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### Nordic Transport Group announces intention to launch an indirect public offering through NeuroSearch on Nasdaq Copenhagen

Nordic Transport Group A/S ("**NTG Company**"), a fast-growing freight forwarding company, today announced its intention to launch an indirect public offering of new and existing shares through NeuroSearch on Nasdaq Copenhagen. The shares of NeuroSearch are listed on Nasdaq Copenhagen.

In connection with the offering, the entire share capital of NTG Company, the parent company in Nordic Transport Group prior to the offering, as well as outstanding shares in certain matured partner-driven subsidiaries of NTG Company (the "**NTG Matured PADS**") will be contributed to NeuroSearch against issuance of newly issued shares in NeuroSearch to the shareholders of NTG Company and the shareholders of the NTG Matured PADS (the "**Transaction**"). As such, NTG Company will be indirectly listed on Nasdaq Copenhagen as part of the Transaction. Upon completion of the Transaction, the business of NTG Company and its subsidiaries ("**Nordic Transport Group**") will be carried on by the group with NeuroSearch as the parent company of Nordic Transport Group.

The contemplated offering follows a process where Nordic Transport Group Holding A/S, a related company of NTG Company, through first a voluntary and subsequently a mandatory public offer to the shareholders of NeuroSearch, has acquired 47.55 percent of NeuroSearch. Nordic Transport Group Holding A/S' intention with the initial offer to the shareholders of NeuroSearch was to combine the two businesses and obtain a stock exchange listing of Nordic Transport Group.

The contemplated offering is expected to consist of a sale of newly issued shares to raise proceeds for pursuing acquisitions to support Nordic Transport Group's future growth, as well as a sale of existing shares by current shareholders in Nordic Transport Group, which today are primarily owned by the founders and partners, and Nordic Transport Group Holding A/S. The total offer size will be announced in connection with the publication of the prospectus.

Chairman of the Board of Directors of NTG Company, Eivind Kolding, said:

*"Nordic Transport Group has since it was founded in 2011 demonstrated a remarkable growth track-record - from 2015 to 2018 revenue increased by 38 percent on average per year - and has now reached a point where a stock exchange listing is the right strategic step to support future growth. The indirect initial public offering of Nordic Transport Group will support our ambitions of becoming a truly global freight forwarding company".*

CEO of the Air & Ocean division of Nordic Transport Group, Mikkel Fruergaard, said:

*"In addition to acquisitions and organic growth in our existing subsidiaries, setting up new partner-based starts-ups is a key element in our growth strategy. Our partnership model, with shared ownership by key employees, gives us the benefits of economies of scale while at the same time maintaining an entrepreneurial behaviour and commercial flexibility. The increased public profile that comes with the stock exchange listing will increase our ability to attract the right people and secure talented partner candidates".*

### Information on Nordic Transport Group

Nordic Transport Group is a freight forwarding company, specialising in arranging and overseeing the transportation of goods throughout Europe and the rest of the world by truck, ship and aircraft. Nordic Transport Group contracts transportation services on behalf of its customers, thereby subcontracting the execution of the actual transportation to Nordic Transport Group's third-party suppliers. In addition, Nordic Transport Group provides additional related services,



e.g. warehousing and customs handling. Nordic Transport Group has a diversified business serving a broad group of customers, with the largest customer accounting for approximately five percent of revenue in 2018.

Nordic Transport Group's activities are organised in two business divisions: Road & Logistics and Air & Ocean. The Road & Logistics division, providing transportation and warehousing solutions with a geographical focus on Europe, accounted for 81 percent of revenue in 2018. The Air & Ocean division accounted for 19 percent of revenue in 2018, and provides international air and ocean freight services including project transports.

Since Nordic Transport Group's inception in April 2011, the group has evolved into a Northern European challenger with a global footprint with presence in 30 countries as at 30 June 2019. The majority of its revenue in 2018, 38 percent, was generated in Denmark whereas 17 percent, 13 percent and 11 percent were generated in Sweden, Germany and Finland, respectively. The remaining 20 percent was generated in the rest of the world.

As at 30 June 2019, the operational and commercial activities of Nordic Transport Group are conducted in 62 partner-driven subsidiaries ("PADS") that represent the group's partnership model. The primary elements of the partnership model include incentivising partners generally through minority co-ownership in the PADS while granting commercial responsibility and flexibility to the partners within a pre-defined framework set out by Nordic Transport Group. As part of the framework, PADS benefit from group insurance agreements, procurement agreements, freight forwarding IT systems, shared financial protocols and coordinated efforts for cross-selling across Nordic Transport Group. This model provides risk diversification between Nordic Transport Group and the partners and enables Nordic Transport Group to attract talent who can operate independently and tailored to the dynamics of the individual markets.

As at 30 June 2019, Nordic Transport Group had approximately 1,340 employees (FTEs) based primarily in Europe.

### Key financials

Nordic Transport Group's revenue totalled DKK 4,512 million in 2018, corresponding to 56 percent growth from 2017, and an organic growth of 15 percent from 2017 to 2018. Nordic Transport Group generated DKK 189 million in adjusted EBIT in 2018, corresponding to 20 percent growth from 2017, and an adjusted EBIT margin of 4.2 percent.

