Belinostat

Mode of action
Belinostat belongs to a class of anti-cancer agents, HDACi, which by enzymatic process (acetylation) works to normalize the abnormal gene function pattern characteristic of cancer cells.

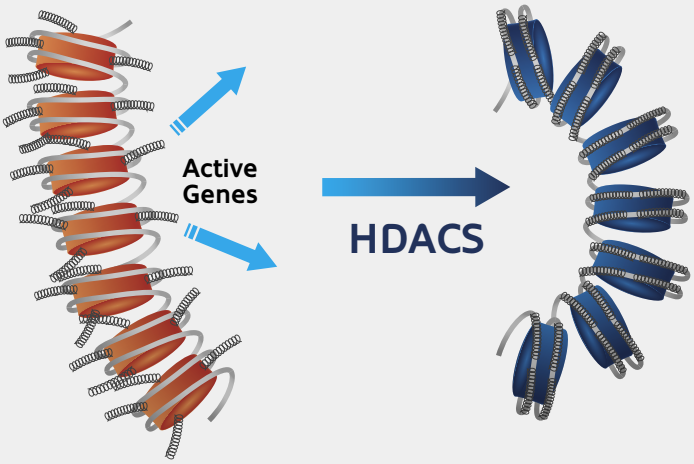
Belinostat is a strong member of the HDACi group as it:

- Has demonstrated anti-cancer activity against a variety of human tumors
- Is well-tolerated with minimal or no impact on bone marrow function
- Can be administered both by infusion and orally

Clinical use
Following extensive testing in the laboratory and in animal models with human tumors, the first-in-man clinical study was successfully completed in 2006. Belinostat has since been investigated in 30 clinical studies as monotherapy and in combination chemotherapy and more than 1050 patients have been exposed to the drug.

Overall, patients have experienced clinical benefit from both belinostat monotherapy and in combination with other anti-cancer agents, as defined by objective responses or prolonged stabilization of disease. Clinical benefit has been observed in patients with solid tumors and hematological malignancies. The favorable safety profile for both intravenously and orally administered belinostat and the encouraging anti-tumor activity indicates a favorable risk/benefit ratio and justifies the continued development of belinostat in multiple solid tumor and hematological malignancy indications.

The clinical study program of on-going or recently completed studies includes:



Histone DeACetylase inhibitors (HDACi)

Bypassing natural apoptosis is a hallmark of the cancer disease

Main characteristics of belinostat
- "Turns on" suppressor genes
  - Inhibiting HDACs activate silenced genes
  - Some of these are apoptotic (cell death) genes
  - Activation causes selective cancer cell death
- "Turns off" oncogenes
  - Results in inhibitions of cancer cell growth

Other mechanisms of action
- Inhibition of the growth and development of new blood vessels, in effect starving cancer cells
- Induction of immune system to target cancer cells
- Interacts with for example tubulin, thus synergizing with various chemotherapies and potentially overcoming drug resistance, which is the main reason for failure of cancer treatment

Hematological diseases
- Peripheral T-cell lymphoma (PTCL)
- Myelodysplastic syndrome (MDS)
- Acute myeloid leukemia (AML)

Solid tumor indications
- Cancer of unknown primary (CUP)
- Bladder cancer
- Ovarian cancer
- Liver cancer (HCC)
- Soft tissue sarcoma (STS)
- Thymoma
- Non-small cell lung cancer (NSCLC)
- Colorectal cancer (CRC)

Safety profile
Belinostat has an excellent safety profile as one of the drug's key characteristics. In clinical trials, comprising more than 1050 patients, belinostat is well-tolerated. The most frequently reported adverse events are mild and manageable.

Belinostat has been administered as monotherapy and combination therapy for the treatment of the cancers. The combination therapies include idarubicin, doxorubicin, 5-fluorouracil, carboplatin/paclitaxel, and bortezomib. Considering the cancers treated and the chemotherapies used in combination therapy studies, the adverse events observed are acceptable.

> Compared to other HDACis, belinostat's preliminary safety data show lower incidences of grade 3-4 adverse events*)

Compared to other HDACis, belinostat's preliminary safety data show lower incidences of the grade 3-4 adverse events (AE) within the most commonly reported AEs (nausea, fatigue, diarrhea, vomiting). In addition, other HDACis have significant side effects with hematological toxicity in drug combinations while belinostat seemingly does not.

Serious AEs related to belinostat have been relatively infrequent and no clusters that suggest a significant risk for the patients can be identified.

In a safety analysis in patients treated with belinostat as either mono- and/or combination therapy, the potential benefit of belinostat treatment outweighs the risks for the patients. Considering the cancers treated, the benefit-risk ratio for belinostat mono- and combination therapy appears favorable.

Trial definition

Phase I is the initial introduction of the drug candidate into healthy human volunteer subjects or patients with the disease. These studies are designed to determine the safety and side effects associated with increasing dosages, absorption, metabolism, distribution and excretion, pharmacologic and mechanism of action of the drug candidate in humans, and, if possible, to gain early evidence of effectiveness. Sufficient information about a drug candidate's pharmacokinetics and pharmacological effects should be obtained in order to design well-controlled, scientifically valid phase II studies.

Phase II involves clinical studies conducted to evaluate the effectiveness of the drug candidate for a particular indication in patients with the disease or condition under study and to determine the common short-term side effects and risks associated with the drug candidate. These studies are typically closely monitored and conducted in a relatively small number of patients, usually involving a couple of hundred patients.

Phase III studies are performed after preliminary evidence suggesting that effectiveness of the drug candidate has been obtained. Phase III studies are intended to generate additional information about the drug candidate's effectiveness and safety that is required to evaluate the overall benefit-risk relationship of the drug candidate and to provide an adequate basis for labeling. The studies may include anything from several hundred to several thousand subjects.

Phase IV studies are undertaken after a drug has been granted a marketing authorization. The main reasons for running phase IV studies are to find out more about the side effects and safety of the drug, to conduct risk-benefit assessments in a larger and more heterogeneous population than what is seen during clinical development.

Cancer at a glance

Commercial perspectives
Cancer represents a significant unmet medical need. Each year, more than 11 million people around the world are diagnosed with cancer. The World Health Organization (WHO) projects an increase to 16 million people a year over the next 15 years.

The majority of cancer patients die within a short time span of diagnosis. Seven million people die from cancer every year, corresponding to 13% of all deaths. The WHO projects an increase to 10 million by 2020.

Cancer is close to overtaking the position of cardiovascular diseases as the disease with the highest mortality rate in the western world, where the most common forms of lethal cancer are prostate cancer, breast cancer, lung cancer, and colorectal cancer.

*) Although no direct comparisson has been made

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*)	→	→	→	100-120	Completed	Top-line results NDA filing	2012
CUP	CLN-17	TT**)	→	→	→	88	Completed	Top-line results	H1 2012
NSCLC	SPI-1014-Bel	SPPI/TT	→			35	Recruiting	Recruitment completed	-
Solid + STS	CLN-14	TT	→	→		55	Phase I completed Phase II recruiting	Results stage I LPFV stage I in phase II	H1 2012
Drug-Drug interaction	CLN-20	SPPI/TT	→			39	Recruiting	Top-line results	2012
Solid tumors	CLN-9	TT	→			92	Completed	Scientific publication	2012
Lymphoma	CLN-9	TT	→			30	Completed	Top-line results	2012

*) Spectrum Pharmaceuticals
**) Topotarget

The strong growth in global sales of cancer therapeutics witnessed within the past few years is primarily due to the launch of a number of new and highly specific targeted anti-cancer drugs. In 2006, the global expenditure for oncology drugs was USD 44 billion, up from USD 12 billion in 2000 and the expenditure increased to USD 65 billion in 2010 and is expected to increase by USD 72 billion in 2012.

In the years ahead, a continuing trend towards more targeted cancer therapies is expected. Additionally, a large number of more biologically specific cancer drugs will reach the market, further expanding the market for cancer therapeutics. Topotarget considers itself an important player in the targeted cancer therapeutics market and is committed to making a substantial contribution to the development of more effective anti-cancer drugs.

Indications and clinical program

The final spectrum of indications to be pursued in the future development program is subject to the ultimate evaluation of the results from the many on-going studies. So far, 20 phase II studies have been initiated by Topotarget and its partner, Spectrum Pharmaceuticals, the NCI in addition to some investigator-initiated studies in PTCL, MDS, CUP, ovarian cancer, HCC, STS, thymoma, and NSCLC.

The clinical trial process

Topotarget has allocated most of its resources in the clinical study process. All clinical studies must be conducted by qualified investigators in accordance with Good Clinical Practice's (GCP) regulations. Clinical studies are typically conducted in three and sometimes four sequential phases that, however, often overlap or are combined.

BELINOSTAT CLINICAL STUDY OVERVIEW

Belinostat clinical studies in malignant diseases

Peripheral T-cell lymphoma (PTCL)
CLN-6
CLN-19 (BELIEF study)
Studies initiated in preparation for NDA filing
CLN-20
NCI8846
Belinostat in treatment of advanced solid and hematological tumors
CLN-9

1. Belinostat in combination with carboplatin and paclitaxel (BelCaP) **p. 12**
Safety profile of BelCaP
a) BelCaP in CUP
CLN-17
b) BelCap in ovarian cancer
CLN-8
GOG-0126T
c) BelCap in bladder cancer
CLN-8
d) BelCaP in NSCLC
SPI-1014-Bel

2. Belinostat in combination with anthracyclines **p. 14**
Safety profile of belinostat in combination with anthracyclines
a) Belinostat + doxorubicin in STS
CLN-14
b) Belinostat + idarubicin in AML or MDS
CLN-15

3. Belinostat in combination with 5-fluorouracil **p. 14**
Safety profile of belinostat in combination with 5-fluorouracil
CLN-4

4. Belinostat in combination with azacitidine (Vidaza®) **p. 15**
Safety profile of belinostat in combination with azacitidine
a) NCI7258
b) NCI 7265
c) CLN-15
d) NCI7285

5. Belinostat in combination with bortezomib (Velcade®) **p. 15**
Safety profile of belinostat in combination with bortezomib
a) CLN-5
b) NCI7281
c) CLN-16
d) MCC-12517

Belinostat clinical studies in malignant diseases

Since 2006, the clinical development program of belinostat*) comprises more than 30 studies sponsored by Topotarget and Spectrum Pharmaceuticals, the NCI in addition to some investigator-initiated studies. These studies are a mix of monotherapy studies in hematological malignancies and in solid tumors. The early studies were designed to obtain information on how well belinostat was tolerated by patients with cancer as a single agent.

Single agent belinostat has been studied for both intravenous (i.v.) and oral administration. Later studies have utilized a combination strategy where i.v. administration of belinostat has been combined with carboplatin+paclitaxel, anthracyclines such as idarubicin or doxorubicin, 5-fluorouracil, azacytidine, or bortezomib.

Peripheral T-cell lymphoma (PTCL)
PTCL is a hematological disease including a heterogeneous group of malignancies of T-cell origin that represents about 10-15% of all cases of non-Hodgkin's lymphoma. It is an aggressive, high-grade type of cancer with a poor prognosis of expected survival of approximately two years from diagnosis. The projections from annual cancer incidences point to 15,500 new cases of PTCL in the US, Japan, and in top-5 EU countries.

CLN-6, a phase II clinical study of belinostat in patients with recurrent or refractory CTCL and PTCL. In this early clinical study, patients with either CTCL or PTCL were treated with i.v. belinostat monotherapy. A total of 25 patients with PTCL were enrolled and of 19 evaluable patients, six patients had a response (31.6%), two had complete remission, while four had par-

*) PXD101 (belinostat) is the prefix of all clinical study names investigating belinostat, but will not be explicitly used in this annual report.

tial remission. The results were presented by the investigators during the American Society of Hematology's (ASH) annual conference in 2009[1]. The results from this trial lead to initiation of our pivotal study CLN-19.

CLN-19 (BELIEF study), a multi-center, open-label study of i.v. belinostat in patients with relapsed or refractory PTCL. The BELIEF study is a pivotal, open-label, multi-center, single-arm efficacy and safety study. In total, the study included approximately 100 clinical centers globally. The primary endpoint is the objective response rate (ORR). As communicated during 2011, Topotarget obtained a positive recommendation following the futility analysis by the Independent Data Monitoring Committee in March 2011[2] and a follow-up safety update meeting in November 2011. The BELIEF study is fully sponsored by our US partner Spectrum Pharmaceuticals and the expectation is to file an NDA to the FDA in the second half of 2012. The trial was initiated in December 2008[3]. Enrollment of 129 patients into this trial was completed in September 2011[4].

Studies initiated in preparation for NDA filing

Spectrum Pharmaceuticals and Topotarget are committed to the NDA filing based on positive outcome of the BELIEF study. In preparation, a study, which looks at a possible drug-drug interaction (CLN-20) in addition to an NCI-sponsored (NCI8846) study in patients with impaired hepatic function, has been initiated. Both studies are on-going and use i.v. belinostat given as monotherapy. Available data will be part of the safety package for the NDA filing.

CLN-20, a phase I study of belinostat in combination with warfarin in patients with solid tumors or hematological malignancies. This drug-drug interaction study is conducted in the Topotarget/Spectrum Pharmaceuticals collaboration. Approximately 39 patients are expected to be included and the primary endpoint is safety.

NCI8846, a phase I pharmacokinetic study of belinostat for solid tumors and lymphomas in patients with varying degrees of hepatic dysfunction. Up to 80 patients are expected to be included and the primary endpoint is safety.

Belinostat in treatment of advanced solid and hematological tumors

CLN-9, an open-label, dose-escalation study of oral belinostat in patients with advanced solid tumors. Later the protocol was amended to also include patients with hematological diseases.

Patient recruitment for the CLN-9 study was concluded in April 2011. The study is an open-label, non-randomized, multi-center, dose-escalation phase I trial examining dose and schedule of the oral administration of belinostat. In total, 92 patients with refractory solid tumors and 28 patients with lymphoma have been included in the study. The recommended dose levels are being evaluated through dose escalation of belinostat from 250 to 2000 mg/day and testing different dosing schedules such as daily for 28 days, daily for two weeks in a three-week cycle, and daily for five days in a three-week cycle. Initial results from the solid tumor part of the study was presented by the authors during ASCO in 2009[5] with the final results estimated to be submitted for publication in H1 2012 and safety data from the hematological part of the study was presented by the investigators during the ASH annual meeting in December 2011.

The favorable tolerability of oral belinostat led to the inclusion of oral belinostat as maintenance in the randomized phase II study in patients with CUP. This study will be described later.

Belinostat in combination with ...

1) Carboplatin and paclitaxel (BelCaP)
2) Antracyclines
3) 5-fluorouracil
4) Azacitidine (Vidaza®)
5) Bortezomib (Velcade®)

1. Belinostat in combination with carboplatin and paclitaxel (BelCaP)

Topotarget has performed pre-clinical experiments and demonstrated encouraging synergies between belinostat in combination with carboplatin or paclitaxel. The synergistic effect seems further enhanced using the triple combination of belinostat, carboplatin, and paclitaxel (BelCaP). Carboplatin and paclitaxel are the backbone of anti-cancer treatment in many malignancies i.e. CUP (1st-line treatment), NSCLC (1st-line treatment), ovarian cancer (2nd-line treatment), and bladder cancer (2nd-line treatment).

The demonstrated pre-clinical synergy between these drugs and belinostat has led to several studies where this combination has been included:

a) CLN-17 in CUP
b) CLN-8 and GOG-0126T in ovarian cancer
c) CLN-8 in bladder cancer
d) SPI-1014-Bel in NSCLC

Safety profile of BelCaP

In total, more than 150 patients have been treated with BelCaP without unexpected toxicity. Furthermore, it has been shown that belinostat can be combined with full doses of the two anti-neoplastic drugs: Carboplatin and paclitaxel. Finally, in the on-going phase I/II study where BelCaP is given to previously untreated patients with NSCLC, the issue of potentially increasing the dose of belinostat is addressed.

a) BelCaP in CUP

CUP is by definition a cancer where the origin of the primary tumor remains unknown despite the use of intensive diagnostic tools. The histological characteristics detected in the biopsy yield some information of the origin, i.e. the tumor is either an adenocarcinoma, a squamous cell carcinoma, or an undifferentiated or poorly differentiated carcinoma/adenocarcinoma. Approximately 2-5% of all solid tumors are CUP and despite treatment with chemotherapy most patients die within one year.

CLN-17, an open-label randomized phase II study of belinostat in combination with carboplatin and paclitaxel (BelCaP) compared to carboplatin and paclitaxel in patients with previously untreated cancer of unknown primary. The study is a multinational, multi-center, randomized, comparative efficacy and safety study. Patients have been randomized to either BelCaP or CaP administered every 3rd week. In total, 89 patients have been randomized and the study has been closed for recruitment as communicated in December 2010. The primary study endpoint is progression-free survival (PFS), hence providing an estimate of the hazard ratio of treatment effect. Initial safety data were presented during ASCO 2010 and top-line results are expected in H1 2012.

b) BelCaP in ovarian cancer

Ovarian cancer is a growth of malignant cells that begins in the ovaries (women's reproductive glands). Ovarian cancer is the fifth-leading cause of cancer-related deaths among women. In 2010, approximately 60,000 women in the US, Japan, and five major EU markets were diagnosed with ovarian cancer and about 40,000 women die of the disease every year.

CLN-8, a phase I safety, pharmacodynamic, and pharmacokinetic study of intravenously administered belinostat plus carboplatin or paclitaxel or both in patients with advanced solid tumors. After the maximal tolerated dose was found in the phase I part of the protocol, a cohort expansion was approved which included 35 women with ovarian cancer. The results have been presented at several major scientific meetings, last time during ASCO 2008[8]. The main results demonstrated that 15 patients (43%) responded to the combination treatment.

> Topotarget has demonstrated encouraging synergies between belinostat in combination with carboplatin and paclitaxel in preclinical studies

GOG-0126T, a phase II evaluation of belinostat and carboplatin (not the BelCap combination) in the treatment of recurrent or persistent platinum-resistant ovarian, fallopian tube, or primary peritoneal cancer. This study, initiated by the Gynecologic Oncology Group (GOG) in the US, included patients that were resistant to both paclitaxel and platinum, therefore these patients were more refractory than patients in the CLN-8 study. The primary endpoint in the study was response rate and called for at least three responses. The study was evaluated after 27 evaluable patients had been included and two responses were seen. As the primary endpoint of three responses was not met, the study was terminated as communicated in March 2011[9].

Collectively, the experience with belinostat in the treatment of ovarian cancer is based on these two studies. The GOG terminated the phase II study of belinostat and carboplatin in women with platinum-resistant ovarian cancer after the first stage due to a lack of responses. While disappointing, the result does not negate the activity of the triple drug combination of BelCaP explored in the CLN-8 study, but suggests that belinostat may require the combination of both carboplatin and paclitaxel for maximal activity. The synergy between carboplatin, paclitaxel, and belinostat has been demonstrated previously in an in vitro model system. The pre-clinical data coupled with the clinical data from the BelCaP study provides sufficient interest to carry forward further studies in ovarian cancer. Further investigation of the BelCaP combination may be conducted in very well-defined populations of women with ovarian cancer, stratified by platinum sensitivity.

c) BelCaP in bladder cancer

Bladder cancer originates from the bladder and the urinary tract affecting more than one million people worldwide. It is the fourth most common malignancy in men and the 10th in women. The vast majority of the tumors are low-grade and 90% of patients will survive more than 10 years.

CLN-8, a phase I safety, pharmacodynamic, and pharmacokinetic study of intravenously administered belinostat plus carboplatin or paclitaxel or both in patients with advanced solid tumors. After the maximum tolerated dose was reached in the phase I part of the protocol, a cohort expansion was approved which included 15 patients with heavily pretreated bladder cancer. The results have been presented at several major scientific meetings, last time during ESMO 2011[10]. The main efficacy results were presented in 2008 and demonstrated that of 14 evaluable patients, four (29%) responded to the treatment[11].

d) BelCaP in NSCLC

Non-small cell lung cancer (NSCLC) is the most common type of lung cancer accounting for more than 75% of all lung cancers. It is estimated that ap-

proximately 350,000 patients per year will be diagnosed with lung cancer in the US, Japan, and five major EU markets. Of these approximately 250,000 patients will die from NSCLC.

SPI-1014-Bel, a phase I/II maximum tolerated dose study of belinostat in combination with carboplatin plus paclitaxel in chemotherapy-naive patients with stage IV non-small cell lung cancer. This is a multicenter, open-label, single-arm study.

Patients will receive up to six cycles of combination therapy of belinostat plus carboplatin (AUC 6) and paclitaxel 200 mg/m^2. A dose escalation study will be conducted, using traditional escalation rule of 3+3 design, during the first cycle of therapy to determine the maximum tolerated dose (MTD). The trial was initiated in March 2011[12] and it is expected that up to 35 patients will be enrolled.

2) Belinostat in combination with anthracyclines

a) CLN-14 with doxorubicin in patients with solid tumors and soft tissue sarcoma (STS) in the expansion cohort
b) CLN-15 with idarubicin in patients with acute myeloid leukemia (AML) or myelodysplastic syndrome (MDS)

Safety profile of belinostat in combination with anthracyclines
Collectively, the results demonstrate that the combination of belinostat and anthracyclines is safe and full doses of anthracyclines can be given in combination with full doses of belinostat.

a) Belinostat + doxorubicin in STS
Soft tissue sarcomas (STS) are defined by cancer in the soft tissues arising from mesenchymal cells such as muscles, tendons, and blood vessels. It excludes sarcomas arising from bone. STS is a rare disease and less than 1% of all cancers are STS.

CLN-14, a phase I/II clinical study of belinostat in combination with doxorubicin in patients with STS. This open-label, multi-center, dose-escalation study was initiated to evaluate safety, efficacy, pharmacodynamics, and pharmacokinetics of the combination of belinostat with doxorubicin administered every third week. After the maximum tolerated dose of belinostat in combination with doxorubicin was established in patients with solid tumors, a cohort expansion was initiated in patients with STS. The cohort expansion was planned in two stages, with 20 patients to be included at the first stage, and since less than three patients showed response, no additional 20 patients were enrolled. The initial results from the phase I part of the study have been presented at AACR-NCI-EORTC 2008[13]. The enrollment into the first part of the phase II has been completed and results are expected in H1 2012.

b) Belinostat + idarubicin in AML or MDS
Myelodysplastic syndrome (MDS) constitutes a heterogeneous group of bone marrow diseases characterized by inefficient hematopoiesis affecting one or more cell lines of the bone marrow. Most patients have anemia at diagnosis but a considerable number of patients have neutropenia and thrombocytopenia as well. Approximately 50% of patients have cytogenetic abnormalities, which are of prime prognostic importance. In some instances, MDS is caused by previous chemotherapy or radiation, so-called therapy-related MDS. These tend to have complex cytogenetics and a dismal prognosis. MDS is a rare disease accounting for slightly less than 1% of all malignancies. MDS may progress into acute myeloid leukemia (AML). AML is characterized by deregulated proliferation of myeloid blasts with limited differentiation. AML affects both younger and elderly patients with a higher incidence of elderly patients (13-15/100,000). It is a highly heterogeneous disease in terms of morphology, cytochemistry, immunophenotype, cytogenetics, and molecular abnormalities.

Treatment outcomes for both MDS and AML still remain suboptimal. Most patients receiving chemotherapeutic regimen relapse and die due to the disease or associated complications.

CLN-15, a phase I/II clinical study of belinostat in combination with idarubicin in patients with AML not suitable for standard intensive therapy. This open-label, non-randomized, multi-center, phase I/II study was initiated to assess the efficacy and safety of two schedules of belinostat in combination with idarubicin therapy in patients with AML (patients with MDS also included) not suitable for standard intensive therapy. The initial results from the phase I part of the study were presented during ASH 2008[14]. Analysis of trial outcome showed higher response rates (partial and complete, 5/16 patients) for the group of patients receiving constant infusion therapy with belinostat. Belinostat was given as a 48-hour infusion.

3) Belinostat in combination with 5-fluorouracil

The effect of belinostat in combination with 5-fluorouracil (5-FU) has been investigated in CLN-4 in patients with solid tumors and colorectal cancer in the expansion cohort.

Colorectal cancer (CRC) belongs to one of the most frequent malignancies, accounting for approximately 10% of all malignancies. CRC originates from either the colon or the rectum and the vast majority is adenocarcinomas. Approximately a quarter of the patients have disseminated disease at the time of diagnosis, i.e. metastatic disease (mCRC). Over the last couple of years, CRC has been divided into two nearly equal sized populations based on

whether the tumor cell expresses normal K-Ras or has the mutated form. Despite the use of targeted agents such as monoclonal antibodies, the overall survival in patients with mCRC remains poor at around two years.

Safety profile of belinostat in combination with 5-fluorouracil

Belinostat in combination with 5-FU has been generally well-tolerated up to 1000 mg/m²/day belinostat plus 250 mg/m²/day 5-FU. Toxicities were generally ≤ grade 2.

CLN-4, a phase I safety, pharmacodynamic, anti-tumor activity, and pharmacokinetic study of belinostat alone and in combination with 5-FU in patients with advanced solid tumors. This study was an open-label, multi-center, dose-escalation, safety, and pharmacodynamic study in patients with advanced solid tumors, with an expansion arm at the maximum tolerated dose (MTD) to confirm safety and assess pharmacodynamics, anti-tumor activity, and pharmacokinetics in patients with advanced colorectal cancer. The phase I part of the study enrolled various solid tumors to establish the safety profile of the combination of belinostat and 5-FU. Once this had been established, a cohort of patients with CRC was included. The main results relating to safety and pharmacodynamics and efficacy have been presented during the AACR-NCI-EORTC meeting in 2006, during ASCO in 2007, and ASCO GI 2009[15]. In a considerable number of patients, disease stabilization was observed as best clinical outcome.

4) Belinostat in combination with azacitidine (Vidaza®)

The effect of belinostat in combination with azacitidine has been investigated in NCI7285 in patients with AML or MDS.

Safety profile of belinostat in combination with azacitidine

Collectively, the data suggests that belinostat in combination with azacitidine has clinical activity. Furthermore, the combination of belinostat and azacitidine is well tolerated.

MDS is described above. In total, four studies have been performed in patients with acute myeloid leukemia (AML) and/or MDS.

a) **NCI7258,** a phase II study of belinostat, for the treatment of myelodysplastic syndrome. In this study, belinostat was used as a single agent. Amongst the 21 patients included, 17 were evaluable and a stable disease was seen in 15 of these patients.

b) **NCI7265,** a phase II study of belinostat in patients with relapsed or refractory AML or patients over 60 with newly diagnosed AML. In this study belinostat was used as a single agent but no responses were seen.

c) **CLN-15** has been described above.

These three studies (NCI7258, NCI7265, and CLN-15) paved the way for investigating belinostat in combination with azacitidine in AML/MDS patients (NCI7285).

d) **NCI7285,** a phase I pharmacodynamic study of belinostat plus azacitidine (5-AZA) in advanced myeloid neoplasms. In this study, 56 patients were included of which 24 were included to establish the maximum tolerated dose and an additional 32 patients were included at the maximum dose. Combining the two study sections, 39 patients were treated at the maximum dose and amongst these 13 patients responded (33%). These data were presented during ASCO 2011[16].

5) Belinostat in combination with bortezomib (Velcade®)

Bortezomib is a proteasome inhibitor, which in pre-clinical studies has been implied a synergistic neoplastic effect in combination with belinostat, possibly through a concerted action on proteasomal pathways or targeting of independent protein disposal mechanisms. After running pre-clinical studies testing this hypothesis, several studies have been initiated at Topotarget, at the NCI as well as investigator-driven studies.

Safety profile of belinostat in combination with bortezomib

Collectively, the data demonstrate that the combination of belinostat and bortezomib is well-tolerated. Caution should be taken when targeting tumors with a tendency to give rise to tumor lysis syndrome. Signs of clinical activity of the combination have been demonstrated in a few patients.

a) **CLN-5,** a phase Ib/II safety, pharmacokinetic, pharmacodynamic, and anti-tumor activity study of belinostat in combination with bortezomib in patients with relapsed refractory multiple myeloma. The study was closed while a new phase II trial with the same patient population was initiated[17].

b) **NCI7281,** a phase I study of belinostat in combination with bortezomib (PS-341) in patients with advanced solid tumors and lymphoma. Only patients with solid tumors were enrolled and no unexpected toxicity was seen at full doses. These results were presented at the AACR-NCI-EORTC scientific conference in 2009[18]. The study was performed in parallel with CLN-5 and demonstrated good tolerability of higher dose levels, leading to the initiation of CLN-16. At the same time the CLN-5 study was closed.

c) **CLN-16,** a phase II study of belinostat in combination with bortezomib in patients with relapsed refractory multiple myeloma. The initial dose level was 600 mg/m² and 1.0 mg/m², respectively. Among the first four patients, two had renal insufficiency, which in one patient was pre-existing. In the


belinostat
topotarget

other, creatinine levels were elevated but within normal limits at baseline. The sudden load of Bence-Jones proteins to the kidneys due to increased lysis of tumor celles, makes tumor lysis a complication well-known in myeloma. No nephrotoxicity was seen in the larger NCI7281 study where even higher doses of belinostat and bortezomib were used. Additionally, tumor lysis syndrome is rarely seen in patients with solid tumors. Tumor lysis may be a signal of efficacy, however other causes for the SAEs could not be ruled out and by protocol the study was terminated[19].

d) MCC-12517, a phase I study of belinostat and bortezomib in patients with relapsed or refractory acute leukemia and myelodysplastic syndrome. This study is run by a group of investigators at the University of Virginia, where the dose of belinostat and bortezomib is increased. No unexpected toxicities had been reported at the time of the American Association of Hematology´s (ASH) annual conference in December 2011[20].

Other clinical studies in malignant diseases

Human FAS ligand in solid tumors
APO010 is a recombinant form of the human FAS ligand. The FAS receptor is often over expressed cancer and after binding, APO010 induces apoptosis and cell death. In pre-clinical experiments, APO010 has demonstrated pronounced anti-tumor activity against a wide range of experimental and human tumors. One clinical study has been conducted so far:

SO65APOX01, a phase I dose finding and pharmacokinetic study of intravenous APO010 in patients with solid tumors, was initiated in 2007 by Apoxis and continued by Topotarget. After a cautious dose-escalation program, 25 patients were treated with i.v. bolus every other week at dose levels from 2.5 to 60 µg/m^2. The treatment was well tolerated up to 45 µg/m^2. At 60 µg/m^2 further dose escalation was stopped due to two episodes of transient cerebral ischemia. Relationship to the study medication could not be ruled out. Pharmacokinetic results limited by few patients at the higher doses suggested a dose-concentration relationship and a very short half-life of five minutes. The study showed that APO010 is well-tolerated at doses below 60 µg/m^2. Further studies are required to define the optimal FAS positive tumor targets and clinical schedules.

NMPRT in hematological and solid tumors
APO866, a first-in-class anti-cancer drug, is a potent and specific inhibitor of nicotinamide phosphoribosyl transferase (NMPRT), a key enzyme involved in the synthesis of nicotinamide adenine dinucleotide (NAD). APO866 exhibits broad anti-neoplastic activity in pre-clinical cancer models. A phase I study using APO866 administered as a 96-hour continuous intravenous infusion (CIV) was completed by Astellas in the US in January 2004 satisfactory and APO866 0.126 mg/m^2/hr for 96 hours in a 28-day schedule was recommended for phase II. On a license from Astellas, three phase II clinical studies were initiated by Apoxis and continued by Topotarget.

a) APO866-3001, a multi-center, open-label phase II study to assess the efficacy and safety of APO866 in patients with refractory or relapsed CTCL. The study was carried out in six centers in Europe from 2007 to 2011. A futility analysis was planned after the first eleven eligible patients had completed therapy. By December 2010, 13 patients had entered the study and received at least one cycle of therapy. Eleven patients had at least one repeated tumor assessment and were evaluable for efficacy. One of 11 patients had partial remission (PR), five had stable disease (SD), and five had progressive disease. Thus APO866 as CIV demonstrated clinical anti-neoplastic activity in CTCL, but the requirements for continuation of the study, three responders among the first 11 evaluable patients, were not met. Conclusively, the activity of the schedule and investigated dose were regarded as insufficient and the study was terminated. No major safety issues were reported during the study.

b) APO866-3003, a multi-center, two-stage, open label phase II study to assess the efficacy and safety of APO866 in the treatment of patients with advanced melanoma. The study was carried out in six centers in Switzerland, Germany, Austria, and France from 2006 to 2008. It was planned to enroll 20 evaluable patients in the first stage of the study. 25 patients were recruited in the first stage, resulting in 23 evaluable patients. The futility analysis failed to demonstrate responders and the study was therefore stopped due to lack of efficacy of APO366 administered as 96-hour CIV. Safety signals included a transient bilateral macular edema in one patient and were otherwise mild and reversible.

c) APO866-3005, an open phase I/II clinical study assessing the safety and tolerability of APO866 in patients with refractory B-cell lymphocytic leukemia not amenable to allogenic hematopoietic stem cell transplantation. The study was carried out in four centers in the UK (2007-2009) and accrued the planned 10 patients who all received a 96-hour CIV cycle of APO866. Four patients received 2-3 cycles. The treatment had a clear anti-neoplastic effect where five of eight patients with elevated peripheral CLL cells had a 30-40% reduction in their peripheral counts. But none of the patients

reached the 50% level defining partial remission and, conclusively, APO866 had insufficient anti-leukemic effect in the present dose and schedule. No major safety aspects were reported during the study.

2-PPA in treatment of familial adenomatous polyposis

The anti-epileptic drug valproic acid (VPA) became of oncologic interest when it was shown to be an HDACi known as PEAC, 2-propyl pentanoic acid (2-PPA). Several investigator-driven phase II studies in patients with leukemia and solid tumors have demonstrated a moderate anti-neoplastic effect.

Based on pre-clinical findings of reduced adenoma formation in a murine model of familial adenomatous polyposis (FAP), a clinical phase II study was initiated in January 2006 by the German company G2M and was, after the merging of the companies, continued by Topotarget.

Study G2M-777 SYSO1/2004 was a randomized, double-blind, placebo-controlled parallel group study to assess the safety and efficacy of an oral formulation of 2-propyl pentanoic acid (2-PPA, PEAC® minitablets) in the treatment of colorectal adenomas in patients with FAP.

The study was carried out in six centers in Germany, Russia, and Denmark. FAP patients were randomized to receive 2-PPA (in a new oral formulation, PEAC®) or placebo for a six-month period. The response was to be evaluated by videotaped colonoscopies before and after treatment. The study was planned to include 66 patients, but was stopped for further accrual in January 2009 at 49 patients included as it was clear that patient enrollment was extremely slow, and additionally, of 49 patients included, 13 patients could not be evaluated. This combined with major difficulties in interpretation of the colonoscopies from several patients made it unlikely that the study could be completed within a reasonable time frame.

As for the efficacy endpoints, the study was inconclusive. The safety pattern demonstrated AEs comparable to that of VPA used as an anti-epileptic drug, and they were mild to moderate in severity. Three SAEs were unrelated to study treatment.

Belinostat publications in 2011

Please visit www.topotarget.com for an overview of belinostat publications in 2011. The overview consists of review papers, clinical research, and pre-clinical research, including abstracts.

[1] Announcement December 8, 2009
[2] Announcement March 28, 2011
[3] Announcement December 17, 2008
[4] Announcement September 26, 2011
[5] Announcement May 29, 2009
[6] Announcement December 23, 2010
[7] Announcement May 21, 2010
[8] Announcement June 2, 2008
[9] Announcement March 14, 2011
[10] Announcement September 13, 2011
[11] Announcement October 22, 2008
[12] Announcement March 14, 2011
[13] Announcement October 23, 2008
[14] Announcement December 8, 2008
[15] Announcement November 10, 2006, April 19, 2007, and January 19, 2009
[16] Announcement May 19, 2011
[17] Announcement March 26, 2007
[18] Announcement November 17, 2009
[19] Announcement August 7, 2007
[20] Announcement November 9, 2011

Partnerships

Partner status

Spectrum Pharmaceuticals, Inc. (2010) – belinostat

- In February 2010, Topotarget out-licensed North American and Indian rights on belinostat to Spectrum Pharmaceuticals
- Under the terms of the agreement, Spectrum Pharmaceuticals made an upfront payment of USD 30 million and took over 100% funding of the PTCL BELIEF trial
- In September 2011, Spectrum Pharmaceuticals completed recruitment i.e. Last Patient First Visit of the PTCL BELIEF trial and is targeting submission of an NDA on belinostat for the orphan drug indication PTCL in end 2012
- Resources for co-development in additional indications will have cost sharing, with Spectrum Pharmaceuticals contributing 70% and Topotarget contributing 30%
- Further indications such as cancer of unknown primary (CUP), ovarian cancer, and non-small cell lung cancer (NSCLC) are being considered
- Topotarget is eligible to receive milestone payments upon successful achievement of certain development and commercial milestones of up to USD 320 million as well as double-digit royalties on sales in addition to the upfront payment
- The first expected milestone will be upon acceptance to file by the FDA, which can happen approximately 60 days after the submission of the NDA to the FDA

Multimeric Biotherapeutics, Inc. (2011) – license of IP rights to proteins containing TNF superfamily ligands (non-core asset)

- In October 2011, Topotarget out-licensed the exclusive rights to the further development of the multimeric TNF superfamily ligands (TNFSFs) for all therapeutics used to Multimeric Biotherapeutics, Inc.
- Under the agreement, Multimeric Biotherapeutics will license the rights to all multimeric fusion proteins containing TNFSFs which are covered by Topotarget's issued and pending patents in Europe, the US, Canada, Japan, Australia, South Korea, and other territories. The agreement also grants Multimeric Biotherapeutics the rights to sub-license. TNFSFs are not a core activity of Topotarget IP assets

National Cancer Institute (NCI), USA – academic collaboration

Topotarget is party to a Clinical Trial Agreement (CTA) with the NCI under which the NCI sponsors a number of clinical trials evaluating the activity of belinostat, either alone or in combination with other anti-cancer therapies, for the treatment of hematological cancers and solid tumors, e.g. ovarian cancer and thyroid cancer.

Termination of license agreements related to non-core pipeline activities

As a follow-up to the financial write-down of pipeline activities by the end of 2010, Topotarget has terminated the following license agreements and handed back the rights:

Astellas DE regarding APO866, Novartis regarding Zemab, and Mochida regarding patents relating to Fas/FasL.

Commercial opportunities for belinostat

Topotarget is actively exploring the commercial opportunities in Europe, Asia/Pacific and ROW and thereby continues to evaluate how we can commercialize belinostat most optimally outside Spectrum Pharmaceuticals' territory in order to maximize the shareholder value.

Corporate Governance

The Board of Directors defines the objectives, goals, and strategies of the company and makes decisions on matters of major significance and unusual nature. On behalf of the shareholders, the Board of Directors furthermore supervises the organization and ensures that the company is managed appropriately and in accordance with legislation and the company's Articles of Association. The Board of Directors does not participate in the day-to-day management of the company.

In addition to undertaking the overall controlling of Topotarget, it is the primary responsibility of the Board of Directors to define the strategic framework for the activities and action plans of the company and to maintain a constructive dialogue with the Management Board regarding the implementation of the strategies. In addition, the Board of Directors appoints the Management Board, sets out its terms and tasks, and supervises its work and the company's procedures and responsibilities.

Openness and transparency
Topotarget's current and future shareholders as well as other stakeholders have different requirements in terms of corporate information. However, all rely on the quality of the information available. Openness and transparency are therefore pivotal for evaluating Topotarget and its prospects and Topotarget seeks to maintain open communication through company announcements, investor meetings, and company presentations. As a result, Topotarget's annual report, interim reports, and other company announcements are available in both Danish and English. Topotarget seeks to ensure a timely convening of the company's annual general meetings, allowing its shareholders and others to consider the issues on the agenda for the general meeting.

Diversity
Topotarget fully understands and supports the importance of diversity in the organization. We believe that a diverse work force and work place results in greater quality of work as well as a broader understanding of various organizational tasks. This mindset is thus also clearly supported in Topotarget when looking at the composition of both our Board of Directors, our management team, and in the company in general.

Composition of the Board of Directors
Pursuant to Article 14 of Topotarget's Articles of Association, a maximum of seven members can serve on the Topotarget Board of Directors. The article further stipulates that board members must retire when they reach the age of 70. Topotarget seeks to ensure that at least a majority of the board members are independent of special interests. As such, six of Topotarget's seven board members are independent. All board members are evaluated by the entire Board of Directors on a yearly basis.

The key considerations made in relation to the appointment of the Board of Directors were the professional background and industry experience of each candidate. The activities of the Board of Directors are governed by an internal set of procedural rules. For relevant background information on the individual board members, please go to page 26 or visit
http://www.topotarget.com/about-us/board-of-directors.aspx

The Board of Directors has established a formal process for evaluating management, and objectives are agreed upon in connection with the budgeting procedure and evaluated finally at year-end. The Board of Directors continuously discusses the goals and strategies and Topotarget's ability to implement the strategies and live up to expectations. The Chairman of the Board has well-defined tasks, duties, and responsibilities. Among these to make sure that the board members have the competencies that are required for a governing board. The entire Board of Directors evaluates the board's composition to ensure that the needed competencies are at hand and also to ensure a transparent process on election of board members at the annual general meeting.

In 2011, the Board of Directors held 14 meetings (either in person, via telephone, or by way of written resolutions).

Audit Committee
Topotarget has established an Audit Committee and thus complies with the recommendations stipulated by the Danish Committee on Corporate Governance. The committee's main purpose is to review the financial controls and to work with the independent auditors in connection with their audit of the company's financial statements and to make reports and recommendations to the Board of Directors on these matters. The members of the Audit Committee are Bo Jesper Hansen (Chairman) and Per Samuelsson.

Internal rules in the form of a Management Instruction governing the allocation of powers between the company's Board of Directors and the senior management have been established, and the company intends to have an on-going policy of actively pursuing a strategy of good corporate governance.

Remuneration and Nomination Committee
The Board of Directors has moreover established a Remuneration and Nomination Committee. In regard to nomination, the committee's tasks are to describe and evaluate the required qualifications of the two governing bodies as well as making recommendations on changes. Furthermore, the committee considers and recommends proposals for candidates for executive positions in the company. With regard to remuneration, the sole purpose of the committee is to evaluate and make recommendations to the Board of Direc-

tors on the remuneration paid to board members and the senior management as well as recommendations concerning employee incentive programs. The committee consists of the following members: Bo Jesper Hansen (Chairman), Per Samuelsson, Ingelise Saunders, and Anker Lundemose.

Exceptions

It is the view of the Board of Directors that Topotarget complies with the Recommendations on Corporate Governance from August 2011, however, with the following exceptions:

Topotarget has, due to its size, not formally elected a Deputy Chairman.

The Chairman of the Board of Directors and the Chairman of the Audit Committee and the Remuneration and Nomination Committee are identical reasoned by the qualifications of the Chairman.

Topotarget offers share-based remuneration programs to board members, the reason being that the company considers share-based remuneration programs essential and necessary tools to attract and retain board members with international experience and profiles and to secure alignment with the company strategy.

Topotarget does not disclose remuneration of board members or managers at an individual level. Topotarget considers this information to be private and believes that information at an individual level is of limited value to shareholders.

A full description on Topotarget's approach to Corporate Governance can be found on our homepage
http://investor.topotarget.com/governance.cfm

Corporate Social Responsibility

Topotarget does not have a formal policy on Corporate Social Responsibility (CSR).

Despite not having a formal policy on the area, we recognize the significance of CSR. We therefore continue to develop and implement new operating standards and procedures to support and fulfill our obligations to both our internal and external stakeholders.

Risk profile and risk management

Risk profile
With the divestment of Topotarget's American subsidiary, Topotarget USA, Inc., and with the planned closures of our dorment Dutch, German, and Swiss subsidiaries, we are currently reducing our facilities outside Denmark – a reduction that is based on our undivided focus on our lead development compound, belinostat.

Topotarget performs development activities with global clinical studies for belinostat and are therefore, through these activities, exposed to a variety of risks – some of which are beyond our control. Risks that, if not properly assessed and controlled, may have significant impact on our business.

