

## SECURITIES NOTE



### NAVAMEDIC ASA

(A public limited company incorporated under the laws of Norway)

**Listing of 1,443,233 new shares issued in connection with a private placement completed on 18 February 2020**

**Subsequent offering of up to 526,000 new shares at a subscription price of NOK 19 per share, with subscription rights for eligible shareholders and listing of such shares**

**Subscription period for the Subsequent Offering: From 09:00 hours (CET) on 28 May 2020 to 16:30 hours (CET) on 11 June 2020**

This Securities Note (the "**Securities Note**") has been prepared in connection with (i) the listing by Navamedic ASA (the "**Company**"), a public limited company incorporated under the laws of Norway (together with its consolidated subsidiaries, "**Navamedic**" or the "**Group**") on Oslo Børs, a stock exchange operated by Oslo Børs ASA (the "**Oslo Stock Exchange**") of 1,443,233 new shares in the Company, each with a par value of NOK 0.74 (the "**Private Placement Shares**") issued at a subscription price of NOK 19.00 per Private Placement Share in connection with a private placement comprising a total of 2,630,000 new shares, divided into two tranches, which were completed on 26 February 2020 and 19 March 2020, respectively (the "**Private Placement**") and (ii) the subsequent offering (the "**Subsequent Offering**") and listing on the Oslo Stock Exchange of up to 526,000 new shares in the Company, each with a par value of NOK 0.74 (the "**Offer Shares**"), to be issued at a subscription price of NOK 19 per Offer Share (the "**Subscription Price**").

The shareholders of the Company as of 18 February 2020 (being registered as such in the Norwegian Central Securities Depository (the "**VPS**") on 20 February 2020 pursuant to the VPS' standard two days' settlement procedure (the "**Record Date**")), except for shareholders who (i) were allocated Private Placement Shares in the Private Placement or (ii) are resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action (such eligible shareholders jointly the "**Eligible Shareholders**"), will be granted non-transferable subscription rights (the "**Subscription Rights**") that, subject to applicable law, give the right to subscribe for and be allocated Offer Shares at the Subscription Price. The Subscription Rights will be registered on each Eligible Shareholder's VPS account.

Each Eligible Shareholder will be granted 0.0625 Subscription Right for each existing share registered as held by such Eligible Shareholder as of the Record Date, rounded down to the nearest whole Subscription Right. Each Subscription Right will, subject to applicable law, give the right to subscribe for, and be allocated, one Offer Share in the Subsequent Offering. Over-subscription will be permitted, but subscription without Subscription Rights will not be permitted.

The subscription period in the Subsequent Offering will commence on 09:00 hours Central European Time ("**CET**") on 28 May 2020 and expire at 16:30 hours (CET) on 11 June 2020 (the "**Subscription Period**").

**Subscription Rights that are not used to subscribe for Offer Shares before the expiry of the Subscription Period will have no value and will lapse without compensation to the holder.**

The Company's existing shares are, and the Private Placement Shares and the Offer Shares will be, listed on the Oslo Stock Exchange under the ticker code "NAVA". Except where the context otherwise requires, references in this Securities Note to "**Shares**" will be deemed to include the existing Shares in the Company, the Private Placement Shares and the Offer Shares. All of the existing Shares, including the Private Placement Shares are, and the Offer Shares will be, registered in the VPS in book-entry form. All of the issued Shares rank pari passu with one another and each carry one vote.

**Investing in the Shares, including the Private Placement Shares and the Offer Shares involves a high degree of risk. Prospective investors should read the entire document and, in particular, consider Section 1 "Risk Factors" beginning on page 2 when considering an investment in the Company.**

**The Subscription Rights and the Offer Shares are being offered only in those jurisdictions in which, and only to those persons to whom, offers and sales of the Offer Shares and the Subscription Rights may lawfully be made and, for jurisdictions other than Norway, would not require any filing, registration or similar action.**

**The Subscription Rights and the Offer Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or with any securities regulatory authority of any state or other jurisdiction in the United States, and are being offered and sold: (i) in the United States only to "qualified institutional buyers" ("QIBs") as defined in Rule 144A under the U.S. Securities Act in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act; and (ii) outside the United States in "offshore transactions" as defined in, and in compliance with, Regulation S under the U.S. Securities Act ("Regulation S"). The distribution of this Securities Note, the offer of the Subscription Rights and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law.**

The due date for payment of the Offer Shares is expected to be on or about 16 June 2020. Delivery of the Offer Shares is expected to take place on or about 23 June 2020 through the facilities of the VPS. Trading in the Private Placement Shares on the Oslo Stock Exchange is expected to commence on or about 28 May 2020, while trading in the Offer Shares on the Oslo Stock Exchange is expected to commence on or about 23 June 2020.

