



Appendix to Company Announcement 21 / 19

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STATEMENT BY THE BOARD OF DIRECTORS OF NEUROSEARCH A/S RELATING TO THE MANDATORY PUBLIC TAKEOVER OFFER MADE BY NORDIC TRANSPORT GROUP HOLDING A/S ON 7 AUGUST 2019

21 AUGUST 2019

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STATEMENT BY THE BOARD OF DIRECTORS OF NEUROSEARCH A/S RELATING TO THE MANDATORY PUBLIC TAKEOVER OFFER MADE BY NORDIC TRANSPORT GROUP HOLDING A/S ON 7 AUGUST 2019**1. Introduction****1.1 The Offer**

On 23 July 2019, Nordic Transport Group Holding A/S (the "**Offeror**") announced a mandatory public takeover offer (the "**Offer**") to the Shareholders of NeuroSearch A/S ("**NeuroSearch**" or the "**Company**") pursuant to Section 3(2) of Executive Order no. 1171 of 31 October 2017 on takeover offers (the "**Takeover Order**"). The Offer was published on 7 August 2019 on the terms set out in the offer document prepared by the Offeror and approved by the Danish Financial Supervisory Authority (the "**Offer Document**").

The Offer stands until 5 September 2019 at 11:59 pm (CET) or until expiry of any extension of it (the "**Offer Period Expiry**").

In this statement, '**Shareholders**' means those of the shareholders in NeuroSearch to which the Offer is addressed and which are described in further detail in paragraph 1.3. Correspondingly, '**Shares**', in this statement, means those shares in the Company which the Offeror is offering to acquire on the terms set out in the Offer and as further described in paragraph 1.3.

1.2 Purpose of the statement

The board of directors of a listed company for which a public takeover offer is made must prepare a statement pursuant to Section 22(1) of the Takeover Order, in which the board explains its view on the offer and the reasons for its view, including its view on the consequences of the offer for all the company's interests and on the offeror's strategic plans with the target company and the likely consequences thereof for the employment situation and for the operating sites.

This statement has been prepared by the Company's board of directors (the "**Board of Directors**") for the purpose of complying with the Board of Directors' obligations set out in Section 22(1) of the Takeover Order.

The statement is subject to Danish law.

The statement has been prepared in both a Danish and an English language version. In case of any discrepancy between the two versions, the Danish language version will prevail.

The statement is addressed to those of the Shareholders to which the Offer is addressed, see paragraph 1.3 below.

Some of the views expressed herein are forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by the use of words such as "assess", "believe", "expect", "assume", "anticipate", "intend", "estimate", "will", "could", "may", "continues to", "should", and similar expressions. In this statement, forward-looking statements will be based on a number of assumptions, many of which are themselves based on assumptions. While the Company believes these assumptions to be reasonable at the time they are made, they are by their nature associated with significant known and unknown risks, uncertainties, unforeseen events and other factors which are difficult or impossible to predict or which are outside the Company's control. Such risks, uncertainties, unforeseen events and other important factors may cause actual events to differ materially from the expectations expressed or implied in this statement by such forward-looking statements.

Information about the Offeror in this statement has been obtained from publicly available sources, including the Offer Document. The statement also contains references to or quotations from the Offer Document. Neither the Company nor the Board of Directors assumes any liability for (i) the accuracy or completeness of such information or (ii) any failure by the Offeror to disclose information about events which may have occurred or which may affect the importance or accuracy of such information.

The Offer Document is not an integral part of this statement, nor is it incorporated by reference. Neither the Company nor the Board of Directors assumes any liability for the truthfulness, completeness or accuracy of the Offer Document, and the responsibility for the Offer Document lies solely with the Offeror.

1.3 The Offer

Pursuant to the Offer, the Offeror is offering to purchase the Shares against a cash consideration of DKK 89.00 per Share of nominally DKK 20.00 (the "**Offer Price**").