Risk management approach
Active management of operational, financial, and compliance risks is a prerequisite for Topotarget. Risks are identified and reported through a systematic process. Consolidation, analysis, and evaluation take place with stakeholders within Topotarget. Management is responsible for the final calibration of risks and review of mitigating actions. Management and the Board of Directors discuss and decide on the risk tolerance for the most significant risks.

Risk management initiatives in 2011
In 2011, Topotarget launched an initiative to enhance its risk management capabilities. The company completed the rollout of a risk management business process with semi-annual reporting to the Board of Directors as well as ad hoc reporting to relevant stakeholders.

The risk management business process defines clear responsibilities for the Board of Directors as well as the management. The Board of Directors is responsible for:

- Approval of the Risk Policy, including risk tolerance levels
- Review and approval of top risk scenarios
- Review of the current level of mitigation of top risks
- Proposals for additional mitigation, if required
- Verification of the adequacy of the risk management infrastructure

Management is directly responsible for management and mitigation of key risks as well as for the maintenance of a robust risk management business process, including the reporting cycle.

Below you will find a summary of the company's main risk areas and a summary of how the company seeks to address these risks.

Development and scientific risks
With the establishment of a Global Oncology Advisory Board, Topotarget seeks to ensure the optimal selection of future disease targets. Also, we have formed a Scientific Committee consisting of board members and key Topotarget employees, who are closely monitoring and assessing data and other information from our clinical trials. Both will help us in complying with the extensive governmental regulations that we are subject to up until our product candidate receives regulatory approval.

In general, there is a risk that the inclusion of patients in clinical studies is insufficient and that lack of efficacy and unexpected, SAEs are registered on a drug. Moreover, unforeseen safety issues or changes of regulatory requirements can influence the timing and nature of our clinical development activities, costs, and related revenues such as milestone payments and cost reimbursement.

Risks related to the market and partners
Our reliance on the collaboration with Spectrum Pharmaceuticals is very important for our business as our future growth and a significant part of our future revenues, in particular milestones and royalties, may depend on the continued collaboration. Our business might be negatively affected if Spectrum Pharmaceuticals does not devote sufficient resources to the belinostat development programs, if they become unable to meet their obligations, or if we are not able to establish additional partnerships for Asia and Europe.

Topotarget is furthermore subject to a range of normal biopharmaceutical commercial risks, including:

- Competition from existing treatment and/or new drugs
- Market size of lead indications
- Product pricing and reimbursement policies
- Interest from potential partners and investors
- Development time of new clinical trials
- Patent protection and ability to prevent infringements

Risks related to legal requirements
Topotarget's activities are also affected by legal requirements and changes from health authorities in several countries. Modified legislation and reinterpretation of legislation in Topotarget-relevant countries may result in unintended or unexpected issues.

Another risk scenario is that Topotarget's ability to protect itself in potential patent lawsuits is insufficient; for instance if our

intellectual property is not protected or our products infringe on a competitor's intellectual property. We therefore continue to file necessary patent applications in an effort to protect our product and technologies. We maintain strict confidentiality standards and agreements for internal employees and any collaborating parties in order to protect business secrets.

Financial risks
We are reducing our exposure to fluctuations in exchange rates by mainly concentrating our facilities in Denmark. However, as we are conducting global studies and have shared clinical costs with Spectrum Pharmaceuticals, we are exposed to exchange rate fluctuations.

The company's cash holdings consist of deposits held in money market funds and in cash. The interest rate risk is insignificant relative to Topotarget's combined operations.

Capital resources
With the divestment of Totect® Topotarget has become a drug development company without commercial revenue. We will, excluding revenue from collaboration partners, be cash consuming until belinostat becomes commercially available. It is therefore crucial that the company at all times ensures sufficient financial resources.

Risk management
A number of factors concerning Topotarget and our strategies contribute to a reduction of the overall risks:

- We are pursuing a partnering strategy which reduces a large part of the financial risks; we have a strong development agreement for belinostat with Spectrum Pharmaceuticals for North America and India, who will handle the commercialization of belinostat in its geographical regions; we are exploring commercial opportunities for belinostat in Asia and Europe

- We have developed an effective technology with validated tumor models to evaluate the effect of its therapeutics on cancer diseases; we have cross-disciplinary and complementary expert teams that continuously evaluate the results of studies with drug candidates and optimize the development process

- Topotarget collaborates with several scientific organizations and has a large representation of medical expertise within the company, ensuring bridge-building between science and the treatment of patients

- Topotarget is a professional organization which strives to be updated on and complying with laws affecting the company's activities

- We are dependent on contract manufacturers for the manufactory of belinostat, and therefore we are continually exploring our options to alleviate the risk of supply issues

- Our Board of Directors continuously evaluates the need to increase the company's financial resources based on financial reporting prior to board meetings

The process of accounts preparations

The overall responsibility for the company's control and risk management in relation to the financial reporting process, including compliance with applicable legislation and other financial reporting regulations, rests with Topotarget's Board of Directors and Management Board.

Financial report process
The company has an Audit Committee consisting of members of the company's Board of Directors. The Audit Committee reviews and discusses auditing and accounting matters with the company's auditors elected by the shareholders and the Management Board in accordance with the Audit Committee's terms of reference.

Topotarget's primary focus is to ensure that the financial statements are in accordance with relevant accounting legislation and other provisions and regulations and give a true and reliable view of the company's activities and financial position.

The preparation of the company's financial reporting follows a planned structure involving segregation of duties.

Topotarget has established internal monthly reporting with a view to effectively managing its financial status. The reporting process involves analyses of deviations between actual results, business plans, and budgets and the most recently updated estimate for the financial year. The monthly report, including explanation of deviations for the principal business areas, is reviewed by the Management Board before it is distributed to the Board of Directors.

The company's statutory reports are prepared according to the same structure as the monthly reports.

The quarterly reports are reviewed at an Audit Committee meeting before they are approved at a board meeting and subsequently released for publication.

The annual audit and reporting process comprise detailed planning of individual assignments, planning meetings between Investor Relations, the Finance Department and the external auditors. The audit and planning process is based on an approved audit strategy.

The annual report is prepared in close collaboration with key management personnel and individuals from each business unit. In addition, the auditors ensure that the financial statements provide a reliable and true view of the company's assets, liabilities and financial position, ensuring that the annual report is presented in accordance with the accounting policies adopted.

Control environment
The Audit Committee and subsequently the Board of Directors assess, at least once a year, the Group's organizational structure, its risk of fraud as well as the existence of in-house rules and guidelines.

The Group's control and risk management systems may provide reasonable, but not absolute, assurance that misappropriation of assets, losses and/or significant errors and omissions in the financial reporting are avoided.

The Board of Directors and the Management Board are responsible for establishing and approving general policies, procedures and controls in key areas in relation to the financial reporting process. The Board of Directors approves the overall policies, procedures, and controls, which are maintained and monitored by the Management Board and key employees representing each business area.

Topotarget has established policies and procedures for the key areas in relation to the financial reporting process, including business procedures for financial reporting and planning, business procedures for the finance function and other key business units and for IT security.

Risk assessment
At least annually, the Board of Directors makes a general assessment of risks in relation to the financial reporting process. The objective of Topotarget's internal risk management system is to maintain effective procedures for identification, monitoring, and reporting of such risks. This includes an assessment of IT security.

As part of the risk assessment, the Board of Directors considers the risk of fraud and the measures to be taken to reduce and/or eliminate such risk.

Board of Directors and Management

Board of Directors

BO JESPER HANSEN, MD, PhD
Danish, 53
Chairman since 2010
Independent board member since 2009

Special competences
Experience in the field of international contract negotiations and deal-making, including execution of high-impact license agreements and significant M&A transactions; international marketing, extensive knowledge of legislative conditions, pharmaco surveillance, medical marketing, business development, and many connections within the medical industry and especially within the orphan drug market.

Board positions
Chairman: Swedish Orphan Biovitrum AB (publ)
Member: MipSalus ApS, Zymenex A/S, Gambro AB, Orphazyme ApS, Novagali Pharma S.A., CMC Kontrast AB, Hyperion Therapeutics Inc., and Genspera Inc.

Stocks: 300,000
Warrants: 100,000

INGELISE SAUNDERS, MPh, BSc
Danish, 62
Independent board member since 2004

Special competences
Extensive executive management experience, experience in international operations, in sales, marketing, and global commercial operations, M&A transactions and business development, healthcare strategy, and life science investments.

Board positions
Member: AdvanDx A/S

Stocks: 25,000
Warrants: 133,278

JEFFREY H. BUCHALTER, BS, MBA
American, 54
Independent board member since 2006

Special competences
Experience in executive management, industry, development, manufacturing, and commercialization of pharmaceutical products as well as therapies for cancer patients.

Board positions
Chairman: The National Childhood Cancer Foundation
Member: Archimedes Pharma Limited

Warrants: 154,097

PER SAMUELSSON, MSc
Swedish, 51
Board member since 2009

Special competences
Experience in biotech, venture capital, investment banking, merger transactions, initial public offerings, and equity incentive programs.

Board positions
Member: Algeta ASA, BioStratum Inc., Cardoz AB, Nordic Vision Clinics AS, Oncos Therapeutics Oy, Optivy AB, and Sweden BIO

ANKER LUNDEMOSE, MD, PhD, Doctor of Medical Science
Danish, 50
Independent board member since 2010

Special competences
Experience within academia, executive management, large pharma, biotech, and business and corporate development. Has an international track record in R&D productivity, deal making, including execution of high-impact license agreements, and significant M&A transactions. Currently Managing Partner at BioTesch.

Board positions
Chairman: InteRNA Technologies BV
Member: Adenium Biotech AS

Stocks: 25,000
Warrants: 50,000

GISELA SCHWAB, MD
German, 55
Independent board member since 2011

Special competences
Experience within the pharmaceutical industry in managing early and late-stage development activities (target selection, pre-clinical, pharmacokinetic, clinical, and regulatory development) of biotechnological compounds and small molecules, filing of INDs and BLAs/MAAs, and in building and managing development teams.

Warrants: 25,000

KARSTEN WITT, MD
Danish, 55
Independent board member since 2011

Special competences
Experience in clinical strategy and execution of development programs as well as drug safety/pharmacovigilance, development of small-molecule targeted oncology therapies, filing of INDs, BLA/sBLA, and NDA/sNDA.

Warrants: 25,000

Management team

FRANCOIS MARTELET, MD
Company officer
French, 52
Chief Executive Officer

Special competences
Seasoned senior executive in general management with a track record of shaping business units and associates of pharma and biotech companies towards goals that deliver tangible, sustainable returns. Strong general P&L management and late-stage clinical development oncology experience.

Has a proven track record of launching successful multiple oncology drugs and specialty medicine products globally. In-depth knowledge of HDACi drug class and cancer vaccines therapy. Master's Degree in Business and a Medical Degree.

Warrants: 1,600,000

AXEL MESCHEDER, MD
Company officer
German, 53
Chief Medical & Development Officer

Special competences
Sound medical experience, clinical judgment, scientific and development skills. Experience in drug development, medical marketing, product development with focus on oncology. Experienced in building and managing international development teams.

Has a proven track record of developing and registering drugs internationally both with the FDA and EMA.

Experience in evaluating individual compounds as well as portfolios in order to make strategic decisions regarding business development and partnering.

Warrants: 270,000

ANDERS FINK VADSHOLT, MSc, MBA
Company officer
Danish, 42
Chief Financial Officer

Special competences
Operational experience from biotech companies within legal, finance, and investor relations. Experience from venture capital and corporate finance in raising private and public capital, mergers and acquisitions, restructuring and divestments of companies as well as communication with investors and stakeholders.

Has a proven track record in managing the available financial resources in a strategic and cost-efficient manner.

Stocks: 25,000
Warrants: 400,000

INGE HOLM LAURITZEN, BSc
Danish, 45
VP Business Development & Licensing/Strategic Planning

Special competences
Senior biotech and pharma executive with more than 15 years of contract negotiation and alliance management experience in the pharmaceutical and biopharmaceutical industry.

ELISABETH V. CARSTENSEN, PhD
Danish, 42
Director of Pharmaceutical Operations

Special competences
Extended experience within the area of pharmaceutical operations and more than 10 years' experience with Topotarget, including work with manufacturing operations, supply chain management, and registration processes. Manages CMC (chemistry, manufacturing, and controls) for clinical and commercial products in Topotarget's pipeline.

Shareholder information

Topotarget A/S' shares were listed on the Copenhagen Stock Exchange (now NASDAQ OMX Copenhagen A/S) in June 2005 under the securities/ISIN code DK0060003556 and the trading symbol TOPO. The company's Reuters symbol is TOPO.CO and its Bloomberg symbol is TOPO:DC. Trading of the company's shares commenced on June 10, 2005.

The closing price for our shares on December 31, 2011 was DKK 2.51 which was a decrease of 30% compared to the company's share price of DKK 3.57 at year-end 2010.

The average daily trading volume for the company's shares in 2011 was DKK 0.3 million.

At December 31, 2011, Topotarget's share capital was DKK 132,652,050 corresponding to 132,652,050 shares of DKK 1 nominal value. The company only has one class of shares and all shares have equal rights. Topotarget's Articles of Association do not contain provisions on limitations of ownership or voting rights for each individual shareholder.

Ownership structure

As of December 31, 2011, Topotarget had 8734 registered shareholders, who held 59% of the share capital compared to 9136 registered shareholders at the end of 2010.

At December 31, 2011, the company's 10 largest shareholders held 30% of the total share capital, and the following investors have informed Topotarget that they hold more than 5% of the shares:

- HealthCap funds
- Avanza Bank

IR policy, goals, and activities

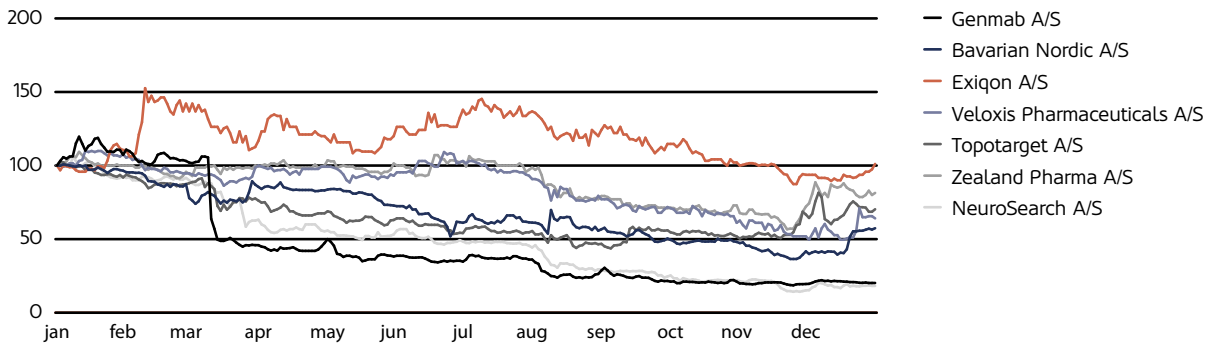
Topotarget aims to maintain an open and continuous dialogue with existing and potential shareholders, other stakeholders, and the general public. The company thus strives to provide transparent communication with equal access for all stakeholders. With open communication, the company aims to ensure fair pricing of the company's shares in order to reflect the company's willingness to generate higher earnings to its shareholders.

In compliance with the disclosure requirements of NASDAQ OMX Copenhagen, Topotarget will publish information on the company that is deemed important to the pricing of its shares. The company will also publish quarterly reports on the company's development, including relevant financial information. Topotarget also observes so-called 'quiet periods' (two weeks) before the publication of each company financial report. During these periods, the company will refrain from holding investor and analyst meetings or meetings with the media. The company maintains an insider register and will publish any changes to certain insiders' shareholdings in accordance with the rules that apply for NASDAQ OMX Copenhagen. Such publication will be made immediately after the transaction.

Topotarget has also adopted in-house rules, which stipulate that insiders may only purchase and sell shares in the company during a period of six weeks after the company's publication of interim financial statements.

Any information published by the company will be published in full accordance with disclosure requirements under Danish law and all announcements are posted on the company's website www.topotarget.com.

TOPOTARGET AND OTHER SHARE DEVELOPMENT 2011



Announcements and investor news 2011

Announcements	
Jan 3	Topotarget issues warrants to Management
Mar 4	Articles of Association of Topotarget A/S
Mar 8	Topotarget announces financial results for the year ended December 31, 2010
Mar 11	Notice to Convene Annual General Meeting
Mar 14	Topotarget announces updates on belinostat in two clinical trials - NSCLC and ovarian cancer
Mar 28	Independent Data Monitoring Committee recommends continuation of the belinostat pivotal BELIEF study in Peripheral T-Cell Lymphoma (PTCL)
Apr 5	Topotarget expects a pre-tax loss of DKK 20-40m for 2011
Apr 5	Passing on Topotarget A/S annual general meeting
Apr 6	Articles of Association of Topotarget A/S
Apr 8	Establishment of Global Oncology Advisory Board
Apr 26	Recruitment into the Phase I trial of oral belinostat has been completed
May 10	Topotarget announces the interim report for Q1 2011
May 19	Belinostat abstracts at ASCO 2011
Jul 1	Topotarget issues warrants to Employees, Management and the Board of Directors
Aug 3	Notice to Convene Extraordinary General Meeting
Aug 17	Topotarget announces the interim report for Q2 2011
Aug 25	Articles of Association of Topotarget A/S
Aug 29	Passing of extraordinary general meeting
Sep 13	Belinostat abstracts at the European Multidisciplinary Cancer Congress 2011
Sep 26	Belinostat PTCL trial fully enrolled
Oct 6	Topotarget publishes financial calendar for Q3 2011 and 2012
Oct 28	Topotarget issues warrants to board members
Nov 9	Belinostat abstracts at The American Society of Hematology 53rd annual 2011 meeting
Nov 9	Articles of Association of Topotarget A/S
Nov 18	Interim report for Q3 2011
Dec 7	Topotarget announces reorganization plans
Dec 16	Topotarget A/S announces the divestiture of Totect® to Apricus Biosciences, Inc., and improved financial expectations for 2011
Dec 30	Topotarget A/S announces the successful completion of the divestiture of Totect® and Topotarget USA, Inc. to Apricus Biosciences, Inc.

Investor news	
Mar 4	Topotarget announces time and date for telephone conference related to the publishing of the Annual Report 2010
May 4	Time and date for telephone conference related to the publishing of the Q1 2011 interim report
Aug 12	Time and date for telephone conference related to the publishing of the Q2 2011 interim report
Oct 28	Topotarget A/S grants Multimeric Biotherapeutics, Inc. an exclusive license to the MegaLigand Platform of TNF Superfamily ligands
Nov 14	Time and date for telephone conference related to the publishing of the Q3 2011 interim report

Financial review

The annual report comprises the Parent Company Topotarget A/S and the five wholly owned subsidiaries.

Unless otherwise stated, the financial review is based on the Group's consolidated financial information for the year ended December 31, 2011 as included in this annual report with comparative figures for the Group in 2010 in brackets.

A loss on continued operations before write-down activities of DKK 29.0 million (2010: loss of DKK 84.8 million) was recorded for the year.

The Group's net cash and cash equivalents as of December 31, 2011 totaled DKK 114.3 million (2010: DKK 205.0 million.) and equity stood at DKK 330.7 million (2010: DKK 360.2 million).

Consolidated income statement
Topotarget recognized revenues of DKK 65.6 million in 2011 (2010: DKK 107.8 million). Revenues are primarily composed of income of DKK 62.8 million from the Spectrum Pharmaceuticals upfront payment of USD 30 million as well as income from partnership.

Production costs, which amounted to DKK 1.8 million (2010: DKK 5.4 million), include Topotarget personnel costs related to the Spectrum Pharmaceuticals collaboration agreement.

Research and development costs were DKK 54.3 million (2010: DKK 71.6 million). The reduction is primarily due to the near completion of most studies. The finalization of data and study reports are ongoing.

Write-down of research and development projects acquired from third parties amounted to DKK 0 million (2010 DKK 189.5 million). For a more detailed description on the individual projects please see Note 12.

Sales and distribution costs for the Group have been reclassified to discontinued operations due to the divestiture of the US subsidiary including the IP for Totect®.

Administrative expenses were DKK 40.8 million (2010: DKK 38.8 million). The small increase is mainly due to increased support for partnering activities.

Net financial income was DKK 1.1 million (2010: Net income of DKK 68.8 million), primarily consisting of exchange rate adjustments in subsidiaries. (2010: Primarily consisting of the reversal of the APO provision for debt with the amount of DKK 66.5 million).

The tax income was DKK 1.2 million (2010: 44.0 million) and relates solely to Topotarget Switzerland S.A.

Net loss from discontinued operations DKK 4.0 million (2010: Profit 29.1 million). The loss from discontinued operations consists of all costs relating to the sales activities of Totect® for the year as well as the sale transaction of the IP and subsidiary in the amount of DKK 9.1 million. The comparative 2010 number also includes all elements of the year's activities as well as the sale proceeds of Savene®.

Topotarget recorded a net loss of DKK 33.0 million (2010: DKK 55.7 million).

Consolidated balance sheet
Total assets amounted to DKK 370.5 million (2010: DKK 465.8 million.), which primarily consist of acquired research and development projects, cash and cash equivalents, while the Group's liabilities mainly comprise equity and trade payables.

Cash and cash equivalents were DKK 114.3 million (2010: DKK 205.0 million).

Current liabilities have reduced from DKK 91.5 million to DKK 26.2 million due to the finalization of the deferred income release in the year.

Consolidated equity
Equity amounted to DKK 330.7 million (2010: DKK 360.2 million). The change in equity consists of the loss for the year of DKK 33.0 million and share-based payment of DKK 3.5 million.

Consolidated cash flow
Topotarget's cash flow from operating activities for 2011 was an outflow of DKK 88.4 million (2010: In-flow DKK 40.1 million). The Group's 2011 cash flow from investing activities excluding the buying and selling of securities was an outflow of DKK 1.9 million (2010: Inflow DKK 34.7 million). The Group's cash flow from financing activities was DKK 0.0 million (2010: Inflow of DKK 0.1 million).

Comparing the actual financial performance with financial guidance
The Group recorded a loss on continued operations before write-down activities of DKK 29.0 million. The financial performance is in line with our guidance announced at the annual general meeting on April 5, 2011.

Outlook
Topotarget expects an estimated pre-tax loss in the range of DKK 75–95 million for the full year financial result of 2012. The expected net cash and cash equivalents will be around DKK 35–55 million at year-end 2012.

Parent Company financial statements
The Parent Company recorded a loss of DKK 33.0 million (2010: DKK 55.7 million). The Parent Company's equity amounted to DKK 330.7 million (2010: DKK 360.2 million). The change in equity consists of the loss for the year of DKK 33.0 million and share-based payment of DKK 3.5 million.

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

Statement by the Board of Directors and executive management

The Board of Directors and executive management today discussed and adopted the annual report for 2011 of Topotarget A/S.

The consolidated financial statements are presented in accordance with International Financial Reporting Standards as adopted by the EU, and the Parent financial statements are presented in accordance with the Danish Financial Statements Act. Further, the annual report is prepared in accordance with additional Danish disclosure requirements for listed companies.

In our opinion the consolidated financial statements and the Parent financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities, and financial position at December 31, 2011 and of the results of the Group's and the Parent Company's operations and cash flows for the year 2011.

We also believe that the management commentary contains a fair review of the development in the Group's and the Parent's business and of their financial position as a whole together with a description of the principal risks and uncertainties that they face.

The annual report will be submitted to the general meeting for approval.

Copenhagen, March 14, 2012

Executive management

Francois R. Martelet
CEO

Anders F. Vadsholt
CFO

Axel Mescheder
CMDO

Board of Directors

Bo Jesper Hansen
Chairman

Per Samuelsson

Jeffrey H. Buchalter

Ingelise Saunders

Anker Lundemose

Gisela Schwab

Karsten Witt

Independent auditors' report

To the shareholders of Topotarget A/S

Report on the consolidated financial statements and the Parent financial statements

We have audited the consolidated financial statements and the Parent financial statements of Topotarget A/S for the financial year January 1, 2011 to December 31, 2011, which comprise the statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies, for the Group as well as the Parent. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed financial enterprises, and the Parent financial statements have been prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated and Parent financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies as well as the preparation of Parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Management is also responsible for the internal control that it considers necessary for preparing consolidated financial statements and Parent financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and Parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and Parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the Parent financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements and the Parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of consolidated financial statements and Parent financial statements that give a true and fair view. The purpose of this is to design procedures that are appropriate in the circumstances but not to express an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the Parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position at December 31, 2011 and of the results of its operations and cash flows for the financial year January 1 to December 31, 2011 in accordance with the International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Further, in our opinion, the Parent financial statements give a true and fair view of the Parent's financial position at December 31, 2011, and of the results of its operations and cash flows for the financial year January 1 to December 31, 2011 in accordance with the Danish Financial Statements Act.

Statement on the management's commentary

Pursuant to the Danish Financial Statements Act, we have read the management's commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and Parent financial statements.

On this basis, it is our opinion that the information provided in the management's review is consistent with the consolidated financial statements and Parent financial statements.

Copenhagen, March 14, 2012

Deloitte
Statsautoriseret Revisionspartnerselskab

Jens Rudkjær
State-authorized public accountant

Carsten Vaarby
State-authorized public accountant

Consolidated statement of comprehensive income for the year

		Group		Parent	
DKK '000	Note	2011	2010	2011	2010
Revenues	3,4	65,598	107,826	68,015	111,620
Production costs	5,6	(1,840)	(5,442)	(4,351)	(10,319)
Research and development costs	5,6	(54,345)	(71,608)	(47,878)	(62,546)
Write-down of research and development projects	5	-	(189,541)	-	(11,275)
Divestiture of rights in Europe to Savene®		-	-	-	32,473
Sales and distribution costs	5,6	-	-	-	(1,788)
Administrative expenses	5,6	(40,765)	(38,778)	(40,065)	(37,181)
Operating loss		**(31,352)**	**(197,543)**	**(24,279)**	**20,984**
Income after tax from investments in subsidiaries	14		-	(19,946)	(180,780)
Financial income	7	11,729	80,863	20,183	116,056
Financial expenses	8	(10,642)	(12,090)	(8,969)	(11,950)
Loss from continued operations before tax		**(30,265)**	**(128,770)**	**(33,011)**	**(55,689)**
Tax on profit/(loss) for the year	9	1,253	43,985	-	-
Net loss from continued operations		**(29,012)**	**(84,785)**	**(33,011)**	**(55,689)**
Net loss from discontinued operations	10	(3,999)	29,096	-	-
Total comprehensive income for the year		**(33,011)**	**(55,689)**	**(33,011)**	**(55,689)**
Total comprehensive income attribuable to:					
Owners of the company		(33,011)	(55,689)	(33,011)	(55,689)
Non-controlling interests		-	-	-	
Total comprehensive income for the year		**(33,011)**	**(55,689)**	**(33,011)**	**(55,689)**
Basic and diluted EPS continued operations	11	(0.22)	(0.64)		
Basic and diluted EPS continued and discontinued operations	11	(0.25)	(0.42)	(0.25)	(0.42)

Balance sheet – assets

		Group		Parent	
DKK '000	Note	2011	2010	2011	2010
Acquired research and development projects		229,626	235,717	202,828	208,919
Intangible assets	5,12	**229,626**	**235,717**	**202,828**	**208,919**
Other fixtures and fittings, tools and equipment		4,963	5,991	4,961	5,973
Tangible assets	5,13	**4,963**	**5,991**	**4,961**	**5,973**
Investment in subsidiaries	14	-	-	31,134	27,941
Receivables from subsidiaries	14	-	-	20	26,625
Other receivables	14	608	972	608	787
Non-current investments	14	**608**	**972**	**31,762**	**55,353**
Non-current assets		**235,197**	**242,680**	**239,552**	**270,245**
Inventories – raw materials		-	766	-	766
Inventories – saleable goods		-	859	-	859
Inventories		**-**	**1,625**	**-**	**1,625**
Trade receivables	15	1,643	3,721	1,643	2,543
Other receivables		8,775	11,816	8,664	11,618
Prepayments		792	913	824	746
Receivables		**11,210**	**16,450**	**11,131**	**14,907**
Short-term securities	16	**9,768**	**-**	**9,768**	**-**
Cash and cash equivalents	19	**114,302**	**205,068**	**106,881**	**165,013**
Current assets		**135,279**	**223,143**	**127,780**	**181,545**
Assets		**370,476**	**465,824**	**367,331**	**451,789**

Balance sheet – equity and liabilities

		Group		Parent	
DKK '000	Note	2011	2010	2011	2010
Share capital	17	132,652	132,652	132,652	132,652
Share-based payments	18	34,743	31,222	34,743	31,222
Retained earnings		163,333	196,345	163,333	196,345
Equity		**330,729**	**360,219**	**330,729**	**360,219**
Deferred tax	9	-	-	-	-
Pension liabilities		-	-	-	-
Other payables	20	13,585	14,116	13,585	14,116
Non-current liabilities		**13,585**	**14,116**	**13,585**	**14,116**
Trade payables		16,274	16,868	13,673	17,091
Deferred income	22	-	63,455	-	56,804
Debt to subsidiaries		-	-	-	82
Other payables	19	9,889	11,163	9,345	3,478
Current liabilities		**26,163**	**91,486**	**23,018**	**77,454**
Liabilities		**39,748**	**105,602**	**36,603**	**91,570**
Equity and liabilities		**370,476**	**465,824**	**367,331**	**451,789**

Cash flow statements

		Group		Parent	
DKK '000	Note	2011	2010	2011	2010
Operating loss		(31,352)	(197,543)	(24,279)	20,982
Operations loss from discontinued operations		(6,560)	(3,376)	-	-
Reversal of share-based payments		3,521	3,969	3,143	3,056
Reversal of pension commitments		-	(315)	-	-
Reversal of divestment of Savene®		-	-	-	(32,473)
Depreciation, amortization, and impairment losses	5	414	193,101	264	14,996
Working capital changes	25	(58,458)	31,742	(49,035)	32,981
Cash flows from operating activities before interest		**(92,435)**	**27,577**	**(69,907)**	**39,542**
Interest income etc. received		11,729	14,327	9,240	20,830
Interest expenses etc. paid		(9,394)	(1,827)	(5,161)	(1,901)
Refunded income taxes		1,253	24	-	-
Cash flows from operating activities		**(88,847)**	**40,101**	**(65,828)**	**58,471**
Purchase of tangible assets		(2,283)	(3,746)	(2,299)	(3,747)
Sale of tangible assets		-	2,113	56	475
Capital increase in subsidiary		-	-	3,147	(2,050)
Change of loan to subsidiary		-	-	6,613	(45,537)
Purchase of investments		364	399	179	400
Divesture of Savene®		-	-	-	35,920
Discontinued operations			35,920		-
Cash flow from investing activities		**(1,919)**	**34,686**	**7,696**	**(14,539)**
Installment on lease commitments			-		-
Proceeds from the issuance of shares	27		138		138
Cash flows from financing activities		**-**	**138**	**-**	**138**
Increase/decrease in cash and cash equivalents		(90,766)	74,923	(58,132)	44,068
Cash and cash equivalents at January 1		205,068	130,145	165,013	120,945
Cash and cash equivalents at December 31		**114,302**	**205,068**	**106,881**	**165,013**
Total cash and cash equivalents at December 31		**114,302**	**205,068**	**106,881**	**165,013**

Equity – Group

Consolidated statement of changes in equity for the period January 1 to December 31, 2011

DKK '000	Number of shares	Share capital	Share preminum account	Retained earnings	Total
Equity at January 1, 2011	132,652,050	132,652	31,222	196,345	360,219
Net loss for the year	-	-	-	(33,011)	(33,011)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(33,011)	(33,011)
Recognition of share-based payment	-	-	3,521	-	3,521
Equity at December 31, 2011	132,652,050	132,652	34,743	163,334	330,729

The share capital is an undistribuable 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 December 31, 2010

Equity at January 1, 2010	132,609,020	132,609	31,140	248,049	411,798
Net loss for the year	-	-	-	(55,689)	(55,689)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(55,689)	(55,689)
Recognition of share-based payment	-	-	3,940	31	3,971
Reversal of expired warrants			(3,858)	3,858	-
Share capital increase through warrant exercise	43,030	43	-	95	138
Equity at December 31, 2010	132,652,050	132,652	31,222	196,345	360,219

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

Equity – Parent

Parent Company statement of changes in equity for the period January 1 to December 31, 2011

DKK '000	Number of shares	Share capital	Share preminum account	Retained earnings	Total
Equity at January 1, 2011	132,652,050	132,652	31,222	196,345	360,219
Net loss for the year	-	-	-	(33,011)	(33,011)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(33,011)	(33,011)
Recognition of share-based payment	-	-	3,521	-	3,521
Equity at December 31, 2011	132,652,050	132,652	34,743	163,334	330,729

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.

Parent Company statement of changes in equity for the period January 1 to December 31, 2010

Equity at January 1, 2010	132,609,020	132,609	31,140	248,049	411,798
Net loss for the year	-	-	-	(55,689)	(55,689)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(55,689)	(55,689)
Recognition of share-based payment	-	-	3,940	31	3,971
Reversal of expired warrants			(3,858)	3,858	-
Share capital increase through warrant exercise	43,030	43	-	95	138
Equity at December 31, 2010	132,652,050	132,652	31,222	196,345	360,219

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.

Notes

1. Changes in accounting policies

Basis of preparation
The annual report for Topotarget, including consolidated financial statements, is prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, as well as additional Danish disclosure requirements for annual reports of listed companies. Topotarget presents its financial statements in accordance with all applicable IFRS standards. The accounting policies for the Group are unchanged from 2010. The financial statements for the Parent Company is prepared in accordance with the Danish Financial Statements Act (reporting class D) and is unchanged from 2010.

Standards and interpretations which have come into force and affect recognition and measurement
The annual report for 2011 is presented in accordance with the new and revised standards (IFRS/IAS) and interpretations (IFRIC) which apply for financial years starting on or after January 1, 2011. New standards and interpretations have not affected recognition and measurement.

Standards and interpretations which have come into force and affect disclosures
The annual report for 2011 is presented in accordance with the new and revised standards (IFRS/IAS) and interpretations (IFRIC) which apply for financial years starting on or after January 1, 2011. New standards and interpretations have not affected disclosures.

Standards and interpretations not yet in force
Standards and interpretations not yet in force at the time of publishing the present annual report have not yet taken effect and therefore have not been incorporated into the present annual report. Management believes that implementation of new and amended standards and interpretations will not affect the financial statements for 2012.

2. Significant accounting assumptions and estimates

In using the Group's accounting policies, the management is required to use judgments, estimates, and assumptions concerning the carrying amount of assets and liabilities which cannot be immediately inferred from other sources. Management's estimates are based on historical experience and other factors, including expectations of future events based on existing events. The actual outcome may differ from these estimates.

Estimates and assumptions are re-assessed in an on-going process. Changes to accounting estimates are recognised in the reference period in which the change occurs and in future reference periods if the change affects the period in which it is made as well as subsequent reference periods.

Areas in which the Group makes significant assumptions and estimates are described below. The Group's accounting policies are described in Note 29 to the financial statements.

Revenue recognition
Revenue is recognised 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 recognised 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 recognised as deferred income until all components of the transaction have been completed.

On February 2, 2010, Topotarget entered into a license and cooperation agreement with Spectrum Pharmaceuticals, Inc. covering the development and commercialization of belinostat. Topotarget has received an upfront payment of USD 30.0 million. According to the agreement, the initial upfront payment concerns several components which cannot be separated. The amount was recognised over a period of 18 months which commenced February 2, 2010.

Capitalization of development costs
Capitalization of development costs requires that the development of the technology or the product in the company's opinion has been completed, that all necessary public registration approvals and marketing approvals have been obtained, that costs can be reliably measured and that the technology or the product can be commercialized and that the future income from the product can cover, not only production, sales and distribution costs and administrative expenses, but also development costs. As none of the company's products have obtained the status required for capitalization, no development costs had been capitalised at December 31, 2011.

Notes

2. Significant accounting assumptions and estimates – continued

Impairment test of acquired research and development projects
The value of acquired research and development projects recognised in the balance sheet as at December 31, 2011 consist of the belinostat program acquired in conjunction with the acquisition of Topotarget UK in 2002 and the buy back of full control of belinostat from the company´s former partner CuraGen in April 2008.

In the period, until a marketing approval has been obtained, the acquired research and development project is tested for impairment annually. After marketing approval has been obtained, an impairment test is performed only where events or other circumstances indicate that the carrying amount may not be recoverable.

Included in the factors taken into account when testing for impairment are, among other things, expected market size and penetration thereof, the costs of development, manufacture and sales and marketing, and the risk that development will not prove successful, all of which have an effect on the value of the amount recognized. Especially for projects in early phases such assumptions include high uncertainty.

Based on the impairment test performed no write-down was made in 2011 (2010: DKK 189.5 million).

3. Revenue

	Group		Parent	
DKK '000	2011	2010	2011	2010
Sale of goods	-	-	9,319	16,237
Sale of services	2,436	8,119	2,436	6,291
Milestone payments	63,162	99,707	56,260	89,092
Total	**65,598**	**107,826**	**68,015**	**111,620**

Notes

4. Segment information

The Group's revenue is divided geographically as follows:

	Revenue	
DKK '000	2011	2010
Denmark	-	218
Europe	375	7,676
US	65,223	99,932
Total	**65,598**	**107,826**

Upfront payment from Spectrum Pharmaceuticals exeeds 10% of total revenue, 2011 82% (2010: 77%).

The Group's assets and additions to acquired research and development projects plus other fixtures and fittings, tools and equipment are divided geographically as follows:

	Assets		Additions to acquired research and development projects plus other fixtures and fittings, tools and equipment	
DKK '000	2011	2010	2011	2010
Denmark	337,157	397,225	2,299	3,747
Europe	35,388	65,986	-	-
US	-	2,613	-	-
Total	**372,545**	**465,824**	**2,299**	**3,747**

Due to the divestiture of Totect® and Topotarget USA, Inc., the company no longer has segmented information as the only operation on-going in 2011 is development activities.

The comparative figures for 2010 have been reclassified accordingly.

Notes

5. Depreciation, amortization, and impairment

		Group		Parent	
DKK '000	Note	2011	2010	2011	2010
Acquired research and development projects		750	190,416	750	12,150
Other fixtures and fittings, tools and equipment		3,311	4,192	3,294	3,058
Gain/loss from sale of equipment		-	(1,507)	-	(212)
Total		**4,061**	**193,101**	**4,044**	**14,996**
Allocated by function:					
Research and development costs		1,128	1,652	1,112	2,030
Write-down of research and development projects	12	-	189,541	-	11,275
Administrative expenses		2,183	768	2,182	768
Discontinued operations		750	1,140	750	923
Total		**4,061**	**193,101**	**4,044**	**14,996**

6. Staff costs

Wages and salaries		42,244	48,239	36,144	37,562
Share-based payments		3,505	3,969	3,144	3,056
Pension contributions, defined contribution plans		2,322	4,787	1,993	3,678
Other social security costs		661	1,718	261	314
Total		**48,732**	**58,712**	**41,542**	**44,609**
Allocated by function:					
Production cost		1,786	5,443	1,786	5,443
Research and development costs		23,386	22,151	23,257	19,490
Administrative expenses		16,514	19,715	16,499	19,676
Discontinued operations		7,046	11,403	-	-
Total		**48,732**	**58,712**	**41,542**	**44,609**
Remuneration to the Board of Directors*)		2,324	2,067	1,798	1,918
Remuneration to the Management*),**)		9,248	12,194	9,248	12,194
Average number of employees		**42**	**50**	**34**	**40**

*) Of this, share-based payments to the Board of Directors in 2011 equalled DKK 186,000 and DKK 278,000 in 2010.

**) Of this, share-based payments to the Management equalled DKK 1,715,000 in 2011 and DKK 879,0000 in 2010.

For share-based payments please see Note 18

Notes

7. Financial income

	Group		Parent	
DKK '000	2011	2010	2011	2010
Financial income from subsidiaries	-	-	9,130	7,161
Exchange rate adjustment of payables and receivables in foreign currencies	11,593	11,678	10,943	40,987
Financial income from securities and bank deposits	136	1,392	110	1,366
Write-down net of potential debt	-	67,793	-	66,542
Total financial income	**11,729**	**80,863**	**20,183**	**116,056**

During 2010 a write-down of APO projects and Zemap project in Topotarget Switzerland S.A. and Topotarget Germany A.G. have been made. As a consequence of the write-down of the APO and Zemap projects the capitalized potential debt and milestone payments previously recognized as a liability are reversed as financial income.

8. Financial expenses

Exchange rate adjustment of payables and receivables in foreign currencies	(8,829)	(1,836)	(7,293)	(1,900)
Amortization of debt concerning milestone payment	(1,664)	(10,150)	(1,664)	(10,050)
Other financial expenses	(149)	(104)	(12)	-
Total financial expenses	**(10,642)**	**(12,090)**	**(8,969)**	**(11,950)**

Notes

9. Tax on loss for the year

	Group		Parent	
DKK '000	2011	2010	2011	2010
Current tax	(1,253)	-	-	-
Adjustment of deferred tax	-	(43,985)	-	-
Tax on loss for the year	**(1,253)**	**(43,985)**	**-**	**-**
Deferred tax asset, net	**238,041**	**265,435**	**113,989**	**111,627**
Deductible temporary differences are attributable to the following terms:				
Intangible assets	(137,454)	(111,807)	(116,164)	(91,550)
Property, plant, and equipment	29,514	25,966	19,902	16,607
Other temporary differences	(4,258)	52,546	(4,258)	52,546
Tax losses carried forward	1,004,350	992,561	556,475	468,905
Total	**892,152**	**959,266**	**455,955**	**446,508**
Tax asset, not recognised	**238,041**	**265,435**	**113,989**	**111,627**

It is believed that at the present time there is not sufficient evidence that or when the tax asset can be utilized. It is therefore believed that capitalization does not meet the requirement for recognition of assets in accordance with the accounting policies applied.

Of the consolidated loss to be carried forward, DKK 1,004 million, (2010: DKK 993 million), DKK 197 million (2010: DKK 202 million) is subject to foreign local restrictions with respect to application (source-of-loss restriction)

Due to the divestment of Topotarget USA, Inc., the unrecognized tax asset has been reduced with DKK 31 million.

Reconciliation of the changes for the year:

Loss for the period before tax	**(34,264)**	**(99,674)**	**(33,011)**	**(55,689)**
Calculated tax	**(8,483)**	**(22,003)**	**(8,253)**	**(13,922)**
Changes in tax losses carried forward, not recognized	10,598	(8,185)	21,893	(26,765)
Changes in tax assets, not recognized	(6,754)	(32,754)	(19,531)	11,288
Other adjustments, not recognized	5,891	18,957	5,891	29,399
Total	**1,252**	**(43,985)**	**-**	**-**
Tax rate	(3.7%)	44.1%	-	-

Notes

10. Discontinued operations

On December 29, 2011, Topotarget concluded the agreement to divest the subsidiary Topotarget USA, Inc, which was responsible for the sale of Totect® in the US. The decision to divest the US activity was taken in 2011 so that the main focus of the Parent Company could be continued, that of belinostat and bringing this product to market.

The divestment was complete with effect from December 29, 2011 after which control of the activity was passed to the buyer Apricus Biosciences, Inc.

The sales price was agreed to USD 2.0 million of which Topotarget received common stock in Apricus Biosciences, Inc. equal to one million seven hundred thousand dollars on December 29, 2011, and on December 29, 2012 (the one-year anniversary of the Closing Date), Topotarget will receive common stock in Apricus Biosciences, Inc. equal to three hundred thousand dollars.

An potential payment of up to USD 2.0 million in shares in Apricus Biosciences, Inc based on achievement of certain milestones has been agreed upon.

