



Announcement

22 November 2016

NeuroSearch announces main components of resolution plan

As stated in company announcement 9/2016 of 14 November 2016, the Danish Supreme Court found the Company guilty of market manipulation based on events occurring in the first half of 2010.

In continuation hereof, the Company has opted to announce the status for handling its remaining assets as set out below.

Asset	Description	Plan for divesting values
Value of tax loss	Tax loss carry forwards have been calculated at approx. DKK 2.2bn.	The Company will scan the market for potential buyers of NeuroSearch and the underlying tax loss.
Potential milestone payments from TEVA regarding Huntexil®	If Huntexil® is granted market approval, NeuroSearch will be entitled to receive three milestone payments totalling up to DKK 55m. Teva Pharmaceutical Industries Ltd. recently announced positive data from a comprehensive Phase II study. NeuroSearch has no further insight into Teva's future plans for developing Huntexil® and is therefore unable to assess the likelihood of payments to NeuroSearch being triggered or the timing of such payments.	NeuroSearch will initiate a process to identify any possibilities of divesting the Company's entitlement to potential milestone payments.
Winding up of the associate NsGene A/S	NeuroSearch owns 26.8% of NsGene.	The board of directors of NsGene has advanced plans to close down the company at the beginning of 2017. If these plans are executed, NeuroSearch may be entitled to receive a small single-digit million DKK amount in 2017.
Atonomics A/S	NeuroSearch owns 3.9% of Atonomics.	NeuroSearch will initiate a process to identify any possibilities of divesting the Company's shareholding.



Agreements with Saniona A/S	A number of projects, rights and patents have been sold or transferred to Saniona A/S. Under the terms of the agreements, NeuroSearch is entitled to milestone payments and potential royalties related to specific project milestones.	NeuroSearch will initiate a process to identify any possibilities of divesting the Company's entitlement to potential milestone payments and to potential royalties.
Cash and cash equivalents	At 31 October 2016, cash and cash equivalents totalled DKK 71 million after deducting a DKK 5 million provision for a fine.	N/A

Following the Supreme Court decision, the Company can adjust its future costs so that 2017 costs reflect the activities that are gradually being discontinued. Costs relating to the DKK 5 million fine and legal expenses for the recently closed Supreme Court case will be incurred in 2016. NeuroSearch has previously made a provision for the full amount of the DKK 5 million fine.

Management intends to further the above-mentioned initiatives during the coming months and to present to the shareholders at the 2017 annual general meeting a reasoned proposal for how to proceed with the resolution of the company.

Financial outlook for 2016

In 2016, NeuroSearch expects an operating loss in the range of DKK 4-6 million. The outlook does not include any income from the possible divestment of Company assets or potential income from the Company's agreements with Teva, Saniona or others. The provision for the DKK 5 million fine will not affect the operating results for 2016, as a provision was made in the financial statements for 2014 to cover the fine.

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About NeuroSearch

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