The Offer stands until Offer Period Expiry on 5 September 2019 at 11:59 pm. (CET) or until expiry of any extension of it.

The Offer is not made, directly or indirectly, in and may not be accepted from any jurisdiction where doing so would violate applicable laws of such jurisdiction. Also, the Offer does not constitute an offer to purchase securities (including shares in the Company) in the United States.

Subject to the above, the Offer, in accordance with the content of it, comprises all (100%) shares in NeuroSearch.

Reference is made to the Offer Document, in which the terms of the Offer are described in more detail.

2. Conclusion

This paragraph contains the Board of Directors' assessment of the Offer, including its assessment of acceptance or non-acceptance of the Offer. The paragraph must be read in conjunction with the full statement, including the assessment of advantages and disadvantages as described in paragraph 5 and the definitions in the statement.

The Board of Directors notes that no assurance can be given that the NTG Transaction will in fact be completed after the completion of the Offer.

If the Shareholders do not wish to risk receiving the Anticipated Liquidation Proceeds for their shares, which are expected to be significantly lower than the Offer Price, the Board of Directors recommends the Shareholders to accept the Offer.

If the Shareholders are willing to accept the risk that the NTG Transaction may not be completed and thus alternatively receiving the Anticipated Liquidation Proceeds for their shares, which are expected to be significantly lower than the Offer Price, and if they do not consider the possibility of buying shares in the Company as part of a possible completion of the NTG Transaction a sufficiently attractive alternative, inter alia on the grounds (i) that the price per share may be higher than the Offer Price and the number of shares allocated to the Shareholders is uncertain or (ii) that the costs of buying and selling shares in the Company are unacceptable to the Shareholders or unproportionately high compared to the number of shares held by the Shareholders, the Board of Directors recommends the Shareholders not to accept the Offer.

3. Background for the Board of Directors' analysis of the Offer

3.1 The Company's history and business

Originally, NeuroSearch was a biotech company, however, for a number of years the Company has not made research into or developed any new potential medical products.

Since 2012, the Board of Directors has worked on winding up the Company's activities and assets. In the period from 2012 to 2016, the Board of Directors thus assigned rights to clinical and preclinical assets to Saniona A/S and others, and remaining rights to these assets were sold to Saniona A/S in 2017. Saniona also took over NeuroSearch's liabilities for payment of royalties to third parties regarding possible future net sales revenues from these projects in 2017. The winding up of the Company's former associated company NsGene A/S was also finalised in 2017.

As part of the Company's winding up plan, NeuroSearch, on 16 May 2018, entered into an agreement with, among others, Teva Pharmaceutical International GmbH ("**Teva**"), to release Teva from all outstanding obligations pursuant to an agreement from 2012 concerning the transfer of NeuroSearch's rights in and to Pridopidine. On 8 September, NeuroSearch received notice that Teva had concluded a definitive agreement relating to the sale and transfer of Teva's right in and to Pridopidine. Pursuant to the agreement, NeuroSearch received DKK 2.9 million (USD 450,000). Consequently, the wind up of NeuroSearch's activities is close to be completed.

At the Company's annual general meeting on 30 April 2018, the Board of Directors proposed to liquidate the Company, which proposal was subsequently withdrawn following Gefion Group Investments A/S' ("**Gefion**") announcement of its intention to make a conditional voluntary takeover offer to the shareholders of NeuroSearch. Shortly thereafter, the Offeror made a voluntary takeover offer to the shareholders of NeuroSearch. The offer from Gefion was subsequently withdrawn and thereby not completed, while the Offeror's offer was completed. Since then, there has been an ongoing process for the wind up of NeuroSearch through the Offeror's takeover of the Company.

The Company's current assets consist of a bank deposit of DKK 64.8 million as at 30 June 2019 and a tax loss of approximately DKK 1.7 billion.

3.2 Events in the period until submission of the Offer

The Offeror's standing purchase order and submission of the Offer

On 9 July 2019, the Offeror notified the Company that the Offeror was placing an offer in the form of a standing order in the market for the purchase of shares in the Company at a price equal to the Offer Price.