	Group	
DKK '000	2011	2010
Operating income for the period until transfer of control	(6,560)	(3,376)
Profit on sale of net asset	2,561	32,473
Result from discontinued operations	**(3,999)**	**29,097**
Operating income for the period until the transfer of control can be specified as		
Revenue	12,536	21,212
Production cost	(5,579)	(5,490)
Gross profit	**6,957**	**15,722**
Sales and distribution costs	(13,056)	(19,098)
Administration costs	-	-
Profit from operations	**(6,099)**	**(3,376)**
Financial expenses/financial income	(461)	-
Loss/profit before tax	**(6,560)**	**(3,376)**
Tax for the period	-	-
Result	**(6,560)**	**(3,376)**

Notes

10. Discontinued operations – continued

	Group	
DKK '000	2011	2010
The discontinued operations in the financial year impacted cash flow statement as		
Cash flow from operating activities	(6,866)	24,991
Cash flow from investing activities	178	(175)
Cash flow from financing activities	-	
Sales of the discontinued operations are as follows		
Book value of net assets	**(6,559)**	**(2,822)**
	(6,559)	**(2,822)**
Net proceeds on sale less sales costs	9,120	35,295
Profit on sale	**2,561**	**32,473**

11. Basic and diluted EPS in DKK

Basic EPS
Basic EPS is calculated as the net result of the period's continuing activities, attributed to the ordinary shares of the company divided by the weighted average number of ordinary shares.

Diluted EPS
Diluted EPS is calculated as the net result of the period's continuing activities, attributed to the ordinary shares of the company divided by the weighted average number of ordinary shares adjusted for assumed dilution effect of issued equity instruments like convertible debts and issued outstanding warrants which can be converted to ordinary shares.

As the result is a net loss, no adjustment for dilution effects has been made since these are anti-diluting.

Basic and diluted EPS are as follow:

	Group		Parent	
DKK '000	2011	2010	2011	2010
Loss for the year attributable to equity holder of the Parent	(29,012)	(84,785)		
Weighted average number of ordinary outstanding shares	132,652,050	132,640,379		
Basic and diluted EPS from continued operations	**(0.22)**	**(0.64)**		
Loss for the year attributable to equity holder of the Parent	(33,011)	(55,689)	(33,011)	(55,689)
Weighted average number of ordinary outstanding shares	132,652,050	132,640,379	132,652,050	132,640,379
Basic and diluted EPS from continued and discontinued operations	**(0.25)**	**(0.42)**	**(0.25)**	**(0.42)**

Notes

12. Intangible assets

	Group		Parent	
DKK '000	2011	2010	2011	2010
Acquired research and development projects still in progress				
Cost at January 1	535,570	536,384	215,806	216,620
Adjustment of acquisition value	(1,779)	(814)	(1,779)	(814)
Cost at December 31	**533,791**	**535,570**	**214,027**	**215,806**
Amortization at January 1	(304,241)	(114,700)	(11,275)	-
Write-down of research and development projects	-	(189,541)	-	(11,275)
Amortization at December 31	**(304,241)**	**(304,241)**	**(11,275)**	**(11,275)**
Carrying amount at December 31	**229,550**	**231,329**	**202,752**	**204,531**
Acquired research and development projects available for use				
Cost at January 1	7,576	15,076	7,576	15,076
Disposals	(7,500)	(7,500)	(7,500)	(7,500)
Cost at December 31	**76**	**7,576**	**76**	**7,576**
Amortization at January 1	(3,188)	(4,875)	(3,188)	(4,875)
Amortization	(750)	(875)	(750)	(875)
Amortization regarding disposals for the year	3,938	2,562	3,938	2,562
Amortization at December 31	**-**	**(3,188)**	**-**	**(3,188)**
Carrying amount at December 31	**76**	**4,388**	**76**	**4,388**
Total acquired research and development projects	**229,626**	**235,717**	**202,828**	**208,919**
The weighted average residual term of licenses and rights is approximately (number of years)	0.50	5.75	0.50	5.75

Impairment test of acquired research and development projects

The value of acquired research and development projects recognized in the balance sheet as at December 31, 2011 consists of the belinostat program acquired in conjunction with the acquisition of Topotarget UK in 2002 and in April 2008 in conjunction with the purchase from the former American partner to obtain the full control of this program.

In the period until a marketing approval has been obtained, the acquired research and development project is tested for impairment annually. After marketing approval has been obtained, an impairment test is performed only where events or other circumstances indicate that the carrying amount may not be recoverable.

Included in the factors taken into account when testing for impairment are, among other things, expected market size and penetration thereof, the costs of development, manufacture and sales and marketing, and the risk that development will not prove successful, all of which have an effect on the value of the amount recognized.

Write-down in 2010 DKK 189.5 million relates to write-down of non-belinostat projects as a result of belinostat being the primary focus of the Group.

There was no down-writing in 2011.

Notes

13. Property plant, and equipment

	Group		Parent	
DKK '000	2011	2010	2011	2010
Other fixtures and fittings, tools, and equipment				
Cost at January 1	16,286	15,192	24,505	22,148
Additions	2,299	3,747	2,299	3,747
Disposals	(655)	(2,653)	(655)	(1,390)
Cost at December 31	**17,931**	**16,286**	**26,150**	**24,506**
Depreciation at January 1	(10,295)	(8,149)	(18,533)	(16,601)
Depreciation	(3,311)	(4,193)	(3,294)	(3,058)
Depreciation regarding disposals for the year	638	2,047	638	1,126
Depreciation at December 31	**(12,968)**	**(10,295)**	**(21,189)**	**(18,533)**
Carrying amount at December 31	**4,963**	**5,991**	**4,961**	**5,973**

14. Non-current investments

Investments in subsidiary				
Cost at January 1			468,973	466,923
Adjustment of acquisition value			-	-
Addition through capital increase in subsidiary			3,147	2,050
Cost at December 31			**472,120**	**468,973**
Net impairment at January 1			(441,032)	(430,110)
Income after tax from investments in subsidiaries			(19,946)	(180,780)
Negative equity transferred to set off against receivables from subsidiaries			19,992	169,776
Negative equity transferred to debt to subsidiaries			-	82
Net impairment at December 31			**(440,986)**	**(441,032)**
Value at December 31			**31,134**	**27,941**

Notes

14. Non-current investments – continued

	Ownership interest	Parent	
DKK '000		2011	2010
Investments in subsidiaries comprise:			
Name			
Topotarget UK Limited, England	100%	30,690	27,682
Topotarget Germany AG, Germany	100%	360	265
Topotarget USA, Inc., USA	100%	-	(85,060)
Topotarget Switzerland S.A., Switzerland	100%	(154,975)	(147,637)
Topotarget Netherlands B.V., The Netherlands	100%	84	84
Total equity		**(123,841)**	**(204,666)**
Negative equity transferred to set off against receivables from subsidiaries/debt to subsidiaries		154,975	232,607
Value at December 31		**31,134**	**27,941**
Receivables from subsidiaries			
Cost at January 1		229,062	183,525
Additions		20,176	45,537
Disposals		(26,789)	-
Cost at December 31		**222,449**	**229,062**
Net impairment at January 1		(202,437)	(62,398)
Negative equity transferred to set off against receivables from subsidiaries		(19,992)	(169,776)
Exchange adjustments etc.		-	29,737
Net impairment at December 31		**(222,429)**	**(202,437)**
Value at December 31		**20**	**26,625**

Notes

14. Non-current investments – continued

	Group		Parent	
DKK '000	2011	2010	2011	2010
Other receivable				
Cost at January 1	972	1,371	787	1,187
Disposals	(364)	(399)	(179)	(400)
Cost at December 31	**608**	**972**	**608**	**787**
Net impairment at January 1	–	–	–	–
Exchange adjustments etc.	–	–	–	–
Net impairment at December 31	–	–	–	–
Value at December 31	**608**	**972**	**608**	**787**

15. Trade receivables

Trade receivables	1,643	3,721	1,643	2,543
Total	**1,643**	**3,721**	**1.643**	**2,543**
The table below shows the due dates of trade receivables:				
Undue	268	2,934	268	1,756
Falling due within 90 days	1,375	528	1,375	528
Falling due after more than 90 days	–	259	–	259
Total	**1,643**	**3,721**	**1,643**	**2,543**

The average credit period for trade receivables is 73 days (2010: 56 days). The company is entitled to charge interest of 5% per annum after the due date, which is 30 days from the invoice date. Provisions are made for losses based on any uncertainties at any given time. Management performs analyses on the basis of customer´s expected ability to pay, historical information about payment patterns, and doubtful debtors and customer concentrations, customer credit worthiness and economic conditions in the company´s sales channels.

Notes

16. Short-term sercurites

	Group		Parent	
DKK '000	2011	2010	2011	2010
Listed shares	9.768	-	9.768	-
Total	**9.768**	**-**	**9.768**	**-**
Current assets	9.768	-	9.768	-
Non current assets	-	-	-	-
Total	**9.768**	**-**	**9.768**	**-**

17. Share capital

The share capital consists of 132,652,050 ordinary shares of 1 DKK each.
Each share carries one vote. The shares are fully paid.
Changes in share capital from 2007 to 2011:

	Date	Total DKK
Share capital January 1, 2007		45,684,880
Share issue through warrant exercise	30.03.2007	21,600
Share issue through warrant private placement	21.06.2007	12,000,000
Share issue through non-cash payment	27.06.2007	3,598,030
Share issue through non-cash payment	07.05.2008	5,000,000
Share issue through rights issue	02.07.2009	66,304,510
Share issue through warrant exercise	12.04.2010	43,030
Share capital December 31, 2011		132,652,050

Notes

18. Warrants

For the purpose of motivating and retaining employees and other associated persons, the company has established stock option schemes in the form of warrants for members of the Board of Directors and employees/consultants as well as the company's advisors.

The table below shows the extent of the individual programs that are active in the financial year or the comparative year.

	Time of issue	Number warrants***	Time of grant	Subscription period – two weeks after the release of interim and annual reports	Estimated fair value	Number exercised or expired	Outstanding warrants	Exercise price
DKK '000								
Program 1*	2001	1,652,320	26 March 2003 or later	March and August 2006-2012 and March 2013	N/A	970,798	681,523	6.1
Program 2*	2003	1,226,976	26 March 2003 or later	March and August 2006-2012 and March 2013	N/A	577,424	649,552	12.2
Program 3**	2005, March	622,501	11/mar/05	August and November 2006, March, May, August and November 2007-2012 and March 2013	5,879	622,501	–	N/A
Program 4*	2005, September	793,364	16/sep	August 2006 and March, and August 2007-2012	7,281	150,087	643,277	17.5
Program 4*	2005, September	688,474	16/sep/05	March and August 2007-2012 and March 2013	6,318	95,836	592,638	17.5
Program 5*	2006, October	299,486	04/okt/06	March and August 2008-2013 and March 2014	3,707	47,793	269,193	23.8
Program 5*	2006, October	299,486	04/okt/06	March and August 2009-2013 and March 2014	3,707	47,793	269,193	23.8
Program 5*	2006, October	598,972	04/okt/06	March and August 2010-2013 and March 2014	7,414	95,586	538,386	23.8
Program 5*	2007, September	388,988	27/sep/07	March and August 2009-2014 and March 2015	4,098	89.355	315	17.4
Program 5*	2007, September	389	27/sep/07	March and August 2010-2014 and March 2015	4,098	89,355	315	17.4
Program 5*	2007, September	777,975	27/sep/07	March and August 2011-2014 and March 2015	8,196	178,710	629,265	17.4
Program 5*	2009, January	438,041	30/jan/09	August 2010-2016 and March 2017	1,028	88,006	375,036	3.2
Program 5*	2009, January	438,041	30/jan/09	August 2010-2016 and March 2017	1,028	88,006	375,036	3.2
Program 5	2009, January	876,083	30/jan/09	August 2010-2016 and March 2017	2,056	176,011	750,071	3.2
Program 5	2010, March	35,687	26/mar/10	March 2012-2017 and March 2018	148	-	35,687	5.3
Program 5	2010, March	35,688	26/mar/10	March 2012-2017 and March 2018	148	-	35,688	5.3
Program 5	2010, March	71,375	26/mar/10	March 2012-2017 and March 2018	295	-	71,375	5.3
Program 5	2010, July	398,062	09/jul/10	March 2012-2017 and March 2018	1,063	-	398,062	3.4
Program 5	2010, July	398,062	09/jul/10	March 2012-2017 and March 2018	1,063	-	398,062	3.4
Program 5	2010, July	796,126	09/jul/10	March 2012-2017 and March 2018	2,126	-	796,126	3.4
Program 5	2010, December	63,750	30/dec/10	March 2012-2017 and March 2018	154	-	63,750	3.2
Program 5	2010, December	63,750	30/dec/10	March 2012-2017 and March 2018	154	-	63,750	3.2
Program 5	2010, December	127,500	30/dec/10	March 2012-2017 and March 2018	307	-	127,500	3.2
Program 5	2011, February	22,500	07/feb/11	March 2012-2017 and March 2018	55	-	22,500	3.3
Program 5	2011, February	22,500	07/feb/11	March 2012-2017 and March 2018	55	-	22,500	3.3
Program 5	2011, February	45,000	07/feb/11	March 2012-2017 and March 2018	110	-	45,000	3.3
Program 5	2011, July	398,063	30/jun/11	March 2013-2017 and March 2018	609	-	398,063	2.0
Program 5	2011, July	398,063	30/jun/11	March 2013-2017 and March 2018	609	-	398,063	2.0
Program 5	2011, July	796,125	30/jun/11	March 2013-2017 and March 2018	1,218	-	796,125	2.0
Program 5	2011, October	12,500	27/okt/11	March 2013-2017 and March 2018	16	-	12,500	1.9
Program 5	2011, October	12,500	27/okt/11	March 2013-2017 and March 2018	16	-	12,500	1.9
Program 5	2011, October	25,000	27/okt/11	March 2013-2017 and March 2018	33	-	25,000	1.9
Total programs					62,989	3,317,261	9,496,050	

*) The holders have earned complete and final rights.
**) Issued in connection with company acquisitions. The holders have earned complete and final rights.
***) After conversion in connection with rights issue July 2, 2009.

Notes

18. Warrants – continued

Under the programs, each warrant entitles the holder to subscribe for one share against cash payment of the exercise price, as illustrated in the table. The warrant program is conditional upon the warrant holder being employed with or acting as a consultant to the company or being a member of the company's Board of Directors. Warrants subsequently vest after 12 months for 25% of the allocated warrants, after 24 months for another 25% of the allocated warrants, and the remaining 50% of the allocated warrants vest after 36 months. If an employee/consultant/board member resigns, the person in question is obliged to exercise the vested warrants in the first coming exercise period after the date of resignation.

If issuing bonus shares, the number of shares which can be subscribed in accordance with the warrants is increased proportionally and the subscription price of the shares must be reduced proportionally so that the profit potential is retained. This is also the case, if shares are issued at a price beneath the market price. The number of shares which can be subscribed must be reduced proportionally and the subscription price has to be increased proportionally if the company reduces the capital by reserves to a special fund, cf. the Danish Public Companies Act, or in cover of loss, cf. section 44 of the Act. Last time bonus shares were issued was in Spring 2004.

In the event that a decision is made to liquidate the company, to merge or demerge the company, or to reduce the share capital through a subsequent disbursement, the warrant owners are entitled to exercise their warrants within 14 days.

The estimated values of warrants issued in 2011, 2010, 2009, 2007, 2006, and 2005 are calculated using the Black & Scholes model. The value is expensed on the income statement during the period in which the warrants vest.

The following assumptions provide the basis for the estimated fair values:

DKK '000	2011	2010
Weighted average share price (DKK per share)	2.4	4.3
Weighted average exercise price (DKK per share)	1.7	3.5
Weighted average expected volatility (%)	76.0	83.0
Weighted average risk-free interest rate (%)	2.5	2.6
Expected dividend payout ratio (%)	-	-
Period until expiry (number of years)	7	7

The expected volatility was calculated based on historic volatility of the share price of the Parent Company's shares during the period from the IPO in June 2005.

Period until expiry is calculated on the basis of the most recent potential exercise of the warrant adjusted for expected termination of employment and other causes of non-exercise of the warrants.

Notes

18. Warrants – continued

	Number of warrants	Weighted average exercise prices	Number of warrants	Weighted average exercise prices
DKK '000	2011	2011	2010	2010
Outstanding warrants January 1	8,392,435	7.6	6,461,685	11.5
Granted in the financial year	1,732,250	2.0	1,990,000	3.5
Exercised in the financial year	–	–	(59,250)	3.2
Expired in the financial year (resignation)	(230,000)	–	–	–
Outstanding warrants, December 31	**9,894,685**	**9.7**	**8,392,435**	**18.2**
Hereof outstanding vested warrants, December 31	**5,919,864**		**5,652,364**	

The weighted average remaining contractual maturity was three years at December 31, 2011 and three years at December 31, 2010.

There was no warrants exercised in 2011 (2010: 59,250).

The above assumptions were applied in connection with the calculation of the fair value of the warrants being vested.

The following values were recognised for the programs:

	Group		Parent	
DKK '000	2011	2010	2011	2010
Recognized share-based payment, equity schemes	3,521	3,971	3,521	3,971
	3,521	**3,971**	**3,521**	**3,971**

As a part of their contract the CEO, CFO, and CMDO (executive management) are eligible to receive up to a total of 3,060,000 warrants over a period of three years, each conferring a right to subscribe nominal DKK 1 share in the company. Any grant of warrants is subject to the shareholders of the company granting the Board of Directors authority to issue the warrants.

Notes

19. Financial instruments

Capital risk management

It is Group policy to minimize financial risks. The company does not use hedging transactions. Management carefully assesses and monitors the company's currency and interest rate exposure.

The Group manages its capital with a view to ensuring at all times that all Group entities can meet their payment obligations and give investors the best possible return on their investment through the best possible ratio of debt to equity. The Group's overall strategy is primarily focused on belinostat.

The Group's capital structure is composed of debt, as appears from the liabilities stated in the balance sheet with the exception of deferred tax, cash and cash equivalents and securities and equity, comprising both share capital, reserves, and retained losses.

The carrying amount of financial assets and financial liabilities equals the fair value of such assets and liabilities.

Cash and cash equivalents

The company is a development-stage company generating income in 2011 from the sale of Totect® and from the sale of services. The company has a net cash outflow.

Group management regularly reviews the company's capital structure and, in this respect, takes into account both the price of capital and the risk related to the capital.

The company has cash and cash equivalents to fund the day-to-day cash requirements of the business. Cash and cash equivalents amounted to DKK 114 million at December 31, 2011 (2010: DKK 205 million).

Significant accounting policies

Note 1 to the financial statements sets out the significant accounting policies and the methods applied, including policies on recognition and measurement.

Financial instrument categories

The carrying amount of each financial asset and liability is recognized in the balance sheet. The company's financial assets include receivables, while its financial liabilities include current and non-current liabilities exclusive of deferred tax.

Financial risk management areas

The company monitors and reports on financial risk areas, including movements in exchange rates, interest rates, and liquidity. The company does not use financial hedging instruments.

No changes were made to the Group's risk exposure or to the way in which risks are monitored compared with 2010.

Risk management – interest rates

The company is exposed to interest rate risk on marketable securities and cash on the asset side and to lease obligations and short-term loans on the liabilities side.

Notes

19. Financial instruments – continued

In its management reporting, the company quantifies the interest rate risk by calculating a change in financial results and equity in case of a 50 basis point change in interest rates. Such a change is considered to be within a likely range.

The company's interest rate exposure at December 31 is stated below:

	Group		Parent	
DKK '000	2011	2010	2011	2010
Cash - demand deposit	114,302	205,068	106,881	165,013
Average interest	0.30%	0.50%	0.30%	0.67%
Total cash	**114,302**	**205,068**	**106,881**	**165,013**
Inter-company balances			155,165	148,159
Average interest			6.00%	6.00%
In case of a 50 basis point change in nominal interest rates, results and equity would be impacted by	150	1,025	150	825

Intercompany balances are written down to nil.

The interest exposure is believed to be insignificant compared to the Group´s overall operations.

Risk management – exchange rates
It is company policy to monitor exchange rate developments and, to the extent possible, to even out income and expenses in the same currency in order to reduce the overall exposure.

The company is primarily exposed to exchange rate fluctuations with respect to two areas. One of these areas represents the strategic investment in subsidiaries, while the other area relates to the company's on-going short-term activities.

Notes

19. Financial instruments – continued

		Group		Parent	
DKK '000		2011	2010	2011	2010
The company's exposure in foreign currencies at December 31 are stated below:					
Currency	**Payment/expiry**				
Receivables:					
GBP	0-12 months	-	-	4	7
USD	0-12 months	9,196	9,016	9,196	32,045
EUR	0-12 months	778	802	798	805
SEK	0-12 months	-	250	-	250
CHF	0-12 months	-	-	155,150	147,656
Total receivables		**9,974**	**10,068**	**165,148**	**180,763**
Payables:					
GBP	0-12 months	1,952	3,140	87	55
USD	0-12 months	5,938	55,163	5,938	54,215
USD	More than 12 months	13,585	14,111	13,585	14,111
EUR	0-12 months	3,198	728	2,841	520
CHF	0-12 months	1,312	2,325	361	-
Total payables		**25,985**	**75,467**	**22,812**	**68,901**

Notes

19. Financial instruments – continued

GBP, USD, EUR, and CHF are the currencies that have the greatest impact on results and equity and, accordingly, these are the currencies reported on in-house reports to the management. Management believes that the most likely fluctuations in these currencies are restricted to a 10% range. A 10% change upwards or downwards in the exchange rate at December 31 will have the following numerical impact on results and equity figures:

	Group		Parent	
DKK '000	2011	2010	2011	2010
GBP	195	314	8	5
USD	1,033	6,026	1,033	3,636
EUR	242	7	204	29
CHF	131	232	15,479	14,766

The exchange rate exposure is believed to be insignificant compared to the Group's overall operations.

Credit risk management
The company's credit risk relates primarily to trade receivables from the sale of Savene®/Totect®.

Customer payment compliance is carefully monitored, and any late payments are followed up immediately.

Due to the divestiture of Topotarget USA, Inc. on December 29, 2011 the company no longer has sales activities, and therefore finds that there are no material credit risk.

Liquidity risk management
The Board of Directors is ultimately responsible for the company's risk management. The Board of Directors has defined appropriate limits for how the company may procure adequate liquidity in the long term and in the short term to cover its on-going activities.

The company regularly monitors the liquidity requirements through renewed calculation of expected cash flows based on the cash flows realized.

All receivables and payables recognized in the balance sheet fall due within 12 months except the conditioned liabilities in relation to belinostat.

Other obligations falling due after 12 months are listed in Note 21. Other commitments.

Notes

20. Fair value of financial assets and financial liabilities

Included in the non-current liabilities is the potential payment of USD 3.0 million to CuraGen (2010 USD 3.0 million) in relation to the purchase of the full belinostat rights in April 2008.

The carrying value of other financial assets and financial liabilities is equivalent to the same assets´and liabilities´ fair value.

21. Other commitments

	Group		Parent	
DKK '000	2011	2010	2011	2010
A rent agreement has been concluded with notice of termination of six months equivalent to	2,596	2,935	1,528	2,935
Other lease contracts	-	873	-	-
Lease commitment, operational lease	131	223	131	223
Total	**2,727**	**4,031**	**1,659**	**3,158**
Other obligations are due as follows:				
Up to one year	2,667	3,903	1,599	3,030
One to five years	60	128	60	128
Total	**2,727**	**4,031**	**1,659**	**3,158**

The Parent has an obligation to finance Topotarget Switzerland S.A. activities for a period of 12 months after the balance sheet date.

22. Deferred income

The company signed a license and collaboration agreement concerning research and development of the belinostat project. The agreement is a contract comprising of multiple componets and the amount received of DKK 162.9 million (USD 30 million) is recognized over a period of 18 months from February 2, 2010. Please see Note 2.

As at December 31, 2011 all deferred income from the Spectrum Pharmaceuticals agreement has been recognized.

Notes

23. Related parties

Related parties include the following:

Group and Parent:

Shareholders
HealthCap funds, Stockholm, cf. Note 24
Avanza Bank, Stockholm, cf. Note 24
2011 No transactions
2010 No transactions

The company's Board of Directors and senior management
2011 Renumeration and salaries, cf. Note 6
2011 Shares and warrants, see section on Board of Directors and Note 18
2010 Renumeration and salaries, cf. Note 6
2010 Shares and warrants, see the table in "Corporate Governance" and Note 18

Other related paties
2011 Related parties to the Board of Directors and the executive management have received remuneration of TDKK 715 and warrants of TDKK 0.

2010 Related parties to the Board of Directors and the executive management have received remuneration of TDKK 761 and warrants of TDKK 75.

For the Parent Company:

The subsidiary Topotarget UK Limited
2011 Intra-Group balance of TDKK 4 and interest on the intra-Group balance of TDKK 78
2010 Intra-Group balance of TDKK 25 and interest on the intra-Group balance of TDKK 35

The subsidiary Topotarget Germany AG
2011 Intra-Group balance of TDKK 20 and interest on the intra-Group balance of TDKK 1
2010 Intra-Group balance of TDKK 19 and interest on the intra-Group balance of TDKK 0

The subsidiary Topotarget USA, Inc.
2011 Intra-Group balance of TDKK 0 and interest on the intra-Group balance of TDKK 5,763
2010 Intra-Group balance of TDKK 86,806 and interest on the intra-Group balance of TDKK 4,170

The subsidiary Topotarget Schwitzerland S.A.
2011 Intra-Group balance of TDKK 155,150 and interest on the intra-Group balance of TDKK 2,826
2010 Intra-Group balance of TDKK 147,656 and interest on the intra-Group balance of TDKK 2,955

The subsidiary Topotarget Netherlands B.V.
2011 Intra-Group balance of TDKK (18) and interest on the intra-Group balance of TDKK 1
2010 Intra-Group balance of TDKK (18) and interest on the intra-Group balance of TDKK 1

Movements in intercompany balances all consists of transfer of cash to finance activities in subsidiaries.

Notes

24. Ownership

	Ownership
As per December 31, 2011 the following shareholders hold more than 5% of the company's share capital:	
- HealthCap funds	13.01%
The HealthCap funds, that hold stocks in the Company are, HealthCap 1999 KB, HealthCapKB, HealthCap 1999 GbR, HealthCap III Sidefund KB, OFCO Club III Sidefund, HealthCap IV LP, HealthCap IV BisLP, HealthCap IV KB, OFCO Club 1999 and OFCO Club IV	
- Avanza Bank, Stockholm	6.35%
Insurance company Avanza Pension.	

25. Working capital changes

	Group		Parent	
DKK '000	2011	2010	2011	2010
Changes in current assets	6,865	2,621	5,401	1,782
Changes in current liabilities	(65,323)	29,120	(54,436)	31,199
Total	**(58,458)**	**31,742**	**(49,035)**	**32,981**

26. Non-cash transactions

The company has had no non-cash transactions during 2010 and 2011.

27. Proceeds from capital increases

There has been no transactions in 2011.
DKK 138 warrants were exercised in 2010.

Notes

28. Fees to auditors appointed at the annual general meeting

	Group		Parent	
DKK '000	2011	2010	2011	2010
Statutory audit services	415	455	340	375
Other assurence engagements	20	20	20	20
Tax services	-	-	-	-
Other services	1,017	593	974	480
Total	1,452	1,068	1,334	875

Separate audit of Topotarget Germany AG, Topotarget S.A., Topotarget Netherland B.V., Topotarget USA, Inc. has not been carried out as the companies are not deemed material to the consolidated financial statements for 2011.

29. Accounting policies

In addition to the description in Notes 1 and 2, the accounting policies are as described in the following.

Consolidated financial statements
The consolidated financial statements comprise the Parent Company and Group enterprises in which the Parent Company is entitled to determine finance and operating policies, which normally applies for ownership interests of more than half of the voting rights.

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of the Parent Company and its subsidiaries. The consolidated financial statements are prepared by adding items of a uniform nature. On consolidation intra-Group income and expenses, intra-Group accounts, dividends as well as gains and losses on transactions between the consolidated enterprises are eliminated.

The financial statements used for consolidation are prepared in accordance with the Group's accounting policies.

Acquisitions of subsidiaries are accounted for using the purchase method. Costs related to an acquisition are measured at the fair value of remuneration in the form of assets, the equity instruments granted and the liability incurred at the date of acquisition with the addition of costs directly connected to the takeover. From January 1, 2010 costs are recognized in the income statement.

Acquired identifiable assets, liabilities, and contingent liabilities in a business combination are measured on initial recognition at fair value at the acquisition date. Identifiable intangible assets are recognized if they can be separated or arise from a contractual right and the fair value can be reliably measured. Positive differences between cost and fair value of the Group's share of the identifiable net assets are recognized as goodwill.

Newly acquired subsidiaries are consolidated at the time when the controlling influence is established in the Group.

Recognition and measurement
The items included in the financial statements of each entity of the Group are measured by using the currency that best reflects the economic substance of the underlying events and conditions applicable for the entity in question. The financial statements are presented in Danish Kroner (DKK), the Parent Company's and the subsidiaries' functional currency.

On initial recognition, assets and liabilities are measured at cost. Revenue and costs, assets and liabilities are subsequently measured as described below.

The preparation of financial statements assumes the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the Group and the value of the asset can be measured reliably.

Notes

Liabilities are recognized in the balance sheet when the Group has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Group, and the value of the liabilities can be measured reliably.

Recognition and measurement take into consideration anticipated gains, losses, and risks that arise before the time of adoption of the annual report and that confirm or invalidate matters and conditions existing at the balance sheet date.

Income is recognized in the income statement as and when earned, whereas expenses are recognized as incurred. Value adjustments of financial assets and liabilities are recognized in the income statement as financial income or financial expenses.

Foreign currency translation
On initial recognition, transactions denominated in foreign currency are translated at the exchange rate ruling on the transaction date. Receivables, payables, and other monetary items denominated in foreign currencies that have not been settled on the balance sheet date are translated at the exchange rates ruling at the balance sheet date. Exchange differences between the exchange rate at the date of the transaction and the exchange rate at the date of payment or the balance sheet date, respectively, are recognized in the income statement as financial income or financial expenses.

On recognition in the consolidated financial statements of foreign subsidiaries in which Danish kroner (DKK) is the functional currency but which present their financial statements in another currency, monetary assets, and monetary liabilities are translated at the exchange rate at the balance sheet date. Non-monetary assets and liabilities measured based on historical cost are translated at the exchange rate at the transaction date. Non-monetary assets and liabilities measured at fair value are translated at the exchange rates at the most recent date of fair value adjustment.

Income statement items are translated at average monthly exchange rates, except for items derived from non-monetary assets and liabilities, which are translated at historical rates for the non-monetary assets and liabilities.

Income statement

Revenue
Revenue comprises of milestone payments and other income from research and development agreements. Revenue is recognized when it is probable that future economic benefits will flow to the company and such economic benefits can be measured reliably. 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 and services included in the transaction have been transferred to the buyer. If all risks and benefits have not been transferred, the revenue is recognized as deferred income until all components in the transaction have been completed.

Production costs
Production costs comprise costs incurred to generate the revenue. Production costs are comprised of salaries, contributions to pension schemes, costs of share-based payments, and other costs including depreciation, impairment write-down and amortization attributable to the Group's production activities.

Research and development costs
Research costs comprise salaries, contributions to pension schemes, costs of share-based payments and other costs, including patent costs, as well as depreciation and amortization attributable to the Group's research activities. Research costs are recognised in the income statement as incurred.

Development costs comprise salaries, contributions to pension schemes, costs of share-based payments and other costs, including depreciation and amortization attributable to the Group's development activities. Capitalization assumes that the development of the technology or the product in the Group's opinion has been completed, that all necessary public registration and marketing approvals have been obtained, and that costs can be reliably measured. Furthermore, it has to be established that the technology or the product can be commercialized and that the future income from the product can cover, not only production costs, sales, and distribution costs and administrative expenses, but also development costs.

Development costs are recognized in the income statement as incurred if the conditions for capitalization of the development costs are deemed not to be met.

Research and development costs also comprise any impairment write-down on acquired research and development projects made before the time when the project is available for use.

Notes

Sales and distribution costs
Sales and distribution costs comprise costs incurred for the distribution of goods sold and for sales campaigns, including salaries, contributions to pension schemes for sales and distribution staff, office expenses and depreciation and other indirect costs.

Administrative expenses
Administrative expenses comprise salaries, contributions to pension schemes to the management and administrative functions, office supplies as well as depreciation and amortization and other indirect costs.

Financial income and expenses
These items comprise interest income and expenses, interest on capitalized milestone payments, the interest element of finance lease payments, realised gains and losses on marketable securities and realised and unrealised gains and losses on payables and transactions in foreign currencies.

Income taxes
Tax for the year, consisting of the year's current tax and movements in deferred tax, is recognized in the income statement as regards the amount that can be attributed to the profit/loss for the year and posted directly in equity as regards the amount that can be attributed to movements taken directly to equity. Current tax payable or receivable is recognized in the balance sheet as calculated tax on the taxable income for the year adjusted for prepaid tax.

The deferred tax charge is recognized and measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax values of assets and liabilities. The tax value of the assets is calculated based on the planned use of each asset.

Deferred tax is measured based on the tax rules and rates in the respective countries that will apply under the legislation in force on the balance sheet date when the deferred tax asset is expected to crystallise as current tax. Changes in deferred tax resulting from changes in tax rates are recognized in the income statement.

Deferred tax assets, including the tax value of tax loss carry-forwards, are recognized at the value at which they are expected to be realized, either through a set-off against deferred tax liabilities or as net assets.

Deferred tax assets and liabilities are not recognised if the temporary difference arises on initial recognition (in cases other than in connection with a business combination) of other assets and liabilities in a transaction not affecting the results for tax or accounting purposes.

Provision is made for tax on temporary differences arising on investments in subsidiaries, unless the Group can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future.

Discontinued operation
Discontinued operations are business areas or that has been sold or is intended for sale. Subsidiaries, which alone are for resale, are considered to be a discontinued operation.

The results of discontinued operations are presented in the income statement as a separate note (Note 10), which consists of operating profit after tax with respect to that activity and any gains or losses from fair value adjustment or sale of assets and liabilities associated with the activity.

Non-current assets and groups of assets held for sale are presented separately in the balance sheet as current assets. Liabilities directly associated with those assets are presented as current liabilities in the balance.

Non-current assets held for sale are not amortized, but are written down to fair value less costs to sell if this value is lower than the carrying value.

Segment reporting
The company in 2011 has only one segment of activity that of research and development. As only one segment is operated there is no need for a separate note on segment reporting.

The reason for the company only having one segment of activity in 2011 is due to the discontinued operations that of Totect®/ Savene®.

The Group does not allocate assets and liabilities to the segments.

Notes

Share-based payment

All warrants granted after January 1, 2005 are equity instruments that are measured at fair value at the date of grant. Where warrants are included as part of an acquisition price of a subsidiary, the value of the equity instrument is recognized together with the remaining cost, and the balancing item is taken directly to equity to the reserve for share-based payment. Where warrants are issued as incentive programs, the compensation cost is charged to the income statement of the over the period when the warrants vest. The expense is allocated to production costs, research and development costs, sales, and distribution costs and administrative expenses, and the balancing item is taken directly to equity to the reserve for share-based payment.

The fair value is calculated using the Black&Scholes model, taking into consideration the anticipated exercise of the warrants granted. On each balance sheet date, Topotarget estimates the anticipated number of warrants that will vest. Any change to the original estimates of number of warrants will result in a change of the expensed cost over the remaining vesting period. Prior year changes are recognized in the income statement in the year in which the change is identified.

Balance sheet

Goodwill

Goodwill is the amount at which the cost of an enterprise taken over exceeds the fair value of the Group's share of the net assets acquired at the time of the takeover.

Goodwill is tested for impairment at every balance sheet date. In the event of an impairment loss, the carrying amount of the goodwill is written down to the recoverable amount. Write-downs are recognized in the income statement.

Acquired research and development projects

Costs of acquiring research and development projects are measured at cost price and recognized as intangible assets. The assets are amortized over their expected economic lives from the time when the project is ready for use (marketing approvals have been obtained). In the period until a marketing approval has been obtained, the acquired research and development project is tested for impairment annually. After marketing approval has been obtained, an impairment test is performed when events or other circumstances indicate that the carrying amount may not be recoverable.

Property, plant, and equipment

Other fixtures and fittings, tools and equipment as well as assets held under finance leases are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time it is ready to be put into operation. In the case of assets produced in-house, cost comprises direct and indirect costs for materials, components, third-party suppliers and labor. The cost price of assets held under finance leases is determined as the lower of the present value of future lease payments and the fair value.

The basis for depreciation is cost less estimated residual value after the end of useful life. The expected residual value is re-assessed every year. The assets are depreciated on a straight-line basis over their useful lives, which are four to ten years.

Impairment of non-current assets

In the period until a marketing approval has been obtained, the acquired research and development project is tested for impairment annually. After marketing approval has been obtained, an impairment test is performed when events or other circumstances indicate that the carrying amount may not be recoverable.

The carrying amount of other intangible assets, property, plant and equipment as well as non-current asset investments is reviewed for impairment when events or changed conditions indicate that the carrying amount may not be recoverable. Where such an indication exists, an impairment test is made. An impairment loss is recognized in the amount by which the carrying amount exceeds the recoverable amount of the asset, which is the higher of the net present value and the net selling price. In order to assess the impairment, the assets are grouped on the least identifiable group of assets that generates cash flows (cash-generating units). Impairment losses are recognized in the income statement under the same items as the associated depreciation or amortization.

Investments in subsidiaries (Parent Company)

Investments in subsidiaries are recognized and measured according to the equity method. This means that the investments are measured at the proportionate share of the companies' equity value after addition or deduction of any unamortized positive or negative goodwill, respectively, and after deduction or addition of unrealized intra-Group gains and losses.

Notes

The Parent Company's share of the subsidiaries' profits or losses after tax and after elimination of unrealized intra-Group gains and losses and with the deduction or addition of amortization of positive, or negative, goodwill is recognized in the income statement.

Subsidiaries with a negative net asset value are recognized at DKK nil, and any receivable amount from these companies is written down, to the extent it is deemed to be irrecoverable. Where the negative net asset value exceeds the amount receivable, the residual amount is recognized under provisions to the extent that the Parent Company has a legal or constructive obligation to cover the relevant company's obligations.

Net revaluation of investments in subsidiaries is transferred in connection with appropriation of the profit/loss for the year to the reserve for net revaluation according to the equity method.

Acquisitions of subsidiaries are accounted for using the purchase method. See above under consolidated financial statements.

Inventories
Inventories are measured at the lower of cost under the FIFO method and net realizable value.

The cost of goods for resale, raw materials, and consumables includes the purchase price plus transportation costs. The cost of finished goods and work in progress comprises the cost of raw materials, consumables, and other manufacturing costs incurred by a sub-supplier.

The net realizable value of inventories is calculated as the expected selling price less completion costs and costs incurred in making the sale.

Financial assets
The Group and the Parent Company classify their financial assets in the following categories:

- Loans and receivables
- Available-for-sale financial assets

Financial assets are classified according to the purpose of the acquisition. Management determines the classification on initial recognition and reevaluates this designation at every reporting date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. In the balance sheet, they are classified as trade receivables, other receivables and as loans.

Available-for-sale financial assets are non-derivative financial assets and are designated as short-term securities in the balance sheet.

Trade receivables
On initial recognition, trade receivables are measured at fair value and subsequently measured at amortized cost according to the effective interest method less provision for impairment based on an individual assessment.

Other receivables
On initial recognition, other receivables are measured at fair value and subsequently measured at amortized cost according to the effective interest method less write-downs for losses.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at amortized cost, which usually corresponds to the nominal value.

Short-term securities
The securities are easily negotiable in the established markets. Short-term securities are classified as "available for sale". Fair value equals the market price. Upon a sale, cost is measured according to the FIFO principle. Realized gains and losses (including realized exchange rate gains and losses) are recognized in the income statement as financial items. Unrealized gains and losses (including unrealized exchange rate gains and losses) are recognized directly in equity. Transactions are recognized on the trade date.

Cash and cash equivalents
Cash comprises cash holdings and bank deposits with an insignificant price risk. Cash is measured at fair value.

Notes

Equity
The share capital comprises the nominal value of the company's ordinary shares, each with a nominal value of DKK 1.

Retained earnings include amounts paid as premium compared to the nominal value of the shares in connection with the company's capital increases less external expenses, which are directly attributable to the increases of capital. The amount also includes unrealized gains and losses (including unrealized exchange rate gains and losses).

The reserve for share-based payment includes the value of recognized warrant programs measured at the fair value at the time of grant and subsequent value adjustments.

The buying and selling of own shares is recognized directly in equity. Own shares are therefore not recognized separately in the balance sheet.

Provisions
Provisions are recognised when the Group has a legal or constructive obligation as a result of a prior event on or before the balance sheet date, and it is probable that the company has to give up future economic benefits in order to repay the obligation. The provisions are measured according to an assessment of the costs required in order to repay the present obligation at the balance sheet date. Provisions which are not expected to be repaid within a year from the balance sheet date are measured at present value.

Lease commitments
Lease commitments relating to assets held under operating leases are recognized in the income statement over the terms of the contracts. Lease payments are recognized either in production costs, research and development costs, sales and distribution costs, or administrative expenses, depending on the use of the asset.

Financial liabilities
Financial liabilities, including trade payables and other payables, are initially measured at fair value. In subsequent periods, financial liabilities are measured at amortized cost, applying the effective interest method, to the effect that the difference between the proceeds and the nominal value is recognized in the income statement as financial expenses over the term of the loan.

Deferred income
The item reflects the part of revenue that has not been recognized as income immediately on receipt of payment and which concerns agreements with multiple components which cannot be separated.

Cash flow statement
The cash flow statement of the Parent Company and the Group is presented using the indirect method and shows cash flows from operating, investing, and financing activities as well as the Group's cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes as well as interest paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises and activities as well as purchase and sale of intangible assets, property, plant, and equipment as well as non-current investments.

Cash flows from financing activities comprise changes in the size or composition of the Parent Company's and the Group's share capital and related costs as well as the raising of loans, instalments on interest-bearing debt, and payment of dividends.

Cash and cash equivalents comprise cash, deposits in financial institutions, liquid securities with terms of three months or less at the date of acquisition, less short-term bank debt that forms an integral part of the Group's cash management activities.

Financial highlights and key ratios
The financial ratios have been calculated in accordance with "Recommendations & Ratios 2010", issued by the Danish Society of Financial Analysts, as set out below:

Earnings per share
Earnings per share is calculated as the net profit or loss divided by the weighted average number of outstanding ordinary shares.

Diluted earnings per share
Diluted earnings per share is calculated as the net profit or loss divided by the average number of outstanding ordinary shares adjusted for the diluting effect of issued equity instruments.

Notes

Share price at year-end
The year-end share price is determined as the average trading price (all trades) of the company's shares on the NASDAQ OMX Copenhagen stock exchange at the balance sheet date or at the most recent trading date prior to the balance sheet date.

Assets/equity
Total assets at the balance sheet date divided by total equity at the balance sheet date.

Net asset value per share
Net asset value per share is calculated as total equity at the balance sheet date divided by the number of outstanding ordinary shares at the balance sheet date.