**Manager for the Subsequent Offering**  
SpareBank 1 Markets AS

The date of this Securities Note is 27 May 2020

## IMPORTANT INFORMATION

This Securities Note has been prepared in connection with (i) the Subsequent Offering and (ii) the listing of the Private Placement Shares and the Offer Shares on the Oslo Stock Exchange.

This Securities Note has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2014/71/EC, as amended, and as implemented in Norway in accordance with section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Securities Note has been prepared solely in the English language. This Securities Note has been approved by the Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*) (the "**Norwegian FSA**"), as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Securities Note. Investors should make their own assessment as to the suitability of investing in the securities. The Securities Note has been prepared in accordance with the simplified disclosure regime for secondary issuances.

For definitions and certain other terms used throughout this Securities Note, see Section 10 "Definitions and glossary".

Sparebank 1 Markets AS ("**SB1M**") and Carnegie AS acted as joint bookrunners for the Private Placement (the "**Joint Bookrunners**") and SpareBank 1 Markets AS acts as the manager for the Subsequent Offering (the "**Manager**").

The information contained herein is current as at the date hereof and is subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Securities Note, which may affect the assessment of the Offer Shares and which arises or is noted between the time when the Securities Note is approved by the Norwegian FSA and the listing of the Offer Shares on Oslo Børs, will be mentioned in a supplement to this Securities Note without undue delay. Neither the publication nor distribution of this Securities Note, nor the sale of any Offer Share, shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Securities Note.

No person is authorized to give information or to make any representation concerning the Group or in connection with the Private Placement Shares, the Subsequent Offering or the sale of the Offer Shares other than as contained in this Securities Note. If any such information is given or made, it must not be relied upon as having been authorized by the Company or the Manager or by any of the affiliates, representatives or advisors of any of the foregoing.

**The distribution of this Securities Note and the offer and sale of the Offer Shares and grant or use of the Subscription Rights in certain jurisdictions may be restricted by law. This Securities Note does not constitute an offer of, or an invitation to purchase, any of the Offer Shares or use the Subscription Rights to subscribe for Offer Shares in any jurisdiction in which such offer, sale or subscription would be unlawful. Neither this Securities Note nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Securities Note are required to inform themselves about, and to observe, any such restrictions. In addition, the Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. For further information on the sale and transfer restrictions of the Offer Shares, see Section 9 "Selling and transfer restrictions".**

Any reproduction or distribution of this Securities Note, in whole or in part, and any disclosure of its contents is prohibited.

This Securities Note and the terms and conditions of the Subsequent Offering shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Subsequent Offering or this Securities Note.

**In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group, including the merits and risks involved.** None of the Company nor the Manager, nor any of their respective representatives or advisors, are making any representation to any investor in the Shares regarding the legality of an investment in the Shares by such investor under the laws applicable to such investor. Each reader of this Securities Note should consult with his or her advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares or the use of the Subscription Rights to subscribe for Offer Shares.

All Sections of the Securities Note should be read in context with the information included in Section 3 "General Information".

**Investing in the Shares involves risks. See Section 1 "Risk Factors" beginning on page 2.**

### NOTICE TO INVESTORS IN THE UNITED STATES

**Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Offer Shares. The Offer Shares and the Subscription Rights have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. All offers and sales in the United States will be made only to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act. All offers and sales outside the United States will be made in "offshore transactions" as defined in, and in reliance on, Regulation S. Prospective purchasers are hereby notified that sellers of Offer Shares may be relying on the exemption from the provisions of section 5 of the U.S. Securities Act provided by Rule 144A. See Section 9.2 "United States".**

Any Offer Shares or Subscription Rights offered or sold in the United States will be subject to certain transfer restrictions and each purchaser will be deemed to have made acknowledgements, representations and agreements, as set forth under Sections 9.2 "United States".

