



Appendix to company announcement no. 25 - 19

Report by the Board of Directors of NeuroSearch A/S ("NeuroSearch") pursuant to Section 156(2), no. 2 of the Danish Companies Act (*selskabsloven*)

In connection with the proposal to be considered by the extraordinary general meeting of NeuroSearch on 7 October 2019 regarding reduction of the company's share capital by DKK 7.00 by provision to a special reserve and to amend Article 3 of the Articles of Association accordingly, (i) the latest approved annual report; (ii) a report by Board of Directors including information on events of major importance to the company's position that have occurred after the presentation of the annual report, unless such information may be detrimental to the company due to special circumstances; and (iii) a declaration by the company's auditor about the report of the Board of Directors; must be submitted to the general meeting, cf. Section 185 of the Danish Companies Act (*selskabsloven*), cf. Section 156(2) of the Danish Companies Act (*selskabsloven*).

This report constitutes the report by the Board of Directors pursuant to Section 156(2), no. 2 of the Danish Companies Act (*selskabsloven*).

Reference is made to the NeuroSearch's H1 report 2019 as published by company announcement of 21 August 2019 (no. 20 - 19) in its entirety.

According to the H1 report, NeuroSearch posted an operating loss of DKK 6.1 million in H1 2019 (H1 2018: a loss of DKK 2.8 million). NeuroSearch posted a net loss of DKK 6.3 million in H1 2019 (H1 2018: a net loss of DKK 3.0 million). The higher loss is mainly ascribable to costs associated with the preparation of the Transaction (as defined below). Nordic Transport Group A/S ("NTG") has signed a letter of intent in respect of the transaction, under which NTG has accepted a binding obligation to cover 50 percent of NeuroSearch's costs for external advisers if the Transaction has not been implemented on or before 31 December 2019, cf. company announcement of 17 June 2019 (no. 12 - 19). At 30 June 2019, cash and cash equivalents totalled DKK 64.8 million (30 June 2018: DKK 70.4 million).

Financial outlook for 2019 in the H1 report

According to the H1 report 2019, NeuroSearch has revised its financial guidance for 2019 from an operating loss in the range of DKK 9-13 million to an operating loss in the range of DKK 10-15 million on the basis of realised and expected costs in connection with the Transaction between NeuroSearch and NTG. The guidance for 2019 includes expected expenses for the Transaction, and is depending on whether the Transaction with NTG is implemented before 31 December 2019 or not.

Events after the balance sheet date

Reference is made to company announcements of 7 August 2019 (no. 18 - 19) and 6 September 2019 (no. 22 - 19) regarding the publication of the offer document relating to the mandatory public take-over offer made by Nordic Transport Group Holding A/S to the shareholders of NeuroSearch and the final result of this mandatory take-over offer.

Further, reference is made to company announcement of 10 September 2019 (no. 23 - 19) about NTG's intention to launch an indirect public offering through NeuroSearch on Nasdaq Copenhagen A/S.

Other information

As previously informed in company announcements of 5 April 2019 (no. 5 - 19) and 9 July 2019 (no. 13 -19), NeuroSearch and 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 "Transaction"). It is the intention that the Transaction will be completed in Q4 2019. NTG is a related company to Nordic Transport Group Holding A/S.



Please note that under the rules for issuers of shares, the Transaction will qualify as a "change of identity", cf. clause 2.9 of the rules. Nasdaq Copenhagen A/S ("Nasdaq") has informed NeuroSearch that Nasdaq will assess whether upon completion of the Transaction NeuroSearch may keep its stock exchange listing following the change of identity. Nasdaq 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 NTG in accordance with the timetable referred to above.

In addition, reference is made to company announcement of 10 September 2019 (no. 23 - 19) about NTG's intention to launch an indirect public offering through NeuroSearch on Nasdaq.

12 September 2019

The Board of Directors

Mikkel Primdal Kæregaard

Jesper Præstensaard

Allan Andersen