Design og grafisk produktion
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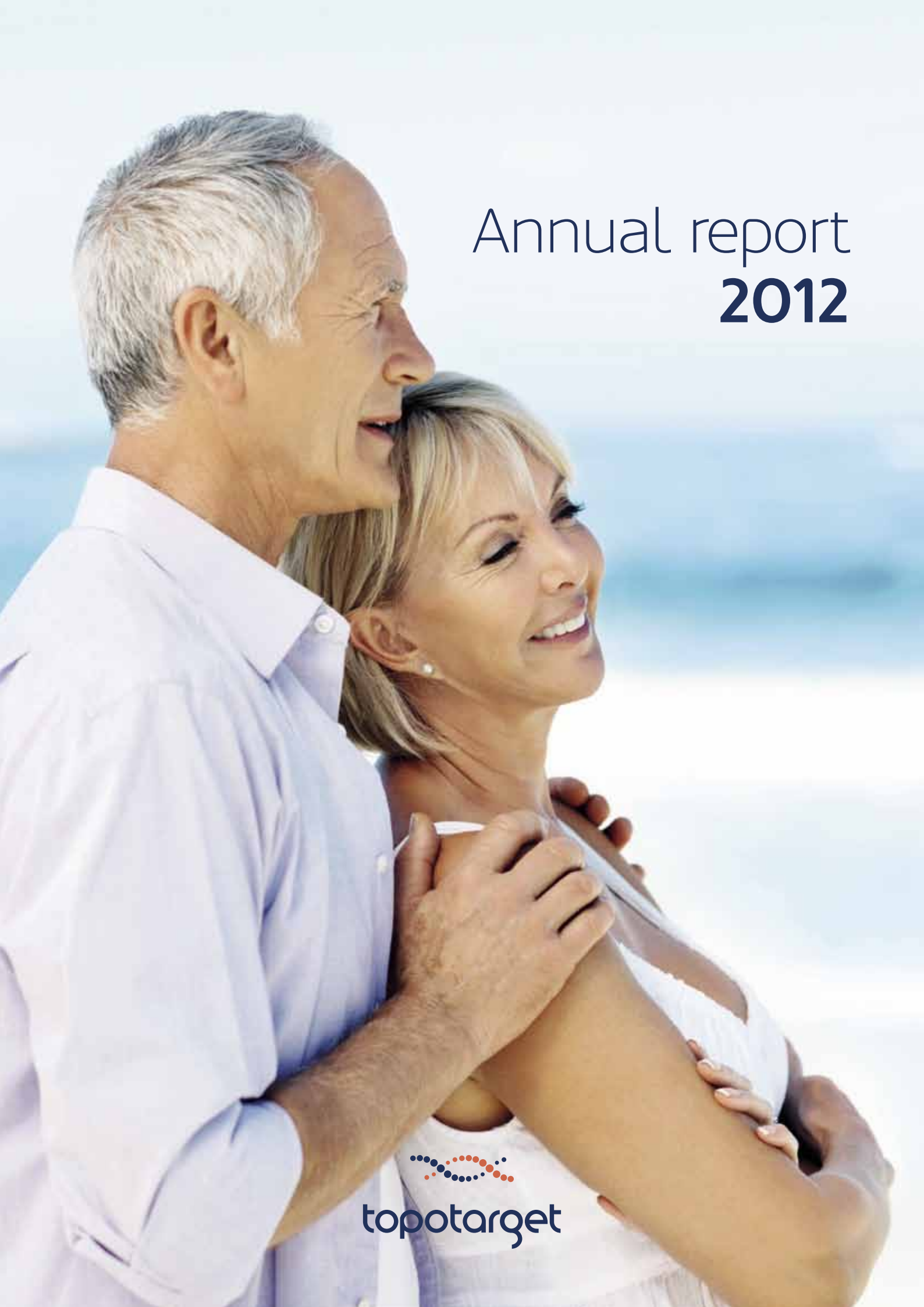


Annual report **2012**

topotarget

Contents

Management letter to shareholders

The year 2012 has directed Topotarget onto a clear and unwavering path. Our objective to make belinostat the sole focus of Topotarget has continued from 2011 – and successfully so. We have confirmed that belinostat has demonstrated promising efficacy and that the compound has a favorable safety profile.

2012 was also the year in which Topotarget reached a new stage in the company's development, which entailed a change in the size and structure of our executive management team. This change has facilitated an even more focused organization and Topotarget is fully motivated to bring belinostat to the market and thereby contributing to the fight against cancer. Together with our US partner Spectrum Pharmaceuticals, we are deeply involved in preparing for the New Drug Application (NDA) in belinostat for peripheral T-cell lymphoma (PTCL) and, subsequent to the NDA submission, look forward to being able to explore the company's long-term development plan.

BELIEF study

Our main focus in 2012 was the CLN-19 BELIEF study in PTCL. In September 2012, the study reached its primary endpoint of an objective response rate (ORR) of at least 20%. Reaching this primary endpoint was indeed a milestone in the history of belinostat and the potential of our drug was once again underlined.

The positive news flow for belinostat has continued into 2013 as we in January were able to announce that belinostat also had a favorable safety profile in the BELIEF study. The safety data were presented in an abstract at the annual T-Cell Lymphoma Forum in San Francisco, USA, which concluded that belinostat is a candidate for a well-tolerated alternative for the treatment of PTCL.

In March 2013, top-line results from the BELIEF study further showed that the ORR was on par with the response rates reported for both Folotyn™ (27%)[1] and Istodax® (25%)[2]. This very positive news together with the documentation of belinostat's compelling safety profile brings us closer to our goal of making belinostat available for the patients in desperate need of alternative treatments.

Strategy 2013

Topotarget continues to strive towards establishing belinostat as one of the most successful HDAC inhibitors in selected indications. In the pursuit of this objective, we are currently focusing on the filing of an NDA with the US Food and Drug Administration (FDA) for belinostat in PTCL. Provided that the FDA accepts the receipt of the NDA filing, we will receive a significant milestone payment and shares from Spectrum Pharmaceuticals.

As we are getting closer to the market, we are also able to take a longer-term look at belinostat's potential in new cancer indications.

Clinical study potential

Based on the outcome of the expected FDA filing process, we will be looking into the possibility of pursuing new indications with belinostat. The compound's favorable safety profile and ability to combine with other cytotoxic agents open new doors for belinostat in cancer indications where highly cytotoxic regimens are used as standard treatment.

We are currently exploring the possibility of initiating new clinical studies with belinostat in the following indications: Thymic malignancies, myelodysplastic syndrome (MDS), hepatocellular cancer (HCC), and soft tissue sarcoma (STS). We furthermore see potential in the indication non-small cell lung cancer (NSCLC) in which we already have an on-going study.

Directed share issue

In order to consolidate our financial resources, we regularly consider the opportunities for carrying out a directed share issue under the existing authority granted to the Board of Directors.

Outlook

After having adapted the organization during 2012, we now have a much lower burn rate than in earlier years. Together with the expected milestone payment upon the anticipated NDA filing, this has provided the background for a positive financial outlook for the year. We expect an estimated pre-tax profit in the range of DKK 74-79 million for the full year 2013. The estimate is based on the assumption that the FDA will accept the NDA filing and that Topotarget will receive the first milestone payment from Spectrum Pharmaceuticals in 2013.

Anders Vadsholt, CEO

1. www.folotyn.com
2. Coiffier et al, Journal of Clinical Oncology, February 20, 2012

Financial highlights and ratios

	2012	2011	2010	2009	2008
DKK '000					
Consolidated financial highlights and ratios					
Revenue	2,395	65,598	107,826	43,979	43,890
Research and development costs	(46,522)	(54,345)	(70,608)	(89,884)	(146,906)
Write-down of research and development projects	-	-	(189,541)	(21,200)	(93,500)
Sales and distribution costs	-	-	-	(29,136)	(44,796)
Operating loss	(80,210)	(31,352)	(197,543)	(132,492)	(294,371)
Net financials	(1,149)	1,087	68,773	(10,250)	(11,737)
Net loss from continued operations	(81,359)	(29,012)	(84,785)	-	-
Net profit/(loss) from discontinued operations	99	(3,999)	(29,096)	-	-
Total comprehensive income for the year	(80,017)	(33,011)	(55,689)	(140,464)	(301,209)
Basic EPS continued operations	(0.60)	(0.22)	(0.64)	-	-
Fully diluted EPS continued operations	(0.60)	-	-	-	-
Basic EPS continued and discontinued operations	(0.60)	(0.25)	(0.42)	(1.41)	(4.68)
Fully diluted EPS continued and discontinued operations	(0.60)	-	-	-	-
Consolidated balance sheet					
Cash and cash equivalents	41,460	114,302	205,068	130,145	107,998
Equity	251,247	330,728	360,219	411,798	429,376
Total assets	278,936	370,476	465,824	585,413	619,032
Investment in tangible assets (net)	(226)	(2,283)	(1,633)	2,016	(164)
Consolidated cash flow statement					
Cash flow from operating activities	(80,973)	(88,847)	40,101	(99,197)	(169,545)
Cash flow from investing activities	8,131	(1,919)	34,686	37,861	(44,366)
Cash flow from financing activities	-	-	138	118,780	(499)
Consolidated ratios					
Number of fully paid shares, year-end	132,652,050	132,652,050	132,652,050	132,609,020	66,304,510
Average number of shares for the period	132,652,050	132,652,050	132,640,379	99,456,765	64,323,636
Assets/equity	1.1	1.1	1.3	1.4	1.4
Market price, year-end (DKK)	2.15	2.51	3.57	2.59	3.62
Net asset value per share (DKK)	1.88	2.49	2.73	3.11	6.48
Average number of full-time employees	23	42	50	58	109

The figures for 2008 also include Topotarget Netherlands B.V. from January 1, 2008.

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.

Belinostat

Belinostat – a class I and II HDAC (Histone DeACetylase) inhibitor – is being studied in multiple clinical trials as a single agent and in combination with chemotherapeutic agents for the treatment of various hematological and solid malignancies. Its anticancer effect is thought to be mediated through multiple mechanisms of action, including the inhibition of cell proliferation, induction of apoptosis (programed cell death), inhibition of angiogenesis, induction of differentiation, and the resensitization of cells that have become resistant to anticancer agents such as platinums, taxanes, and topoisomerase II inhibitors.

Belinostat is the only HDAC inhibitor in clinical development with multiple potential routes of administration, including short and continuous intravenous (i.v.) infusion and oral administration.

As an HDAC inhibitor, belinostat has several qualities which lead to the definition of the drug as a strong member of the HDAC inhibitor class. The most evident of these qualities are the compound's compelling efficacy and its favorable safety profile as demonstrated in e.g. the BELIEF study in peripheral T-cell lymphoma.

Peripheral T-cell lymphoma

Efficacy surpasses primary endpoint
The pivotal BELIEF study (CLN-19) of belinostat in patients with relapsed or refractory peripheral T-cell lymphoma (R/R PTCL) was initiated in December 2008. The enrollment of 129 patients in the trial was completed in September 2011 and on March 5, 2013, Topotarget announced that the study had reached an objective response rate (ORR) on par with competing products Folotyn™ and Istodax®, which have accelerated approval for the treatment of R/R PTCL. The study's primary endpoint, as established under a Special Protocol Assessment (SPA) agreement with the FDA, was an ORR of at least 20% – an endpoint that has been met and surpassed in the BELIEF study. Our US partner Spectrum Pharmaceuticals expects to file a New Drug Application (NDA) in mid-2013, with an expected FDA decision on marketing approval in 2014.

Compelling safety profile
Belinostat's safety profile suggests that patients with R/R PTCL, including difficult-to-treat patients with low platelet counts caused by marrow involvement or poor marrow reserve, can safely be treated with belinostat. Belinostat showed acceptable safety findings in the BELIEF study, which was designed to enroll R/R PTCL patients (including those who had received a stem cell transplant) with a platelet count greater than or equal to 50,000/µl. Many of these refractory patients with low platelet counts were not eligible for treatment on trials with alternative agents, and hence belinostat has the potential to benefit a wider group of patients.

Ability to combine
The BELIEF study's safety profile, as well as on-going studies of belinostat in combination with cytotoxic regimens, may provide support to seeking approval for indications in both mono- and combination therapy with belinostat for patients with PTCL. Combination with cytotoxic regimens is widely used in PTCL first-line treatment.

NDA filing
Topotarget is currently working diligently on preparing for the NDA filing for belinostat in patients with R/R PTCL. In this preparatory process lies that all research and development activities (non-clinical, clinical, and manufacturing) must be summarized and presented in accordance with current regulatory guidelines – an extensive task which is leveraged by our dedicated and focused team in cooperation with Spectrum Pharmaceuticals.

Studies initiated in preparation for NDA filing
Based on the positive outcome of the BELIEF study, Topotarget and Spectrum Pharmaceuticals are committed to the NDA filing for belinostat in R/R PTCL. In preparation, two supportive studies (CLN-20 and NCI8846) have been initiated. Both studies are on-going and use i.v. belinostat given as monotherapy. Available data will be part of the safety package for the NDA filing.

The **CLN-20** study is a phase I drug-drug interaction study of belinostat in combination with warfarin in patients with solid tumors or hematological malignancies. The study is conducted in the Topotarget/Spectrum Pharmaceuticals collaboration. Approximately 39 patients are expected to be enrolled and the primary endpoint is safety.

The **NCI8846** study is a phase I pharmacokinetic study of belinostat for solid tumors and lymphomas in patients with varying degrees of hepatic dysfunction. Up to 80 patients are expected to be included and the primary endpoint is safety.

Cancer of unknown primary

The primary efficacy endpoint of progression-free survival (PFS) in the CLN-17 study in cancer of unknown primary (CUP) was not met. However, secondary endpoints showed signs of significant clinical activity with the objective response rate being significantly higher ($p = 0.0252$) in the BelCaP (belinostat in combination with carboplatin and paclitaxel) group (43.2%) compared to the CaP (carboplatin and paclitaxel) group (22.2%). Moreover, some separation, although not statistically significant, was observed in the overall survival curves.

The study confirmed that the favorable safety profile of belinostat allows combi-

nation therapy with full doses of commonly used cytotoxic anticancer therapeutics.

Soft tissue sarcoma

Initial results from the first stage of the phase II part of the phase I/II clinical trial (CLN-14) of belinostat in combination with doxorubicin in patients with soft tissue sarcomas (STS) met the predefined protocol criteria to continue into the further clinical development. Fifteen out of 20 patients (75%) achieved disease control and all 15 patients remained in disease control at the three-month time point. The objective response rate was 15% (three objective responses), including one complete response, and additionally 12 patients achieved disease stabilization. These are encouraging data since patients suffering from sarcomas have a very dismal prognosis and a paucity of treatment options. While results were promising, the study design does not facilitate a clear evaluation of the belinostat contribution to the combined effect. For this, a randomized study will be required. All 20 patients in the phase two part of the study have now completed treatment and Topotarget will end the study as allowed by the protocol in order to explore new possibilities in the indication, including the possibility to initiate a randomized trial.

Future perspectives and market entry outside the US

PTCL opens doors

Topotarget intends to build its market entry and build presence in emerging markets by bridging to the expected FDA approval of use of belinostat in R/R PTCL.

Belinostat was granted Orphan Drug designation in the EU for the treatment of PTCL in October 2012, but a randomized trial is believed to be required as our competitors have been refused to enter the European market based on the lack of a randomized trial.

The initiation of a post-marketing, confirmatory, randomized study with belinostat in combination with currently used cytotoxic regimens for first-line treatment is a possibility as this has been a requirement by the US health authorities for other conditionally approved drugs for the treatment of patients with PTCL. The results from such a confirmatory trial could in future be the backbone for entering the European market in the indication.

Orphan indication bridgehead to Europe

Belinostat's favorable safety profile and ability to combine with cytotoxic agents offers new opportunities for belinostat in cancer indications where highly cytotoxic regimens are used as standard for the treatment of patients with a dismal prognosis. Topotarget is considering to further explore the development of belinostat in orphan indications, such as thymic epithelial malignancies or myelodysplastic syndrome, with a high unmet medical need for an early entry into the European market.

Study outlook

Topotarget is currently investigating options for possible future studies with belinostat in combination with other cytotoxic compounds for indications within hematological and solid malignancies. Some of the indications may require further development of a commerically suited oral formulation of belinostat in order to increase the compound's flexibility and commercial value.

Thymic malignancies

Thymic malignancies are rare tumors with an incidence of 0.15/100,000 persons. There is no standard treatment for thymic malignancies after failure of platinum-based chemotherapy which is standard of care for first-line treatment.

Treatment with belinostat monotherapy in a group of 41 heavily pretreated patients with thymic malignancies did, in an NCI study (NCI8174), show intriguing duration of response and disease stabilization[3]. Another NCI-sponsored study (NCI8602), where belinostat is combined with the cytotoxic regimens cisplatin, doxorubicin, and cyclophosphamide for first-line treatment of thymic malignancies, is currently on-going and data presented at ASCO (American Society for Clinical Oncology) 2012 reported a response of 75% in thymoma patients receiving the combination. The full abstract is available on www.topotarget.com.

Myelodysplastic syndrome

Myelodysplastic syndromes (MDS) are a group of hematological malignancies in which the bone marrow does not generate sufficient healthy blood cells. MDS can progress into acute myeloid leukemia (AML). Belinostat has shown encouraging signals of anticancer activity in patients with MDS in three clinical studies and we are therefore currently considering belinostat for further clinical development in combination with other cytotoxic compounds. Studies showing anticancer activity include the CLN-15 trial and the NCI-sponsored trial NCI7285.

The CLN-15 study, a phase I/II clinical study of belinostat in combination with idarubicin in patients with AML not suitable for standard intensive therapy included two patients with MDS. Both patients had objective response.

3. Giaccone JCO May 20, 2011 vol 29 2052-2059

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	Top-line results NDA filing	H1 2013 Mid-2013
NSCLC	SPI-1014-Bel	SPPI/TT	→			35	Recruiting	Recruitment completed	n/a
Solid + STS	CLN-14	TT	→	→		55	Phase II, stage I completed	Results phase II, stage I	Q3 2013
Drug-Drug interaction	CLN-20	SPPI/TT	→			39	Recruiting	Top-line results	2013

*) Spectrum Pharmaceuticals
**) Topotarget

The NCI7285 phase I study of belinostat in combination with azacitidine (5-AZA) for advanced hematological malignancies reported response in 10 out of 15 patients with MDS or chronic myelomonocytic leukemia (CMML) (two of the responding patients had CMML). The response rate of 67% in the belinostat and 5-AZA combination is thus promising compared to the use of 5-AZA as monotherapy.

Hepatocellular cancer

Hepatocellular cancer (HCC) is cancer in the liver and is the fourth most common type of cancer in the world. More than 45% of 42 assessable patients with unresectable HCC experienced clinical benefit following treatment with i.v. belinostat monotherapy. The median progression-free survival was 2.64 months (95% CI, 1.55 to 3.17 months) and the median overall survival was 6.60 months (95% CI, 4.53 to 11.60 months) in a phase I/II study conducted by the NCI[4]. These results are encouraging as the progression-free survival and the overall survival rates are longer than reported for a similar study with a competing HDAC inhibitor. Preclinical data show synergy when combining belinostat with sorafenib, which is, currently, the only approved drug within this indication.

Soft tissue sarcoma

As previously mentioned, belinostat in combination with doxorubicin has shown promising signs of anticancer activity within soft tissue sarcoma in the CLN-14 trial. The feasibility of initiating a randomized trial is being explored.

Non-small cell lung cancer

Non-small cell lung cancer (NSCLC) is defined as any type of epithelial lung cancer other than small cell lung cancer (SCLC). NSCLC is the most common type of lung cancer, accounting for about 85% of all lung cancers[5]. Together with Spectrum Pharmaceuticals, Topotarget is conducting a phase I/II study to establish the maximum tolerated dose (MTD) of belinostat in combination with carboplatin plus paclitaxel (BelCaP) in chemotherapy-naïve patients with stage IV NSCLC (SPI-1014-Bel).

The trial was initiated in March 2011 and it is expected that up to 35 patients will be enrolled. Further development plans will depend on results from this on-going study.

4. Yeo et al Journal of Clinical Oncology, Sep 20, 2012;30(27):3361-7
5. American Cancer Society: http://www.cancer.org/cancer/lungcancer-non-smallcell/index

Indication	Study
Peripheral T-cell lymphoma (PTCL): PTCL is a hematological disease including a heterogeneous group of malignancies of T-cell origin that represents about 10-15% of all cases of non-Hodgkin's lymphoma. It is an aggressive, high-grade type of cancer with a poor prognosis of expected survival of approximately two years from diagnosis. The projections from annual cancer incidences point to 15,500 new cases of PTCL in the US, Japan, and in EU countries.	**CLN-19 BELIEF:** Conducted under a Special Protocol Assessment (SPA) agreement with the FDA, the pivotal, registration phase II BELIEF trial is evaluating intravenous (i.v.) belinostat as monotherapy for relapsed or refractory peripheral T-cell lymphoma (PTCL), an indication for which belinostat has been granted Orphan Drug and Fast Track designations by the FDA. The BELIEF trial is an open-label, international, single-arm efficacy and safety study in patients with relapsed or refractory PTCL, who have failed at least one prior systemic therapy. The primary endpoint of the trial is a centrally reviewed objective response rate (ORR). The trial included approximately 100 clinical centers globally, with completion of patient enrollment announced in September 2011. Top-line results were presented on March 5, 2013.
Cancer of unknown primary (CUP): CUP is by definition a cancer where the origin of the primary tumor remains unknown despite the use of intensive diagnostic tools. The histological characteristics detected in the biopsy yield some information of the origin, i.e. the tumor is an adenocarcinoma, a squamous cell carcinoma, or an undifferentiated or poorly differentiated carcinoma/adenocarcinoma. Approximately 2-5% of all solid tumors are CUP and despite treatment with chemotherapy most patients die within one year.	**CLN-17:** An open-label randomized phase II study of belinostat in combination with carboplatin and paclitaxel (BelCaP) compared to carboplatin and paclitaxel (CaP) in patients with previously untreated cancer of unknown primary. The study was a multinational, multi-center, randomized, comparative efficacy and safety study. Patients have been randomized to either BelCaP or CaP administered every third week. In total, 89 patients have been randomized and the study was closed for recruitment in December 2010. The primary study endpoint is progression-free survival (PFS), hence providing an estimate of the hazard ratio of treatment effect. Top-line results were presented in mid-2012 and can be found on www.topotarget..com.
Soft tissue sarcoma (STS): Soft tissue sarcomas are solid tumors defined by cancer in the soft tissues arising from mesenchymal cells such as muscles, tendons, and blood vessels. It excludes sarcomas arising from bone. STS is a rare disease and less than 1% of all cancers are STS. Doxorubicin is the golden standard for first-line treatment.	**CLN-14:** A phase I/II clinical study of belinostat in combination with doxorubicin in patients with STS. This open-label, multi-center, dose-escalation study was initiated to evaluate safety, efficacy, pharmacodynamics, and pharmacokinetics of the combination of belinostat with doxorubicin administered every third week. After the maximum tolerated dose of belinostat in combination with doxorubicin was established in patients with solid tumors, a cohort expansion was initiated in patients with STS. The cohort expansion was planned in two stages, but no additional 20 patients were enrolled. The protocol states that if three or more responders (complete response or partial response) are observed, the trial can continue to accrue 40 soft tissue sarcoma patients in total. The last patient of the study has been treated. All 20 patients in the phase II part of the study has now completed treatment and Topotarget will end the study as allowed by the protocol.

Partnerships

Spectrum Pharmaceuticals (2010) – license of belinostat in North America and India

In February 2010, Topotarget out-licensed North American and Indian rights on belinostat to Spectrum Pharmaceuticals.

Under the terms of the agreement, Spectrum Pharmaceuticals made an upfront payment of USD 30 million and took over 100% funding of the PTCL BELIEF trial.

Spectrum Pharmaceuticals expects to submit an NDA for belinostat in the orphan drug indication PTCL in mid-2013.

In the cost-sharing for co-development in additional indications, Spectrum Pharmaceuticals will contribute 70% and Topotarget 30%.

Topotarget is eligible to receive milestone payments upon successful achievement of certain development and commercial milestones of up to USD 320 million as well as double-digit royalties on sales in addition to the upfront payment.

The first expected milestone will be upon acceptance to file by the FDA, which is expected to occur within 60 days after the submission of the NDA to the FDA.

Edimer Pharmaceuticals (2009) – license of APO200

In March 2009, Topotarget out-licensed its non-oncology, pre-clinical development program APO200 to Edimer Pharmaceuticals, Inc.

Edimer is developing APO200 (EDI200) as a treatment for x-linked hypohidrotic ectodermal dysplacia (www.edimerpharma.com).

Topotarget has received an upfront payment and is entitled to future potential milestones and royalty payments.

Multimeric Biotherapeutics (2011) – license of IP rights to proteins containing TNF superfamily ligands

In October 2011, Topotarget out-licensed the exclusive rights to the further development of the Multimeric TNF superfamily ligands (TNFSFs) for all therapeutics used to Multimeric Biotherapeutics, Inc.

Under the agreement, Multimeric Biotherapeutics will license the rights to all Multimeric fusion proteins containing TNFSFs which are covered by Topotarget's issued and pending patents in Europe, the US, Canada, Japan, Australia, South Korea, and other territories. The agreement also grants Multimeric Biotherapeutics the rights to sub-license. TNFSFs are not a core activity of Topotarget IP assets.

Topotarget is entitled to future potential milestones and royalty payments.

Oncology Venture (2012) – license of APO010

In November 2012, Topotarget entered into an exclusive license agreement with Oncology Venture ApS granting the global rights to the further clinical development of APO010.

Under the agreement, Oncology Venture will license all rights specific to APO010 which are covered by Topotarget's issued and pending patents.

Topotarget has received an upfront payment and is entitled to future potential milestones and royalty payments.

National Cancer Institute (NCI), USA – academic collaboration

Topotarget is party to a Clinical Trial Agreement (CTA) with the NCI under which the NCI sponsors a number of clinical trials evaluating the activity of belinostat, either alone or in combination with other anticancer therapies, for the treatment of hematological cancers and solid tumors.

Commercial opportunities for belinostat

Topotarget continues to explore the commercial opportunities in Europe, Asia/Pacific, and ROW in order to commercialize belinostat most optimally.

Corporate Governance

The Board of Directors defines the objectives, goals, and strategies of the company and makes decisions on matters of major significance and unusual nature. On behalf of the shareholders, the Board of Directors furthermore supervises the organization and ensures that the company is managed appropriately and in accordance with legislation and the company's Articles of Association. The Board of Directors does not participate in the day-to-day management of the company.

In addition to undertaking the overall controlling of Topotarget, it is the primary responsibility of the Board of Directors to define the strategic framework for the activities and action plans of the company and to maintain a constructive dialogue with the Management Board regarding the implementation of strategies. In addition, the Board of Directors appoints the Management Board, sets out its terms and tasks, and supervises its work and the company's procedures and responsibilities.

The Chairman of the Board is currently acting as Executive Chairman during the company's on-going strategy review.

Openness and transparency

Topotarget's current and future shareholders as well as other stakeholders have different requirements in terms of corporate information. However, all rely on the quality of the information available. Openness and transparency are therefore pivotal for evaluating Topotarget and its prospects and Topotarget seeks to maintain open communication through company announcements, investor meetings, and company presentations. As a result, Topotarget's annual report, interim reports, and other company announcements are available in both Danish and English. Topotarget seeks to ensure a timely convening of the company's annual general meetings, allowing its shareholders and others to consider the issues on the agenda for the general meeting.

Diversity

Topotarget fully understands and supports the importance of diversity in the organization. We believe that a diverse work force and work place results in greater quality of work as well as a broader understanding of various organizational tasks. This mindset is thus clearly supported in Topotarget when looking at the composition of the company.

Consequent to the company's focus on a diverse work force, we continuously seek to maintain a balanced gender composition in both our management team (1/4 men/women) and our Board of Directors (5/2 men/women). Please refer to pages 13-14 for an overview of our governing bodies.

Composition of the Board of Directors

Pursuant to Article 14 of Topotarget's Articles of Association, a maximum of seven members can serve on the Topotarget Board of Directors. The article further stipulates that board members must retire when they reach the age of 70. Topotarget seeks to ensure that at least a majority of the board members are independent of special interests. As such, six of Topotarget's seven board members are independent. All board members are evaluated by the entire Board of Directors on a yearly basis.

The key considerations made in relation to the appointment of the Board of Directors were the professional background and industry experience of each candidate. The activities of the Board of Directors are governed by an internal set of procedural rules. For relevant background information on the individual board members, please go to page 13 or visit http://www.topotarget.com/about-us/board-of-directors.aspx

The Board of Directors has established a formal process for evaluating the management, and objectives are agreed upon in connection with the budgeting procedure and evaluated finally at year-end. The Board of Directors continuously discusses the goals and strategies of Topotarget as well as Topotarget's ability to implement the strategies and live up to expectations. The Chairman of the Board has well-defined tasks, duties, and responsibilities. Among these to make sure that the board members have the competencies that are required for a governing board. The entire Board of Directors evaluates the board's composition to ensure that the needed competencies are at hand and also to ensure a transparent process on the election of board members at the annual general meeting.

In 2012, the Board of Directors held 14 meetings (either in person, via telephone, or by way of written resolutions).

Audit Committee

The Audit Committee's main purpose is to review the financial controls and to work with the independent auditors in connection with their audit of the company's financial statements and to make reports and recommendations to the Board of Directors on these matters. The members of the Audit Committee are Bo Jesper Hansen (Chairman) and Per Samuelsson.

Internal rules in the form of a Management Instruction governing the allocation of powers between the company's Board of Directors and the senior management have been established, and the company intends to have an on-going policy of actively pursuing a strategy of good corporate governance.

In 2012, the Audit Committee held 4 meetings (either in person or via telephone).

Remuneration and Nomination Committee

The Board of Directors has moreover established a Remuneration and Nomination Committee. In regard to nomination, the committee's tasks are to describe and evaluate the required qualifications of the two governing bodies as well as making

recommendations on changes. Furthermore, the committee considers and recommends proposals for candidates for executive positions in the company. With regard to remuneration, the sole purpose of the committee is to evaluate and make recommendations to the Board of Directors on the remuneration paid to board members and the senior management as well as recommendations concerning employee incentive programs. The committee consists of the following members: Bo Jesper Hansen (Chairman), Per Samuelsson, Ingelise Saunders, and Anker Lundemose.

Exceptions

It is the view of the Board of Directors that Topotarget complies with the Recommendations on Corporate Governance from August 2011, however, with the following exceptions:

Topotarget has, due to its size, not formally elected a Deputy Chairman.

The Chairman of the Board of Directors and the Chairman of the Audit Committee and the Remuneration and Nomination Committee are identical reasoned by the qualifications of the Chairman. Furthermore, the Chairman has been appointed Executive Chairman during the current strategic review – please refer to Note 22 for further details.

Topotarget offers share-based remuneration programs to board members, the reason being that the company considers share-based remuneration programs essential and necessary tools to attract and retain board members with international experience and profiles and to secure alignment with the company strategy.

Topotarget does not disclose remuneration of board members or managers at an individual level. Topotarget considers this information to be private and believes that information at an individual level is of limited value to the shareholders.

A full description on Topotarget's approach to Corporate Governance can be found on our homepage http://investor.topotarget.com/governance.cfm

Corporate Social Responsibility

Topotarget does not have a formal policy on Corporate Social Responsibility (CSR).

Despite not having a formal policy on the area, we recognize the significance of CSR. We therefore continue to develop and implement new operating standards and procedures to support and fulfill our obligations to both our internal and external stakeholders and to our shareholders.

Risk profile and risk management

Risk profile
We are reducing our facilities outside Denmark through a planned closure of our dormant German and Dutch subsidiaries in order to devote our focus on our lead development compound, belinostat.

Topotarget conducts global clinical studies with belinostat and is therefore, through this activity, exposed to a variety of risks – some of which are beyond our control. If not properly assessed and controlled, these risks may have significant impact on our business.

Risk management approach
Active management of operational, financial, and compliance risks is a prerequisite for Topotarget. Risks are identified and reported through a systematic process. Consolidation, analysis, and evaluation take place with stakeholders within Topotarget and as required with external consultants. Management is responsible for the final calibration of risks and review of mitigating actions. Management and the Board of Directors discuss and decide on the risk tolerance for the most significant risks.

Semi-annually the company completes a risk management business process and reports relevant findings to the Board of Directors as well as ad hoc reporting to relevant stakeholders.

The risk management business process defines clear responsibilities for the Board of Directors as well as the management. The Board of Directors is responsible for:

- Approval of the Risk Policy, including risk tolerance levels
- Review and approval of top risk scenarios
- Review of the current level of mitigation of top risks
- Proposals for additional mitigation, if required
- Verification of the adequacy of the risk management infrastructure

Management is directly responsible for the management and mitigation of key risks as well as for the maintenance of a robust risk management business process, including the reporting cycle.

Below you will find a summary of the company's main risk areas and a summary of how the company seeks to address these risks.

Development and scientific risks
Through scientific and medical advice Topotarget seeks to ensure the optimal selection of future disease targets. A Scientific Committee consisting of board members and key Topotarget employees is closely monitoring and assessing data from our clinical trials as well as other relevant scientific information. This is in order to comply with the extensive regulatory requirements that we are subject to when working with clinical studies, but also to be able to make the best decisions in relation to available data.

In general, as for all drug development, there is a risk that lack of efficacy or unexpected serious adverse events in relation to the clinical product will have adverse effect on study outcome. There is also the risk that inclusion of patients in clinical studies is insufficient to meet timelines. Moreover, unforeseen safety issues or changes of regulatory requirements can influence the timing and nature of our clinical development activities, costs, and related revenues such as milestone payments and cost reimbursement.

Regulatory risks
Topotarget's activities can be affected by regulatory requirements and changes implemented in individual countries. Modified legislation or reinterpretation of legislation in Topotarget-relevant countries may result in unintended or unexpected costs or timeline extensions.

Risks related to the market and partners
Our reliance on the collaboration with Spectrum Pharmaceuticals is very important for our business as well as our future growth. A significant part of our future revenue, in particular milestones and royalties, may depend on a continued good collaboration. Our business might be negatively affected if Spectrum Pharmaceuticals become unable to meet their obligations. Topotarget relies on Spectrum Pharmaceuticals' ability and willingness to file an NDA and for the FDA to subsequently grant a marketing authorization.

Topotarget is furthermore subject to a range of normal biopharmaceutical commercial risks, including:

- Competition from existing treatments and/or new drugs
- Market size of lead indications
- Product pricing and reimbursement policies
- Interest from potential partners and investors
- Development time of new clinical trials
- Patent protection and ability to prevent infringements

Risks related to legal requirements
Another risk scenario is that Topotarget's ability to protect itself in potential patent lawsuits is insufficient; for instance if our intellectual property is not protected or our products infringe on a competitor's intellectual property. We therefore continue to file necessary patent applications in an effort to protect our product and tech-

nologies. We maintain strict confidentiality standards and agreements for internal employees and any collaborating parties in order to protect business secrets.

Financial risks
By mainly concentrating our facilities in Denmark, we are reducing our exposure to fluctuations in exchange rates. However, as we are conducting global clinical studies, have shared clinical costs with Spectrum Pharmaceuticals, and procuring services in a global environment, we are still exposed to exchange rate fluctuations.

The company's cash holdings consist of deposits held in cash. The interest rate risk is insignificant relative to Topotarget's combined operations.

Capital resources
Topotarget is a drug development company without commercial revenue. We will, excluding revenue from collaboration partners, be cash consuming until belinostat becomes commercially available. It is therefore crucial that the company at all times ensures sufficient financial resources.

At present, Topotarget relies heavily on receiving, in 2013, the expected milestone payments released on Spectrum Pharmaceutical's expected NDA filing with the FDA.

Should any delay occur in the filing, it is crucial for Topotarget to be able to raise alternative financing until such milestone payments are received.

Risk management
A number of factors concerning Topotarget and our strategies contribute to a reduction of the overall risks:

- We are pursuing a partnering strategy which reduces a large part of the financial risks; we have a strong development agreement for belinostat with Spectrum Pharmaceuticals for North America and India, who will handle the commercialization of belinostat in these geographical regions; we are exploring commercial opportunities for belinostat in Asia and Europe
- Topotarget collaborates with several scientific organizations and has a large representation of scientific expertise within the company, ensuring bridge-building between science and the treatment of patients
- Topotarget is a professional organization which strives to keep updated on and compliant with laws affecting the company's activities
- We are dependent on contract manufacturers for the manufactory of belinostat, and therefore we are continually exploring our options to alleviate the risk of supply issues
- Our Board of Directors continuously evaluates the need to increase the company's financial resources based on financial reporting prior to board meetings

The process of accounts preparations

The overall responsibility for the company's control and risk management in relation to the financial reporting process, including compliance with applicable legislation and other financial reporting regulations, rests with Topotarget's Board of Directors and Management Board.

Financial report process
The company has an Audit Committee consisting of members of the company's Board of Directors. The Audit Committee reviews and discusses auditing and accounting matters with the company's auditors elected by the shareholders and the Management Board in accordance with the Audit Committee's terms of reference.

Topotarget's primary focus is to ensure that the financial statements are in accordance with relevant accounting legislation and other provisions and regulations and give a true and reliable view of the company's activities and financial position.

The preparation of the company's financial reporting follows a planned structure involving segregation of duties.

Topotarget has established internal monthly reporting with a view to effectively managing its financial status. The reporting process involves analyses of deviations between actual results, business plans, budgets, and the most recently updated estimate for the financial year. The monthly report, including an explanation of deviations for the principal business areas, is reviewed by the Management Board before it is distributed to the Board of Directors.

The company's statutory reports are prepared according to the same structure as the monthly reports.

The quarterly reports are reviewed at an Audit Committee meeting before they are approved at a board meeting and subsequently released for publication.

The annual audit and reporting process comprise detailed planning of individual assignments, planning meetings between Investor Relations, the finance department, and the external auditors. The audit and planning process is based on an approved audit strategy.

The annual report is prepared in close collaboration with key individuals from each business unit. In addition, the auditors ensure that the financial statements provide a reliable and true view of the company's assets, liabilities, and financial position, ensuring that the annual report is presented in accordance with the accounting policies adopted.

Control environment
The Audit Committee, and subsequently the Board of Directors, at least once a year, assesses the Group's organizational structure, its risk of fraud, as well as the existence of in-house rules and guidelines.

The Group's control and risk management systems may provide reasonable, but not absolute, assurance that misappropriation of assets, losses, and/or significant errors and omissions in the financial reporting are avoided.

The Board of Directors and the Management Board are responsible for establishing and approving general policies, procedures, and controls in key areas in relation to the financial reporting process. The Board of Directors approves the overall policies, procedures, and controls, which are maintained and monitored by the Management Board and key employees representing each business area.

Topotarget has established policies and procedures for the key areas in relation to the financial reporting process, including business procedures for financial reporting and planning, business procedures for the finance function and other key business units, and for IT security.

Risk assessment
The Board of Directors makes an annual general assessment of risks in relation to the financial reporting process. The objective of Topotarget's internal risk management system is to maintain effective procedures for identification, monitoring, and reporting of such risks. This includes an assessment of IT security, the risk of fraud, and the measures to be taken to reduce and/or eliminate such a risk.

Board of Directors

Board of Directors

Bo Jesper Hansen, MD, PhD
Danish, 54
Chairman since 2010
Independent board member since 2009

Special competences
Experience in the field of international contract negotiations and deal-making, including execution of high-impact license agreements and significant M&A transactions; international marketing, extensive knowledge of legislative conditions, pharmaco surveillance, medical marketing, business development, and with many connections within the medical industry and especially within the orphan drug market.

Board positions
Chairman: Swedish Orphan Biovitrum AB (publ)
Member: MipSalus ApS, Zymenex A/S, Orphazyme ApS, CMC Kontrast AB, Hyperion Therapeutics Inc., and Genspera Inc.

Stocks: 300,000 (2011: 300,000)
Warrants: 150,000 (2011: 100,000)

Ingelise Saunders, MPh, BSc
Danish, 63
Independent board member since 2004

Special competences
Extensive executive management experience, experience in international operations, in sales, marketing, and global commercial operations, M&A transactions and business development, healthcare strategy, and life science investments.

Board positions
Member: AdvanDx, Inc., AdvanDx A/S, Gyros AB, ONCOlog Medical AB, Medical Vision AB, TD Vaccines A/S, Avilex Pharma ApS

Stocks: 25,000 (2011: 25,000)
Warrants: 158,442 (2011: 133,278)

Jeffrey H. Buchalter, BS, MBA
American, 55
Independent board member since 2006

Special competences
Experience in executive management, industry, development, manufacturing, and commercialization of pharmaceutical products as well as therapies for cancer patients.

Board positions
Director: Archimedes Pharma Ltd.

Warrants: 178,270 (2011: 154,097)

Per Samuelsson, MSc
Swedish, 52
Non-independent board member since 2009

Special competences
Partner at Odlander Fredrikson/HealthCap since 2000, Topotarget's largest shareholder. Experience in biotech, venture capital, investment banking, merger transactions, initial public offerings, and equity incentive programs.

Board positions
Member: Algeta ASA, BioStratum Inc., Cardoz AB, Nordic Vision Clinics AS, Oncopeptides AB, Oncos Therapeutics Oy, Optivy AB, and Sweden BIO

Anker Lundemose, MD, PhD, Doctor of Medical Science
Danish, 51
Independent board member since 2010

Special competences
Experience within academia, executive management, large pharma, biotech, and business and corporate development. Has an international track record in R&D productivity, deal making, including execution of high-impact license agreements, and significant M&A transactions. Currently CEO and President of BioNor Pharma ASA.

Board positions
Member: Adenium Biotech, Aniona, and Polytherics

Stocks: 25,000 (2011: 25,000)
Warrants: 75,000 (2011: 50,000)

Gisela Schwab, MD
German, 56
Independent board member since 2011

Special competences
Experience within the pharmaceutical industry in managing early- and late-stage development activities (target selection, pre-clinical, pharmacokinetic, clinical, and regulatory development) of biotechnological compounds and small molecules, filing of INDs and NDAs/BLAs/MAAs, and in building and managing development teams.

Board positions
Member: Cellerant Therapeutics

Warrants: 50,000 (2011: 25,000)

Karsten Witt, MD
Danish, 56
Independent board member since 2011

Special competences
Experience in clinical strategy and execution of development programs as well as drug safety/pharmacovigilance, development of small-molecule targeted oncology therapies, filing of INDs, BLA/sBLA, and NDA/sNDA.

Warrants: 50,000 (2011: 25,000)

Management

Management team

Anders Vadsholt, MSc, MBA
Company officer
Danish, 43
Chief Executive Officer

Special competences
Operational experience from biotech companies within executive management, strategy, legal, finance, and investor relations. Strong financial experience from venture capital and corporate finance in raising private and public capital, mergers and acquisitions, restructuring and divestments of companies as well as communication with investors and stakeholders.

Has a proven track record in managing the available financial resources in a strategic and cost-efficient manner.

Stocks: 25,000 (2011: 25,000)
Warrants: 450,000 (2011: 400,000)

Elisabeth V. Carstensen, PhD
Danish, 43
Director of Pharmaceutical Operations

Special competences
Extensive experience within and responsible for the area of pharmaceutical manufacture of active ingredients and drug products. More than 12 years' experience with Topotarget, including quality assurance, pharmaceutical operations, clinical supply chain management, and regulatory registration processes.

Anne V. Sillemann, M.Sc.Pharm
Danish, 47
Director of Global Regulatory Affairs

Special competences
Extensive experience within global regulatory affairs from biopharmaceutical companies in Denmark and abroad. More than 17 years' experience with drug development and regulatory processes, strategies and submissions in both EU and the US – in particular in oncology. Additionally, significant experience with clinical trial applications, scientific advices (FDA, EMA and national competent authorities), orphan drug and life-cycle management. Has been with Topotarget for more than 10 years as responsible for Global Regulatory Affairs and obtained marketing authorizations in EU and the US.

Jette Tjørnelund
Danish, 49
Director of Science

Special competences
Extensive scientific experience within areas of analytical chemistry, preclinical and clinical drug development resulting in more than 50 papers in scientific journals. Has been with Topotarget for 9 years as responsible for analytical chemistry, drug metabolism and pharmacokinetics as well as clinical pharmacology.

Lone Dahl
Danish, 52
Director of Finance

Special competences
Extensive experience within financial functions and thorough knowledge of and experience in financial management from both a general audit consulting company and the international pharmaceutical industry. Operational and hands-on experience in building up a finance department across different cultures and set-ups, including the implementation of ERP solutions to strengthen and manage the overall financial control and secure compliance in relation to all current rules, regulations, and company needs in a dynamic, regulated environment. Proven track record in alliance management, business development, and responsibility for the financial part of preparing and facilitating a merger between two international pharmaceutical companies in the Nordic region. Has been with Topotarget for 2.5 years.

Shareholder information

Topotarget A/S' shares were listed on the Copenhagen Stock Exchange (now NASDAQ OMX Copenhagen A/S) in June 2005 under the securities/ISIN code DK0060003556 and the trading symbol TOPO. The company's Reuters symbol is TOPO.CO and its Bloomberg symbol is TOPO:DC. Trading of the company's shares commenced on June 10, 2005.

The closing price for our shares on December 31, 2012 was DKK 2.15 which was a decrease of 14% compared to the company's share price of DKK 2.51 at year-end 2011.

The average daily trading volume for the company's shares in 2012 was DKK 0.5 million.