Neither the Offer Shares nor the Subscription Rights have been recommended by any United States federal or state securities commission or regulatory authority. Further, the foregoing authorities have not passed upon the merits of the Subsequent Offering or confirmed the accuracy or determined the adequacy of this Securities Note. Any representation to the contrary is a criminal offense under the laws of the United States.

In the United States, this Securities Note is being furnished on a confidential basis solely for the purposes of enabling a prospective investor to consider purchasing the Offer Shares. The information contained in this Securities Note has been provided by the Company and other sources identified herein. Distribution of this Securities Note to any person other than the offeree specified by the Manager or its representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized and any disclosure of its contents, without the prior written consent of the Company, is prohibited. This Securities Note is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase Offer Shares or subscribe for or otherwise acquire the Offer Shares. Investors confirm their agreement to the foregoing by accepting the delivery of this Securities Note.

To the extent that the Manager intends to effect any offers or sales of Shares in the United States or to U.S. persons, it will do so through its respective U.S. registered broker-dealer affiliate, pursuant to applicable U.S. securities laws.

#### NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Securities Note is only being distributed to and is only directed at (i) persons who are outside the United Kingdom (the "**UK**") or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**"). The Subscription Rights and the Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such rights or Shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Securities Note or any of its contents.

The Manager has represented, warranted and agreed (i) that it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Offer Shares in circumstances in which section 21(1) of the FSMA does not apply to the Company and (ii) that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Shares in, from or otherwise involving the UK.

#### NOTICE TO INVESTORS IN THE EEA

In any member state of the European Economic Area (the "**EEA**") that has implemented the EU Prospectus Regulation, other than Norway (each, a "**Relevant Member State**"), this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the EU Prospectus Regulation. This Securities Note has been prepared on the basis that all offers of Subscription Rights and Offer Shares outside Norway will be made pursuant to an exemption under the EU Prospectus Regulation from the requirement to produce a prospectus for an offer of securities. Accordingly, any person making or intending to make any offer within the EEA of Offer Shares which is the subject of the Subsequent Offering contemplated in this Securities Note within any EEA member state (other than Norway) should only do so in circumstances in which no obligation arises for the Company or the Manager to publish a prospectus or a supplement to a prospectus under the EU Prospectus Regulation for such offer. Neither the Company nor the Manager have authorized, nor do they authorize, the making of any offer of Shares through any financial intermediary.

Each person in a Relevant Member State other than, in the case of paragraph (a), persons receiving offers contemplated in this Securities Note in Norway, who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Securities Note will be deemed to have represented, warranted and agreed to the Manager and the Company that:

- a) it is a qualified investor as defined in the EU Prospectus Regulation; and
- b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) such Offer Shares acquired by it in the Subsequent Offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Manager has been given to the offer or resale; or (ii) where such Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purposes of this provision, the expression an "offer to the public" in relation to any of the Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and any securities to be offered, so as to enable an investor to decide to acquire any of the Offer Shares.

See Section 9 "Selling and transfer restrictions" for certain other notices to investors.

#### INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do

not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Subsequent Offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

#### ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

The members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the members of the Group's senior management (the "**Management**") are not residents of the United States and all of the Company's assets are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process on the Company, or its Board Members and members of Management in the United States or to enforce in the United States judgments obtained in U.S. courts against the Company or those persons, including judgements based on the civil liability provisions of the securities laws of the United States or any State or territory within the United States.

Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway. The United States does not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters.

Similar restrictions may apply in other jurisdictions.

#### AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will, during any period in which it is neither subject to Sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owners of Shares, or to any prospective purchaser designated by any such registered holder, upon the request of such holder, beneficial owner or prospective owner, the information required to be delivered pursuant to Rule 144A(d)(4) of the U.S. Securities Act. The Company is not currently subject to the periodic reporting and other information requirements of the U.S. Exchange Act.