For the six-month period ended 30 June 2019, Nordic Transport Group's revenue totalled DKK 2,603 million, corresponding to 27 percent growth from the comparable period in 2018. The contribution from organic growth was 8 percent. Adjusted EBIT for the first six months of 2019 amounted to DKK 97 million, corresponding to an adjusted EBIT margin of 3.7 percent.

The table below summarises key financials for Nordic Transport Group for the six-month periods ended 30 June 2019 and 30 June 2018, as well as for the financial years 2016-2018. Figures from 2017 and onwards have been prepared according to IFRS, and 2017 figures, prepared according to Danish GAAP, have therefore been included for comparison purposes. Figures for the six-month period ended 30 June 2019 include the effects of IFRS 16.

Key figures <sup>1)</sup>	For the period ended 30 June		For the period ended 31 December			
	2019 (incl. IFRS 16)	2018	2018	2017	2017 (DK GAAP)	2016 (DK GAAP)
	(DKK million)					
Net revenue	2,603.2	2,054.2	4,512.1	2,896.2	2,896.2	2,134.5
Gross profit	525.3	384.2	876.6	546.0	546.0	402.5
Adjusted EBIT (non-IFRS) <sup>2)</sup>	97.0	87.3	189.2	157.6	155.2	101.3
Adjusted EBIT margin (non-IFRS) <sup>2)</sup>	3.7%	4.3%	4.2%	5.4%	5.4%	4.7%

1): Including minorities 2): Adjusted EBIT (non-IFRS) is defined as operating profit before special items.

In connection with the Transaction, partner shareholders of seven NTG Matured PADS will swap their subsidiary shares into shares in NeuroSearch. As part of the preparations for the Transaction, during the first six months of 2019, partner shareholders in four of the seven NTG Matured PADS swapped their subsidiary shares into shares in NTG Company, thereby reducing the group's overall minorities. NTG Company's share of adjusted EBIT for the period was DKK 77 million, corresponding to 79 percent. The remaining partners in the NTG Matured PADS will swap their subsidiary shares for shares in NeuroSearch in connection with the Transaction, while all shareholders of NTG Company will do the same. If all



seven NTG Matured PADS had swapped their shares with effect as of 1 January 2019, NTG Company's share of adjusted EBIT for the period would have been DKK 84 million, corresponding to 87 percent.

### Financial guidance for 2019 and medium-term targets

The expectations for Nordic Transport Group's financial performance for the financial year ending 31 December 2019 are:

- Net revenue in the range DKK 5,000 million to DKK 5,500 million
- Adjusted EBIT (non-IFRS) in the range DKK 200 million to DKK 215 million

In the medium term (i.e. three to five years), Nordic Transport Group targets:

- Organic revenue growth above growth in the freight forwarding markets and double-digit total growth
- Adjusted EBIT margin (non-IFRS) of 4.0 percent to 5.0 percent

In addition, Nordic Transport Group targets a leverage ratio (net interest-bearing debt relative to EBITDA before special items, after effects of IFRS 16) below 2.0-3.0x where the ratio may exceed this level temporarily following significant acquisitions.

### Key strengths

#### *Northern European challenger with a growing global footprint*

Since inception in 2011, Nordic Transport Group has expanded its service offerings and geographical reach significantly. From 2015 to 2018, Nordic Transport Group realised a compounded annual growth rate ("CAGR") in terms of revenue of approximately 38 percent and an average annual organic revenue growth of 16 percent from 2016 to 2018, placing the group as a significant Northern European player with a strong foundation to continue growth globally. By comparison, the CAGRs of the European road freight and global air and ocean freight forwarding markets were 3.9 percent and 4.9 percent, respectively, from 2015 to 2018 according to estimates by Transport Intelligence.

#### *Successful partnership model capable of attracting talent and aligning interests*

The key principles of Nordic Transport Group's partnership model, which is applied to both acquisitions and greenfield start-ups, are to attract the right people, offer the right incentives and provide the right operating framework. Nordic Transport Group seeks to attract and motivate talented people with strong local knowledge and networks by sharing ownership of the PADS with selected partners, thereby establishing a direct link between the performance of the PADS and the financial benefit of the partner. This promotes an entrepreneurial behaviour (a small-company mentality) and ensures a locally anchored focus on customers, service, quality and costs.

NTG Company has defined the commercial, infrastructural and governance frameworks to ensure alignment of interests, governance and control. As such, the setup enables Nordic Transport Group to reap both the benefits of a centralised setup in the form of economies of scale, and those of a decentralised setup such as commercial flexibility and a small-company mentality.

#### *Efficient operational setup facilitating economies of scale*

Nordic Transport Group's setup enables operations to remain locally driven with commercial flexibility while NTG Company provides a centralised operating framework. In this way, Nordic Transport Group is able to leverage the combined size of the group to realise economies of scale. For example, Nordic Transport Group's increasing scale in the Road & Logistics division drives lower costs due to group-wide diesel rebate agreements, discounts on selected ferry crossings and improved framework agreements on trailer leases. In the Air & Ocean division, scale is of the essence to increase profitability, and Nordic Transport Group's increasing scale has started to materialise into more favourable procurement terms and conditions, for example by pooling ocean volumes to enhance buying power.

