



Company announcement

5 April 2019

Signing of letter of intent with NTG and reason for proposals to the general meeting

Later today the Board of Directors will call the annual general meeting of NeuroSearch A/S ("NeuroSearch" or the "Company").

At the meeting, the Board of Directors will present a number of proposals by agreement with Nordic Transport Group Holding A/S ("NTG Holding").

On 31 May 2018, NTG Holding submitted to the shareholders of NeuroSearch a voluntary offer (the "Offer") to purchase shares in the Company at a price of DKK 4.45 per share of nominally DKK 1. Today, NTG Holding is the Company's biggest shareholder, holding 22.95 per cent of the share capital.

Signing of letter of intent

The reason for the proposals is to render possible (i) a combination of NeuroSearch and NTG Holding's affiliated company Nordic Transport Group A/S ("NTG") by way of contribution of the shares in NTG (and possibly some of its subsidiaries) into NeuroSearch against issuance of new shares in NeuroSearch to the shareholders of NTG and (ii) issue of new shares to new investors against cash payment (the "Transaction").

To those ends, NeuroSearch and NTG have signed a non-binding letter of intent in respect of the Transaction, under which NTG, however, has accepted an obligation to cover 50 per cent of NeuroSearch's costs for external advisers if the Transaction is not completed on or before 31 December 2019.

No binding agreement relating to the Transaction has yet been made, and no assurance can be given that any such agreement will in fact be made and performed, nor that the contemplated issue of new shares will in fact be made. Therefore, no investor should buy or sell shares in NeuroSearch in reliance thereon or anticipation thereof.

No later than on announcement of the interim financial statements for the period of 1 January 2019 - 30 June 2019, the Board of Directors will publish a company announcement informing the market of the status of the Transaction.

Reason for the proposals from NTG Holding

NeuroSearch's Board of Directors proposes an authorisation to issue new shares with no right of pre-emption for existing shareholders against payment of contribution in kind, which authorisation is expected to be exercised in relation to the shareholders of NTG, and an authorisation to issue new shares against cash payment, which authorisation is expected to be exercised in relation to new investors.

The amounts of these authorities reflect a desire to provide sufficient assurance that the Transaction is feasible and they are not based on an assessment of the market value of NTG. If implemented, the combination of NeuroSearch and NTG will be based on the market values of both companies.

Given the contemplated structuring of the Transaction, it may be necessary to compensate NeuroSearch shareholders by means of additional shares in the Company. If so, such compensation is expected to take the form of an issue of bonus shares to existing NeuroSearch shareholders, the authorisation of which will therefore also be proposed to the general meeting.

The Board of Directors further proposes a reverse share split, changing the nominal value of NeuroSearch shares from DKK 0.05 to DKK 1.00. Preserving the current trading size of 20 shares, the share price, all other things being equal, would increase by a factor of 20. The reason for this proposal is that such share split would result in a more efficient pricing of NeuroSearch's shares.

The proposals are also motivated by the wish to ensure that NeuroSearch's capital structure will support NTG's business model, including obligations toward NTG partners, hence the proposals to issue warrants and repurchase own shares, which would potentially be relevant for that purpose.



Lastly, it is proposed, in preparation for the Transaction, to have NeuroSearch adopt "NTG A/S" as a secondary name and to change its rules on power to bind the Company so that the Company in the future will be bound by the joint signature of two Executive Officers, by the joint signature of one Executive Officer and the Chairman of the Board of Directors, by the joint signature of three members of the Board of Directors or by the joint signature of all members of the Board of Directors, and to change the Company's objects so that after the Transaction NeuroSearch may carry on NTG's logistics activities.

Other information

In the Offer, NTG Holding informed the shareholders that it intended to propose a cash capital increase in NeuroSearch, with no right of pre-emption for existing shareholders, thus allowing NTG Holding to subscribe for a capital increase that would cause its ownership share in the Company to exceed 66 2/3 per cent. While that option is preserved in the authorities now proposed, NTG Holding has not yet decided if it will in fact propose such capital increase.

NTG Holding has indicated to the Board of Directors that completion of the Transaction will be contingent on the price of the shares in NeuroSearch not increasing to more than a maximum of DKK 4.45 per share of nominally DKK 1, until a final decision to implement the Transaction is made. 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.

In the Offer, NTG Holding announced its intention to present a voluntary bid to the remaining shareholders in NeuroSearch on acquisition of their shares at the price offered in the Offer, i.e. DKK 4.45. NTG Holding has informed the Board of Directors that it intends, provided the authorisations proposed are granted, to submit to the shareholders in NeuroSearch, prior to implementation of the Transaction, a voluntary offer to purchase their shares at DKK 4.45 per share of nominally DKK 1. If as a result of the voluntary offer or for any other reason NTG Holding were to acquire more than 1/3 of the shares in NeuroSearch, NTG Holding would be legally required under applicable rules to submit a mandatory offer to the NeuroSearch shareholders, except if NTG as part of the voluntary offer obtains a controlling interest in the Company.

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About NeuroSearch

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