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## 1 RISK FACTORS

*An investment in the Company and the Shares involves inherent risk. Before making an investment decision with respect to the Shares, investors should carefully consider the risk factors and all information contained in this Securities Note and the Prospectus, including the Company's financial information incorporated by reference to the Registration Document, including the related notes to such financial information. The risks and uncertainties described in this Section 1 "Risk Factors" are the material known risks and uncertainties specific for the Company's Shares as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.*

*The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision in the Shares. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the value and trading price of the Shares, resulting in loss of all or part of an investment in the Shares. Additional factors of which the Company is currently unaware, or which it currently deems not to be risks, may also have corresponding negative effects.*

### 1.1 Risks related to the Shares

#### **Future issuances of Shares or other securities could dilute the holdings of existing shareholders and could materially affect the price of the Shares**

As part of its growth strategy, the Company sees several tangible opportunities to strengthen its Nordic position and North European footprint and the Company will seek to continue its growth through a combination of organic development and selective bolt-on acquisitions to build on Navamedic's existing platform, which may materialize in transactions during 2020. The net proceeds from the Private Placement will be used to fund future M&A activity, strategic investments and general corporate purposes. As the Company continuously is searching for new possible bolt-on acquisitions and strategic investments, the Company is of the opinion that it is likely that it will complete future Share issuances to complete such bolt-on acquisitions and strategic investments. Depending on the structure of any future offerings, holding and voting interests of existing shareholders could be materially diluted and the market price of the Shares could be materially and adversely affected.

Furthermore, the Company has issued share options under its share option programs and expects to issue additional options under such programs. When the underlying options are exercised, the Company is obligated to honour these by issuing new Shares to the holder or by cash settlements if the Company does not have the ability to settle these with Shares. The authorisations granted by the general meeting of the Company to implement these share option programs, includes an authorisation to the Board of Directors to waive the shareholder pre-emptive rights and as such the existing shareholders holding and voting interests will be diluted as a consequence of these programs if the option holders exercises their options.

#### **The Company has one major shareholder and its interest may conflict with those of the Company's shareholders**

IRIC (as defined below) controls approximately 25% of the Shares, and is represented at the Board of Directors with two Board Members and will, as the major shareholder of the Company, have the ability to significantly influence the outcome of matters submitted for the vote by the Company's shareholders, including election of members of the Board of Directors. The commercial goals of IRIC as shareholder, and those of the Company, may not always remain aligned and this concentration of ownership may not always be in the best interest of the Company's other shareholders.

#### **The Shares have traded above and below the Subscription Price, and there cannot be any guarantees that participation in the Subsequent Offering by Eligible Shareholders will not result in loss of investment.**

A subscription of Offer Shares in the Subsequent Offering is binding and irrevocable, and cannot be withdrawn, cancelled or modified by the subscriber after having been received by the Manager, or in the case of subscriptions through the VPS online subscription system, upon registration of the subscription. The trading volume in the Shares has fluctuated significantly in the past. During the period from completion of the Private Placement until the date of this Prospectus, the Shares have traded above and below the Subscription Price of NOK 19.00. The Offer Shares will not be delivered to the investor immediately following subscription, meaning that there is a risk that the Shares in the period from the

investor's subscription of Offer Shares until delivery of the Offer Shares may trade below the Subscription Price. If the Shares trade below the Subscription Price, such will result in a loss of investment in the Offer Shares for the investor.

**Volatility of the trading price of the Shares**

The trading price of the Shares on the Oslo Stock Exchange has almost increased by 100% during the last 12 months prior to this Securities Note and there is a risk that the trading price of the Shares may be highly volatile. The trading price of the Shares could decline due to sales of a large number of Shares in the market, or the perception that such sales could occur. Furthermore, the trading price of the Shares could also decline if the Company is unable to successfully implement bolt-on acquisitions or other strategic investments, or if the market is of the perception that announced bolt-on acquisitions or strategic investments announced by the Company is not considered beneficial for the Company. Any decline in the trading price of the Shares could also make it more difficult for the Company to offer equity securities in the future at a time and at a price that are deemed appropriate.

**2 RESPONSIBILITY FOR THE SECURITIES NOTE AND THE PROSPECTUS**

The Prospectus (as defined in Section 3.2 "Prospectus" below), including this Securities Note, has been prepared in connection with the Subsequent Offering described herein and the listing of the Private Placement Shares and the Offer Shares on the Oslo Stock Exchange.