On 23 July 2019, the Offeror announced that it had as consequence of the standing purchase order and combined with previous purchases acquired a total of 407,885 shares of nominally DKK 20, corresponding to 33.37% of the total share capital and the voting rights in NeuroSearch and at the same time announced that the Offer would be submitted. The Offer Document was published on 7 August 2019.

NTG Transaction

As previously informed in company announcements of 5 April 2019 and 9 July 2019, NeuroSearch and Nordic Transport Group A/S ("**NTG**") have signed a non-binding letter of intent contemplating (i) the combination of NeuroSearch and NTG to be effected by the contribution into NeuroSearch of all shares in NTG (as well as shares in some of its subsidiaries) against the issuance of new shares in NeuroSearch to the shareholders in

NTG, and (ii) the offering of shares to new investors (the "**NTG Transaction**"). NTG is a related company to NTG Holding. It is the intention that the Transaction will be completed in Q4 2019.

As previously informed, the exchange ratio in the NTG Transaction will be based on the market values of both companies. In practical terms, the intention is for the procedure to be as follows:

- Aggregate valuation. There will be an aggregate market valuation of NTG and NeuroSearch as part of the offering to new investors. The offering will be in the form of a standard IPO bookbuilding.
- NeuroSearch. The total ownership interest of the NeuroSearch shareholders upon completion of the NTG Transaction will hereafter be valued on the basis of the volume-weighted share price of NeuroSearch shares over a given period prior to the bookbuilding, but in no event less than the Offer Price.
- NTG. The value of NTG will be determined as the difference between the market valuation of the combined NTG/NeuroSearch company and the value of NeuroSearch as mentioned above.

NeuroSearch has engaged Carnegie Investment Bank to provide a fairness opinion on the exchange ratio in the NTG Transaction. To ensure that the exchange ratio in the Transaction reflects the above, NeuroSearch would potentially have to issue bonus shares of nominally DKK 20 to the shareholders of NeuroSearch pro rata to their existing shareholdings. If the shareholding of any shareholder entails that it is not possible to issue and allot a bonus share of nominally DKK 20, such decimal bonus share will be settled in cash.

Under the rules for issuers of shares, the NTG Transaction will qualify as a "change of identity", see clause 2.9 of the rules. Nasdaq Copenhagen A/S ("**Nasdaq**") has informed the Company that Nasdaq will assess whether upon the completion of the NTG Transaction NeuroSearch may keep its stock exchange listing following the change of identity. Nasdaq has informed the Company also that it will begin a process to evaluate whether the shares of NeuroSearch may continue to be admitted to trading, unless in all material respects NeuroSearch adheres to the model for a combination with NTG in accordance with the timetable referred to above.

The group of owners behind NTG jointly has controlling interest in NTG, which through a number of subsidiaries carries out transport, forwarding and logistics services nationally and internationally. It is the overall intention of the Offeror that NeuroSearch by way of an amendment of the articles of association will change its name to Nordic Transport Group A/S and continue to carry on the activities of the NTG group within the transport industry.

3.3 Expectations for financial year 2019

In 2019, NeuroSearch expects, on a going concern basis, an operating loss of approximately DKK 10-15 million, including the expected costs in connection with the NTG Transaction and dependant on whether or not the NTG Transaction will take place before 31 December 2019. In that connection, please refer to the letter of intent in which NTG has assumed a binding obligation to cover 50% of NeuroSearch's costs to external advisers in case the NTG Transaction has not taken place by 31 December 2019, see NeuroSearch's company announcement of 17 June 2019.

NeuroSearch realized an operating loss of approximately DKK 6.1 million in the first half-year of 2019. The accounting loss was DKK 6.3 million.