#### *Double-digit growth driven by the existing business, greenfield start-ups and M&A*

Nordic Transport Group has a strong track-record of delivering and managing double-digit growth, as illustrated by a revenue CAGR of approximately 38 percent from 2015 to 2018.

Organic growth was driven by a combination of growth in the existing business and the establishment of start-ups serving as an efficient growth incubator. For example, Nordic Transport Group's first PADS, NTG Nordic, increased revenue from DKK 353 million in 2015 to DKK 687 million in 2018, corresponding to a CAGR of 25 percent including acquisitions. NTG



Nordic represents the growth potential embedded in the model and the ability to grow the platform. Nordic Transport Group has established 27 start-ups from 2011 to 2019 as at 30 June 2019.

During the same period, Nordic Transport Group has completed 20 acquisitions of various sizes, and thereby built an ability to acquire and integrate companies while extracting synergies. Acquisitions have been completed within both divisions in existing and new markets.

*Asset-light business model with a strong cash flow*

Nordic Transport Group operates an asset-light business model with limited capital tied up in property, plant and equipment. For example, all trailers, office premises and logistic centres are leased, while the operation of trucks and drivers is handled by external hauliers.

Nordic Transport Group's setup to lease trailers (instead of having own trailers) entails a high degree of operational flexibility as approximately 20 percent of the leasing contracts can be terminated within one month. Nordic Transport Group is thus able to adjust the asset base if market activity comes out higher or lower than anticipated. In addition, the limited investment needs of an asset-light business model enable Nordic Transport Group to invest cash flow from operations elsewhere in the business, for example by establishing start-ups or pursuing acquisitions.

Nordic Transport Group has generated an average net cash conversion of 72 percent and maintained an average net cash position of DKK 99 million from 2016 to 2018. Cash flow from operations has so far been sufficient to finance investments and acquisitions.

*Multiple avenues for future growth in a fragmented, global freight forwarding market*

According to Transport Intelligence's estimates, the European road freight forwarding market amounted to EUR 341 billion in 2018. 90 percent of the market was comprised of players outside top 10 and 87 percent of the market was comprised of players outside top 20. The global air and ocean freight forwarding markets amounted to EUR 154 billion in 2018. 59 percent of the market was comprised of players outside top 10 and 44 percent outside top 20. As such, Nordic Transport Group operates in highly fragmented markets with ample room to continue to grow by challenging competitors and acquiring companies.

Nordic Transport Group has a significant potential to grow within its existing markets. Nordic Transport Group has been able to support and grow smaller PADS since inception in 2011, and NTG Executive Management expects to continue this growth journey going forward, with the existing business remaining a key contributor to Nordic Transport Group's overall growth.

As Nordic Transport Group has successfully increased its visibility in the industry since its inception, the ability to attract the right people and secure talented partner candidates for new start-ups has increased. Start-ups provide an effective way of establishing a presence in new segments and markets where commercial, legal, cultural and language barriers would otherwise have hindered entry or imposed a significantly greater risk on Nordic Transport Group.

Having completed 20 acquisitions since 2011, Nordic Transport Group sees acquisitive growth as a core element of its growth strategy. The highly fragmented market enables Nordic Transport Group to pursue targets that provide meaningful size and scale but are overlooked by the larger competitors.

**Bank syndicate**

Danske Bank A/S and Nordea Danmark, Filial af Nordea Bank Abp, Finland are acting as Joint Global Coordinators in the offering.



### Additional information

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### Other information

As previously informed, Nordic Transport Group Holding A/S has indicated to NeuroSearch's board of directors that completion of the Transaction will be subject to the price of the shares in NeuroSearch, until final decision to complete the Transaction, increasing to no more than a maximum of DKK 89.00 per share of nominally DKK 20. Should the price go up any further than marginally higher, the Transaction is not expected to be completed. In that event, NeuroSearch's board of directors will consider what options are available to the company.

Please do note that no binding agreement for the Transaction has yet been made, and no assurance can be given that any such agreement will in fact be made or completed, nor that the contemplated issue of new shares will in fact be completed. Therefore, no investor should buy or sell shares in NeuroSearch in reliance thereon.

Please note that under the rules for issuers of shares, the Transaction will qualify as a "change of identity", see clause 2.9 of the rules. Nasdaq Copenhagen has informed NeuroSearch that Nasdaq Copenhagen will assess whether upon completion of the Transaction NeuroSearch may keep its stock exchange listing following the change of identity. Nasdaq Copenhagen has informed NeuroSearch 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 Nordic Transport Group.



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*The Joint Global Coordinators and their affiliates are acting exclusively for NTG Company and the selling shareholders and no-one else in connection with the intended offering. They will not regard any other person as their respective clients in relation to the intended offering and will not be responsible to anyone other than NTG Company and the selling shareholders for providing the protections afforded to their respective clients, nor for providing advice in relation to the intended offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.*

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