The Board of Directors of Navamedic ASA accepts responsibility for the information contained in this Prospectus, including this Securities Note. The members of the Board of Directors confirm that, having taken all reasonable care to ensure that such is the case, to the best of their knowledge, the information contained in this Prospectus, including this Securities Note, is in accordance with the facts and contains no omission likely to affect its import.

27 May 2020

**The Board of Directors of Navamedic ASA**

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Narve Reiten  
*Board member*

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Inger Johanne Solhaug  
*Board member*

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Jostein Asbjørn Davidsen  
*Board member*

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Cheng Lu  
*Board member*

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Terje Bakken  
Chairperson



### 3 GENERAL INFORMATION

#### 3.1 The approval of this Securities Note by the Norwegian Financial Supervisory Authority

The Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*) (Norwegian FSA) has reviewed and approved this Securities Note, as competent authority under Regulation (EU) 2017/1129 (EU Prospectus Regulation). The Norwegian FSA only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Securities Note. This Securities Note was approved by the Norwegian FSA on 27 May 2020. The Securities Note has been drawn up as part of a simplified prospectus in accordance with Article 14 of Regulation (EU) 2017/1129 (the EU Prospectus Regulation). Investors should make their own assessment as to the suitability of investing in the securities.

#### 3.2 Prospectus

In connection with the Private Placement and the Subsequent Offering, the Company has prepared a prospectus, comprising this Securities Note, the Registration Document dated 27 May 2020 as approved by the Norwegian FSA on 27 May 2020 and the Summary dated 27 May 2020 (the "**Prospectus**").

#### 3.3 Other important investor information

The Company has furnished the information in this Securities Note. No representation or warranty, express or implied is made by the Joint Bookrunners as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Securities Note is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. The Joint Bookrunners assume no responsibility for the accuracy or completeness or the verification of this Securities Note and accordingly disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of this Securities Note or any such statement.

Neither the Company nor the Joint Bookrunners, or any of their respective affiliates representatives, advisers or selling agents, is making any representation to any offeree or purchaser of the Offer Shares or holder of the Subscription Rights regarding the legality of an investment in the Offer Shares or the Subscription Rights. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares and the use of the Subscription Rights to subscribe for Offer Shares and the Subscription Rights.

Each investor should make its own assessment as to the suitability of investing in the Shares and should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of an investment in the Shares.

**Investing in the Shares involves a high degree of risk. See Section 1 "Risk Factors" beginning on page 2.**

#### 3.4 Presentation of other information

##### 3.4.1 Industry and market data

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified, however, source references to websites shall not be deemed as incorporated by reference to this Securities Note.

##### 3.4.2 Other information

In this Securities Note, all references to "**NOK**" are to the lawful currency of Norway.

##### 3.4.3 Rounding

Certain figures included in this Securities Note have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

## 4 CAPITALISATION AND INDEBTEDNESS

### 4.1 Introduction

This Section provides information about the Group's unaudited capitalization and net financial indebtedness on an actual basis as at 31 March 2020. Since 31 March 2020 and to the date of the Prospectus, no transactions have been completed which require any adjustments to the Group's capitalisation and net financial indebtedness.

### 4.2 Capitalisation

<i>In NOK thousand</i>	<b>As of 31 March 2020</b>
<b>Indebtedness</b>	
<i>Total current debt:</i>	
Guaranteed .....	-
Secured <sup>1</sup> .....	5,203
Unguaranteed/ Unsecured <sup>2</sup> .....	110,356
<b>Total current debt</b> .....	<b>115,559</b>
<i>Total non-current debt:</i>	
Guaranteed .....	-
Secured <sup>1</sup> .....	20,812
Unguaranteed and unsecured <sup>3</sup> .....	13,350
<b>Total non-current debt</b> .....	<b>34,162</b>
<b>Total indebtedness</b> .....	<b>149,722</b>
<b>Shareholders' equity</b>	
Share capital .....	10,932
Legal reserves .....	116,300
Other reserves .....	-1,689
<b>Total shareholders' equity</b> .....	<b>125,543</b>
<b>Total capitalization</b> .....	<b>275,264</b>