At December 31, 2012, Topotarget's share capital was DKK 132,652,050 corresponding to 132,652,050 shares of DKK 1 nominal value. The company only has one class of shares and all shares have equal rights. Topotarget's Articles of Association do not contain provisions on limitations of ownership or voting rights for each individual shareholder.

Ownership structure

As of December 31, 2012, Topotarget had 8,637 registered shareholders, who held 64% of the share capital compared to 8,734 registered shareholders at the end of 2011.

At December 31, 2012, the company's 10 largest shareholders held 33% of the total share capital, and the following investors have informed Topotarget that they hold more than 5% of the shares:

- HealthCap funds

IR policy, goals, and activities

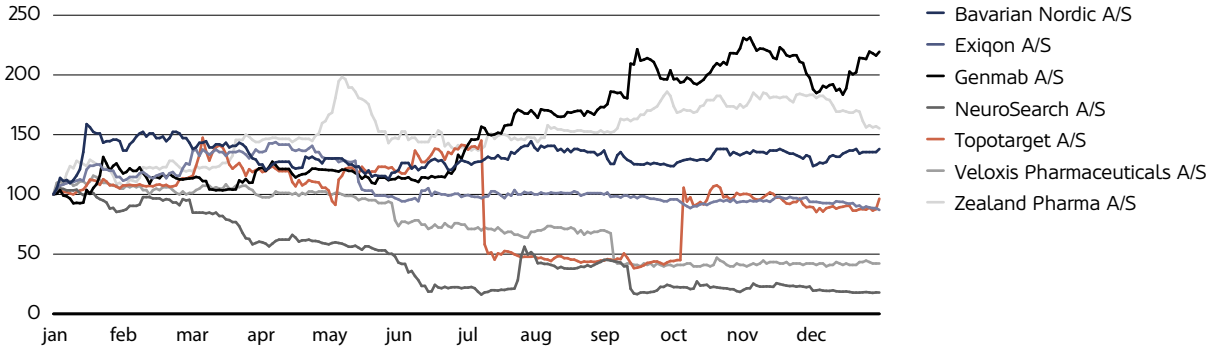
Topotarget aims to maintain an open and continuous dialogue with existing and potential shareholders, other stakeholders, and the general public. The company thus strives to provide transparent communication with equal access for all stakeholders. With open communication, the company aims to ensure fair pricing of the company's shares in order to reflect the company's willingness to generate higher earnings to its shareholders.

In compliance with the disclosure requirements of NASDAQ OMX Copenhagen, Topotarget will publish information on the company that is deemed important to the pricing of its shares. The company will also publish quarterly reports on the company's development, including relevant financial information. Topotarget also observes so-called 'quiet periods' (two weeks) before the publication of each of the company's financial reports. During these periods, the company will refrain from holding investor and analyst meetings or meetings with the media. The company maintains an insider register and will publish any changes to certain insiders' shareholdings in accordance with the rules that apply for NASDAQ OMX Copenhagen. Such publication will be made immediately after the transaction.

Topotarget has also adopted in-house rules, which stipulate that insiders may only purchase and sell shares in the company during a period of six weeks after the company's publication of interim financial statements.

Any information published by the company will be published in full accordance with disclosure requirements under Danish law and all announcements are posted on the company's website www.topotarget.com.

TOPOTARGET AND OTHER SHARE DEVELOPMENT 2012



Announcements and investor news 2012

Announcements

Jan 5	Formalization of information regarding Totect transaction
Jan 18	Abstracts for ASCO Gastrointestinal cancer Symposium 2012
Feb 29	Abstract for American Association for Cancer Research 2012
Mar 14	Topotarget announces financial results for the year ended December 31, 2011
Mar 19	Notice to Convene Annual General Meeting
Apr 11	Passing on Topotarget annual general meeting
May 2	Topotarget issues warrants to Employees Management and Board of Directors
May 17	Clinical data on belinostat for ASCO 2012
May 30	Topotarget announces the interim report for Q1 2012
Jun 29	Top-line data announced for clinical belinostat trial in CUP
Jul 5	Major shareholder announcement
Aug 28	Further results of ph II clinical trial with belinostat in CUP indicate clinical activity
Aug 29	Topotarget announces the interim report for Q2 2012
Aug 30	Topotarget initiates strategic review and changes Executive Management
Sep 17	Belinostat abstract for ESMO 2012
Sep 21	Belinostat pivotal BELIEF trial meets primary endpoint
Oct 3	Favorable results of belinostat in combination with doxorubicin in STS
Oct 15	Belinostat gets EU Orphan Drug Designation for treatment of PTCL
Nov 2	Notice to Convene Extraordinary General Meeting
Nov 6	Release of interim report Q3 2012 and financial calendar 2013
Nov 12	Topotarget announces the interim report for Q3 2012
Nov 26	Passing on Topotarget extraordinary general meeting

Investor news

Mar 9	Topotarget announces time and date for telephone conference re. annual report 2011
May 25	Time and date for telephone conference re publishing of Q1 2012
Aug 23	Time and date for telephone conference re Q2 2012
Nov 7	Belinostat abstract at ASH 2012
Nov 8	Time and date for telephone conference re Q3 2012
Nov 13	Topotarget grants exclusive license to Oncology Venture regarding APO010

Financial review

The annual report comprises the Parent Company Topotarget A/S and the four wholly-owned subsidiaries.

Unless otherwise stated, the financial review is based on the Group's consolidated financial information for the year ended December 31, 2012 as included in this annual report with comparative figures for the Group in 2011 in brackets.

A loss in continued operations of DKK 80.1 million (2011: Loss of DKK 29.0 million) was recorded for the year.

The Group's net cash and cash equivalents as of December 31, 2012 totaled DKK 41.5 million (2011: DKK 114.3 million) and the equity stood at DKK 251.2 million (2011: DKK 330.7 million).

Management believes that Topotarget has adequate financial resources to cover its operations in 2013. This is based, among other things, on the following significant factors:

- Spectrum Pharmaceuticals is, by mid-2013, expected to file an NDA with the FDA
- Should Spectrum Pharmaceuticals fail to file an NDA, management will be able to adjust its cost base to maintain operations
- The existing authority to carry out a directed share issue could be exercised

For assumptions and estimates, please refer to Note 2 in the financial statements.

Consolidated income statement
Topotarget recognized revenues of DKK 2.4 million in 2012 (2011: 65.6 million, which was primarily composed of income from Spectrum Pharmaceuticals' upfront payment of USD 30 million). Revenues are primarily composed of income as per our collaboration agreement with our US partner, Spectrum Pharmaceuticals. Topotarget has furthermore entered into a license agreement with Oncology Venture ApS for patents, intellectual property rights, and knowhow related to APO010.

Production costs, which amounted to DKK 1.4 million (2011: DKK 1.8 million), include Topotarget personnel costs related to the agreement with our US partner.

Research and development costs were DKK 46.5 million (2011: DKK 54.3 million). DKK 6.0 in shared development cost has been expensed until the cost split has been confirmed. The reduction in cost of 14% is primarily due to reductions in the number of employees, the hereto related costs, and the near completion of most studies. The finalization of data and study reports is on-going.

Administrative expenses were DKK 34.7 million (2011: DKK 40.8 million). The decrease in cost of 15% is primarily related to a reduction in the number of employees and the hereto related costs.

The net financials showed a net expense of DKK 1.2 million (2011: Net income of DKK 1.1 million). The financial expense is mainly caused by exchange rate fluctuations.

The tax income was DKK 1.2 million (2011: 1.2 million) and relates to the payment of tax value of losses from spending in research and development.

Net profit from discontinued operations amounted to DKK 0.1 million (2011: Loss of 4.0 million). The profit from discontinued operations consists of all revenue and costs relating to the sales of Totect®/Savene®.

Topotarget recorded a net loss of DKK 80.0 million in 2012 (2011: DKK 33.0 million).

Consolidated balance sheet
Total assets amounted to DKK 278.9 million (2011: DKK 370.5 million), which primarily consist of acquired research and development projects and cash and cash equivalents, while the Group's liabilities mainly comprise equity and trade payables.

Cash and cash equivalents were DKK 41.5 million (2011: DKK 114.3 million).

Non-current liabilities are reduced to 3.2 million (2011: DKK 13.6 million). The reason for the large reduction is the reclassification of the potential CuraGen milestone payment from non-current liabilities to current liabilities.

Current liabilities have been reduced to DKK 24.5 million (2011: DKK 26.2 million) despite the reclassification of the potential CuraGen milestone payment from non-current liabilities to current liabilities.

Consolidated equity
Equity amounted to DKK 251.2 million (2011: DKK 330.7 million). The change in equity consists of the loss for the year of DKK 80.0 million and a share-based payment of DKK 0.5 million.

Consolidated cash flow
Topotarget's cash flow from operating activities for 2012 was an outflow of DKK 80.9 million (2011: Outflow of DKK 88.8 million). The Group's 2012 cash flow from investing activities excluding the buying and selling of securities was DKK 8.1 million (2011: Outflow of DKK 1.9 million). The Group's cash flow from financing activities was DKK 0.0 million (2011: Inflow of DKK 0.0 million).

Comparing the actual financial performance with financial guidance
The Group recorded a loss in continued operations of DKK 80.1 million. The financial performance is in line with our guid-

ance announced at the annual general meeting on April 11, 2012.

Outlook

It is crucial for our expectations for 2013 that our US partner successfully files an NDA with the FDA. Topotarget expects a milestone payment from Spectrum Pharmaceuticals of one million shares of common stock and a double digit million USD cash payment during H2 2013, which will result in an estimated pre-tax profit in the range of DKK 74-79 million for the full-year financial result of 2013. The expected net cash and cash equivalents will be around DKK 109-114 million at year-end 2013.

Parent Company financial statements

The Parent Company recorded a loss of DKK 80.0 million (2011: DKK 33.0 million). The Parent Company's equity amounted to DKK 251.2 million (2011: DKK 330.7 million). The change in equity consists of the loss for the year of DKK 80.0 million and a share-based payment of DKK 0.5 million.

Treatment of loss

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

Statement by the Board of Directors and executive management

The Board of Directors and executive management today discussed and adopted the annual report for 2012 of Topotarget A/S.

The consolidated financial statements are presented in accordance with International Financial Reporting Standards as adopted by the EU, and the Parent financial statements are presented in accordance with the Danish Financial Statements Act. Further, the annual report is prepared in accordance with additional Danish disclosure requirements for listed companies.

In our opinion the consolidated financial statements and the Parent financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities, and financial position at December 31, 2012 and of the results of the Group's and the Parent Company's operations and cash flows for the year 2012. We also believe that the management commentary contains a fair review of the development in the Group's and the Parent's business and of their financial position as a whole together with a description of the principal risks and uncertainties that they face.

Within the next twelve months, management expects to receive significant milestone payments from Spectrum Pharmaceuticals that will enable the continued development of belinostat after mid-2013 and that any delays can be financed through an adjustment of the cost base. Consequently, Topotarget has prepared its financial statement on a going concern basis. Management acknowledges that there are some risks associated with this strategy which is set out under "Significant accounting assumptions and estimates" in Note 2 of the consolidated financial statements.

The annual report will be submitted to the general meeting for approval.

Copenhagen, March 13, 2013

Executive management

Anders Vadsholt
Chief Executive Officer

Board of Directors

Bo Jesper Hansen
Chairman

Per Samuelsson

Jeffrey H. Buchalter

Ingelise Saunders

Anker Lundemose

Gisela Schwab

Karsten Witt

Independent auditors' report

To the shareholders of Topotarget A/S

Report on the consolidated financial statements and the Parent financial statements

We have audited the consolidated financial statements of Topotarget A/S and the Parent financial statements for the financial year January 1 to December 31, 2012, which comprise the income statement, balance sheet, statement of changes in equity and notes, including the accounting policies, for the Group as well as the Parent, as well as the statement of comprehensive income and cash flow statement for the Group. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies, and the Parent financial statements have been prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated and Parent financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies as well as the preparation of Parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Management is also responsible for the internal control that it considers necessary for preparing consolidated financial statements and Parent financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and Parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and Parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the Parent financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements and the Parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of consolidated financial statements and Parent financial statements that give a true and fair view. The purpose of this is to design procedures that are appropriate in the circumstances but not to express an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the Parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position at December 31, 2012 and of the results of the operations and cash flows for the financial year January 1 to December 31, 2012 in accordance with the International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Further, in our opinion, the Parent financial statements give a true and fair view of the Parent's financial position at December 31, 2012 and of the results of its operations for the financial year January 1 to December 31, 2012 in accordance with the Danish Financial Statements Act.

Emphasis of matter relating to the financial statements

Without qualifying our opinion, we draw attention to the disclosures in the Management's review and to Significant accounting assumptions and estimates (Note 2 to the annual report) under "Key risk factors" and "Going concern" in which Management has stated that the Company expects its funds to be sufficient to present the annual report on a going concern basis. If the expected milestone payments are not received or are delayed, management believes that the level of activities and the cost base can be adjusted accordingly. A natural uncertainty is attached to the company's 2013 budget and thus, the future capital resources.

Statement on the management's commentary

Pursuant to the Danish Financial Statements Act, we have read the management's commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and Parent financial statements.

On this basis, it is our opinion that the information provided in the management's commentary is consistent with the consolidated financial statements and Parent financial statements.

Copenhagen, March 13, 2013

Deloitte
Statsautoriseret Revisionspartnerselskab

Jens Rudkjær
State-authorized public accountant

Carsten Vaarby
State-authorized public accountant

Consolidated statement of comprehensive income for the year

		Group		Parent	
DKK '000	Note	2012	2011	2012	2011
Revenue	3, 4	2,395	65,598	3,798	68,015
Production costs	5, 6	(1,377)	(1,840)	(1,377)	(4,351)
Research and development costs	5, 6	(46,522)	(54,345)	(42,388)	(47,878)
Administrative expenses	5, 6	(34,706)	(40,765)	(34,343)	(40,065)
Operating loss		**(80,210)**	**(31,352)**	**(74,310)**	**(24,279)**
Income after tax from investments in subsidiaries	14	-	-	(9,083)	(19,946)
Financial income	7	3,673	11,729	6,862	20,183
Financial expenses	8	(4,822)	(10,642)	(4,736)	(8,969)
Loss from continued operations before tax		**(81,359)**	**(30,265)**	**(81,267)**	**(33,011)**
Tax on profit/(loss) for the year	9	1,243	1,253	1,250	-
Net loss from continued operations		**(80,116)**	**(29,012)**	**(80,017)**	**(33,011)**
Net profit/(loss) from discontinued operations	10	99	(3,999)	-	-
Total comprehensive income for the year		**(80,017)**	**(33,011)**	**(80,017)**	**(33,011)**
Total comprehensive income attributable to:					
Owners of the company		(80,017)	(33,011)	-	-
Non-controlling interests			-	-	-
Total comprehensive income for the year		**(80,017)**	**(33,011)**	-	-
Proposed distribution of profit/(loss):					
Retained earnings		-	-	(80,017)	(33,011)
Basic EPS continued operations	11	(0.60)	(0.22)	-	-
Fully diluted EPS continued operations	11	(0.60)	-	-	-
Basic EPS continued and discontinued operations	11	(0.60)	(0.25)	(0.60)	(0.25)
Fully diluted EPS continued and discontinued operations	11	(0.60)	-	-	-

Balance sheet – assets

		Group		Parent	
DKK '000	Note	2012	2011	2012	2011
Acquired research and development projects		228,902	229,626	202,104	202,828
Intangible assets	5, 12	**228,902**	**229,626**	**202,104**	**202,828**
Other fixtures and fittings, tools and equipment		2,655	4,963	2,654	4,961
Tangible assets	5, 13	**2,655**	**4,963**	**2,654**	**4,961**
Investment in subsidiaries	14	-	-	27,573	31,134
Receivables from subsidiaries	14	-	-	55	20
Other receivables		501	608	501	608
Non-current investments		**501**	**608**	**28,129**	**31,762**
Non-current assets		**232,058**	**235,197**	**232,887**	**239,551**
Trade receivables	15	1,239	1,643	1,239	1,643
Other receivables		2,150	8,774	2,119	8,664
Prepayments		779	792	753	824
Income tax receivables	9	1,250	-	1,250	-
Receivables		**5,418**	**11,209**	**5,361**	**11,131**
Short-term securities	16	-	**9,768**	-	**9768**
Cash and cash equivalents	19	**41,460**	**114,302**	**39,795**	**106,881**
Current assets		**46,878**	**135,279**	**45,156**	**127,780**
Assets		**278,936**	**370,476**	**278,043**	**367,331**

Balance sheet – equity & liability

		Group		Parent	
DKK '000	Note	2012	2011	2012	2011
Share capital	17	132,652	132,652	132,652	132,652
Share-based payments	18	33,849	34,743	33,849	34,743
Retained earnings		84,746	163,333	84,746	163,333
Equity		**251,247**	**330,728**	**251,247**	**330,728**
Deferred tax	9	-	-	-	-
Other payables	20	3,212	13,585	3,212	13,585
Non-current liabilities		**3,212**	**13,585**	**3,212**	**13,585**
Trade payables		8,427	16,274	7,542	13,673
Provision related to subsidiaries		-	-	556	-
Other payables	20	16,050	9,889	15,486	9,345
Current liabilities		**24,477**	**26,163**	**23,584**	**23,018**
Liabilities		**27,689**	**39,748**	**26,796**	**36,603**
Equity and liabilities		**278,936**	**370,476**	**278,043**	**367,331**

Cash flow statement

		Group		Parent	
DKK '000	Note	2012	2011	2012	2011
Operating loss		(80,210)	(31,352)	(74,310)	(24,279)
Operating loss from discontinued operations		99	(6,560)	-	-
Reversal of share-based payments		535	3,521	535	3,143
Depreciation, amortization, and impairment losses	5	2,646	414	2,646	264
Working capital changes	23	(6,040)	(58,458)	(4,366)	(49,035)
Cash flow from operating activities before interest		**(82,970)**	**(92,435)**	**(75,495)**	**(69,907)**
Interest income etc. received		3,673	11,729	4,683	9,240
Interest expenses etc. paid		(1,669)	(9,394)	(3,218)	(5,161)
Refunded income taxes		(7)	1,253	-	-
Cash flow from operating activities		**(80,973)**	**(88,847)**	**(74,030)**	**(65,828)**
Purchase of tangible assets		(344)	(2,283)	(344)	(2,299)
Sale of tangible assets		118	-	118	56
Capital increase in subsidiary		-	-	(596)	3,147
Change of loan to subsidiary		-	-	(591)	6,613
Purchase of investments		107	364	107	179
Sales of securities	10	8,250	-	8,250	-
Cash flow from investing activities		**8,131**	**(1,919)**	**6,944**	**7,696**
Increase/decrease in cash and cash equivalents		(72,842)	(90,766)	(67,086)	(58,132)
Cash and cash equivalents at January 1		114,302	205,068	106,881	165,013
Cash and cash equivalents at December 31		**41,460**	**114,302**	**39,795**	**106,881**
Total cash and cash equivalents at December 31		**41,460**	**114,302**	**39,795**	**106,881**

The cash flow statement cannot be directly derived from the income statement and balance sheet.

Equity – Group

DKK '000	Number of shares	Share capital	Share premium account	Retained earnings	Total
Consolidated statement of changes in equity for the period January 1 to December 31, 2012					
Equity at January 1, 2012	**132,652,050**	**132,652**	**34,743**	**163,334**	**330,729**
Net loss for the year	-	-	-	(80,017)	(80,017)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**(80,017)**	**(80,017)**
Recognition of share-based payment	-	-	535	-	535
Reversal of expired warrants	-	-	(1,429)	1,429	-
Equity at December 31, 2012	**132,652,050**	**132,652**	**33,849**	**84,746**	**251,247**

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

Consolidated statement of changes in equity for the period January 1 to December 31, 2011					
Equity at January 1, 2011	**132,652,050**	**132,652**	**31,222**	**196,345**	**360,219**
Net loss for the year	-	-	-	(33,011)	(33,011)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**(33,011)**	**(33,011)**
Recognition of share-based payment	-	-	3,521	-	3,521
Equity at December 31, 2011	**132,652,050**	**132,652**	**34,743**	**163,334**	**330,729**

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

Equity – Parent

DKK '000	Number of shares	Share capital	Share premium account	Retained earnings	Total
Consolidated statement of changes in equity for the period January 1 to December 31, 2012					
Equity at January 1, 2012	**132,652,050**	**132,652**	**34,743**	**163,334**	**330,729**
Net loss for the year	-	-	-	(80,017)	(80,017)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**(80,017)**	**(80,017)**
Recognition of share-based payment	-	-	535	-	535
Reversal of expired warrants	-	-	(1,429)	1,429	-
Equity at December 31, 2012	**132,652,050**	**132,652**	**33,849**	**84,746**	**251,247**

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

Consolidated statement of changes in equity for the period January 1 to December 31, 2011					
Equity at January 1, 2011	**132,652,050**	**132,652**	**31,222**	**196,345**	**360,219**
Net loss for the year	-	-	-	(33,011)	(33,011)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**(33,011)**	**(33,011)**
Recognition of share-based payment	-	-	3,521	-	3,521
Equity at December 31, 2011	**132,652,050**	**132,652**	**34,743**	**163,334**	**330,729**

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

Notes

1. Changes in accounting policies

Presentation and implementation of new accounting standards and interpretations
The accounting policies applied by Topotarget including presentation are unchanged compared to last year.

Topotarget has adopted all new amended standards, revised accounting standards, and interpretations (IFRIC) as endorsed by the EU and which are effective for the financial year January 1, 2012 - December 31, 2012.

With effect from January 1, 2012, the following new and amended IFRSs and interpretations were implemented: IFRS 7, IFRS 1, and IAS 12.

Topotarget has concluded that the standards which are effective for financial years beginning on or after January 1, 2012 are either of no relevance to Topotarget or exert no material impact on the financial statements for the current or future years.

Most recently adopted accounting standards (IFRS) and interpretations (IFRIC)
At the end of February 2013, the IASB issued the following new accounting standards and interpretations effective for financial years beginning on or after January 1, 2013, which are assessed to be relevant to Topotarget. The mentioned standards and interpretations have all been adopted by the EU.

– IFRS 9: The number of financial asset categories is reduced to two; amortized cost or fair value.

– The annual improvements for 2009-2011.

The standards and interpretations issued by the IASB which are irrelevant to Topotarget are: IFRS 7, IFRS 10, IFRS 11, IFRS 12, IFRS 13, IAS 1, IAS 19, IAS 27, IAS 28, IAS 32, and IFRIC 20.

Topotarget expects to implement the new standards and interpretations when they become mandatory.

Notes

2. Significant accounting assumptions and estimates

In using the Group's accounting policies, the management is required to use judgments, estimates, and assumptions concerning the carrying amount of assets and liabilities which cannot be immediately inferred from other sources. Management's estimates are based on historical experience and other factors, including expectations of future events based on existing events. The actual outcome may differ from these estimates.

Estimates and assumptions are re-assessed in an on-going process. Changes to accounting estimates are recognized in the reference period in which the change occurs and in future reference periods if the change affects the period in which it is made as well as subsequent reference periods.

Areas in which the Group makes significant assumptions and estimates are described below. The Group's accounting policies are described in Note 28 to the financial statements.

Key risk factors

The value of acquired research and development projects is dependent on a successful filing of the NDA and a subsequent FDA approval. The filing is the responsibility of US partner, Spectrum Pharmaceuticals, and the company has no influence on the timing of the filing or if Spectrum Pharmaceuticals becomes unable or unwilling to file the NDA.

These risks relate to the value of the acquired research and development projects as well as to the outlook assumption, as a successful NDA filing and a subsequent expected FDA approval are prerequisites for the estimated 2013 pre-tax profit.

Going concern

The going concern statement is not dependent on the expected milestone payments from Spectrum Pharmaceuticals during H2 2013. Should the payments not be received as expected, management believes that the level of activities and the cost base can be adjusted accordingly.

A natural uncertainty is attached to the company's budget and thus, the future capital resources. Management monitors on a continuing basis the capital resources and is prepared to initiate further measures if necessary.

Management has assessed a number of risk factors which could affect the milestone payments from Spectrum Pharmaceuticals. Topotarget is entitled to receive one million shares of common stock in Spectrum Pharmaceuticals and a double-digit million USD cash payment if Spectrum Pharmaceuticals receive FDA's acceptance to file the belinostat NDA. The CLN-19 study has met the study's primary endpoint and has shown a strong safety profile. Preparation to file in mid-2013 is being pursued according to Spectrum Pharmaceuticals. A delay of the NDA filing might have a negative impact on the projected cash flow. The main risk is of course if FDA does not accept the filing or requires additional data. In case of a delay, Topotarget believes that, subject to a cost reduction, it would be able to finance its activities until the beginning of 2014. Also, the Board of Directors is continuously considering to exercise its authority to carry out a directed issue of new shares corresponding to 10% of the shares.

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.

Capitalization of development costs

Capitalization of development costs requires that the development of the technology or the product in the company's opinion has been completed, that all necessary public registration approvals and marketing approvals have been obtained, that costs can be reliably measured and that the technology or the product can be commercialized and that the future income from the product can cover, not only production, sales and distribution costs and administrative expenses, but also development costs. As none of the company's products have obtained the status required for capitalization, no development costs had been capitalized at December 31, 2012.

Impairment test of acquired research and development projects

The value of acquired research and development projects recognized in the balance sheet as at December 31, 2012 consist of the belinostat program acquired in conjunction with the acquisition of Topotarget UK in 2002 and the buyback of full control of belinostat from the company´s former partner CuraGen in April 2008.

In the period, until a marketing approval has been obtained, the acquired research and development project is tested for impairment annually. After marketing approval has been obtained, an impairment test is performed only where events or other circumstances indicate that the carrying amount may not be recoverable.

Included in the factors taken into account when testing for impairment are, among other things, expected market size and penetration thereof, the costs of development, manufacture and sales and marketing, and the risk that development will not prove successful, all of which have an effect on the value of the amount recognized. Especially for projects in their early phases, such assumptions include high uncertainty.

Based on the impairment test performed, no write-down was made in 2012 (2011: DKK 0.0 million).

Notes

3. Revenue

	Group		Parent	
DKK '000	2012	2011	2012	2011
Sale of goods	-	-	1,750	6,411
Sale of services	1,645	2,436	1,645	2,436
License income/milestone payments	750	63,162	1,403	59,168
Total	**2,395**	**65,598**	**3,798**	**68,015**

4. Segment information

The Group's revenue is divided geographically as follows:

	Revenue	
DKK '000	2012	2011
Denmark	-	-
Europe	750	375
US	1,645	65,223
Total	**2,395**	**65,598**

Revenue to Spectrum Pharmaceuticals exceeds 10% of total revenue, 2012: 69% (2011: 82%).

The Group's assets and additions to acquired research and development projects plus other fixtures and fittings, tools, and equipment are divided geographically as follows:

	Assets		Additions to acquired research and development projects plus other fixtures and fittings, tools, and equipment	
DKK '000	2012	2011	2012	2011
Denmark	205,259	208,397	344	2,299
Europe	26,799	26,800	-	-
US	-	-	-	-
Total	**232,058**	**235,197**	**344**	**2,299**

Due to the divestiture of Totect® and Topotarget USA, Inc. in the end of 2011, the company no longer has segmented information as the only operation on-going in 2011 and beyond is development activities.

Notes

5. Depreciation, amortization, and impairment

	Group		Parent	
DKK '000	2012	2011	2012	2011
Acquired research and development projects	-	750	-	750
Other fixtures and fittings, tools and equipment	2,646	3,311	2,646	3,294
Gain/loss from sale of equipment	-	-	-	-
Total	**2,646**	**4,061**	**2,646**	**4,044**
Allocated by function:				
Research and development costs	929	1,128	929	1,112
Administrative expenses	1,717	2183	1,717	2182
Discontinued operations	-	750	-	750
Total	**2,646**	**4,061**	**2,646**	**4,044**

6. Staff costs

Wages and salaries	29,102	42,244	28,475	36,144
Share-based payments	536	3,505	535	3,144
Pension contributions, defined contribution plans	1,525	2,322	1,470	1,993
Other social security costs	291	661	214	261
Total	**31,454**	**48,732**	**30,694**	**41,542**
Allocated by function:				
Production cost	1,314	1,786	1,314	1,786
Research and development costs	17,039	23,386	16,278	23,257
Administrative expenses	13,101	16,514	13,102	16,499
Discontinued operations	-	7,046	-	-
Total	**31,454**	**48,732**	**30,694**	**41,542**
Remuneration to the Board of Directors*)	2,178	2,324	1,893	1,798
Remuneration to the Management*),**),***)	8,320	9,248	8,320	9,248
Average number of employees	**23**	**42**	**22**	**34**

*) Of this, share-based payments to the Board of Directors in 2012 equalled DKK 285,000 and DKK 186,000 in 2011.
**) Of this, share-based payments to the Management equalled DKK -1.194,000 in 2012 and DKK 1.715,000 in 2011.
***) The figure for 2012 includes compensation and severance payment to the former CEO and CMO of DKK 6,050,000.

For share-based payments please see Note 18.

Notes

7. Financial income

	Group		Parent	
DKK '000	2012	2011	2012	2011
Financial income from subsidiaries	-	-	3,193	9,130
Exchange rate adjustment of payables and receivables in foreign currencies	3,583	11,593	3,581	10,943
Financial income from securities and bank deposits	35	136	33	110
Other financial income	55	-	55	-
Total financial income	**3,673**	**11,729**	**6,862**	**20,183**

8. Financial expenses

Exchange rate adjustment of payables and receivables in foreign currencies	3,026	8,829	2,940	7,293
Amortization of debt concerning milestone payment	1,793	1,664	1,793	1,664
Other financial expenses	3	149	3	12
Total financial expences	**4,822**	**10,642**	**4,736**	**8,969**

Notes

9. Tax on loss for the year

	Group		Parent	
DKK '000	2012	2011	2012	2011
Current tax	(1,243)	(1,253)	(1,250)	-
Adjustment of deferred tax	-	-	-	-
Tax on loss for the year	**(1,243)**	**(1,253)**	**(1,250)**	-
Deferred tax asset, net	**261,070**	**238,041**	**130,607**	**113,989**
Deductible temporary differences are attributable to the following terms:				
Intangible assets	(168,137)	(137,454)	(145,822)	(116,164)
Property, plant, and equipment	32,297	29,514	22,435	19,902
Other temporary differences	(4,258)	(4,258)	(4,258)	(4,258)
Tax losses carried forward	1,122,373	1,004,350	650,073	556,475
Total	**982,275**	**892,152**	**522,428**	**455,955**
Tax asset, not recognised	**261,070**	**238,041**	**130,607**	**113,989**

It is believed that at the present time there is not sufficient evidence that or when the tax asset can be utilized. It is therefore believed that capitalization does not meet the requirement for recognition of assets in accordance with the accounting policies applied.

Of the consolidated loss to be carried forward, DKK 1,122 million, (2011: DKK 1,004 million), DKK 214 million (2011: DKK 197 million) is subject to foreign local restrictions with respect to application (source-of-loss restriction).

Reconciliation of the changes for the year:

Loss for the period before tax	**(81,267)**	**(34,264)**	**(81,267)**	**(33,011)**
Calculated tax	**(20,368)**	**(8,483)**	**(20,317)**	**(8,253)**
Changes in tax losses carried forward, not recognized	29,505	10,598	23,400	21,893
Changes in tax assets, not recognized	(12,829)	(6,754)	(6,782)	(19,531)
Other adjustments, not recognized	2,449	3,386	2,449	5,891
Total	**(1,243)**	**(1,253)**	**(1,250)**	-
Tax rate	(1.5%)	(3.7%)	(1.5%)	-

Notes

10. Discontinued operations

On December 29, 2011, Topotarget concluded the agreement to divest the subsidiary Topotarget USA, Inc., which was responsible for the sale of Totect® in the US. The decision to divest the US activity was taken in 2011 so that the main focus of the Parent Company – bringing belinostat to the market – could be continued.

The divestment was complete with effect from December 29, 2011 after which control of the activity was passed to the buyer Apricus Biosciences, Inc.

The sales price was agreed to USD 2.0 million of which Topotarget received common stock in Apricus Biosciences, Inc. equal to one million seven hundred thousand dollars on December 29, 2011 and on December 29, 2012 (the one-year anniversary of the Closing Date), Topotarget will receive common stock in Apricus Biosciences, Inc. equal to three hundred thousand dollars.

The result of the discontinued operations in 2012 relates to the final royalty income from Savene® and the closedown costs of Topotarget USA, Inc.

	Group	
DKK '000	2012	2011
Operating income for the period until transfer of control	1,617	(6,560)
Profit/(loss) on sale of net asset	(1,518)	2,561
Result from discontinued operations	**99**	**(3,999)**
Operating income for the period until the transfer of control can be specified as		
Revenue	2,153	12,536
Production cost	-	(5,579)
Gross profit	**2,153**	**6,957**
Sales and distribution costs	-	(13,056)
Administration costs	(536)	-
Profit from operations	**1,617**	**(6,099)**
Financial expenses/financial income	-	(461)
Profit/(loss) before tax	**1,617**	**(6,560)**
Tax for the period	-	-
Result	**1,617**	**(6,560)**

Notes

10. Discontinued operations – continued

	Group	
DKK '000	2012	2011
The discontinued operations in the financial year impacted the cash flow statement as:		
Cash flow from operating activities	1,617	(6,866)
Cash flow from investing activities	-	178
Cash flow from financing activities	-	-
Sales of the discontinued operations are as follows:		
Book value of net assets	**(9,768)**	**(6,559)**
	(9,768)	**(6,559)**
Net proceeds on sale less sales costs	8,250	9,120
Profit/(loss) on sale	**(1,518)**	**2,561**

11. Basic and diluted EPS in DKK

Basic EPS
Basic EPS is calculated as the net result of the period's continuing activities, attributed to the ordinary shares of the company divided by the weighted average number of ordinary shares.

Diluted EPS
Diluted EPS is calculated as the net result of the period's continuing activities, attributed to the ordinary shares of the company divided by the weighted average number of ordinary shares adjusted for assumed dilution effect of issued equity instruments like convertible debts and issued outstanding warrants which can be converted to ordinary shares.

As the result is a net loss, no adjustment for dilution effects has been made since these are anti-diluting.

Basic and diluted EPS are as follows:

	Group		Parent	
DKK '000	2012	2011	2012	2011
Loss for the year attributable to equity holder of the Parent	(80,116)	(29,012)	-	-
Weighted average number of ordinary outstanding shares	132,652,050	132,652,050	-	-
Basic and diluted EPS from continued operations	**(0.60)**	**(0.22)**	-	-
Loss for the year attributable to equity holder of the Parent	(80,116)	(29,012)	-	-
Weighted average number of ordinary outstanding shares	133,474,550	132,652,050	-	-
Fully diluted EPS from continued operations	**(0.60)**	**(0.22)**	-	-
Loss for the year attributable to equity holder of the Parent	(80,017)	(33,011)	(80,017)	(33,011)
Weighted average number of ordinary outstanding shares	132,652,050	132,652,050	132,652,050	132,652,050
Basic EPS from continued and discontinued operations	**(0.60)**	**(0.25)**	**(0.60)**	**(0.25)**
Loss for the year attributable to equity holder of the Parent	(80,017)	(30,011)	(80,017)	(33,011)
Weighted average number of ordinary outstanding shares	133,474,550	132,652,050	132,652,050	132,652,050
Fully diluted EPS from continued and discontinued operations	**(0.60)**	**(0.25)**	**(0.60)**	**(0.25)**

Notes

12. Intangible assets

	Group		Parent	
DKK '000	2012	2011	2012	2011
Acquired research and development projects still in progress				
Cost at January 1	533,791	535,570	214,027	215,806
Adjustment of acquisition value	(648)	(1,779)	(648)	(1,779)
Cost at December 31	**533,143**	**533,791**	**213,379**	**214,027**
Amortization at January 1	(304,241)	(304,241)	(11,275)	(11,275)
Amortization at December 31	**(304,241)**	**(304,241)**	**(11,275)**	**(11,275)**
Carrying amount at December 31	**228,902**	**229,550**	**202,104**	**202,752**
Acquired research and development projects available for use				
Cost at January 1	76	7,576	76	7,576
Disposals	(76)	(7,500)	(76)	(7,500)
Cost at December 31	**-**	**76**	**-**	**76**
Amortization at January 1	-	(3,188)	-	(3,188)
Amortization	-	(750)	-	(750)
Amortization regarding disposals for the year	-	3,938	-	3,938
Amortization at December 31	**-**	**-**	**-**	**-**
Carrying amount at December 31	**-**	**76**	**-**	**76**
Total acquired research and development projects	**228,902**	**229,626**	**202,104**	**202,828**
The weighted average residual term of licenses and rights (approx. number of years)	-	0.50	-	0.50

Impairment test of acquired research and development projects
The value of acquired research and development projects recognized in the balance sheet as at December 31, 2012 consists of the belinostat program acquired in conjunction with the acquisition of Topotarget UK in 2002 and in April 2008 in conjunction with the purchase from the former American partner to obtain the full control of this program.

In the period until a marketing approval has been obtained, the acquired research and development project is tested for impairment annually. After marketing approval has been obtained, an impairment test is performed only where events or other circumstances indicate that the carrying amount may not be recoverable.

Included in the factors taken into account when testing for impairment are, among other things, expected market size and penetration thereof, the costs of development, manufacture and sales and marketing, and the risk that development will not prove successful, all of which have an effect on the value of the amount recognized.

There was no down-writing in 2012.

Notes

13. Property plant and equipment

	Group		Parent	
DKK '000	2012	2011	2012	2011
Other fixtures and fittings, tools, and equipment				
Cost at January 1	17,930	16,286	26,150	24,506
Additions	344	2,299	344	2,299
Disposals	(847)	(655)	(847)	(655)
Cost at December 31	**17,427**	**17,930**	**25,647**	**26,150**
Depreciation at January 1	(12,968)	(10,295)	(21,189)	(18,533)
Depreciation	(2,646)	(3,311)	(2,646)	(3,294)
Depreciation regarding disposals for the year	842	639	842	638
Depreciation at December 31	**(14,772)**	**(12,967)**	**(22,993)**	**(21,189)**
Carrying amount at December 31	**2,655**	**4,963**	**2,654**	**4,961**

14. Non-current investments

Investments in subsidiary				
Cost at January 1			472,120	468,973
Adjustment of acquisition value			-	-
Addition through capital increase in subsidiary			596	3,147
Cost at December 31			**472,716**	**472,120**
Net impairment at January 1			(440,986)	(441,032)
Income/(loss) after tax from investments in subsidiaries			(9,083)	(19,946)
Negative equity transferred to set off against receivables from subsidiaries			4,370	19,992
Negative equity transferred to provisions related to subsidiaries			556	-
Net impairment at December 31			**(445,143)**	**(440,986)**
Value at December 31			**27,573**	**31,134**

Notes

14. Non-current investments – continued

	Ownership interest	Parent	
DKK '000		2012	2011
Investments in subsidiaries comprise:			
Name			
Topotarget UK Limited, England	100%	27,527	30,690
Topotarget Germany AG, Germany	100%	46	360
Topotarget Switzerland S.A., Switzerland	100%	(159,985)	(154,975)
Topotarget Netherlands B.V., The Netherlands	100%	-	84
Total equity		**(132,412)**	**(123,841)**
Negative equity transferred to set off against receivables from subsidiaries/debt to subsidiaries		159,985	154,975
Value at December 31		**27,573**	**31,134**
Receivables from subsidiaries			
Cost at January 1		222,449	229,062
Additions		2,754	20,176
Disposals		-	(26,789)
Cost at December 31		**225,203**	**222,449**
Net impairment at January 1		(222,429)	(202,437)
Negative equity transferred to set off against receivables from subsidiaries		(4,370)	(19,992)
Exchange adjustments etc.		1,651	-
Net impairment at December 31		**(225,148)**	**(222,429)**
Value at December 31		**55**	**20**

Notes

15. Trade receivables

	Group		Parent	
	2012	2011	2012	2011
Trade receivables	1,239	1,643	1,239	1,643
Total	**1,239**	**1,643**	**1,239**	**1,643**
The table below shows the due dates of trade receivables:				
Undue	986	268	986	268
Falling due within 90 days	178	1,375	178	1,375
Falling due after more than 90 days	75	-	75	-
Total	**1,239**	**1,643**	**1,239**	**1,643**

The average credit period for trade receivables is 117 days (2011: 73 days). The company is entitled to charge an interest of 5% per annum after the due date, which is 30 days from the invoice date. Provisions are made for losses based on any uncertainties at any given time. Management performs analyses on the basis of customer's expected ability to pay, historical information about payment patterns, doubtful debtors, customer concentrations, customer credit worthiness, and economic conditions in the company's sales channels.

16. Short-term securities

	Group		Parent	
DKK '000	2012	2011	2012	2011
Listed shares	-	9,768	-	9,768
Total	**-**	**9,768**	**-**	**9,768**
Current assets	-	9,768	-	9,768
Non-current assets	-	-	-	-
Total	**-**	**9,768**	**-**	**9,768**

17. Share capital

The share capital consists of 132,652,050 ordinary shares of DKK 1 each.

Each share carries one vote. The shares are fully paid.

Changes in share capital from 2008 to 2012:

	Date	Total DKK
Share capital	01.01.2008	61,304,510
Share issue through non-cash payment	07.05.2008	5,000,000
Share issue through rights issue	02.07.2009	66,304,510
Share issue through warrant exercise	12.04.2010	43,030
Share capital December 31, 2012		**132,652,050**

Notes

18. Warrants

For the purpose of motivating and retaining employees and other associated persons, the company has established stock option schemes in the form of warrants for members of the Board of Directors and employees/consultants as well as the company's advisors.The scheme is equity settled.

The table below shows the extent of the individual programs that are active in the financial year or the comparative year.