3.4 The Company's shareholders

NeuroSearch has a total share capital of nominally DKK 24,553,947. The Company's shares are admitted to trading and official listing on Nasdaq (under the symbol "NEUR" with ISIN code DK0061141215) where nominally DKK 24,553,940 of the total share capital of the Company is traded in shares of a nominal value of

DKK 20.00. Part of the Company's share capital is not admitted to trading on Nasdaq due to the completion of a reverse share split in 2019, however, such part is expected to be annulled through a capital reduction at the next general meeting.

On 28 December 2018, NeuroSearch had a total of 11,387 registered shareholders who collectively owned 21,726,789 shares. That corresponds to 88% of the total outstanding share capital being registered in the Company's register of shareholders.

The following shareholders have informed the Company that they hold more than 5% of the shares and voting rights in the Company:

- The Offeror, Nordic Transport Group Holding A/S, Hammerholmen 47, 2650 Hvidovre, Denmark (34.08%)
- Luxor Capital Group, LP, 1114 Avenue of the Americas, 29th floor, New York, NY 10036, USA (7.43%)

NeuroSearch owns 18,590 shares of nominally DKK 20 in NeuroSearch.

3.5 Change of control

The Company has not entered into any material contracts which include clauses that are or may be triggered by a change of control.

4. The consequences of the Offer and the NTG Transaction for the Company's interests and the Offeror's strategic plans for the Company

The Company has no current operational activities, and all significant rights (except for the Company's tax loss) have been disposed. Nor does the Company have any significant outstanding obligations or liabilities. Thus, the Company's future development depends on whether the NTG Transaction is in fact completed or not.

There are currently no employees in the Company other than NeuroSearch's CEO. The Board of Directors expect that the Company's staff will be increased in connection with the completion of the NTG Transaction. Completion of the Offer as such is not expected to affect the staffing of NeuroSearch.

The Offeror intends to complete the NTG Transaction and to continue the NTG Group's transport activities, thereby obtaining a listed platform for these activities. The exchange ratio in the NTG Transaction will be based on the market values of the participating companies. In this connection, the Company will become a company in the transport industry in the form that currently characterises the NTG Group.

The Board of Directors also understands that the Offeror does not intend to propose that NeuroSearch distributes dividends (whether ordinary or extraordinary) or to make other distributions to the shareholders, including to the Offeror, within the first twelve (12) months after completion of the Offer.

5. The Board of Directors' assessment of advantages and disadvantages of the Offer

The Board of Directors has assessed certain advantages and disadvantages of the Offer as described below.

It should be noted that the Company has no established structures that prevent or impede any interested third party from submitting a competing takeover offer for the Company to the Shareholders before or after the Offer Period Expiry.

5.1 Offer Price

The table below shows the Offer Price compared to the Board of Directors' unaudited estimate of the anticipated liquidation proceeds for the Shareholders, on a pro forma basis, if the Company is wound up by liquidation as at 31 December 2019 (the "Anticipated Liquidation Proceeds"):

Item	DKK
Equity as at 31 December 2018	+ 70,500,000
Estimated loss for the financial year 1 January 2019 - 31 December 2019*	- (10,000,000-15,000,000)
Estimated liquidation costs**	- (1,000,000)
Anticipated Liquidation Proceeds	54,500,000-59,500,000
Anticipated Liquidation Proceeds per Share of nom. DKK 20.00	c. 45-49
Offer Price for the Offer (per Share of nom. DKK 20.00)	89.00

* Reference is made to paragraph 3.3 above. The interval takes into account a potential cost coverage to the Company pursuant to the letter of intent with NTG regarding the NTG Transaction. Should the Company receive such coverage, the Company expects a loss in the lower part of the interval (where a loss of DKK 10 million represents the lowest value).

** The assessment has been made on the basis of the Board of Directors' estimate without obtaining any quotes. Losses in following financial years has not been taken into account.

Compared to the Anticipated Liquidation Proceeds per Share, the Offer Price represents a premium of approximately 81-97%.