- 1 The loans of SEK 5 million and SEK 20 million in Avida Finans AB are secured by a mortgage pledge in the assets of Navamedic AB up to SEK 40 million.
- 2 Unguaranteed / Unsecured current debt consists of trade and other payables of NOK 81.4 million, short term part of licence liabilities of NOK 8.8 million, Income tax payable of NOK 0.6 million, Other short term liabilities of NOK 18.1 million and current lease liabilities of NOK 1.3 million.
- 3 Unguaranteed / Unsecured non-current debt consists of long term part of license liabilities of NOK 12.8 million and non-current lease liabilities of NOK 0.6 million

### 4.3 Indebtedness

<i>In NOK thousand</i>	<b>As of 31 March 2020</b>
<i>Net indebtedness</i>	
(A) Cash <sup>1</sup> .....	49,638
(B) Cash equivalents .....	-
(C) Trading securities .....	-
<b>(D) Liquidity (A)+(B)+(C)</b> .....	<b>49,638</b>
<b>(E) Current financial receivables<sup>2</sup></b> .....	<b>45,386</b>
(F) Current bank debt <sup>3</sup> .....	5,203
(G) Current portion of non-current debt .....	-
(H) Other current financial debt <sup>4</sup> .....	110,356
<b>(I) Current financial debt</b> .....	<b>115,559</b>
<b>(F)+(G)+(H)</b> .....	
<b>(J) Net current financial indebtedness (I)-(E)-(D)</b> .....	<b>20,536</b>
(K) Non-current bank loans <sup>3</sup> .....	20,812
(L) Bonds issued .....	-
(M) Other non-current loans <sup>5</sup> .....	13,350

*In NOK thousand***As of  
31 March 2020****(N) Non-current financial  
indebtedness (K)+(L)+(M) .....****34,162****(O) Net financial indebtedness****54,698****(J)+(N) .....**

- 1 In the cash balance at 31 March 2020, NOK 0.2 million of the amount is restricted and related to employee tax payments.
- 2 Current financial receivables consist of trade receivables of NOK 33.8 million, Other current receivables of NOK 4.9 million and prepaid taxes of NOK 6.7 million.
- 3 The Avida loan of SEK 5 million in current debt matures in 2020 and the Avida loan of SEK 20 million in non-current debt matures in 2022.
- 4 Other current financial debt consist of trade and other payables of NOK 81.4 million, current lease liabilities of NOK 1.3 million, income tax payable of NOK 0.6 million, short term part of license liabilities of NOK 8.8 million, other current accruals of NOK 10.6 million, other current liabilities of NOK 7.6 million.
- 5 Other non-current loans consist of long term part of license liabilities of NOK 12.8 million and non-current lease liabilities of NOK 0.6 million.

**4.4 Working capital statement**

The Company is of the opinion that the working capital available is sufficient for the Group's present requirements for the period covering at least 12 months from the date of the Prospectus.

**4.5 Contingent and indirect indebtedness**

As at 31 March 2020 and as at the date of the Prospectus, the Group did not have any contingent or indirect indebtedness.

## 5 CORPORATE INFORMATION AND CERTAIN ASPECTS OF NORWEGIAN LAW

### 5.1 Company corporate information

The Company's legal and commercial name is Navamedic ASA. The Company is a public limited company organized and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company's registered office and domicile is in the municipality of Oslo, Norway. The Company was incorporated in Norway on 18 October 2002 and has been listed on Oslo Børs since 31 March 2006. The Company's organization number in the Norwegian Register of Business Enterprises is 985 012 059. The Company's legal entity identifier ("LEI") is 529900LKVQOR2SRUJU71. The Shares are registered in book-entry form with the VPS under ISIN NO 001 0205966. The Company's register of shareholders in the VPS is administrated by DNB Bank ASA, Dronning Eufemias gate 30, P.O. Box 1600 Sentrum, N-0021 Oslo, Norway (the "**VPS Registrar**"). The Company's registered office is located at Henrik Ibsens gate 90, Oslo, Norway and the Company's main telephone number at that address is +47 67 11 25 40. The Company's website can be found at [www.navamedic.com](http://www.navamedic.com). The content of [www.navamedic.com](http://www.navamedic.com) is not incorporated by reference into and does not otherwise form part of this Securities Note.