	Time of issue	Number of warrants***	Time of grant	Subscription period – two weeks after the release of interim and annual reports	Estimated fair value	Number exercised or expired	Out-standing warrants	Exercise price
DKK '000								
Program 1*	2001	1,652,320	Mar 26, 2003 or later	Aug 2004-2012 and Mar 2013	N/A	1,012,106	640,214	6.05
Program 2*	2003	1,226,976	Mar 26, 2003 or later	Aug 2004-2012 and Mar 2013	N/A	622,191	604,785	12.22
Program 3**	Mar 2005	622,501	Mar 11, 2005	Aug and Nov 2006, Mar, May, Aug and Nov 2007-2012 and Mar 2013	5,879	622,501	-	N/A
Program 4*	Sep 2005	793,364	Sep 16, 2005	Mar and Aug 2007-2012 and Mar 2013	7,281	238,218	555,146	17.53
Program 4*	Sep 2005	688,474	Sep 16, 2005	Mar and Aug 2008-2012 and Mar 2014	6,318	150,951	537,523	17.53
Program 5*	Oct 2006	299,486	Oct 4, 2006	Mar and Aug 2008-2013 and Mar 2014	3,707	59,571	239,915	23.80
Program 5*	Oct 2006	299,486	Oct 04, 2006	Mar and Aug 2009-2013 and Mar 2014	3,707	59,571	239,915	23.80
Program 5*	Oct 2006	598,972	Oct 04, 2006	Mar and Aug 2010-2013 and Mar 2014	7,414	126,702	472,270	23.80
Program 5*	Sep 2007	388,988	Sep 27, 2007	Mar and Aug 2009-2014 and Mar 2015	4,098	103,978	285,010	17.42
Program 5*	Sep 2007	388,988	Sep 27, 2007	Mar and Aug 2010-2014 and Mar 2015	4,098	108,108	280,880	17.42
Program 5*	Sep 2007	777,974	Sep 27, 2007	Mar and Aug 2011-2014 and Mar 2015	8,196	216,200	561,774	17.42
Program 5*	Jan 2009	438,041	Jan 30, 2009	Mar and Aug 2010-2015 and Mar 2015	1,028	154,056	283,985	3.20
Program 5*	Jan 2009	438,041	Jan 30, 2009	Mar and Aug 2011-2015 and Mar 2015	1,028	112,750	325,291	3.20
Program 5	Jan 2009	876,083	Jan 30, 2009	Mar and Aug 2012-2015 and Mar 2015	2,056	225,476	650,607	3.20
Program 5	Mar 2010	35,688	Mar 26, 2010	Mar and Aug 2011-2017 and Mar 2018	148	35,688	-	5.26
Program 5	Mar 2010	35,688	Mar 26, 2010	Mar and Aug 2012-2017 and Mar 2018	148	35,688	-	5.26
Program 5	Mar 2010	71,374	Mar 26, 2010	Mar and Aug 2013-2017 and Mar 2018	295	71,374	-	5.26
Program 5	Jul 2010	398,062	Jul 9, 2010	Aug 2011, Mar and Aug 2012-2017 and Mar 2018	1,063	193,687	204,375	3.40
Program 5	Jul 2010	398,062	Jul 9, 2010	Aug 2012, Mar and Aug 2013-2017 and Mar 2018	1,063	193,687	204,375	3.40
Program 5	Jul 2010	796,125	Jul 9, 2010	Aug 2013, Mar and Aug 2014-2017 and Mar 2018	2,126	387,375	408,750	3.40
Program 5	Dec 2010	63,750	Dec 30, 2010	Mar and Aug 2012-2017 and Mar 2018	154	-	63,750	3.24
Program 5	Dec 2010	63,750	Dec 30, 2010	Mar and Aug 2013-2017 and Mar 2018	154	-	63,750	3.24
Program 5	Dec 2010	127,500	Dec 30, 2010	Mar and Aug 2014-2017 and Mar 2018	307	-	127,500	3.24
Program 5	Feb 2011	22,500	Feb 8, 2011	Mar and Aug 2012-2018	55	-	22,500	3.20
Program 5	Feb 2011	22,500	Feb 8, 2011	Mar and Aug 2013-2018	55	-	22,500	3.20
Program 5	Feb 2011	45,000	Feb 8, 2011	Mar and Aug 2014-2018	110	-	45,000	3.20
Program 5	Jul 2011	397,500	Jul 1, 2011	Aug 2012, Mar and Aug 2013-2018, and Mar 2019	609	204,375	193,125	2.02
Program 5	Jul 2011	397,500	Jul 1, 2011	Aug 2013, Mar and Aug 2014-2018, and Mar 2019	609	204,375	193,125	2.02
Program 5	Jul 2011	795,000	Jul 1, 2011	Aug 2014, Mar and Aug 2015-2018, and Mar 2019	1,218	408,750	386,250	2.02
Program 5	Oct 2011	12,500	Oct 27, 2011	Mar and Aug 2013-2018 and Mar 2019	16	-	12,500	1.90
Program 5	Oct 2011	12,500	Oct 27, 2011	Mar and Aug 2014-2018 and Mar 2019	16	-	12,500	1.90
Program 5	Oct 2011	25,000	Oct 27, 2011	Mar and Aug 2015-2018 and Mar 2019	33	-	25,000	1.90
Program 5	May 2012	256,250	May 1, 2012	Aug 2013, Mar and Aug 2014-2019, and Mar 2020	487	50,000	206,250	2.75
Program 5	May 2012	256,250	May 1, 2012	Aug 2014, Mar and Aug 2015-2019, and Mar 2020	487	50,000	206,250	2.75
Program 5	May 2012	512,500	May 1, 2012	Aug 2015, Mar and Aug 2016-2019, and Mar 2020	974	100,000	412,500	2.75
Programs total					**64,937**	**5,747,378**	**8,487,315**	

Notes

18. Warrants – contintued

Under the programs, each warrant entitles the holder to subscribe for one share against cash payment of the exercise price, as illustrated in the above table. The warrant program is conditional upon the warrant holder being employed with or acting as a consultant to the company or being a member of the company's Board of Directors. Warrants subsequently vest after 12 months for 25% of the allocated warrants, after 24 months for another 25% of the allocated warrants, and the remaining 50% of the allocated warrants vest after 36 months. If an employee/consultant/board member resigns, the person in question is obliged to exercise the vested warrants in the first coming exercise period after the date of resignation.

In the event that a decision is made to liquidate the company, to merge or demerge the company, or to reduce the share capital through a subsequent disbursement, the warrant owners are entitled to exercise their warrants within 14 days.

The estimated values of warrants issued in 2012, 2011, 2010, 2009, 2007, 2006, and 2005 are calculated using the Black & Scholes model. The value is expensed in the income statement during the period in which the warrants are vested.

The following assumptions provide the basis for the estimated fair values:

	Granted May 2, 2012	Granted Jul 1, 2011	Granted Oct 28, 2011
Exercise price (DKK per share)	2.75	2.02	1.9
Grant date's share price (DKK per share)	1.9	1.53	1.3
Expected volatility (%)	75	84	72.1
Risk-free interest rate (%)	1.25	3	2.05
Expected dividend payout ratio (%)	-	-	-
Period until expiry (number of years)	7	7	7

The expected volatility was calculated based on historic volatility of the share price of the Parent Company's shares during the period from the IPO in June 2005.

Period until expiry is calculated on the basis of the most recent potential exercise of the warrant adjusted for expected termination of employment and other causes of non-exercise of the warrants.

Notes

18. Warrants – contintued

	Number of warrants	Weighted average exercised prices	Number of warrants	Weighted average excercised prices
	2012	2012	2011	2011
Out standing warrants January 1,	9,300,575	9.40	7,798,325	7.6
Granted in the financial year	1,025,000	2.75	1,732,250	2.0
Exercised in the financial year	-	-	-	-
Expired in the financial year	(1,838,260)	2.90	(230,000)	-
Outstanding warrants December 31	**8,487,315**	**9.97**	**9,300,575**	**9.7**
Hereof outstanding vested warrants December 31	**6,441,690**	**12.27**	**5,919,864**	**-**

The weighted average of the remaining contractual maturity was three years at December 31, 2012 and three years at December 31, 2011.

There were no warrants exercised in 2012 and 2011.

The above assumptions were applied in connection with the calculation of the fair value of the warrants being vested.

The following values were recognized for the programs:

	Group		Parent	
DKK '000	2012	2011	2012	2011
Recognized share-based payment, equity schemes	535	3,521	535	3,521
	535	**3,521**	**535**	**3,521**

Notes

19. Financial instruments

Capital risk management

It is Group policy to minimize financial risks. The company does not use hedging transactions. Management carefully assesses and monitors the company's currency and interest rate exposure.

The Group manages its capital with a view to ensuring at all times that all Group entities can meet their payment obligations and give investors the best possible return on their investment through the best possible ratio of debt to equity. The Group's overall strategy is primarily focused on belinostat.

The Group's capital structure is composed of debt, as appears from the liabilities stated in the balance sheet, with the exception of deferred tax, cash and cash equivalents, and securities and equity, comprising both share capital, reserves, and retained losses.

The carrying amount of financial assets and financial liabilities equals the fair value of such assets and liabilities.

Cash and cash equivalents

The company is a development-stage company generating income in 2012 from the sale of goods and from the sale of services. The company has a net cash outflow.

The Group's management regularly reviews the company's capital structure and, in this respect, takes into account both the price of capital and the risk related to the capital.

The company has cash and cash equivalents to fund the day-to-day cash requirements of the business. Cash and cash equivalents amounted to DKK 41.5 million at December 31, 2012 (2011: DKK 114.3 million).

With regard to deposits, the company's bank has a credit rating of Baa1 according to Moody's.

Significant accounting policies

Note 2 to the financial statements sets out the significant accounting policies and the methods applied, including policies on recognition and measurement.

Financial instrument categories

The carrying amount of each financial asset and liability is recognized in the balance sheet. The company's financial assets include receivables, while its financial liabilities include current and non-current liabilities exclusive of deferred tax.

Financial risk management areas

The company monitors and reports on financial risk areas, including movements in exchange rates, interest rates, and liquidity. The company does not use financial hedging instruments. No changes were made to the Group's risk exposure or to the way in which risks are monitored compared to 2011.

Risk management – interest rates

The company is exposed to interest rate risk on marketable securities and cash on the asset side and to lease obligations and short-term loans on the liabilities side.

In its management reporting, the company quantifies the interest rate risk by calculating a change in financial results and equity in case of a 50 basis point change in interest rates. Such a change is considered to be within a likely range. The company's interest rate exposure at December 31 is stated below:

	Group		Parent	
DKK '000	2012	2011	2012	2011
Cash – demand deposit	41,460	114,302	39,795	106,881
Average interest	0.03%	0.30%	0.03%	0.30%
Total cash	**41,460**	**114,302**	**39,795**	**106,881**
Inter-company balances	-	-	155,174	155,165
Average interest	-	-	5.00%	6.00%
In case of a 50 basis point change in nominal interest rates, results and equity would be impacted by	6	150	6	150

Intercompany balances are written down to nil. The interest exposure is believed to be insignificant compared to the Group's overall operations.

Notes

19. Financial instruments – continued

Risk management – exchange rates
It is company policy to monitor exchange rate developments and, to the extent possible, to even out income and expenses in the same currency in order to reduce the overall exposure.

The company is primarily exposed to exchange rate fluctuations with respect to two areas. One of these areas represents the strategic investment in subsidiaries, while the other area relates to the company's on-going short-term activities.

		Group		Parent	
DKK '000		2012	2011	2012	2011
The company's exposure in foreign currencies at December 31 are stated below:					
Currency	**Payment/expiry**				
Receivables:					
GBP	0-12 months	33	-	33	4
USD	0-12 months	2,440	9,196	2,440	9,196
EUR	0-12 months	136	778	126	798
CHF	0-12 months	182	-	178	-
Total receivables		**2,791**	**9,974**	**2,777**	**9,998**
Payables:					
GBP	0-12 months	271	1,952	73	87
USD	0-12 months	11,396	5,938	11,396	5,938
USD	More than 12 months	3,212	13,585	3,212	13,585
EUR	0-12 months	1,836	3198	1,428	2841
SEK	0-12 months	143	-	143	-
CHF	0-12 months	1,139	1,312	528	361
Total payables		**17,997**	**25,985**	**16,780**	**22,812**

Notes

19. Financial instruments – continued

GBP, USD, EUR, and CHF are the currencies that have the greatest impact on results and equity and, accordingly, these are the currencies reported on in-house reports to the management. Management believes that the most likely fluctuations in these currencies are restricted to a 10% range. A 10% change upwards or downwards in the exchange rate at December 31 will have the following numerical impact on results and equity figures:

	Group		Parent	
DKK '000	2012	2011	2012	2011
GBP	389	195	63	8
USD	1,196	1,033	1,196	1,033
EUR	915	242	595	204
SEK	50	-	50	-
CHF	360	131	11	2

The exchange rate exposure is believed to be insignificant compared to the Group's overall operations.

Credit risk management
The company no longer has sales activities and therefore finds that there is no material credit risk.

Liquidity risk management
The Board of Directors is ultimately responsible for the company's risk management. The Board of Directors has defined appropriate limits for how the company may procure adequate liquidity in the long term and in the short term to cover its on-going activities.

The company regularly monitors the liquidity requirements through renewed calculation of expected cash flow based on the cash flow realized.

In relation to "going concern", specifically for the financial year 2013, please refer to Note 2 "Significant accounting assumptions and estimates".

All receivables and payables recognized in the balance sheet fall due within 12 months except the conditioned liabilities in relation to belinostat.

Other obligations falling due after 12 months are listed in Note 20.

20. Other financial assets and other financial liabilities

Included in the current and non-current liabilities is the potential milestone payment of USD 3.0 million to CuraGen (2011: USD 3.0 million) in relation to the purchase of the full belinostat rights in April 2008. These are measured at present value.

The carrying amount of receivables and other current liabilities are measured at amortized cost.

Notes

21. Other commitments

	Group		Parent	
DKK '000	2012	2011	2012	2011
A rent agreement has been concluded with notice of termination of six months equivalent to	1,127	2,596	1,103	1,528
Other lease contracts	-	-	-	-
Lease commitment, operational lease	64	131	64	131
Total	**1,191**	**2,727**	**1,167**	**1,659**
Other obligations are due as follows:				
Up to one year	1,191	2,667	1,167	1,599
One to five years	-	60	-	60
Total	**1,191**	**2,727**	**1,167**	**1,659**

The Parent has an obligation to finance Topotarget Switzerland S.A.'s activities for a period of 12 months from the balance sheet date.

An agreement has been made with an investment bank and certain members of management regarding remuneration upon a potential succesful sale of the majority of the company shares. The remuneration of management is mentioned in Note 22.

Notes

22. Related parties

Related parties include the following:

Group and Parent:

Shareholders
HealthCap funds, Stockholm, cf. Note 24
2012: No transactions
2011: No transactions

The company's Board of Directors and senior management
2012: Remuneration and salaries, cf. Note 6
2012: Shares and warrants, see section on the Board of Directors
2011: Remuneration and salaries, cf. Note 6
2011: Shares and warrants, see section on the Board of Directors

Orfacare Consulting, a company related to the Chairman of the Board, provides consultation regarding a potential sale of the majority of the company shares. Both Orfacare and Topotarget's CEO are entitled to receive compensation upon completion of a successful transfer of shares. The compensation for each party is calculated on a percentage of the value increase for the shareholders in a transfer of shares and it is capped at DKK 15 million each.

Other related parties
2012: Related parties to the Board of Directors and the executive management have received remuneration of TDKK 175 and warrants of TDKK 0.
2011: Related parties to the Board of Directors and the executive management have received remuneration of TDKK 715 and warrants of TDKK 0.

For the Parent Company:

The subsidiary Topotarget UK Limited
2012: Intra-Group balance of TDKK 33 and interest on the intra-Group balance of TDKK 4
2011: Intra-Group balance of TDKK 4 and interest on the intra-Group balance of TDKK 78

The subsidiary Topotarget Germany AG
2012: Intra-Group balance of TDKK 22 and interest on the intra-Group balance of TDKK 1
2011: Intra-Group balance of TDKK 20 and interest on the intra-Group balance of TDKK 1

The subsidiary Topotarget USA, Inc.
2012: Intra-Group balance of TDKK 0 and interest on the intra-Group balance of TDKK 0
2011: Intra-Group balance of TDKK 0 and interest on the intra-Group balance of TDKK 5,763

The subsidiary Topotarget Switzerland S.A.
2012: Intra-Group balance of TDKK 159,428 and interest on the intra-Group balance of TDKK 3,196
2011: Intra-Group balance of TDKK 155,150 and interest on the intra-Group balance of TDKK 2,826

The subsidiary Topotarget Netherlands B.V.
2012: Intra-Group balance of TDKK 0 and interest on the intra-Group balance of TDKK 0
2011: Intra-Group balance of TDKK (18) and interest on the intra-Group balance of TDKK 1

Movements in intercompany balances all consist of transfer of cash to finance activities in subsidiaries.

Notes

23. Ownership

As per December 31, 2012 the following shareholder holds more than 5% of the company's share capital:

- HealthCap funds 13.01%

The HealthCap funds that hold stocks in the Company are: HealthCap 1999 KB, HealthCapKB, HealthCap 1999 GbR, HealthCap III Sidefund KB, OFCO Club III Sidefund, HealthCap IV LP, HealthCap IV BisLP, HealthCap IV KB, OFCO Club 1999, and OFCO Club IV

24. Working capital changes

	Group		Parent	
DKK '000	2012	2011	2012	2011
Changes in current assets	7,040	6,865	7,019	5,401
Changes in current liabilities	(13,080)	(65,323)	(11,385)	(54,436)
Total	**(6,040)**	**(58,458)**	**(4,366)**	**(49,035)**

25. Non-cash transactions

The company has had no non-cash transactions during 2012 and 2011.

26. Proceeds from capital increases

There have been no transactions in 2012 and 2011.

27. Fees to auditors appointed at the annual general meeting

	Group		Parent	
DKK '000	2012	2011	2012	2011
Statutory audit services	402	415	340	340
Other assurence engagements	20	20	20	20
Tax services	-	-	-	-
Other services	707	1,017	698	974
Total	**1,129**	**1,452**	**1,058**	**1334**

28. Approval of annual report for publication

On the board meeting on March 13, 2013, the Board of Directors has approved the present annual report for publication. The annual report will be presented to the Topotarget's shareholders for approval at the annual general meeting on April 10, 2013.

Notes

29. Accounting policies

The consolidated financial statements are presented in accordance with International Financial Reporting Standards as adopted by the EU, and the Parent financial statements are presented in accordance with the Danish Financial Statements Act. Further, the annual report is prepared in accordance with additional Danish disclosure requirements for listed companies.

In addition to the description in Notes 1 and 2, the accounting policies are as described in the following.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company and Group enterprises in which the Parent Company is entitled to determine finance and operating policies, which normally applies for ownership interests of more than half of the voting rights.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent Company and its subsidiaries. The consolidated financial statements are prepared by adding items of a uniform nature. On consolidation, intra-Group income and expenses, intra-Group accounts, dividends as well as gains, and losses on transactions between the consolidated enterprises are eliminated.

The financial statements used for consolidation are prepared in accordance with the Group's accounting policies. Acquisitions of subsidiaries are accounted for using the purchase method. Costs related to an acquisition are measured at the fair value of remuneration in the form of assets, the equity instruments granted, and the liability incurred at the date of acquisition with the addition of costs directly connected to the takeover. From January 1, 2010, costs are recognized in the income statement.

Acquired identifiable assets, liabilities, and contingent liabilities in a business combination are measured on initial recognition at fair value at the acquisition date. Identifiable intangible assets are recognized if they can be separated or arise from a contractual right and the fair value can be reliably measured. Positive differences between cost and fair value of the Group's share of the identifiable net assets are recognized as goodwill.

Newly acquired subsidiaries are consolidated at the time when the controlling influence is established in the Group.

Recognition and measurement

The items included in the financial statements of each entity of the Group are measured by using the currency that best reflects the economic substance of the underlying events and conditions applicable for the entity in question. The financial statements are presented in Danish Kroner (DKK), the Parent Company's and the subsidiaries' functional currency.

On initial recognition, assets and liabilities are measured at cost. Revenue and costs, assets and liabilities are subsequently measured as described below.

The preparation of financial statements assumes the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the Group and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when the Group has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Group, and the value of the liabilities can be measured reliably.

Recognition and measurement take into consideration anticipated gains, losses, and risks that arise before the time of adoption of the annual report and that confirm or invalidate matters and conditions existing at the balance sheet date.

Income is recognized in the income statement as and when earned, whereas expenses are recognized as incurred. Value adjustments of financial assets and liabilities are recognized in the income statement as financial income or financial expenses.

Foreign currency translation

On initial recognition, transactions denominated in foreign currency are translated at the exchange rate ruling on the transaction date. Receivables, payables, and other monetary items denominated in foreign currencies that have not been settled on the balance sheet date are translated at the exchange rates ruling at the balance sheet date. Exchange differences between the exchange rate at the date of the transaction and the exchange rate at the date of payment or the balance sheet date, respectively, are recognized in the income statement as financial income or financial expenses.

On recognition in the consolidated financial statements of foreign subsidiaries in which Danish kroner (DKK) is the functional currency but which present their financial statements in another currency, monetary assets, and monetary liabilities are translated at the exchange rate at the balance sheet date. Non-monetary assets and liabilities measured based on historical cost are translated at the exchange rate at the transaction date. Non-monetary assets and liabilities measured at fair value are translated at the exchange rates at the most recent date of fair value adjustment.

Income statement items are translated at average monthly exchange rates, except for items derived from non-monetary assets and liabilities, which are translated at historical rates for the non-monetary assets and liabilities.

Notes

Income statement

Revenue

The revenue is comprised of milestone payments and other income from research and development agreements. Revenue is recognized when it is probable that future economic benefits will flow to the company and such economic benefits can be measured reliably. 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 and services included in the transaction have been transferred to the buyer. If all risks and benefits have not been transferred, the revenue is recognized as deferred income until all components in the transaction have been completed.

Production costs

Production costs comprise costs incurred to generate the revenue. Production costs are comprised of salaries, contributions to pension schemes, costs of share-based payments, and other costs including depreciation, impairment write-down, and amortization attributable to the Group's production activities.

Research and development costs

Research costs comprise salaries, contributions to pension schemes, costs of share-based payments, and other costs, including patent costs, as well as depreciation and amortization attributable to the Group's research activities. Research costs are recognized in the income statement as incurred.

Development costs comprise salaries, contributions to pension schemes, costs of share-based payments, and other costs, including depreciation and amortization attributable to the Group's development activities. Capitalization assumes that the development of the technology or the product in the Group's opinion has been completed, that all necessary public registration and marketing approvals have been obtained, and that costs can be reliably measured. Furthermore, it has to be established that the technology or the product can be commercialized and that the future income from the product can cover, not only production costs, sales, and distribution costs and administrative expenses, but also development costs.

Development costs are recognized in the income statement as incurred if the conditions for capitalization of the development costs are deemed not to be met. Research and development costs also comprise any impairment write-down on acquired research and development projects made before the time when the project is available for use.

Sales and distribution costs

Sales and distribution costs comprise costs incurred for the distribution of goods sold and for sales campaigns, including salaries, contributions to pension schemes for sales and distribution staff, office expenses and depreciation, and other indirect costs.

Administrative expenses

Administrative expenses comprise salaries, contributions to pension schemes to the management and administrative functions, office supplies as well as depreciation and amortization, and other indirect costs.

Financial income and expenses

These items comprise interest income and expenses, interest on capitalized milestone payments, the interest element of finance lease payments, realized gains and losses on marketable securities and realized and unrealized gains and losses on payables and transactions in foreign currencies.

Income taxes

Tax for the year, consisting of the year's current tax and movements in deferred tax, is recognized in the income statement as regards the amount that can be attributed to the profit/(loss) for the year and posted directly in equity as regards the amount that can be attributed to movements taken directly to equity. Current tax payable or receivable is recognized in the balance sheet as calculated tax on the taxable income for the year adjusted for prepaid tax.

The deferred tax charge is recognized and measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax values of assets and liabilities. The tax value of the assets is calculated based on the planned use of each asset.

Deferred tax is measured based on the tax rules and rates in the respective countries that will apply under the legislation in force on the balance sheet date when the deferred tax asset is expected to crystallize as current tax. Changes in deferred tax resulting from changes in tax rates are recognized in the income statement.

Deferred tax assets, including the tax value of tax loss carry-forwards, are recognized at the value at which they are expected to be realized, either through a set-off against deferred tax liabilities or as net assets.

Deferred tax assets and liabilities are not recognized if the temporary difference arises on initial recognition (in cases other than in connection with a business combination) of other assets and liabilities in a transaction not affecting the results for tax or accounting purposes.

Provision is made for tax on temporary differences arising on investments in subsidiaries, unless the Group can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future.

Discontinued operations

Discontinued operations are business areas that have been sold. Subsidiaries, which alone are for resale, are considered to be a discontinued operation.

The results of discontinued operations are presented in the income statement as a separate note (Note 10), which consists of operating profit after tax with respect to that activity and any gains or losses from fair value adjustment or sale of assets and liabilities associated with the activity.

Notes

Non-current assets and groups of assets held for sale are presented separately in the balance sheet as current assets. Liabilities directly associated with those assets are presented as current liabilities in the balance.

Non-current assets held for sale are not amortized, but are written down to fair value less costs to sell if this value is lower than the carrying value.

Segment reporting
In 2012, the company only has one segment of activity: Research and development. As only one segment is operated, there is no need for a separate note on segment reporting.

The reason for the company only having one segment of activity in 2012 is due to the discontinued operations, that of Totect®/Savene®, at the end of 2011.

The Group does not allocate assets and liabilities to the segments.

Share-based payment
All warrants granted after January 1, 2005 are equity instruments that are measured at fair value at the date of grant. Where warrants are included as part of an acquisition price of a subsidiary, the value of the equity instrument is recognized together with the remaining cost and the balancing item is taken directly to equity to the reserve for share-based payment. Where warrants are issued as incentive programs, the compensation cost is charged to the income statement over the period when the warrants vest. The expense is allocated to production costs, research and development costs, sales and distribution costs, and administrative expenses, and the balancing item is taken directly to equity to the reserve for share-based payment.

The fair value is calculated using the Black & Scholes model, taking into consideration the anticipated exercise of the warrants granted. On each balance sheet date, Topotarget estimates the anticipated number of warrants that will vest. Any change to the original estimates of number of warrants will result in a change of the expensed cost over the remaining vesting period. Prior year changes are recognized in the income statement in the year in which the change is identified.

Balance sheet

Goodwill
Goodwill is the amount at which the cost of an enterprise taken over exceeds the fair value of the Group's share of the net assets acquired at the time of the takeover.

Goodwill is tested for impairment at every balance sheet date. In the event of an impairment loss, the carrying amount of the goodwill is written down to the recoverable amount. Write-downs are recognized in the income statement.

Acquired research and development projects
Costs of acquiring research and development projects are measured at cost price and recognized as intangible assets. The assets are amortized over their expected economic lives from the time when the project is ready for use (marketing approvals have been obtained). In the period until a marketing approval has been obtained, the acquired research and development project is tested for impairment annually. After marketing approval has been obtained, an impairment test is performed when events or other circumstances indicate that the carrying amount may not be recoverable.

Property, plant, and equipment
Other fixtures and fittings, tools and equipment as well as assets held under finance leases are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time it is ready to be put into operation. In the case of assets produced in-house, costs comprise direct and indirect costs for materials, components, third-party suppliers, and labor. The cost price of assets held under finance leases is determined as the lower of the present value of future lease payments and the fair value.

The basis for depreciation is cost less estimated residual value after the end of useful life. The expected residual value is re-assessed every year. The assets are depreciated on a straight-line basis over their useful lives, which are four to ten years.

Impairment of non-current assets
In the period until a marketing approval has been obtained, the acquired research and development project is tested for impairment annually. After marketing approval has been obtained, an impairment test is performed when events or other circumstances indicate that the carrying amount may not be recoverable.

The carrying amount of other intangible assets, property, plant, and equipment as well as non-current asset investments is reviewed for impairment when events or changed conditions indicate that the carrying amount may not be recoverable. Where such an indication exists, an impairment test is made. An impairment loss is recognized in the amount by which the carrying amount exceeds the recoverable amount of the asset, which is the higher of the net present value and the net selling price. In order to assess the impairment, the assets are grouped on the least identifiable group of assets that generates cash flow (cash-generating units). Impairment losses are recognized in the income statement under the same items as the associated depreciation or amortization.

Investments in subsidiaries (Parent Company)
Investments in subsidiaries are recognized and measured according to the equity method. This means that the investments are measured at the proportionate share of the companies' equity value after addition or deduction of any unamortized positive or negative goodwill, respectively, and after deduction or addition of unrealized intra-Group gains and losses.

Notes

The Parent Company's share of the subsidiaries' profits or losses after tax and after elimination of unrealized intra-Group gains and losses and with the deduction or addition of amortization of positive, or negative, goodwill is recognized in the income statement.

Subsidiaries with a negative net asset value are recognized at DKK nil, and any receivable amount from these companies is written down to the extent it is deemed to be irrecoverable. Where the negative net asset value exceeds the amount receivable, the residual amount is recognized under provisions to the extent that the Parent Company has a legal or constructive obligation to cover the relevant company's obligations.

Net revaluation of investments in subsidiaries is transferred in connection with appropriation of the profit/(loss) for the year to the reserve for net revaluation according to the equity method.

Acquisitions of subsidiaries are accounted for using the purchase method. See above under consolidated financial statements.

Financial assets

The Group and the Parent Company classify their financial assets in the following categories:

- Loans and receivables
- Available-for-sale financial assets

Financial assets are classified according to the purpose of the acquisition. Management determines the classification on initial recognition and reevaluates this designation at every reporting date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. In the balance sheet, they are classified as trade receivables, other receivables, and as loans.

Available-for-sale financial assets are non-derivative financial assets and are designated as short-term securities in the balance sheet.

Trade receivables

On initial recognition, trade receivables are measured at fair value and subsequently measured at amortized cost according to the effective interest method less provision for impairment based on an individual assessment.

Other receivables

On initial recognition, other receivables are measured at fair value and subsequently measured at amortized cost according to the effective interest method less write-downs for losses.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at amortized cost, which usually corresponds to the nominal value.

Short-term securities

The securities are easily negotiable in the established markets. Short-term securities are classified as "available for sale". Fair value equals the market price. Upon a sale, cost is measured according to the FIFO principle. Realized gains and losses (including realized exchange rate gains and losses) are recognized in the income statement as financial items. Unrealized gains and losses (including unrealized exchange rate gains and losses) are recognized directly in equity. Transactions are recognized on the trade date.

Cash and cash equivalents

Cash comprises cash holdings and bank deposits with an insignificant price risk. Cash is measured at fair value.

Equity

The share capital comprises the nominal value of the company's ordinary shares, each with a nominal value of DKK 1.

Retained earnings include amounts paid as premium compared to the nominal value of the shares in connection with the company's capital increases less external expenses, which are directly attributable to the increases of capital. The amount also includes unrealized gains and losses (including unrealized exchange rate gains and losses).

The reserve for share-based payment includes the value of recognized warrant programs measured at the fair value at the time of grant and subsequent value adjustments.

The buying and selling of own shares are recognized directly in equity. Own shares are therefore not recognized separately in the balance sheet.

Provisions

Provisions are recognized when the Group has a legal or constructive obligation as a result of a prior event on or before the balance sheet date, and it is probable that the company has to give up future economic benefits in order to repay the obligation. The provisions are measured according to an assessment of the costs required in order to repay the present obligation at the balance sheet date. Provisions which are not expected to be repaid within a year from the balance sheet date are measured at present value.

Lease commitments

Lease commitments relating to assets held under operating leases are recognized in the income statement over the terms of the contracts. Lease payments are recognized either in production costs, research and development costs, sales and distribution costs, or administrative expenses, depending on the use of the asset.

Financial liabilities

Financial liabilities, including trade payables and other payables, are initially measured at fair value. In subsequent periods, financial liabilities are measured at amortized cost, applying the effective interest method, to the effect that the difference between the proceeds and the nominal value is recognized in the income statement as financial expenses over the term of the loan.

Deferred income

The item reflects the part of revenue that has not been recognized as income immediately on receipt of payment and which

Notes

concerns agreements with multiple components which cannot be separated.

Cash flow statement

The cash flow statement of the Parent Company and the Group is presented using the indirect method and shows cash flow from operating, investing, and financing activities as well as the Group's cash and cash equivalents at the beginning and the end of the financial year.

Cash flow from operating activities is calculated as the operating profit/(loss) adjusted for non-cash operating items, working capital changes, and income taxes as well as interest paid.

Cash flows from investing activities comprises payments in connection with acquisition and divestment of enterprises and activities as well as purchase and sale of intangible assets, property, plant, and equipment as well as non-current investments.

Cash flow from financing activities comprises changes in the size or composition of the Parent Company's and the Group's share capital and related costs as well as the raising of loans, installments on interest-bearing debt, and payment of dividends.

Cash and cash equivalents comprise cash, deposits in financial institutions, liquid securities with terms of three months or less at the date of acquisition, less short-term bank debt that forms an integral part of the Group's cash management activities.

Financial highlights and key ratios

The financial ratios have been calculated in accordance with "Recommendations & Ratios 2010", issued by the Danish Society of Financial Analysts, as set out below:

Earnings per share before tax

Earnings per share is calculated as the net profit or loss divided by the weighted average number of outstanding ordinary shares.

Diluted earnings per share

Diluted earnings per share are calculated as the net profit or loss divided by the average number of outstanding ordinary shares adjusted for the diluting effect of issued equity instruments.

Share price at year-end

The year-end share price is determined as the average trading price (all trades) of the company's shares on the NASDAQ OMX Copenhagen stock exchange at the balance sheet date or at the most recent trading date prior to the balance sheet date.

Assets/equity

Total assets at the balance sheet date divided by total equity at the balance sheet date.

Net asset value per share

Net asset value per share is calculated as total equity at the balance sheet date divided by the number of outstanding ordinary shares at the balance sheet date.

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Annual report
2013

topotarget

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Letter from the CEO

2013 has been a year of progress and prosperity for Topotarget.

After years of hard work, we succeeded in filing a New Drug Application (NDA) for belinostat (Beleodaq™) for the treatment of peripheral T-cell lymphoma (PTCL) in the USA together with our partner Spectrum Pharmaceuticals. In February 2014, the US Food and Drug Administration (FDA) gave acceptance to file and rewarded belinostat with Priority Review. Upon acceptance to file, we received a milestone payment of USD 10 million and 1 million shares, with a current value of approximately USD 8 million, from Spectrum Pharmaceuticals.

We now eagerly await the potential NDA approval, which we anticipate by August 9, 2014. If the NDA is approved, a milestone payment of USD 25 million to Topotarget is triggered. Upon an approval, we will moreover be eligible to receive potential royalty payments and sales milestones going forward.

In October 2013, we made an amendment to the existing license agreement with Spectrum Pharmaceuticals, transferring the worldwide commercial supply to our partner. Spectrum Pharmaceuticals now carries the responsibility for the future manufacture of belinostat for all geographic areas. The agreement runs for five years with the possibility of extension; alternatively Topotarget may choose to take over the responsibility of the manufacture of belinostat in Topotarget's territory. In making this shift, we have prepared ourselves for a potential sales introduction of belinostat (Beleodaq) in 2014.

All in all, this brings us into a very favorable financial situation already from the beginning of 2014, which is also reflected in our financial outlook.

As a part of the previously announced strategic review, the Board of Directors and Management are now pleased to present an updated vision, mission, and strategy. This strategy will enable the company to move forward; beyond belinostat in the USA.

Updated strategy

In order to further obtain our goal of aiding cancer patients, Topotarget will:

1. Explore belinostat opportunities
Leverage our successful development of belinostat by exploring the compound in other rare cancer diseases within hematology and solid tumors, per example: hepatocellular cancer (HCC), myelodysplastic syndrome (MDS), acute myeloid leukemia (AML), and malignant thymoma.

2. Prepare for commercialization
Build a lean, flexible, and targeted force of medical liaisons, supplemented with competences covering business development and strategy, market access, know-how, etc.

3. Pursue new product opportunities
Seek collaborations with companies with late-stage innovative orphan oncology projects.

4. Strategic development
Actively pursue potential M&A activities with companies who share our vision, thereby being able to utilize synergies and progress faster in order to achieve the vision.

A more detailed description of the strategy and the rationale behind it can be found on page 4.

Financial outlook

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 approximately 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 and potential royalty payments is not included in this financial outlook.

Looking forward

We are facing an exciting and busy 2014. We aspire to reach the US market with belinostat (Beleodaq) for the treatment of PTCL this year, we have established a sound financial position for the company, and we have initiated the implementation of our updated strategy, one of our priorities being to explore opportunities with potential partners within orphan oncology – all of which support our mission to develop novel and innovative therapies for rare cancer diseases, providing hope for patients and their families.

I would like to thank everyone at Topotarget for their hard work and dedication towards fulfilling our mission, our collaboration partners for our joint achievements, and our shareholders for their continued confidence in and support of both Topotarget and belinostat.

Anders Vadsholt
Chief Executive Officer

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.

Financial Calendar 2014

Annual General Meeting 2014	April 24, 2014
Interim report for the period January 1 – March 31, 2014	May 8, 2014
Interim report for the period January 1 – June 30, 2014	August 14, 2014
Interim report for the period January 1 – September 30, 2014	November 6, 2014

Vision, mission, and strategy

The goal of submitting an NDA for belinostat in PTLC has been successfully achieved and we have received the first of two important potential milestone payments from our partner in the USA, entailing a healthy financial position for Topotarget going forward.

Topotarget's Board of Directors and Management, assisted by external advisors and specialized healthcare investors, have now completed a thorough strategic review, resulting in an updated vision, mission, and strategy. This new strategy will enable the company to move forward; beyond belinostat in the USA.

Strategic review outcome

Topotarget's strategy going forward is to continue to focus on developing new, innovative oncology drugs for the treatment of rare, life-threatening cancers with significant unmet medical needs (orphan oncology drugs), building on our successful experience from the development of belinostat. Approximately 7,000 rare, or orphan, diseases have been identified, while treatments only exist for less than 5% – and orphan oncology indications make up the largest and fastest growing group of diseases with unmet needs.

Strategic rationale

An interesting market
In the beginning of 2014, more than 300 companies and partners worldwide are engaged in orphan oncology, with orphan oncology pipelines containing at least 2,466 development projects. The unmet medical need is huge and new rare diseases are continuously discovered. The total market value for orphan drugs exceeded USD 80 billion in 2013 and is expected to reach USD 100 billion in 2018.

Scientific progress supports growth potential
The scientific and biotechnological advances associated with knowledge gained from mapping and sequencing the human genome have accelerated and improved the origin and genetic links to many rare cancers. Simultaneously, there is an ever more refined understanding of the biology of rare cancers and of the technological advances that provide tools with which to address them.

Sound financial incentives
While it may sound illogical to develop drugs for rare diseases with a small patient pool, one should bear in mind that government incentives, shorter development timelines, and high rates of regulatory approval make orphan drug development economically viable.

The time from phase II studies to market is often shorter for orphan drugs due to shorter and smaller clinical studies and FDA's various approaches to accelerated approvals. Moreover, a high number of orphan drugs are biologics, which are less likely to have generic equivalents, prolonging their value to sponsors, even after patent expiration. Also, if a compound is granted orphan drug designation, the odds for approval are significantly higher compared to traditional drugs.

Orphan drugs also experience significant competitive advantage in being first to market. Due to influential and well-organized patient organizations, there is an increased demand for new treatments. In addition, one may point to the payer's favor reimbursement strategies for products that satisfy unmet medical needs for rare disease patients and provide clinically relevant increased life expectancy and quality of life.

Recent research suggests that the higher pricing, increased market share, lower marketing costs, longer exclusivity periods, and faster uptake of orphan drugs offset the smaller patient pool.

Please refer to page 6 for more information on orphan drugs.

Vision

To be a leading orphan oncology company

Mission

To be a biopharmaceutical company focused on the development of novel and innovative therapies within rare cancer diseases, providing hope for patients and their families, increasing life expectancy and quality of life

Strategy

1. Explore belinostat opportunities
Leverage our successful development of belinostat by exploring the compound's opportunities into other rare cancer indications within hematology and solid tumors, per example:

- Hepatocellular carcinoma (HCC) is the most common type of liver cancer. HCC is quite rare in the EU and the USA, while a very prevalent disease in Asia and Africa. HCC is actually the third-leading cause of cancer mortality worldwide. There is a high unmet need for treatments of this disease. Belinostat has shown promising signals in monotherapy treatment of HCC patients and has demonstrated strong pre-clinical synergy with the currently only approved first-line HCC treatment Sorafenib
- Myelodysplastic syndrome (MDS) is a hematological condition which leads to an ineffective production of the myeloid class of blood cells, resulting in the blood production being disorderly and ineffective. In a previous study under the National Cancer Institute (NCI), belinostat showed responses in patients when treated with belinostat and the approved product, 5-azacytidine, which confirmed the already known pre-clinical data in which belinostat was even able to reactivate drug resistant cells
- Acute myeloid leukemia (AML) is acute leukemia that affects adults. Although AML is a relatively rare disease, it accounts for approximately 1% of all cancer deaths in the USA. Patients with MDS will eventually progress into AML and belinostat has, as mentioned, shown promising data in the combination with the approved 5-azacytidine
- Malignant thymoma is a very rare class of solid tumors for which the European Commission granted Topotarget an orphan drug designation in July 2013. At current, there are no approved treatments for malignant thymoma in the EU, making malignant thymoma a rare disease with an unmet medical need. In two NCI-sponsored clinical studies, belinostat has shown signs of clinical activity in patients with malignant thymoma, both as monotherapy and in combination with standard combination treatments

2. Prepare for commercialization
Build a lean, flexible, and targeted force of medical liaisons, supplemented with competences covering business development and strategy, market access, knowhow, etc.

3. Pursue new product opportunities
Seek collaborations with companies with late-stage innovative orphan oncology projects

4. Strategic development
Actively pursue potential M&A activities with companies who share our vision, thereby being able to utilize synergies and progress faster in order to achieve the vision

What is an orphan drug?

The US Orphan Drug Act (ODA) from 1983 was enacted to stimulate the research of rare (or orphan) diseases with a significant unmet medical need. This legislation continuously provides incentives for sponsors to develop therapies for rare conditions for which sales are unlikely to recoup research and development (R&D) costs under normal circumstances. In the USA, a rare disease or disorder is defined as one that affects fewer than 200,000 people a year, or one that affects more than 200,000 people per year but for which the costs of drug development and marketing are not expected to be recovered.

Several incentives are included in the ODA, hereunder seven years' market exclusivity, protocol assistance, tax credits of up to 50% of R&D costs, FDA fee waivers, and research grants. In order to receive these benefits, a sponsor must apply for orphan drug designation and demonstrate the medical plausibility for the compound's expected benefit in the rare disease.

Similar legislation supporting orphan drug development was introduced in the European Union (EU) in 2000, as well as in countries such as Singapore, Japan, and Australia. Although the spirit of the legislation is the same as with the ODA, there are some regional differences in the definition of orphan diseases and the incentives provided. For instance, the European Medicines Agency (EMA) considers an orphan disease to be one with a prevalence (the proportion of the population found to have the disease) of one in 2,000 and offers incentives such as ten years' market exclusivity, protocol assistance at a reduced charge, access to the centralized authorization procedure, EMA fee reductions, etc.

Pipeline update

BELINOSTAT KEY CLINICAL STUDIES

Indication	Study	Sponsor	Phase I	Phase II	Pivotal	NDA	Target #	Enrollment status	Milestone	Time frame
PTCL	BELIEF (CLN-19)	SPPI*)	→	→	→	→	100	Completed	NDA approval	Q3 2014
PTCL	BelCHOP SPI-Bel-12-104	SPPI	→				28	Recruiting	Recruitment completed	Q4 2014
NSCLC	SPI-1014-Bel	SPPI	→	→			35	Completed	Recruitment completed	-
Mass balance study	SPI-12-103	SPPI	→				6	Completed	Recruitment completed	-

*) Spectrum Pharmaceuticals

NCI-sponsored studies	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

Peripheral T-cell lymphoma (PTCL) – BELIEF (CLN-19)

Acceptance to file and Priority Review granted by the FDA with a Prescription Drug User Fee Act (PDUFA) action date of August 9, 2014.

The pivotal study of belinostat for the treatment of R/R PTCL was closed for recruitment in September 2011 after the inclusion of 129 patients. Final top-line data presented at the American Society of Clinical Oncology Annual Meeting 2013 showed an objective response rate (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 angioimmunoblastic T-cell lymphoma (AITL). Safety data presented at the T-Cell Lymphoma Forum in January 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 likely feasible. Belinostat appears to have low myelosuppression and even PTCL patients with a poor bone marrow reserve tolerate belinostat.

BelCHOP – SPI-Bel-12-104

The dose-finding BelCHOP (belinostat plus cyclophosphamide, hydroxydaunorubicin, oncovin, and prednisone) study is designed to determine what dose of belinostat combined with CHOP can be safely administered together for the 1st-line treatment of patients with PTCL. The purpose is furthermore to establish the recommended dose for the immediate following phase III confirmatory study as agreed with the FDA. The dose-finding study of BelCHOP is expected to recruit up to 28 patients by Q4 2014. The confirmatory phase III trial is expected to be initiated in H1 2015.

Non-small cell lung cancer (NSCLC) – SPI-1014

This is a phase I/II maximum tolerated dose study of belinostat in combination with carboplatin and 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 study. Topotarget and Spectrum Pharmaceuticals are cosponsors 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 14C-labeled belinostat in patients with recurrent or progressive malignancy. It is a supportive study for further understanding of belinostat's metabolism and excretion. The recruitment of six evaluable patients has been completed and the analysis of the biologic samples is ongoing.

NCI-sponsored studies

The National Cancer Institute (NCI) is a prestigious, world-leading oncology research organization sponsoring a vast number of studies in oncology. In collaboration with Topotarget and Spectrum Pharmaceuticals, the NCI studies belinostat and investigates treatment options in indications with a high unmet medical need. The NCI sponsors and conducts the studies under their auspices and therefore the timelines and communication given are under the control of the NCI.

Partnerships

Spectrum Pharmaceuticals, Inc.
In February 2010, Topotarget out-licensed the North American and Indian rights for belinostat to Spectrum Pharmaceuticals. Under the terms of the agreement, Spectrum Pharmaceuticals made an up-front payment of USD 30 million and took over 100% funding of the PTCL "BELIEF" study.