It should be noted that the Board of Directors finds that the Anticipated Liquidation Proceeds give the truest, fairest and most accurate comparison basis for an assessment of the Offer from a financial perspective, as the Company would most likely be wound up by liquidation, if the Offer had not been made.

Information about the Anticipated Liquidation Proceeds is forward-looking financial information which is based on a number of assumptions. While the Company believes these assumptions to be reasonable, they are by their nature associated with significant known and unknown risks, uncertainties, unforeseen events and other factors which are difficult or impossible to predict or which are outside the Company's control. Such risks, uncertainties, unforeseen events and other important factors could cause actual events to differ materially from those expectations.

5.2 Advantages for the Shareholders

The Board of Directors assesses that the Offer has the following advantages for the Shareholders:

- If the Shareholders accept the Offer, they will receive cash proceeds equal to the Offer Price and not risk receiving the Anticipated Liquidation Proceeds, which are expected to be significantly lower than the Offer Price. Selling Shareholders will potentially be able to buy shares in the Company in the offering to new investors in connection with the NTG Transaction, if the NTG Transaction is completed, but the price for such shares may be higher than the Offer Price and the Shareholders may not be able to buy the desired number of shares in the Company. In addition, the Shareholders will incur costs when buying and selling shares in the Company.

- The Offer Price represents a premium of approximately 81-97% compared to the Anticipated Liquidation Proceeds per Share, and the Offer is thus, from a financial perspective, more attractive than a liquidation of the Company.
- The Offer must be expected to be completed as it is unconditional.
- The Shareholders will receive cash consideration.
- All Shareholders are offered the possibility of selling part or all of their Shares; see, however, the description below in paragraph 5.3 regarding US shareholders and shareholders in other excluded jurisdictions.

5.3 Disadvantages for the Shareholders

The Board of Directors assesses that the Offer has the following disadvantages for the Shareholders:

- The Offer is not made to shareholders in the United States, and such shareholders will thus not have the opportunity to sell part or all of their shares in connection with the Offer.
- Shareholders who accept the Offer will not take part in any future increase in value in the Company, unless they buy shares in the Company, e.g. in the offering to new investors in connection with the NTG Transaction, if the NTG Transaction is completed. The price at which shares in the Company will be offered in connection with the NTG Transaction may be higher than the Offer Price and the Shareholders may not be able to buy the desired number of shares in the Company. In addition, the Shareholders will incur costs when buying and selling shares in the Company.
- The Shareholders will, as a general rule, have to pay tax on the gain realised, if they decide to sell their Shares to the Offeror. This may bring the taxation forward. Since the tax implications of accepting the Offer depends on the individual Shareholder's tax situation, the Board of Directors recommends that the Shareholders assess their own tax situation and, if necessary, consult with their own professional advisers in relation to the Offer.

6. Disclosure of certain interests

6.1 Ownership interests held by the Board of Directors and the executive management.

No member of the Company's Board of Directors or executive management owns shares in the Company, except for Allan Andersen, who is both a member of the Board of Directors and on the executive management, and who owns 108 shares of nominally DKK 20.

No member of the Company's Board of Directors or executive management has any direct or indirect ownership interests in the Offeror.

6.2 Other incentives for the Board of Directors in connection with the Offer

The Offeror will not pay any remuneration to the Board of Directors or the executive management of NeuroSearch in connection with the Offer.

The Offeror has not agreed upon or concluded any agreement on amendments to any existing agreements on bonus schemes or similar incentive schemes to the Board of Directors or the executive management of NeuroSearch, nor will any such agreement be concluded prior to completion of the Offer. Nor has any final decisions been made to agree upon or any agreement concluded on amendments to any existing agreements

on bonus schemes or similar incentive schemes to the Board of Directors or the executive management of NeuroSearch after completion of the Offer, however, it is a prerequisite – independent of the Offer and the result thereof – that after the potential completion of the NTG Transaction, NTG's remuneration policy will be presented for approval at a general meeting in NeuroSearch and any reelected board members of NeuroSearch will be included in such new remuneration policy.