In September 2011, Spectrum Pharmaceuticals completed the recruitment for the BELIEF study and the NDA was submitted in December 2013. The FDA granted acceptance to file and Priority Review to the belinostat NDA in February 2014 and the PDUFA action date is August 9, 2014.

In addition to the acceptance to file milestone (for more information, please refer to page 2), Topotarget is eligible to receive milestone payments upon an NDA approval and upon successful achievement of certain development and commercial milestones as well as double-digit royalties on sales.

Further indications with belinostat are being considered (please see page 4).

Resources for co-development in additional indications will have cost sharing, with Spectrum Pharmaceuticals contributing 70% and Topotarget contributing 30%.

As of October 2013, Spectrum Pharmaceuticals carries the responsibility for the manufacture of belinostat for all territories. This agreement has a term of five years with the possibility for prolongation.

Edimer Pharmaceuticals
In March 2009, Topotarget out-licensed its non-oncology, pre-clinical development program APO200 to Edimer Pharmaceuticals, Inc.

Edimer is developing APO200 (EDI200) as a treatment for x-linked hypohidrotic ectodermal dysplacia (www.edimerpharma.com).

Topotarget has received an upfront payment and is entitled to future potential milestones and royalty payments.

Multimeric Biotherapeutics, Inc.
In October 2011, Topotarget out-licensed the exclusive rights to the further development of the multimeric TNF superfamily ligands (TNFSFs) for all therapeutics used to Multimeric Biotherapeutics, Inc.

Under the agreement, Multimeric Biotherapeutics will license the rights to all multimeric fusion proteins containing TNFSFs which are covered by Topotarget's issued and pending patents in Europe, the USA, Canada, Japan, Australia, South Korea, and other territories.

The agreement also grants Multimeric Biotherapeutics the rights to sub-license.

Topotarget is entitled to receive future potential milestones and royalty payments.

Oncology Venture
In November 2012, Topotarget entered into an exclusive license agreement with Oncology Venture ApS granting the global rights to the further clinical development of APO010.

Under the agreement, Oncology Venture will license all rights specific to APO010 which are covered by Topotarget's issued and pending patents.

Topotarget has received an upfront payment and is entitled to future potential milestones and royalty payments.

National Cancer Institute (NCI)
Topotarget is party to a Clinical Trial Agreement with the NCI under which the NCI sponsors a number of clinical studies evaluating the activity of belinostat, either alone or in combination with other anticancer therapies, for the treatment of hematological cancers and solid tumors. The collaboration with the NCI is academic.

Commercial opportunities for belinostat
Topotarget continues to explore the commercial opportunities in Europe, Asia/Pacific, and ROW in order to commercialize belinostat most optimally.

Corporate Governance

Shareholders
Topotarget is a listed company and therefore our shareholders have the ultimate authority over the company – an authority that is exercised through the shareholders' right to make decisions at Topotarget's general meetings in person or by proxy. No shares carry special rights – each share of DKK 1 carries one vote.

At annual general meetings, the shareholders approve the company's annual report, elect the Board of Directors and independent auditor, and approve any amendments to Topotarget's Articles of Association. Resolutions are passed by a simple majority, unless the Danish Companies Act or the Articles of Association provide otherwise.

Read more about shareholder information on p. 16.

Board of Directors
The management structure at Topotarget is two-tier consisting of the Board of Directors and the Management. These two governing bodies are separate and no one serves as a member of both bodies.

It is the primary responsibility of the Board of Directors to define the strategic framework for the activities and action plans of the company and to maintain a constructive dialogue with the Management regarding the implementation of these strategies. The Board of Directors appoints the company officers, sets out its terms and tasks, and supervises its work and the company's procedures and responsibilities. On behalf of the shareholders, the Board of Directors supervises the organization and ensures that the company is managed appropriately and in accordance with legislation and the company's Articles of Association. The Board of Directors does not participate in the day-to-day management of the company.

The Board of Directors consists of seven members, of whom six are independent in accordance with the Danish Corporate Governance Recommendations. All members were elected at Topotarget's annual general meeting in April 2013 for a period of one year. Members must retire when they reach the age of 70.

The key considerations made in relation to the appointment of the Board of Directors are the professional background and industry experience of each candidate. The activities of the Board of Directors are governed by an internal set of procedural rules. For relevant background information on the individual board members, please go to page 14 or visit http://www.topotarget.com/about-us/board-of-directors.aspx.

The Board of Directors has established a formal process for evaluating the Management and objectives are agreed upon in connection with the budgeting procedure and evaluated finally at year-end. The Board of Directors continuously discusses the goals and strategies of Topotarget as well as Topotarget's ability to implement the strategies and live up to expectations. The Chairman of the Board has well-defined tasks, duties, and responsibilities. Among these to make sure that the board members have the competences that are required for a governing board. The entire Board of Directors evaluates the board's composition to ensure that the needed competencies are at hand and to ensure a transparent process on the election of board members at the annual general meeting.

In 2013, the Board of Directors held 22 meetings (either in person, via telephone, or by way of written resolutions).

Please refer to page 14 for an overview of our Board of Directors.

Audit Committee
The Audit Committee's purpose is to review the financial controls and to work with the independent auditors in connection with their audit of the company's financial statements and to make reports and recommendations to the Board of Directors on these matters. The members of the Audit Committee are Bo Jesper Hansen (Chairman) and Per Samuelsson.

In 2013, the Audit Committee held 5 meetings (either in person or via telephone).

Nomination Committee
The Nomination Committee's task is to describe and evaluate the required qualifications of the two governing bodies (Board of Directors and Management) and to make recommendations on changes. The committee considers and recommends proposals for candidates for executive positions in the company. The committee consists of the following members: Bo Jesper Hansen (Chairman), Anker Lundemose, Ingelise Saunders, and Per Samuelsson.

Remuneration Committee
The Remuneration Committee's purpose is to evaluate and make recommendations to the Board of Directors on the remuneration paid to board members and senior management as well as recommendations concerning employee incentive programs. The committee consists of the following members: Bo Jesper Hansen (Chairman), Anker Lundemose, Ingelise Saunders, and Per Samuelsson.

Management
The day-to-day management of Topotarget lies with the Management. The Management is responsible for the overall business and all operational matters, including allocation of resources, implementation of strategies, and timely reporting of information to the Board of Directors and stakeholders.

Diversity
Topotarget believes that a diverse work force and work place results in greater quality of work as well as a broader understanding of various organizational tasks. As a result, we, among other things, continuously seek to maintain a balanced gender composition in both our Management (current divide: 20% men and 80% women) and our Board of Directors (current divide: 71% men and 29% women). Topotarget seeks to be compliant with the goals stipulated in the Danish Companies Act section 139a in representing both genders by 40% or more – at current, though, our goal is to maintain a composition with at least two members of both genders.

Exceptions
It is the view of the Board of Directors that Topotarget complies with the Danish Corporate Governance Recommendations from May 2013, however, with the following exceptions:

Topotarget has, due to the company's size and complexity, not formally elected a Vice Chairman.

The Chairman of the Board of Directors and the Chairmen of the Audit Committee, the Nomination Committee, and the Remuneration Committee are identical reasoned by the qualifications of the Chairman. Furthermore, the Chairman has been appointed Executive Chairman during the current strategic review – please refer to Note 22 for further details.

Topotarget offers share-based remuneration programs to board members, the reason being that the company considers share-based remuneration programs essential and necessary tools to attract and retain board members with international experience and profiles to secure alignment with the company strategy.

Topotarget does not disclose remuneration of board members or managers at an individual level. Topotarget considers this information to be private and believes that information at an individual level is of limited value to the shareholders.

Also, Topotarget has not established a so-called whistleblower scheme for the notification of possible or suspected wrongdoing as the company does not see this as relevant due to the open culture and modest size of the company.

Topotarget's Corporate Governance approach is based on the Committee on Corporate Governance's recommendations as of May 6, 2013, cf. section 107b of the Danish Financial Statements Act: http://corporategovernance.dk/file/372239/anbefalinger_for_god_selskabsledelse_maj_2013.pdf. A full description on Topotarget's approach can be found on our homepage http://investor.topotarget.com/governance.cfm.

Corporate Social Responsibility

Topotarget does not have a written policy on Corporate Social Responsibility (CSR).

Risk profile and risk management

Risk profile
Topotarget conducts global clinical studies with belinostat and is therefore exposed to a variety of risks, of which some are beyond our control. If not properly assessed and controlled, these risks may have significant impact on our business.

Risk management approach
Active management of operational, financial, and compliance risks is a prerequisite for Topotarget. Risks are identified and reported through a systematic process. Consolidation, analysis, and evaluation take place with stakeholders within Topotarget and, if required, with external consultants. Management is responsible for the final calibration of risks and review of mitigating actions. Management and the Board of Directors discuss and decide on the risk tolerance for the most significant risks.

Semi-annually the company completes a risk management business process and reports relevant findings to the Board of Directors as well as ad hoc reporting to relevant stakeholders.

The risk management business process defines clear responsibilities for the Board of Directors as well as the Management. The Board of Directors is responsible for:

- Approval of the Risk Policy, including risk tolerance levels
- Review and approval of top risk scenarios
- Review of the current level of mitigation of top risks
- Proposals for additional mitigation, if required
- Verification of the adequacy of the risk management infrastructure

Management is directly responsible for the management and mitigation of key risks as well as for the maintenance of a robust risk management business process, including the reporting cycle.

Below you will find a summary of the company's main risk areas and a summary of how the company seeks to address these risks.

Development and scientific risks
Through scientific and medical advice, Topotarget seeks to ensure the optimal selection of future disease targets. A Scientific Committee consisting of board members is, together with key Topotarget employees, closely monitoring and assessing data from our clinical trials as well as other relevant scientific information. This is done in order to comply with the extensive regulatory requirements that we are subject to when working with clinical studies, but also to be able to make the best decisions in relation to available data.

In general, as for all drug development, there is a risk that lack of efficacy or unexpected serious adverse events in relation to the clinical product will have adverse effect on study outcome. There is also the risk that the patient inclusion rate in clinical studies is insufficient to meet timelines. Moreover, unforeseen safety issues or changes of regulatory requirements can influence the timing and nature of our clinical development activities, costs, and related revenues such as milestone payments and cost reimbursement.

Regulatory risks
Topotarget's activities can be affected by regulatory requirements and changes implemented in individual countries. Modified legislation or reinterpretation of legislation in Topotarget-relevant countries may result in unintended or unexpected costs or timeline extensions.

Risks related to the market and partners
The collaboration with Spectrum Pharmaceuticals is very important for our business as well as our future growth. A significant part of our future revenue, in particular milestones and royalties, may depend on a continued good collaboration. Our business might be negatively affected if Spectrum Pharmaceuticals become unable to meet their obligations. Topotarget relies on Spectrum Pharmaceuticals' ability and willingness to provide answers to the FDA during their NDA review process with a view to the FDA potentially granting marketing authorization for belinostat.

Topotarget is furthermore subject to a range of commercial risks considered normal within the biopharmaceutical business, including:

- Competition from existing treatments and/or new drugs
- Change in market size of lead indications
- Product pricing and reimbursement policies
- Interest from potential partners and investors
- Development time of new clinical trials
- Patent protection and ability to prevent infringements

Risks related to legal requirements
We continue to file necessary patent applications in an effort to protect our product and technologies. We maintain strict confidentiality standards and agreements for internal employees and any collaborating parties in order to protect business secrets. However, the risk that Topotarget's ability to protect itself in potential patent

lawsuits is insufficient exists. This could be instances where our intellectual property is being infringed or we are accused of infringing on a competitor's intellectual property.

Financial risks
By mainly concentrating our facilities in Denmark, we are reducing our exposure to fluctuations in exchange rates. However, as we are conducting global clinical studies, have shared clinical costs with Spectrum Pharmaceuticals, and procuring services in a global environment, we remain exposed to exchange rate fluctuations.

The company's cash holdings consist of deposits held in cash. The interest rate risk is insignificant relative to Topotarget's combined operations.

Capital resources
Topotarget is a drug development company without commercial revenue. We will, excluding revenue from collaboration partners, be cash consuming until belinostat becomes commercially available. It is therefore crucial that the company at all times ensures sufficient financial resources.

Risk management
A number of factors concerning Topotarget and our strategies contribute to a reduction of the overall risks:

- We are pursuing a partnering strategy which reduces a large part of the financial risks; we have a strong development agreement for belinostat with Spectrum Pharmaceuticals for North America and India, who will handle the commercialization of belinostat in these geographical regions; we are exploring commercial opportunities for belinostat in Asia and Europe

- Topotarget collaborates with several scientific organizations and has a large representation of scientific expertise within the company, ensuring bridge building between science and the treatment of patients

- Topotarget is a professional organization which strives to keep updated on and compliant with laws affecting the company's activities

- Our Board of Directors continuously evaluates the need to increase the company's financial resources

The process of accounts preparations

The overall responsibility for the company's control and risk management in relation to the financial reporting process, including compliance with applicable legislation and other financial reporting regulations, rests with Topotarget's Board of Directors and Management.

Financial report process

The company has an Audit Committee consisting of members of the company's Board of Directors. The Audit Committee reviews and discusses auditing and accounting matters with the company's auditors elected by the shareholders and the Management in accordance with the Audit Committee's terms of reference.

Topotarget's primary focus is to ensure that the financial statements are in accordance with relevant accounting legislation and other provisions and regulations and give a true and reliable view of the company's activities and financial position.

The preparation of the company's financial reporting follows a planned structure involving segregation of duties.

Topotarget has established internal monthly reporting with a view to effectively managing its financial status. The reporting process involves analyses of deviations between actual results, business plans, budgets, and the most recently updated estimate for the financial year. The monthly report, including an explanation of deviations for the principal business areas, is reviewed by the Management before it is distributed to the Board of Directors.

The company's statutory reports are prepared according to the same structure as the monthly reports.

The quarterly reports are reviewed at an Audit Committee meeting before they are approved at a board meeting and subsequently released for publication.

The annual audit and reporting process comprise detailed planning of individual assignments, planning meetings between Investor Relations, the finance department, and the external auditors. The audit and planning process is based on an approved audit strategy.

The annual report is prepared in close collaboration with key individuals from each business unit. In addition, the auditors ensure that the financial statements provide a reliable and true view of the company's assets, liabilities, and financial position, ensuring that the annual report is presented in accordance with the accounting policies adopted.

Control environment

The Audit Committee, and subsequently the Board of Directors, at least once a year, assesses the Group's organizational structure, its risk of fraud, as well as the existence of in-house rules and guidelines.

The Group's control and risk management systems may provide reasonable, but not absolute, assurance that misappropriation of assets, losses, and/or significant errors and omissions in the financial reporting are avoided.

The Board of Directors and the Management are responsible for establishing and approving general policies, procedures, and controls in key areas in relation to the financial reporting process. The Board of Directors approves the overall policies, procedures, and controls, which are maintained and monitored by the Management and key employees representing each business area.

Topotarget has established policies and procedures for the key areas in relation to the financial reporting process, including business procedures for financial reporting and planning, business procedures for the finance function and other key business units, and for IT security.

Risk assessment

The Board of Directors makes an annual general assessment of risks in relation to the financial reporting process. The objective of Topotarget's internal risk management system is to maintain effective procedures for identification, monitoring, and reporting of such risks. This includes an assessment of IT security, the risk of fraud, and the measures to be taken to reduce and/or eliminate such a risk.

Board of Directors

Board of Directors

Bo Jesper Hansen, MD, PhD
Danish, 55
Chairman since 2010
Independent board member since 2009

Special competences
Bo Jesper Hansen has experience in the field of international contract negotiation and deal-making, including execution of high-impact license agreements and significant M&A transactions. Dr. Hansen moreover has extensive knowledge of international marketing, legislative conditions, pharmaco-surveillance, medical marketing, and business development. In addition hereto, Dr. Hansen is well-connected within the medical industry and especially within the orphan drug market.

Board positions
Swedish Orphan Biovitrum AB (Chairman), Ablynx, CMC Kontrast AB, Genspera Inc., Hyperion Therapeutics Inc., Newron Pharmaceuticals S.p.A., and Orphazyme ApS.

Shares: 300,000 (2012: 300,000)
Warrants: 200,000 (2012: 150,000)

Ingelise Saunders, MPh, BSc
Danish, 64
Independent board member since 2004

Special competences
Ingelise Saunders has extensive experience within executive management, international operations, sales, marketing, and global commercial operations. Mrs. Saunders also has broad experience with M&A transactions, business development, healthcare strategy, and life science investments.

Board positions
MinervaX ApS (Chairman)

Shares: 25,000 (2012: 25,000)
Warrants: 162,788 (2012: 158,442)

Jeffrey H. Buchalter, BS, MBA
American, 56
Independent board member since 2006

Special competences
Jeffrey H. Buchalter has experience in executive management, industry, development, manufacturing, and the commercialization of pharmaceutical products as well as therapies for cancer patients.

Board positions
Archimedes Pharma Ltd.

Warrants: 203,270 (2012: 178,270)

Per Samuelsson, MSc
Swedish, 52
Non-independent board member since 2009

Special competences
Per Samuelsson has since 2000 been Partner at Odlander Fredrikson/HealthCap, Topotarget's largest shareholder. Mr. Samuelsson has experience in biotech, venture capital, investment banking, merger transactions, initial public offerings, and equity incentive programs.

Board positions
Algeta ASA, BioStratum Inc., Cardoz AB, Nordic Vision Clinics AS, Oncopeptides AB, Oncos Therapeutics Oy, Optivy AB, and Sweden BIO.

Anker Lundemose, MD, PhD, Doctor of Medical Science
Danish, 52
Independent board member since 2010

Special competences
Anker Lundemose has experience within academia, executive management, large pharma, biotech, and business and corporate development. Dr. Lundemose is CEO and President of BioNor Pharma ASA and has an international track record in R&D productivity and deal making, including execution of high-impact license agreements and significant M&A transactions.

Board positions
Adenium Biotech, Aniona, and Polytherics.

Shares: 25,000 (2012: 25,000)
Warrants: 100,000 (2012: 75,000)

Gisela Schwab, MD
German, 57
Independent board member since 2011

Special competences
Gisela Schwab has experience within the pharmaceutical industry in managing early- and late-stage development activities (target selection, pre-clinical, pharmacokinetic, clinical, and regulatory development) of biotechnological compounds and small molecules, filing of INDs and NDAs/BLAs/MAAs, and in building and managing development teams.

Board positions
Cellerant Therapeutics

Warrants: 75,000 (2012: 50,000)

Karsten Witt, MD
Danish, 56
Independent board member since 2011

Special competences
Karsten Witt has experience in clinical strategy and execution of development programs as well as drug safety/pharmacovigilance, development of small-molecule targeted oncology therapies, and filing of INDs, BLA/sBLA, and NDAs/sNDA.

Warrants: 75,000 (2012: 50,000)

Management

Management

Anders Vadsholt, MSc, MBA 3
Company officer
Danish, 44
Chief Executive Officer

Special competences
For 17 years, Anders Vadsholt has worked with maximizing shareholder value in various roles and industries. In recent years, Mr. Vadsholt has taken on executive management roles in the biotech industry, his primary activities being general management, strategy, legal, finance, and investor relations. Mr. Vadsholt has also worked with venture capital and corporate finance, involving raising private and public capital, mergers and acquisitions, restructuring and divestments of companies.

Shares: 25,000 (2012: 25,000)
Warrants: 650,000 (2012: 450,000)

Elisabeth V. Carstensen, PhD 1
Danish, 44
Director of Pharmaceutical Operations

Special competences
Elisabeth Carstensen has extensive experience within and is responsible for the area of pharmaceutical manufacture of active ingredients and drug products. Dr. Carstensen has more than 13 years' experience with Topotarget, including quality assurance, pharmaceutical operations, clinical supply chain management, and regulatory registration processes.

Anne V. Sillemann, MSc Pharm 2
Danish, 48
Director of Global Regulatory Affairs

Special competences
Anne Sillemann has more than 18 years' experience with drug development, regulatory processes, and submissions in both the EU and the US. Mrs. Sillemann has significant experience with clinical trial applications, scientific advices, orphan drug, and life-cycle management. Mrs. Sillemann has been with Topotarget for more than 10 years and has obtained marketing authorizations in the EU and the US.

Jette Tjørnelund, PhD 4
Danish, 50
Director of Science

Special competences
Jette Tjørnelund has extensive scientific experience within the areas of analytical chemistry, preclinical drug development, and clinical drug development, resulting in more than 50 published papers in scientific journals. Dr. Tjørnelund has been with Topotarget for 10 years as responsible for analytical chemistry, drug metabolism, and pharmacokinetics as well as clinical pharmacology.

Lone Dahl, BSc 5
Danish, 53
Director of Finance

Special competences
Lone Dahl has extensive experience within financial functions and financial management from both a general audit consulting company and the international pharmaceutical industry. Mrs. Dahl has operational and hands-on experience in building a finance department across cultures and set-ups. Lone Dahl has a proven track record in alliance management, business development, and responsibility for the financial part of preparing and facilitating a merger between two international pharmaceutical companies in the Nordic region.

Shareholder information

Topotarget A/S' shares were listed on the Copenhagen Stock Exchange (now NASDAQ OMX Copenhagen A/S) in June 2005 under the securities/ISIN code DK0060003556 and the trading symbol TOPO. The company's Reuters symbol is TOPO.CO and its Bloomberg symbol is TOPO:DC. Trading of the company's shares commenced on June 10, 2005. Topotarget belongs to the small cap segment.

The closing price for our shares on December 31, 2013 was DKK 2.98 which was an increase of 39% compared to the company's share price of DKK 2.15 at year-end 2012. The average daily trading volume for the company's shares in 2013 was DKK 1.3 million.

At December 31, 2013, Topotarget's share capital was DKK 143,317,114 corresponding to 143,317,114 shares of DKK 1 nominal value. The company only has one class of shares and all shares have equal rights.

Topotarget's Articles of Association do not contain provisions on limitations of ownership or voting rights for each individual shareholder.

Ownership structure

As of March 27, 2014, Topotarget had 8,326 registered shareholders, who held 66% of the share capital compared to 8,528 registered shareholders on March 13, 2013.

At March 27, 2014, the company's 10 largest shareholders held 30% of the total share capital, and the following investors have informed Topotarget that they hold more than 5% of the shares:

- HealthCap funds (Odlander Fredrikson & Co AB) (Please see Note 23)

IR policy

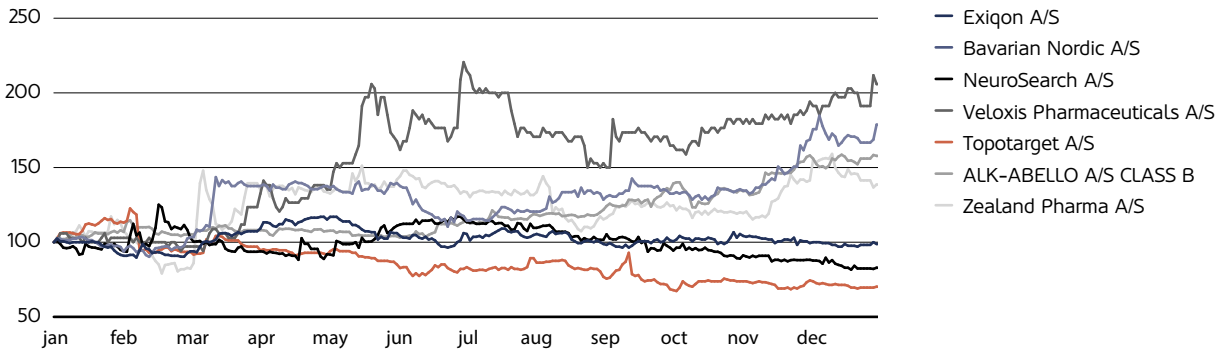
Topotarget aims to maintain an open and continuous dialogue with existing and potential shareholders, other stakeholders, and the general public. The company thus strives to provide transparent communication with equal access for all stakeholders. With open communication, the company aims to ensure fair pricing of the company's shares in order to reflect the company's willingness to generate higher earnings to its shareholders.

In compliance with the disclosure requirements of NASDAQ OMX Copenhagen, Topotarget will publish information on the company that is deemed important to the pricing of its shares. The company will also publish quarterly reports on the company's development, including relevant financial information. Topotarget also observes so-called 'quiet periods' (two weeks) before the publication of each of the company's financial reports. During these periods, the company will refrain from holding investor and analyst meetings or meetings with the media. The company maintains an insider register and will publish any changes to certain insiders' shareholdings in accordance with the rules that apply for NASDAQ OMX Copenhagen. Such publication will be made immediately after the transaction.

Topotarget has also adopted in-house rules, which stipulate that insiders may only purchase and sell shares in the company during a period of six weeks after the company's publication of interim financial statements.

Any information published by the company will be published in full accordance with disclosure requirements under Danish law and all announcements and financial reports are available on the company's website, www.topotarget.com, in both Danish and English.

TOPOTARGET AND OTHER SHARE DEVELOPMENT 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.

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.

Statement by the Board of Directors and Chief Executive Officer

The Board of Directors and Chief Executive Officer today discussed and adopted Topotarget A/S' annual report for 2013.

The consolidated financial statements are presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Parent financial statements are presented in accordance with the Danish Financial Statements Act. Also, the annual report is prepared in accordance with additional Danish disclosure requirements for listed companies.

In our opinion the consolidated financial statements and the Parent financial statements give a true and fair view of the Group's and the Parent's assets, liabilities, and financial positions at December 31, 2013 and of the results of the Group's and the Parent Company's operations and cash flow for the year 2013. We also believe that the management commentary contains a fair review of the development in the Group's and the Parent's business and of their financial position as a whole together with a description of the principal risks and uncertainties that they face.

The annual report will be submitted to the general meeting for approval on April 24, 2014.

Copenhagen, March 27, 2014

Executive Management

Anders Vadsholt
Chief Executive Officer

Board of Directors

Bo Jesper Hansen
Chairman

Per Samuelsson

Jeffrey H. Buchalter

Ingelise Saunders

Anker Lundemose

Gisela Schwab

Karsten Witt

Independent auditor's report

To the shareholders of Topotarget A/S

Report on the consolidated financial statements and the Parent financial statements

We have audited the consolidated financial statements and parent financial statements of Topotarget A/S for the financial year January 1 – December 31, 2013, which comprise the income statement, balance sheet, cash flow statement, statement of changes in equity and notes, including the accounting policies, for the Group as well as the Parent, and the statement of comprehensive income of the Group. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies, and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated and Parent financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies as well as the preparation of parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the consolidated financial statements and parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position at December 31, 2013, and of the results of its operations and cash flows for the financial year January 1 – December 31, 2013 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Further, in our opinion, the parent financial statements give a true and fair view of the Parent's financial position at December 31, 2013, and of the results of its operations for the financial year January 1 – December 31, 2013 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statements.

Copenhagen, March 27, 2014

Deloitte
Statsautoriseret Revisionspartnerselskab

Jens Rudkjær
State-authorized public accountant

Carsten Vaarby
State-authorized public accountant

Consolidated statement of comprehensive income and Parent income statement for the year

		Group		Parent	
DKK '000	Note	2013	2012	2013	2012
Revenues	3, 4	8,338	2,395	8,338	3,798
Production costs	5, 6	(1,061)	(1,377)	(1,061)	(1,377)
Research and development costs	5, 6	(23,019)	(46,522)	(21,575)	(42,388)
Administrative expenses	5, 6	(18,406)	(34,706)	(17,834)	(34,343)
Operating loss		**(34,148)**	**(80,210)**	**(32,132)**	**(74,310)**
Income after tax from investment in subsidiaries	14	-	-	(7,815)	(9,083)
Financial income	7	565	3,673	8,576	6,862
Financial expenses	8	(2,610)	(4,822)	(4,847)	(4,736)
Loss from continued operations before tax		**(36,193)**	**(81,359)**	**(36,218)**	**(81,267)**
Tax on profit for the year	9	1,225	1,243	1,250	1,250
Net loss from continued operations		**(34,968)**	**(80,116)**	**(34,968)**	**(80,017)**
Net profit from discontinued operations	10	-	99	-	-
Total comprehensive income/loss for the year		**(34,968)**	**(80,017)**	**(34,968)**	**(80,017)**
Total comprehensive income attributable to:					
Owners of the company		(34,968)	(80,017)	-	-
Non-controlling interests		-	-	-	-
Total comprehensive income for the year		**(34,968)**	**(80,017)**	-	-
Loss for the year		-	-	**(34,968)**	**(80,017)**
Proposed distribution of loss:					
Retained earnings		-	-	(34,968)	(80,017)
Basic EPS continued operations	11	(0.25)	(0.60)	-	-
Basic EPS continued and discontinued operations	11	(0.25)	(0.60)	-	-

Balance sheet – assets

		Group		Parent	
DKK '000	Note	2013	2012	2013	2012
Acquired research and development projects		228,282	228,902	201,484	202,104
Intangible assets	5, 12	**228,282**	**228,902**	**201,484**	**202,104**
Other fixtures and fittings, tools and equipment		784	2,655	784	2,654
Tangible assets	5, 13	**784**	**2,655**	**784**	**2,654**
Investment in subsidiaries	14	-	-	25,647	27,573
Receivables from subsidiaries	14	-	-	1,606	55
Other receivables		359	501	359	501
Non-current investments		**359**	**501**	**27,612**	**28,129**
Non-current assets		**229,425**	**232,058**	**229,880**	**232,887**
Trade receivables	15	784	1,239	643	1,239
Other receivables		1,884	2,150	1,782	2,119
Prepayments		291	779	273	753
Income tax receivables		1,250	1,250	1,250	1,250
Receivables		**4,209**	**5,418**	**3,948**	**5,361**
Cash and cash equivalents	18	**31,483**	**41,460**	**30,697**	**39,795**
Current assets		**35,692**	**46,878**	**34,645**	**45,156**
Assets		**265,117**	**278,936**	**264,525**	**278,043**

Balance sheet – equity & liability

		Group		Parent	
DKK '000	Note	2013	2012	2013	2012
Share capital	16	143,317	132,652	143,317	132,652
Share-based payments	17	34,495	33,849	34,495	33,849
Retained earnings		65,280	84,746	65,280	84,746
Equity		**243,092**	**251,247**	**243,092**	**251,247**
Deferred tax	9	-	-	-	-
Other financial liabilities	19	-	3,212	-	3,212
Non-current liabilities		**-**	**3,212**	**-**	**3,212**
Other financial liabilites	19	15,440	11,396	15,440	11,396
Trade payables		3,606	8,427	3,028	7,542
Provision related to subsidiaries		-	-	-	556
Other payables		2,979	4,654	2,965	4,090
Current liabilities		**22,025**	**24,477**	**21,433**	**23,584**
Liabilities		**22,025**	**27,689**	**21,433**	**26,796**
Equity and liability		**265,117**	**278,936**	**264,525**	**278,043**

Cash flow statement

		Group		Parent	
DKK '000	Note	2013	2012	2013	2012
Operating loss		(34,148)	(80,210)	(32,132)	(74,310)
Operating loss from discontinued operations		-	99	-	-
Reversal of share-based payments		1,319	535	1,319	535
Depreciation, amortization, and impairment losses	5	1,861	2,646	1,861	2,646
Working capital changes	23	(5,287)	(6,040)	(4,226)	(4,366)
Cash flow from operating activities before interest		**(36,255)**	**(82,970)**	**(33,178)**	**(75,495)**
Interest income etc. received		45	3,673	44	4,683
Interest expenses etc. paid		(663)	(1,669)	(614)	(3,218)
Refunded and paid income taxes		1,250	(7)	1,250	-
Cash flow from operating activities		**(35,623)**	**(80,973)**	**(32,498)**	**(74,030)**
Purchase of tangible assets		-	(344)	-	(344)
Sale of tangible assets		10	118	10	118
Capital increase in subsidiary		-	-	(448)	(596)
Loan to subsidiary		-	-	(1,798)	(591)
Repayment to non-current investment		142	107	142	107
Sales of securities		-	8,250	-	8,250
Cash flow from investing activities		**152**	**8,131**	**(2,094)**	**6,944**
Proceeds from issuance of shares		25,494	-	25,494	-
Cash flow from financing activities		**25,494**	**-**	**25,494**	**-**
Increase/decrease in cash and cash equivalents		(9,977)	(72,842)	(9,098)	(67,086)
Cash and cash equivalents at January 1		41,460	114,302	39,795	106,881
Cash and cash equivalents at December 31		**31,483**	**41,460**	**30,697**	**39,795**
Total cash and cash equivalents at December 31		**31,483**	**41,460**	**30,697**	**39,795**

The cash flow statement cannot be directly derived from the income statement and balance sheet.

Equity – Group

DKK '000	Number of shares	Share capital	Share-based payment	Retained earnings	Total
Consolidated statement of changes in equity for the period January 1 to December 31, 2013					
Equity at January 1, 2013	**132,652,050**	**132,652**	**33,849**	**84,746**	**251,247**
Net loss for the year	-	-	-	(34,968)	(34,968)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**(34,968)**	**(34,968)**
Recognition of share-based payment	-	-	1,319	-	1,319
Reversal of expired warrants	-	-	(673)	673	-
Issuance of shares	10,642,564	10,643	-	15,857	26,500
Costs related to capital increase	-	-	-	(1,051)	(1,051)
Share capital increase through warrant exercise	22,500	22	-	23	45
Equity at December 31, 2013	**143,317,114**	**143,317**	**34,495**	**65,280**	**243,092**

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 December 31, 2012					
Equity at January 1, 2012	**132,652,050**	**132,652**	**34,743**	**163,334**	**330,729**
Net loss for the year	-	-	-	(80,017)	(80,017)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**(80,017)**	**(80,017)**
Recognition of share-based payment	-	-	535	-	535
Reversal of expired warrants	-	-	(1,429)	1,429	-
Equity at December 31, 2012	**132,652,050**	**132,652**	**33,849**	**84,746**	**251,247**

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.

Equity – Parent

DKK '000	Number of shares	Share capital	Share-based payment	Retained earnings	Total
Consolidated statement of changes in equity for the period January 1 to December 31, 2013					
Equity at January 1, 2013	**132,652,050**	**132,652**	**33,849**	**84,746**	**251,247**
Net loss for the year	-	-	-	(34,968)	(34,968)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**(34,968)**	**(34,968)**
Recognition of share-based payment	-	-	1,319	-	1,319
Reversal of expired warrants	-	-	(673)	673	-
Issuance of shares	10,642,564	10,643	-	15,857	26,500
Costs related to capital increase	-	-	-	(1,051)	(1,051)
Share capital increase through warrant exercise	22,500	22	-	23	45
Equity at December 31, 2013	**143,317,114**	**143,317**	**34,495**	**65,280**	**243,092**

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 December 31, 2012					
Equity at January 1, 2012	**132,652,050**	**132,652**	**34,743**	**163,334**	**330,729**
Net loss for the year	-	-	-	(80,017)	(80,017)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**(80,017)**	**(80,017)**
Recognition of share-based payment	-	-	535	-	535
Reversal of expired warrants	-	-	(1,429)	1,429	-
Equity at December 31, 2012	**132,652,050**	**132,652**	**33,849**	**84,746**	**251,247**

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.

Notes

1. Changes in accounting policies

Presentation and implementation of new accounting standards and interpretations

The accounting policies applied by Topotarget, including presentation, are unchanged compared to last year.

Topotarget has adopted all new, amended standards, revised accounting standards, and interpretations as endorsed by the EU and which are effective for the financial year January 1 - December 31, 2013.

With effect from January 1, 2013, the following new and amended International Financial Reporting Standards (IFRSs) and Interpretations (IFRICs) with relevance for Topotarget were implemented:

"Annual Improvements to IFRSs (2009-2011)", Amendments to IAS 1 "Presentation of Items of Other Comprehensive Income", Amendments to IFRS 10, IFRS 11, and IFRS 12 "Consolidated Financial Statements, Joint Arrangements, and Disclosure of Interests in Other Entities: Transition Guidance", IFRS 13 "Fair Value Measurement", IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", Amendments to IAS 27 "Separate Financial Statements", and Amendments to IAS 28 "Investments in Associates and Joint Ventures".

None of these have had a significant impact on the financial statements.

Most recently adopted accounting standards (IFRS) and interpretations (IFRIC)

The International Accounting Standards Board (IASB) has issued a number of new or amended standards and interpretations with effective date after December 31, 2013. None of these is expected to have a significant impact on the financial statements.

Topotarget expects to implement the new standards and interpretations when they become mandatory.

Notes

2. Significant accounting assumptions and estimates

In using the Group's accounting policies, the management is required to use judgments, estimates, and assumptions concerning the carrying amount of assets and liabilities which cannot be immediately inferred from other sources. Management's estimates are based on historical experience and other factors, including expectations of future events based on existing events. The actual outcome may differ from these estimates.

Estimates and assumptions are re-assessed in an on-going process. Changes to accounting estimates are recognized in the reference period in which the change occurs and in future reference periods if the change affects the period in which it is made as well as subsequent reference periods.

Areas in which the Group makes significant assumptions and estimates are described below. The Group's accounting policies are described in Note 29 to the financial statements.

Key risk factors

Topotarget's business and future growth is to a large extent reliant on our collaboration with Spectrum Pharmaceuticals. A significant part of our future revenue (in particular milestones and royalties) may depend on a continued good collaboration and may be negatively affected if Spectrum Pharmaceuticals become unable to meet their obligations. Topotarget relies on Spectrum Pharmaceuticals' ability and willingness to provide answers to the FDA during the FDA's review of the NDA with a view to the FDA subsequently granting marketing authorization.

Going concern

The milestone payment received from Spectrum Pharmaceuticals in Q1 2014 together with the satisfactory year-end 2013 cash position has put Topotarget in a strong financial position which fulfills the going concern requirement.

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.

Although the NDA was submitted to the FDA in December 2013, the related milestone payments are not recognized as income for 2013 as it as of December 31, 2013 is assessed that an uncertainty is attached to whether the revenue will be obtained.

Capitalization of development costs

Capitalization of development costs requires that the development of the technology or the product in the company's opinion has been completed, that all necessary public registration approvals and marketing approvals have been obtained, that costs can be reliably measured and that the technology or the product can be commercialized and that the future income from the product can cover not only production, sales and distribution costs, and administrative expenses, but also development costs. As none of the company's products have obtained the status required for capitalization, no development costs had been capitalized at December 31, 2013.

Impairment test of acquired research and development projects

The value of acquired research and development projects recognized in the balance sheet as at December 31, 2013 is of the belinostat program acquired in conjunction with the acquisition of Topotarget UK in 2002 and the buyback of the full control of belinostat from Celldex Therapeutics (former CuraGen) in April 2008.

In the period, until a marketing approval has been obtained, the acquired research and development project is tested for impairment annually. After marketing approval has been obtained, an impairment test is performed only where events or other circumstances indicate that the carrying amount may not be recoverable.

Included in the factors taken into account when testing for impairment are, among other things, expected market size and penetration thereof, the costs of development, manufacture, sales, and marketing, and the risk that development will not prove successful, all of which have an effect on the value of the amount recognized. Especially for projects in their early phases, such assumptions include high uncertainty.

Based on the impairment test performed, no write-down was made in 2013 (2012: DKK 0.0 million).

Notes

3. Revenues

	Group		Parent	
DKK '000	2013	2012	2013	2012
Sale of goods	-	750	-	750
Sale of services	1,600	1,645	1,600	1,645
Milestone payments	6,738	-	6,738	-
License income	-	-	-	1,403
Total	**8,338**	**2,395**	**8,338**	**3,798**

4. Segment information

The Group's revenues are divided geographically as follows:

	Revenue	
DKK '000	2013	2012
Denmark	-	-
Europe	-	750
US	8,338	1,645
Total	**8,338**	**2,395**

Revenue relating to Spectrum Pharmaceuticals, Inc. exceeds 10% of the total revenue for 2013: 19% (2012: 69%).
Revenue relating to Apricus Biosciences, Inc. exceeds 10% of the total revenue for 2013: 81% (2012: 0%).

The Group's assets and additions to acquired research and development projects plus other fixtures and fittings, tools and equipment are divided geographically as follows:

	Assets		Additions to acquired research and development projects plus other fixtures and fittings, tools and equipment	
DKK '000	2013	2012	2013	2012
Denmark	202,627	205,259	-	344
Europe	26,798	26,799	-	-
US	-	-	-	-
Total	**229,425**	**232,058**	**-**	**344**

Notes

5. Depreciation, amortization, and impairment

	Group		Parent	
DKK '000	2013	2012	2013	2012
Acquired research and development projects	-	-	-	-
Other fixtures and fittings, tools and equipment	1,861	2,646	1,861	2,646
Gain/loss from sale of equipment	-	-	-	-
Total	**1,861**	**2,646**	**1,861**	**2,646**
Allocated by function:				
Research and development costs	875	929	875	929
Administrative expenses	986	1,717	986	1,717
Total	**1,861**	**2,646**	**1,861**	**2,646**

6. Staff costs

Wages and salaries	15,665	29,102	15,271	28,475
Share-based payments	1,319	536	1,295	535
Pension contributions, defined contribution plans	740	1,525	700	1,470
Other social security costs	153	291	108	214
Total	**17,877**	**31,454**	**17,374**	**30,694**
Allocated by function:				
Production costs	545	1,314	545	1,314
Research and development costs	9,788	17,039	9,285	16,278
Administrative expenses	7,544	13,101	7,544	13,102
Discontinued operations	-	-	-	-
Total	**17,877**	**31,454**	**17,374**	**30,694**
Remuneration to the Board of Directors *)	2,276	2,178	2,276	1,893
Remuneration to the Executive Management **),***)	2,827	8,320	2,827	8,320
Average number of employees	**13**	**23**	**12**	**22**

For share-based payments, please see Note 17.

*) Of this, share-based payments to the Board of Directors in 2013 equalled DKK 383,000 and DKK 285,000 in 2012.
**) Of this, share-based payments to the Executive Management equalled DKK 342,000 in 2013 and DKK -1,194,000 in 2012.
***) The figure for 2012 includes compensation and severance payments to the former CEO and CMO of DKK 6,050,000.

Notes

7. Financial income

	Group		Parent	
DKK '000	2013	2012	2013	2012
Interest from subsidiaries	-	-	8,012	3,193
Exchange rate adjustment of payables and receivables in foreign currencies	520	3,583	520	3,581
Financial income from securities and bank deposits	45	35	44	33
Other financial income	-	55	-	55
Total financial income	**565**	**3,673**	**8,576**	**6,862**

8. Financial expenses

Exchange rate adjustment of payables and receivables in foreign currencies	968	3,026	3,205	2,940
Amortization of debt concerning milestone payments	1,642	1,793	1,642	1,793
Other financial expenses	-	3	-	3
Total financial expences	**2,610**	**4,822**	**4,847**	**4,736**

Notes

9. Tax on loss for the year

	Group		Parent	
DKK '000	2013	2012	2013	2012
Current tax	1,225	1,243	1,250	1,250
Adjustment of deferred tax	-	-	-	-
Tax on loss for the year	**1,225**	**1,243**	**1,250**	**1,250**
Deferred tax asset, net	**253,106**	**261,070**	**118,562**	**130,607**
Deductible temporary differences are attributable to the following terms:				
Intangible assets	(197,037)	(168,137)	(174,722)	(145,822)
Property, plant, and equipment	34,158	32,297	24,296	22,435
Other temporary differences	(4,258)	(4,258)	(4,258)	(4,258)
Tax losses carried forward	1,162,496	1,122,373	674,487	650,073
Total	**995,359**	**982,275**	**519,803**	**522,428**
Tax asset, not recognized	**253,106**	**261,070**	**118,562**	**130,607**

It is believed that at December 31, 2013 there is not convincing evidence that or when the tax asset can be utilized. It is therefore believed that capitalization does not meet the requirement for recognition of assets in accordance with the accounting policies applied.

Due to a reduction in the corporate tax rate in Denmark from 2014 and onwards, the tax asset in the Parent company has been reduced accordingly.

Of the consolidated loss to be carried forward, DKK 1,162 million, (2012: DKK 1,122 million), DKK 221 million (2012: DKK 214 million) is subject to foreign local restrictions with respect to application (source-of-loss restriction).

Reconciliation of the changes for the year:

Loss for the period before tax	**(36,193)**	**(81,267)**	**(36,218)**	**(81,267)**
Calculated tax	**(9,001)**	**(20,368)**	**(9,054)**	**(20,317)**
Changes in tax losses carried forward, not recognized	16,175	29,505	12,248	23,400
Changes in tax assets, not recognized	(10,715)	(12,829)	(6,760)	(6,782)
Other adjustments, not recognized	2,316	2,449	2,316	2,449
Total	**(1,225)**	**(1,243)**	**(1,250)**	**(1,250)**
Tax rate	(3.4%)	(1.5%)	(3.5%)	(1.5%)

Notes

10. Discontinued operations

Topotarget had no discontinued operations in 2013.

On December 29, 2011, Topotarget concluded the agreement to divest the subsidiary Topotarget USA, Inc., which was responsible for the sale of Totect® in the US. The decision to divest the US activity was taken in 2011 so that the main focus of the Parent Company – bringing belinostat to the market – could be continued.

The divestment was complete with effect from December 29, 2011 after which the control of the activity was passed to the buyer Apricus Biosciences.

The sales price was agreed to USD 2.0 million of which Topotarget received common stock in Apricus Biosciences equal to one million seven hundred thousand dollars on December 29, 2011, and on December 29, 2012 (the one-year anniversary of the Closing Date), Topotarget received common stock in Apricus Biosciences equal to three hundred thousand dollars.

The result of the discontinued operations in 2012 relates to the final royalty income from Savene® and the closedown costs of Topotarget USA, Inc.

	Group	
DKK '000	2013	2012
Operating income for the period until transfer of control	-	1,617
Profit on sale of net asset	-	(1,518)
Result from discontinued operations	-	**99**
Operating income for the period until the transfer of control can be specified as:		
Revenues	-	2,153
Production cost	-	-
Gross profit	-	**2,153**
Sales and distribution costs	-	-
Administration costs	-	(536)
Profit from operations	-	**1,617**
Financial expenses/financial income	-	-
Profit before tax	-	**1,617**
Tax for the period	-	-
Result	-	**1,617**

Notes

10. Discontinued operations – continued

	Group	
DKK '000	2013	2012
The discontinued operations in the financial year impacted the cash flow statement as:		
Cash flow from operating activities	-	1,617
Cash flow from investing activities	-	-
Cash flow from financing activities	-	-
Sales of the discontinued operations are as follows:		
Book value of net assets	-	**(9,768)**
	-	**(9,768)**
Net proceeds on sale less sales costs	-	8,250
Loss on sale	-	**(1,518)**

11. Basic and diluted EPS in DKK

Basic EPS
Basic EPS is calculated as the net result of the period's continued activities and as the net result of the period's continued and discontinued activities, attributed to the ordinary shares of the company divided by the weighted average number of ordinary shares.

Diluted EPS
Diluted EPS is calculated as the net result of the period's continued activities and as the net result of the period's continued and discontinued activities, attributed to the ordinary shares of the company divided by the weighted average number of ordinary shares adjusted for assumed dilution effect of issued equity instruments such as convertible debts and issued outstanding warrants which can be converted into ordinary shares.

As the result is a net loss, no adjustment for dilution effects has been made since these are anti-diluting.

Basic EPS are as follows:

	Group	
DKK '000	2013	2012
Loss for the year attributable to equity holder of the Parent	(34,968)	(80,116)
Weighted average number of ordinary outstanding shares	140,916,162	132,652,050
Basic EPS from continued operations	**(0.25)**	**(0.60)**
Loss for the year attributable to equity holder of the Parent	(34,968)	(80,017)
Weighted average number of ordinary outstanding shares	140,916,162	132,652,050
Basic EPS from continued and discontinued operations	**(0.25)**	**(0.60)**

Notes

12. Intangible assets

	Group		Parent	
DKK '000	2013	2012	2013	2012
Acquired research and development projects still in progress:				
Costs at January 1	533,143	533,791	213,379	214,027
Adjustment of acquisition value	(620)	(648)	(620)	(648)
Disposals	(130,800)	-	(11,275)	-
Costs at December 31	**401,723**	**533,143**	**201,484**	**213,379**
Amortization at January 1	(304,241)	(304,241)	(11,275)	(11,275)
Amortization regarding disposals for the year	130,800	-	11,275	-
Amortization at December 31	**(173,441)**	**(304,241)**	-	**(11,275)**
Carrying amount at December 31	**228,282**	**228,902**	**201,484**	**202,104**
Acquired research and development projects available for use:				
Costs at January 1	-	76	-	76
Disposals	-	(76)	-	(76)
Costs at December 31	-	-	-	-
Amortization at January 1	-	-	-	-
Amortization	-	-	-	-
Amortization regarding disposals for the year	-	-	-	-
Amortization at December 31	-	-	-	-
Carrying amount at December 31	-	-	-	-
Total acquired research and development projects	**228,282**	**228,902**	**201,484**	**202,104**
The weighted average residual term of licenses and rights (approx.number of years)	-	-	-	-

Impairment test of acquired research and development projects
The value of acquired research and development projects recognized in the balance sheet as at December 31, 2013 is of the belinostat program acquired in conjunction with the acquisition of Topotarget UK in 2002 and in conjunction with the repurchase from the former American partner to obtain the full control of this program in April 2008.

In the period until a marketing approval has been obtained, the acquired research and development project is tested for impairment annually. After marketing approval has been obtained, amortization of the asset will commence and an impairment test will hence only be performed when events or other circumstances indicate that the carrying amount may not be recoverable.

Included in the factors taken into account when testing for impairment are, among other things, expected market size and penetration thereof, the costs of development, manufacture, sales and marketing, and the risk that development will not prove successful, all of which have an effect on the value of the amount recognized. Moreover, cash in-flows in 2014 related to the expected milestone payments from Spectrum Pharmaceuticals have been evaluated. In Q1 2014, the first milestone payment of USD 10 million (approximately DKK 54 million) and 1 million Spectrum Pharmaceuticals shares, with a current value of approximately USD 8 million (approximately DKK 44 million), was received. Upon an approval of the belinostat NDA, which is anticipated in H2 2014, Spectrum Pharmaceuticals is to pay Topotarget the second milestone of USD 25 million (approximately DKK 135 million).

There was no down-writing in 2013.

Notes

13. Property, plant, and equipment

	Group		Parent	
DKK '000	2013	2012	2013	2012
Other fixtures and fittings, tools and equipment				
Costs at January 1	17,427	17,930	25,647	26,150
Additions	-	344	-	344
Disposals	(261)	(847)	(260)	(847)
Costs at December 31	**17,166**	**17,427**	**25,387**	**25,647**
Depreciation at January 1	(14,772)	(12,968)	(22,993)	(21,189)
Depreciation	(1,861)	(2,646)	(1,861)	(2,646)
Depreciation regarding disposals for the year	251	842	251	842
Depreciation at December 31	**(16,382)**	**(14,772)**	**(24,603)**	**(22,993)**
Carrying amount at December 31	**784**	**2,655**	**784**	**2,654**

14. Non-current investments

Investments in subsidiaries				
Costs at January 1			472,716	472,120
Adjustment of acquisition value			-	-
Addition through capital increase in subsidiaries			448	596
Costs at December 31			**473,164**	**472,716**
Net adjustments at January 1			(445,143)	(440,986)
Income/(loss) after tax from investments in subsidiaries			(7,815)	(9,083)
Negative equity transferred to set off against receivables from subsidiaries			5,441	4,370
Negative equity transferred to provisions related to subsidiaries			-	556
Net adjustments at December 31			**(447,517)**	**(445,143)**
Value at December 31			**25,647**	**27,573**

Notes

14. Non-current investments – continued

	Ownership interest	Parent	
DKK '000		2013	2012
Investments in subsidiaries comprise:			
Name			
Topotarget UK Limited, England	100%	25,595	27,527
Topotarget Germany AG, Germany	100%	52	46
Topotarget Switzerland S.A., Switzerland	100%	(165,426)	(159,985)
Total equity		**(139,779)**	**(132,412)**
Negative equity transferred to set off against receivables from subsidiaries/debt to subsidiaries		165,426	159,985
Value at December 31		**25,647**	**27,573**
Receivables from subsidiaries			
Costs at January 1		225,203	222,449
Additions		9,810	2,754
Disposals		-	-
Costs at December 31		**235,013**	**225,203**
Net adjustments at January 1		(225,148)	(222,429)
Negative equity transferred to set off against receivables from subsidiaries		(5,441)	(4,370)
Exchange adjustments etc.		(2,818)	1,651
Net adjustments at December 31		**(233,407)**	**(225,148)**
Value at December 31		**1,606**	**55**

Notes

15. Trade receivables

	Group		Parent	
DKK '000	2013	2012	2013	2012
Trade receivables	784	1,239	643	1,239
Total	**784**	**1,239**	**643**	**1,239**
The table below shows the due dates of trade receivables:				
Undue	270	986	129	986
Falling due within 90 days	257	178	257	178
More than 90 days overdue	257	75	257	75
Total	**784**	**1,239**	**643**	**1,239**

The average credit period for trade receivables is 145 days (2012: 117 days). The company is entitled to charge an interest of 5% per annum after the due date, which is 30 days from the invoice date. Provisions are made for losses based on any uncertainties at any given time. Management performs analyses on the basis of the customer's expected ability to pay, historical information about payment patterns, doubtful debtors, customer concentrations, customer credit worthiness, and economic conditions in the company's sales channels.

16. Share capital

The share capital consists of 143,317,114 ordinary shares of DKK 1 each.

Each share carries one vote. The shares are fully paid.

Changes in share capital from 2009 to 2013:

	Date	Total DKK
Share capital	01.01.2009	66,304,510
Share issue through rights issue	02.07.2009	66,304,510
Share issue through warrant exercise	12.04.2010	43,030
Issuance of shares	26.03.2013	10,642,564
Share issue through warrant exercise	10.04.2013	22,500
Share capital December 31, 2013		**143,317,114**

Notes

17. Warrants

For the purpose of motivating and retaining employees and other associated persons, the company has established warrant programs for members of the Board of Directors and employees/consultants as well as the company's advisors. The scheme is equity settled.

The table below shows the extent of the individual programs that are active in the financial year or the comparative year.

	Time of issue	Number of warrants***	Time of grant	Subscription period – two weeks after the release of interim and annual reports	Estimated fair value	Number exercised or expired	Out-standing warrants	Exercise price
DKK '000								
Program 1*	2001	1,652,320	Mar 26, 2003 or later	Aug 2004-2012 and Mar 2013	N/A	1,652,320	-	6.05
Program 2*	2003	1,226,976	Mar 26, 2003 or later	Aug 2004-2012 and Mar 2013	N/A	1,226,976	-	12.22
Program 3**	Mar 2005	622,501	Mar 11, 2005	Aug and Nov 2006, Mar, May, Aug and Nov 2007-2012 and Mar 2013	5,879	622,501	-	N/A
Program 4*	Sep 2005	793,364	Sep 16, 2005	Mar and Aug 2007-2012 and Mar 2013	7,281	793,364	-	17.53
Program 4*	Sep 2005	688,474	Sep 16, 2005	Mar and Aug 2008-2012 and Mar 2014	6,318	153,703	534,771	17.53
Program 5*	Oct 2006	299,486	Oct 4, 2006	Mar and Aug 2008-2013 and Mar 2014	3,707	61,636	237,850	23.80
Program 5*	Oct 2006	299,486	Oct 04, 2006	Mar and Aug 2009-2013 and Mar 2014	3,707	61,636	237,850	23.80
Program 5*	Oct 2006	598,972	Oct 04, 2006	Mar and Aug 2010-2013 and Mar 2014	7,414	130,832	468,140	23.80
Program 5*	Sep 2007	388,988	Sep 27, 2007	Mar and Aug 2009-2014 and Mar 2015	4,098	104,666	284,322	17.42
Program 5*	Sep 2007	388,988	Sep 27, 2007	Mar and Aug 2010-2014 and Mar 2015	4,098	108,796	280,192	17.42
Program 5*	Sep 2007	777,974	Sep 27, 2007	Mar and Aug 2011-2014 and Mar 2015	8,196	217,576	560,398	17.42
Program 5*	Jan 2009	438,041	Jan 30, 2009	Mar and Aug 2010-2015 and Mar 2015	1,028	157,498	280,543	3.20
Program 5*	Jan 2009	438,041	Jan 30, 2009	Mar and Aug 2011-2015 and Mar 2015	1,028	116,192	321,849	3.20
Program 5	Jan 2009	876,083	Jan 30, 2009	Mar and Aug 2012-2015 and Mar 2015	2,056	232,360	643,723	3.20
Program 5	Mar 2010	35,688	Mar 26, 2010	Mar and Aug 2011-2017 and Mar 2018	148	35,688	-	5.26
Program 5	Mar 2010	35,688	Mar 26, 2010	Mar and Aug 2012-2017 and Mar 2018	148	35,688	-	5.26
Program 5	Mar 2010	71,374	Mar 26, 2010	Mar and Aug 2013-2017 and Mar 2018	295	71,374	-	5.26
Program 5	Jul 2010	398,062	Jul 9, 2010	Aug 2011, Mar and Aug 2012-2017 and Mar 2018	1,063	218,062	180,000	3.40
Program 5	Jul 2010	398,062	Jul 9, 2010	Aug 2012, Mar and Aug 2013-2017 and Mar 2018	1,063	218,062	180,000	3.40
Program 5	Jul 2010	796,125	Jul 9, 2010	Aug 2013, Mar and Aug 2014-2017 and Mar 2018	2,126	436,125	360,000	3.40
Program 5	Dec 2010	63,750	Dec 30, 2010	Mar and Aug 2012-2017 and Mar 2018	154	63,750	-	3.20
Program 5	Dec 2010	63,750	Dec 30, 2010	Mar and Aug 2013-2017 and Mar 2018	154	63,750	-	3.20
Program 5	Dec 2010	127,500	Dec 30, 2010	Mar and Aug 2014-2017 and Mar 2018	307	127,500	-	3.20
Program 5	Feb 2011	22,500	Feb 8, 2011	Mar and Aug 2012-2018	55	-	22,500	3.31
Program 5	Feb 2011	22,500	Feb 8, 2011	Mar and Aug 2013-2018	55	-	22,500	3.31
Program 5	Feb 2011	45,000	Feb 8, 2011	Mar and Aug 2014-2018	110	2,500	42,500	3.31
Program 5	Jul 2011	397,500	Jul 1, 2011	Aug 2012, Mar and Aug 2013-2018, and Mar 2019	609	251,875	145,625	2.02
Program 5	Jul 2011	397,500	Jul 1, 2011	Aug 2013, Mar and Aug 2014-2018, and Mar 2019	609	251,875	145,625	2.02
Program 5	Jul 2011	795,000	Jul 1, 2011	Aug 2014, Mar and Aug 2015-2018, and Mar 2019	1,218	507,500	287,500	2.02
Program 5	Oct 2011	12,500	Oct 27, 2011	Mar and Aug 2013-2018 and Mar 2019	16	-	12,500	1.90
Program 5	Oct 2011	12,500	Oct 27, 2011	Mar and Aug 2014-2018 and Mar 2019	16	-	12,500	1.90
Program 5	Oct 2011	25,000	Oct 27, 2011	Mar and Aug 2015-2018 and Mar 2019	33	-	25,000	1.90
Program 5	May 2012	256,250	May 1, 2012	Aug 2013, Mar and Aug 2014-2019, and Mar 2020	487	112,500	143,750	2.75
Program 5	May 2012	256,250	May 1, 2012	Aug 2014, Mar and Aug 2015-2019, and Mar 2020	487	117,500	138,750	2.75
Program 5	May 2012	512,500	May 1, 2012	Aug 2015, Mar and Aug 2016-2019, and Mar 2020	974	235,000	277,500	2.75
Program 5	Apr 2013	198,750	Apr 11, 2013	Aug 2014, Mar and Aug 2015-2020, and Mar 2021	548	15,000	183,750	2.93
Program 5	Apr 2013	198,750	Apr 11, 2013	Aug 2015, Mar and Aug 2016-2020, and Mar 2021	548	15,000	183,750	2.93
Program 5	Apr 2013	397,500	Apr 11, 2013	Aug 2016, Mar and Aug 2017-2020, and Mar 2021	1,097	30,000	367,500	2.93
Programs total		**15,029,693**			**67,130**	**8,448,805**	**6,580,888**	

*) The recepients have earned the full and final rights.
**) Issued in relation to an acquisition. The recepients have earned the full and final rights.
***) After conversion in relation to a pre-emption rights issue on July 2, 2009.

Notes

17. Warrants – contintued

Under the programs, each warrant entitles the holder to subscribe for one share against a cash payment of the exercise price, as illustrated in the table on page 39. The warrant program is conditioned by the warrant holder being employed with or acting as a consultant to the company or being a member of the company's Board of Directors. After 12 months, 25% of the allocated warrants vest, after 24 months another 25% of the allocated warrants vest, and finally after 36 months the last 50% of the allocated warrants vest. If an employee/consultant/board member resigns, the person in question is obliged to exercise the vested warrants in the first-coming exercise period after the date of resignation.

In the event that a decision is made to liquidate the company, to merge or demerge the company, or to reduce the share capital through a subsequent disbursement, the warrant owners are entitled to exercise their warrants within 14 days.

The estimated values of warrants issued in 2013, 2012, 2011, 2010, 2009, 2007, 2006, and 2005 are calculated by using the Black & Scholes model. The value is expensed in the income statement during the period in which the warrants are vested.

The following assumptions provide the basis for the estimated fair values:

	Granted April 11, 2013	**Granted May 2, 2012**
Exercise price (DKK per share)	2.93	2.75
Grant date's market price (DKK per share)	2.76	1.90
Expected volatility (%)	142	70
Risk-free interest rate (%)	0.7	1.25
Expected dividend payout ratio (%)	-	-
Period until expiry (number of years)	7	7
Market value at grant date (DKK '000)	2,194	1,948

The expected volatility was calculated based on historic volatility of the share price of the Parent Company's shares during the period from the IPO in June 2005.

Period until expiry is calculated on the basis of the most recent potential exercise of the warrant adjusted for expected termination of employment and other causes of non-exercise of the warrants.

Notes

17. Warrants – contintued

	Number of warrants	Weighted average exercised prices	Number of warrants	Weighted average excercised prices
	2013	2013	2012	2012
Out standing warrants at January 1	8,487,315	9.96	9,300,575	9.4
Granted in the financial year	795,000	2.93	1,025,000	2.8
Exercised in the financial year	(22,500)	2.02	-	-
Expired in the financial year	(2,678,927)	8.86	(1,838,260)	3
Outstanding warrants at December 31	**6,580,888**	**9.59**	**8,487,315**	**9.97**
Hereof outstanding vested warrants at December 31	**5,074,638**	**11.63**	**6,441,690**	**12.27**

The weighted average of the remaining contractual maturity was three years at December 31, 2013 and three years at December 31, 2012.

The number of warrants exercised in 2013 was 22,500. No warrants were exercised in 2012.

The following values were recognized for the programs:

	Group		Parent	
DKK '000	2013	2012	2013	2012
Recognized share-based payment, equity schemes	1,319	535	1,319	535
	1,319	**535**	**1,319**	**535**

Notes

18. Financial instruments

Capital risk management
It is the Group's policy to minimize financial risks. The company does not use hedging transactions. Management carefully assesses and monitors the company's currency and interest rate exposure. The Group manages its capital with a view to, at all times, ensuring that all Group entities can meet their payment obligations and give investors the best possible return on their investment through the best possible ratio of debt to equity. The Group's overall strategy is primarily focused on belinostat. The Group's capital structure is composed of debt, as appears from the liabilities stated in the balance sheet, with the exception of deferred tax, cash and cash equivalents, and securities and equity, comprising both share capital, reserves, and retained losses. The carrying amount of financial assets and financial liabilities equals the fair value of such assets and liabilities.

Cash and cash equivalents
The company is a development-stage company generating income in 2013 from the sale of goods and from milestone payments. The company has a net cash outflow. The Group's management regularly reviews the company's capital structure and, in this respect, takes into account both the price of capital and the risk related to the capital. The company has cash and cash equivalents to fund the day-to-day cash requirements of the business. Cash and cash equivalents amounted to DKK 31.5 million at December 31, 2013 (2012: DKK 41.5 million). With regard to deposits, the company's bank has a credit rating of Baa1 according to Moody's.

Significant accounting policies
Note 2 to the financial statements sets out the significant accounting policies and the methods applied, including policies on recognition and measurement.

Financial instrument categories
The carrying amount of each financial asset and liability is recognized in the balance sheet. The company's financial assets include receivables, while its financial liabilities include current and non-current liabilities exclusive of deferred tax.

Financial risk management areas
The company monitors and reports on financial risk areas, including movements in exchange rates, interest rates, and liquidity. The company does not use financial hedging instruments. No changes were made to the Group's risk exposure or to the way in which risks are monitored compared to 2012.

Risk management – interest rates
The company is exposed to interest rate risk on marketable securities and cash on the asset side and to lease obligations and short-term loans on the liabilities side.

In its management reporting, the company quantifies the interest rate risk by calculating a change in financial results before tax and equity in case of a 50 basis point change in interest rates. Such a change is considered to be within a likely range. The company's interest rate exposure at December 31 is stated below:

	Group		Parent	
DKK '000	2013	2012	2013	2012
Cash – demand deposit	31,483	41,460	30,697	39,795
Average interest	0.02%	0.03%	0.02%	0.03%
Total cash	**31,483**	**41,460**	**30,697**	**39,795**
Inter-company balances	-	-	159,483	155,174
Average interest	-	-	5.00%	5.00%
In case of a 50 basis point change in nominal interest rates, results before tax, and equity would be impacted by	16	6	15	6

Intercompany balances are written down to nil. The interest exposure is believed to be insignificant compared to the Group's overall operations.

Notes

18. Financial instruments – continued

Risk management – exchange rates
It is company policy to monitor exchange rate developments and, to the extent possible, to even out income and expenses in the same currency in order to reduce the overall exposure.

The company is primarily exposed to exchange rate fluctuations with respect to two areas. One of these areas represents the strategic investment in subsidiaries, while the other area relates to the company's on-going short-term activities.

		Group		Parent	
DKK '000		2013	2012	2013	2012
The company's exposure in foreign currencies at December 31 are stated below:					
Currency	**Payment/expiry**				
Receivables:					
GBP	0-12 months	1,230	33	1,230	33
USD	0-12 months	1,513	2,440	1,513	2,440
EUR	0-12 months	29	136	23	126
CHF	0-12 months	494	182	353	178
Total receivables		**3,266**	**2,791**	**3,119**	**2,777**
Payables:					
GBP	0-12 months	195	271	1	73
USD	0-12 months	16,676	11,396	16,676	11,396
USD	More than 12 months	-	3,212	-	3,212
EUR	0-12 months	369	1,836	222	1,428
SEK	0-12 months	25	143	25	143
CHF	0-12 months	237	1,139	-	528
Total payables		**17,502**	**17,997**	**16,924**	**16,780**

Notes

18. Financial instruments – continued

GBP, USD, EUR, and CHF are the currencies that have the greatest impact on results and equity and, accordingly, these are the currencies reported on in-house reports to the management. Management believes that the most likely fluctuations in these currencies are restricted to a 10% range. A 10% change upwards or downwards in the exchange rate at December 31 will have the following numerical impact on results and equity figures:

	Group		Parent	
DKK '000	2013	2012	2013	2012
GBP	213	389	22	63
USD	526	1,196	526	1,196
EUR	404	915	346	595
SEK	61	50	61	50
CHF	820	360	3	11

The exchange rate exposure is believed to be insignificant compared to the Group's overall operations.

Credit risk management
The company no longer has sales activities and therefore finds that there is no material credit risk.

Liquidity risk management
The Board of Directors is ultimately responsible for the company's risk management. The Board of Directors has defined appropriate limits for how the company may procure adequate liquidity in the long term and in the short term to cover its on-going activities.

The company regularly monitors the liquidity requirements through renewed calculation of expected cash flow based on the cash flow realized.

In relation to going concern, specifically for the financial year 2013, please refer to Note 2 "Significant accounting assumptions and estimates".

All receivables and payables recognized in the balance sheet fall due within 12 months in relation to belinostat.

Other obligations falling due after 12 months are listed in Notes 19 and 20.

19. Other financial liabilities

Included in the current and non-current liabilities is the potential milestone payment of USD 3.0 million to Celldex Therapeutics (former CuraGen) (2012: USD 3.0 million) in relation to the purchase of the full belinostat rights in April 2008. These are measured at present value.

The potential milestone payment of USD 3.0 million to Celldex Therapeutics (former CuraGen) is classified as respectively short-term and long-term liability.

20. Other financial assets and other financial liabilities

The carrying amount of receivables and other current liabilities are measured at amortized cost.

Notes

21. Other commitments

	Group		Parent	
DKK '000	2013	2012	2013	2012
A rent agreement has been concluded with notice of termination of six months equivalent to	983	1,127	944	1,102
Other lease contracts	-	-	-	-
Lease commitment, operational lease	360	64	360	64
Total	**1,343**	**1,191**	**1,304**	**1,166**
Other obligations are due as follows:				
Up to one year	1,116	1,191	1,077	1,166
One to five years	227	-	227	-
Total	**1,343**	**1,191**	**1,304**	**1,166**

The Parent has an obligation to finance Topotarget Switzerland S.A.'s activities for a period of 12 months from the balance sheet date.

An agreement has been made with an investment bank and certain members of management regarding remuneration upon a potential successful sale of the majority of the company shares. The remuneration of management is mentioned in Note 22.

Notes

22. Related parties

Related parties include the following:

Group and Parent:

Shareholders
HealthCap funds (Odlander Fredrikson & Co AB), cf. Note 23
2013: No transactions
2012: No transactions

Board of Directors and Executive Management
2013: Remuneration and salaries, cf. Note 6
2013: Shares and warrants, see section on the Board of Directors on page 12
2012: Remuneration and salaries, cf. Note 6
2012: Shares and warrants, see section on the Board of Directors on page 12

Orfacare Consulting, a company related to the Chairman of the Board, provides consultation regarding strategic M&A initiatives involving the Company's shares. Both Orfacare and Topotarget's CEO are entitled to receive compensation upon the completion of a successful M&A transaction whereby at least 50% of the Company's shares is acquired including as well a merger involving the Company. The compensation for each party is calculated on a percentage of the value increase for the shareholders in case of a successful M&A transaction and it is capped at DKK 15 million each.

Other related parties
2013: Related parties to the Board of Directors and the Executive Management have received remuneration of TDKK 435 and warrants of TDKK 0; KW Biotech Consulting LLC, a company related to the independent board member Karsten Witt, has provided scientific advice. The company is entitled to receive compensation per hour.
2012: Related parties to the Board of Directors and the Executive Management have received remuneration of TDKK 175 and warrants of TDKK 0.

For the Parent Company:

The subsidiary Topotarget UK Limited
2013: Intra-Group balance of TDKK 1,230 and interest on the intra-Group balance of TDKK 14
2012: Intra-Group balance of TDKK 33 and interest on the intra-Group balance of TDKK 4

The subsidiary Topotarget Germany AG
2013: Intra-Group balance of TDKK 23 and interest on the intra-Group balance of TDKK 1
2012: Intra-Group balance of TDKK 22 and interest on the intra-Group balance of TDKK 1

The subsidiary Topotarget Switzerland S.A.
2013: Intra-Group balance of TDKK 165,779 and interest on the intra-Group balance of TDKK 7,996
2012: Intra-Group balance of TDKK 159,428 and interest on the intra-Group balance of TDKK 3,196

Movements in intercompany balances all consist of transfer of cash to finance activities in subsidiaries.

Notes

23. Ownership

As per March 27, 2014 the following shareholder holds more than 5% of the company's share capital:

- HealthCap funds (Odlander Fredrikson & Co AB), Strandvägen 5B, SE-114-54 Stockholm: 10.0%

24. Working capital changes

	Group		Parent	
DKK '000	2013	2012	2013	2012
Changes in current assets	1,209	7,040	1,413	7,019
Changes in current liabilities	(6,496)	(13,080)	(5,639)	(11,385)
Total	**(5,287)**	**(6,040)**	**(4,226)**	**(4,366)**

25. Non-cash transactions

The company had no non-cash transactions in 2013 and 2012.

26. Proceeds from capital increases

In 2013, proceeds from capital increase amounted to TDKK 25,494. There were no transactions in 2012.

27. Fees to auditors appointed at the annual general meeting

	Group		Parent	
DKK '000	2013	2012	2013	2012
Statutory audit services	341	402	250	340
Other assurence engagements	156	20	45	20
Tax services	12	-	41	-
Other services	150	707	232	974
Total	**659**	**1,129**	**568**	**1,334**

28. Approval of annual report for publication

On the Board of Directors' meeting on March 27, 2014, the Board of Directors approved the present annual report for publication. The annual report will be presented to the Topotarget's shareholders for approval at the annual general meeting on April 24, 2014.

Notes

29. Accounting policies

The consolidated financial statements are presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and the Parent financial statements are presented in accordance with the Danish Financial Statements Act. Further, the annual report is prepared in accordance with additional Danish disclosure requirements for listed companies.

In addition to the description in Notes 1 and 2, the accounting policies are as described in the following.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company and Group enterprises in which the Parent Company is entitled to determine finance and operating policies, which normally applies for ownership interests of more than half of the voting rights.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent Company and its subsidiaries. The consolidated financial statements are prepared by adding items of a uniform nature. On consolidation, intra-Group income and expenses, intra-Group accounts, dividends as well as gains, and losses on transactions between the consolidated enterprises are eliminated.

The financial statements used for consolidation are prepared in accordance with the Group's accounting policies. Acquisitions of subsidiaries are accounted for using the purchase method. Costs related to an acquisition are measured at the fair value of remuneration in the form of assets, the equity instruments granted, and the liability incurred at the date of acquisition with the addition of costs directly connected to the takeover. From January 1, 2010, costs are recognized in the income statement.

Acquired identifiable assets, liabilities, and contingent liabilities in a business combination are measured on initial recognition at fair value at the acquisition date. Identifiable intangible assets are recognized if they can be separated or arise from a contractual right and the fair value can be reliably measured. Positive differences between cost and fair value of the Group's share of the identifiable net assets are recognized as goodwill.

Newly acquired subsidiaries are consolidated at the time when the controlling influence is established in the Group.

Recognition and measurement

The items included in the financial statements of each entity of the Group are measured by using the currency that best reflects the economic substance of the underlying events and conditions applicable for the entity in question. The financial statements are presented in Danish Kroner (DKK), the Parent Company's and the subsidiaries' functional currency.

On initial recognition, assets and liabilities are measured at cost. Revenue and costs, assets and liabilities are subsequently measured as described below.

The preparation of financial statements assumes the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the Group and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when the Group has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Group, and the value of the liabilities can be measured reliably.

Recognition and measurement take into consideration anticipated gains, losses, and risks that arise before the time of adoption of the annual report and that confirm or invalidate matters and conditions existing at the balance sheet date.

Income is recognized in the income statement as and when earned, whereas expenses are recognized as incurred. Value adjustments of financial assets and liabilities are recognized in the income statement as financial income or financial expenses.

Foreign currency translation

On initial recognition, transactions denominated in foreign currency are translated at the exchange rate ruling on the transaction date. Receivables, payables, and other monetary items denominated in foreign currencies that have not been settled on the balance sheet date are translated at the exchange rates ruling at the balance sheet date. Exchange differences between the exchange rate at the date of the transaction and the exchange rate at the date of payment or the balance sheet date, respectively, are recognized in the income statement as financial income or financial expenses.

On recognition in the consolidated financial statements of foreign subsidiaries in which Danish kroner (DKK) is the functional currency but which present their financial statements in another currency, monetary assets, and monetary liabilities are translated at the exchange rate at the balance sheet date. Non-monetary assets and liabilities measured based on historical cost are translated at the exchange rate at the transaction date. Non-monetary assets and liabilities measured at fair value are translated at the exchange rates at the most recent date of fair value adjustment.

Income statement items are translated at average monthly exchange rates, except for items derived from non-monetary assets and liabilities which are translated at historical rates for the non-monetary assets and liabilities.

Notes

Income statement

Revenue

The revenue is comprised of milestone payments and other income from research and development agreements. Revenue is recognized when it is probable that future economic benefits will flow to the company and such economic benefits can be measured reliably. 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 and services included in the transaction have been transferred to the buyer. If all risks and benefits have not been transferred, the revenue is recognized as deferred income until all components in the transaction have been completed.

Production costs

Production costs comprise costs incurred to generate the revenue. Production costs are comprised of salaries, contributions to pension schemes, costs of share-based payments, and other costs including depreciation, impairment write-down, and amortization attributable to the Group's production activities.

Research and development costs

Research costs comprise salaries, contributions to pension schemes, costs of share-based payments, and other costs, including patent costs, as well as depreciation and amortization attributable to the Group's research activities. Research costs are recognized in the income statement as incurred.

Development costs comprise salaries, contributions to pension schemes, costs of share-based payments, and other costs, including depreciation and amortization attributable to the Group's development activities. Capitalization assumes that the development of the technology or the product in the Group's opinion has been completed, that all necessary public registration and marketing approvals have been obtained, and that costs can be reliably measured. Furthermore, it has to be established that the technology or the product can be commercialized and that the future income from the product can cover, not only production costs, sales, and distribution costs and administrative expenses, but also development costs.

Development costs are recognized in the income statement as incurred if the conditions for capitalization of the development costs are deemed not to be met. Research and development costs also comprise any impairment write-down on acquired research and development projects made before the time when the project is available for use.

Sales and distribution costs

Sales and distribution costs comprise costs incurred for the distribution of goods sold and for sales campaigns, including salaries, contributions to pension schemes for sales and distribution staff, office expenses, and depreciation, and other indirect costs.

Administrative expenses

Administrative expenses comprise salaries, contributions to pension schemes to the management and administrative functions, office supplies as well as depreciation and amortization, and other indirect costs.

Financial income and expenses

These items comprise interest income and expenses, interest on capitalized milestone payments, realized gains and losses on marketable securities, and realized and unrealized gains and losses on payables and transactions in foreign currencies.

Income taxes

Tax for the year, consisting of the year's current tax and movements in deferred tax, is recognized in the income statement as regards the amount that can be attributed to the profit/(loss) for the year and posted directly in equity as regards the amount that can be attributed to movements taken directly to equity. Current tax payable or receivable is recognized in the balance sheet as calculated tax on the taxable income for the year adjusted for prepaid tax.

The deferred tax charge is recognized and measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax values of assets and liabilities. The tax value of the assets is calculated based on the planned use of each asset.

Deferred tax is measured based on the tax rules and rates in the respective countries that will apply under the legislation in force on the balance sheet date when the deferred tax asset is expected to crystallize as current tax. Changes in deferred tax resulting from changes in tax rates are recognized in the income statement.

Deferred tax assets, including the tax value of tax loss carry-forwards, are recognized at the value at which they are expected to be realized, either through a set-off against deferred tax liabilities or as net assets.

Deferred tax assets and liabilities are not recognized if the temporary difference arises on initial recognition (in cases other than in connection with a business combination) of other assets and liabilities in a transaction not affecting the results for tax or accounting purposes.

Provision is made for tax on temporary differences arising on investments in subsidiaries, unless the Group can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future.

Discontinued operations

Discontinued operations are business areas that have been sold. Subsidiaries, which alone are for resale, are considered to be a discontinued operation.

The results of discontinued operations are presented in the income statement as a separate note (Note 10), which consists of operating profit after tax with respect to that activity and any gains or losses from fair value adjustment or sale of assets and liabilities associated with the activity.

Non-current assets and groups of assets held for sale are presented separately in the balance sheet as current assets. Liabilities

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directly associated with those assets are presented as current liabilities in the balance.

Non-current assets held for sale are not amortized, but are written down to fair value less costs to sell if this value is lower than the carrying value.

Segment reporting

In 2013, the company only has one segment of activity: Research and development. As only one segment is operated, there is no need for a separate note on segment reporting.

The reason for the company only having one segment of activity in 2013 is due to the discontinued operations (that of Totect®/ Savene®) at the end of 2011.

The Group does not allocate assets and liabilities to the segments.

Share-based payment

All warrants granted after January 1, 2005 are equity instruments that are measured at fair value at the date of grant. Where warrants are included as part of an acquisition price of a subsidiary, the value of the equity instrument is recognized together with the remaining cost and the balancing item is taken directly to equity to the reserve for share-based payment. Where warrants are issued as incentive programs, the compensation cost is charged to the income statement over the period when the warrants vest. The expense is allocated to production costs, research and development costs, sales and distribution costs, and administrative expenses, and the balancing item is taken directly to equity to the reserve for share-based payment.

The fair value is calculated using the Black & Scholes model, taking into consideration the anticipated exercise of the warrants granted. On each balance sheet date, Topotarget estimates the anticipated number of warrants that will vest. Any change to the original estimates of number of warrants will result in a change of the expensed cost over the remaining vesting period. Prior year changes are recognized in the income statement in the year in which the change is identified.

Balance sheet

Goodwill

Goodwill is the amount at which the cost of an enterprise taken over exceeds the fair value of the Group's share of the net assets acquired at the time of the takeover.

Goodwill is tested for impairment at every balance sheet date. In the event of an impairment loss, the carrying amount of the goodwill is written down to the recoverable amount. Write-downs are recognized in the income statement.

Acquired research and development projects

Costs of acquiring research and development projects are measured at cost price and recognized as intangible assets. The assets are amortized over their expected economic lives from the time when the project is ready for use (marketing approvals have been obtained). In the period until a marketing approval has been obtained, the acquired research and development project is tested for impairment annually. After marketing approval has been obtained, an impairment test is performed when events or other circumstances indicate that the carrying amount may not be recoverable.

Property, plant, and equipment

Other fixtures and fittings, tools and equipment as well as assets held under finance leases are measured at costs less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time it is ready to be put into operation.

The basis for depreciation is cost less estimated residual value after the end of useful life. The expected residual value is re-assessed every year. The assets are depreciated on a straight-line basis over their useful lives, which are four to ten years.

Impairment of non-current assets

In the period until a marketing approval has been obtained, the acquired research and development project is tested for impairment annually. After marketing approval has been obtained, an impairment test is performed when events or other circumstances indicate that the carrying amount may not be recoverable.

The carrying amount of other intangible assets, property, plant, and equipment as well as non-current asset investments is reviewed for impairment when events or changed conditions indicate that the carrying amount may not be recoverable. Where such an indication exists, an impairment test is made. An impairment loss is recognized in the amount by which the carrying amount exceeds the recoverable amount of the asset, which is the higher of the net present value and the net selling price. In order to assess the impairment, the assets are grouped on the least identifiable group of assets that generates cash flow (cash-generating units). Impairment losses are recognized in the income statement under the same items as the associated depreciation or amortization.

Investments in subsidiaries (Parent Company)

Investments in subsidiaries are recognized and measured according to the equity method. This means that the investments are measured at the proportionate share of the companies' equity value after addition or deduction of any unamortized positive or negative goodwill, respectively, and after deduction or addition of unrealized intra-Group gains and losses.

The Parent Company's share of the subsidiaries' profits or losses after tax and after elimination of unrealized intra-Group gains and losses and with the deduction or addition of amortization of positive, or negative, goodwill is recognized in the income statement.

Subsidiaries with a negative net asset value are recognized at DKK nil, and any receivable amount from these companies is written down to the extent it is deemed to be

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irrecoverable. Where the negative net asset value exceeds the amount receivable, the residual amount is recognized under provisions to the extent that the Parent Company has a legal or constructive obligation to cover the relevant company's obligations.

Net revaluation of investments in subsidiaries is transferred in connection with appropriation of the profit/(loss) for the year to the reserve for net revaluation according to the equity method.

Acquisitions of subsidiaries are accounted for using the purchase method. Please see above under consolidated financial statements.

Financial assets

The Group and the Parent Company classify their financial assets in the following categories:

- Loans and receivables
- Available-for-sale financial assets

Financial assets are classified according to the purpose of the acquisition. Management determines the classification on initial recognition and reevaluates this designation at every reporting date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. In the balance sheet, they are classified as trade receivables, other receivables, and as loans.

Available-for-sale financial assets are non-derivative financial assets and are designated as short-term securities in the balance sheet.

Trade receivables

On initial recognition, trade receivables are measured at fair value and subsequently measured at amortized cost according to the effective interest method less provision for impairment based on an individual assessment.

Other receivables

On initial recognition, other receivables are measured at fair value and subsequently measured at amortized cost according to the effective interest method less write-downs for losses.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at amortized cost, which usually corresponds to the nominal value.

Short-term securities

The securities are easily negotiable in the established markets. Short-term securities are classified as "available for sale". Fair value equals the market price. Upon a sale, cost is measured according to the FIFO principle. Realized gains and losses (including realized exchange rate gains and losses) are recognized in the income statement as financial items. Unrealized gains and losses (including unrealized exchange rate gains and losses) are recognized directly in equity. Transactions are recognized on the trade date.

Cash and cash equivalents

Cash comprises cash holdings and bank deposits with an insignificant price risk. Cash is measured at fair value.

Equity

The share capital comprises the nominal value of the company's ordinary shares, each with a nominal value of DKK 1.

Retained earnings include amounts paid as premium compared to the nominal value of the shares in connection with the company's capital increases less external expenses, which are directly attributable to the increases of capital. The amount also includes unrealized gains and losses (including unrealized exchange rate gains and losses).

The reserve for share-based payment includes the value of recognized warrant programs measured at the fair value at the time of grant and subsequent value adjustments.

The buying and selling of own shares are recognized directly in equity. Own shares are therefore not recognized separately in the balance sheet.

Provisions

Provisions are recognized when the Group has a legal or constructive obligation as a result of a prior event on or before the balance sheet date, and it is probable that the company has to give up future economic benefits in order to repay the obligation. The provisions are measured according to an assessment of the costs required in order to repay the present obligation at the balance sheet date. Provisions which are not expected to be repaid within a year from the balance sheet date are measured at present value.

Lease commitments

Lease commitments relating to assets held under operating leases are recognized in the income statement over the terms of the contracts. Lease payments are recognized either in production costs, research and development costs, sales and distribution costs, or administrative expenses, depending on the use of the asset.

Financial liabilities

Financial liabilities, including trade payables and other payables, are initially measured at fair value. In subsequent periods, financial liabilities are measured at amortized cost, applying the effective interest method, to the effect that the difference between the proceeds and the nominal value is recognized in the income statement as financial expenses over the term of the loan.

Deferred income

The item reflects the part of revenue that has not been recognized as income immediately on receipt of payment and which concerns agreements with multiple components which cannot be separated.

Cash flow statement

The cash flow statement of the Parent Company and the Group is presented using the indirect method and shows cash flow from operating, investing, and financing activities as well as the Group's cash

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and cash equivalents at the beginning and the end of the financial year.

Cash flow from operating activities is calculated as the operating profit/(loss) adjusted for non-cash operating items, working capital changes, and income taxes as well as interest paid.

Cash flow from investing activities comprises payments in connection with acquisition and divestment of enterprises and activities as well as purchase and sale of intangible assets, property, plant, and equipment as well as non-current investments.

Cash flow from financing activities comprises changes in the size or composition of the Parent Company's and the Group's share capital and related costs as well as the raising of loans, instalments on interest-bearing debt, and payment of dividends.

Cash and cash equivalents comprise cash, deposits in financial institutions, liquid securities with terms of three months or less at the date of acquisition, less short-term bank debt that forms an integral part of the Group's cash management activities.

Financial highlights and key ratios

The financial ratios have been calculated in accordance with "Recommendations & Ratios 2010", issued by the Danish Society of Financial Analysts, and amendments to IAS 33, "Earnings per share", as set out below:

Earnings per share before tax

Earnings per share is calculated as the net profit or loss divided by the weighted average number of outstanding ordinary shares.

Diluted earnings per share

Diluted earnings per share are calculated as the net profit or loss divided by the average number of outstanding ordinary shares adjusted for the diluting effect of issued equity instruments.

Share price at year-end

The year-end share price is determined as the average trading price (all trades) of the company's shares on the NASDAQ OMX Copenhagen stock exchange at the balance sheet date or at the most recent trading date prior to the balance sheet date.

Assets/equity

Total assets at the balance sheet date divided by total equity at the balance sheet date.

Net asset value per share

Net asset value per share is calculated as total equity at the balance sheet date divided by the number of outstanding ordinary shares at the balance sheet date.

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