### 5.2 The Shares

#### 5.2.1 Listing on the Oslo Stock Exchange

The Shares are, and the Private Placement Shares and the Offer Shares will be, admitted to trading on the Oslo Stock Exchange. The Company currently expects commencement of trading in the Private Placement Shares on or about on the date of this Securities Note and the Offer Shares on or about 23 June 2020. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

#### 5.2.2 Change of control and takeover bids

The Company's Articles of Association do not contain any provisions that would have the effect of delaying, deferring or preventing a change of control of the Company. The Shares have not been subject to any public takeover bids during last financial year nor during the current financial year as at the date of this Securities Note.

#### 5.2.3 Shareholder rights

The Company has one class of Shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all Shares in that class provide equal rights in the Company, including the right to any dividends. Each of the Shares carries one vote.

#### 5.2.4 Lock-up obligations

None of the Private Placement Shares nor Offer Shares are subject to lock-up provisions, however the following Shares and options are subject to lock-up obligations pursuant to agreements entered into between the holder and the Company:

Name	Shares held subject to lock-up	Expiry of lock-up period	Options held which upon exercise the Shares issued will be subject to lock-up
Kathrine Gamborg Andreassen	333,334	1 March 2021	-
	125,000	17 March 2021	-
	-	-	125,000 with 24 months lock-up
Ole Henrik Eriksen	333,333	1 March 2021	-
	75,000	17 March 2021	-
Astrid T. Bratvedt	333,333	1 March 2021	-
	75,000	17 March 2021	-
Lars Hjarrand	-	-	75,000 with 12 months lock-up

The lock-up obligation that the holder of the Shares is subject to does not prevent the holder from transferring the Shares to any wholly owned company of the option holder during the lock-up period, subject to such transferee undertaking identical lock-up obligations as the holder had prior to such transfer. Furthermore, the lock-up obligations do not prevent the option holder from selling shares received upon exercise which are sold to finance the exercise price of the options, or any tax payable as a consequence of such exercise.

### 5.3 Certain aspects of Norwegian corporate law

#### 5.3.1 General meetings

Through the general meeting, shareholders exercise supreme authority in a Norwegian company. In accordance with Norwegian law, the annual general meeting of shareholders is required to be held each year on or prior to 30 June. Norwegian law requires that written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting be sent to all shareholders with a known address no later than 21 days before the annual general meeting of a Norwegian public limited company listed on a stock exchange or a regulated market shall be held, unless the articles of association stipulate a longer deadline, which is not currently the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy appointed at their own discretion. Although Norwegian law does not require the Company to send proxy forms to its shareholders for general meetings, the Company plans to include a proxy form with notices of general meetings. All of the Company's shareholders who are registered in the register of shareholders maintained with the VPS as of the date of the general meeting, or who have otherwise reported and documented ownership to Shares, are entitled to participate at general meetings.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the Board of Directors considers it necessary. An extraordinary general meeting of shareholders must also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 5% of the share capital demands this in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general meetings. However, the annual general meeting of a Norwegian public limited company may with a majority of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting resolve that extraordinary general meetings may be convened with a 14 day notice period until the next annual general meeting provided the Company has procedures in place allowing shareholders to vote electronically.

#### 5.3.2 Voting rights – Amendments of the Articles of Association

Each of the Shares carries one vote. In general, decisions that shareholders are entitled to make under Norwegian law or the Articles of Association may be made by a simple majority of the votes cast. In the case of elections or appointments, the person(s) who receive(s) the greatest number of votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the Articles of Association, to authorise an increase or reduction in the share capital, to authorise an issuance of convertible loans or warrants by the Company or to authorise the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the Articles of Association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the general meeting in question vote in favour of the resolution, as well as the majority required for amending the Articles of Association.

In general, only a shareholder registered in the VPS is entitled to vote for such Shares. Beneficial owners of the Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such Shares as nominees. Investors should note that there are varying opinions as to the interpretation of the right to vote on nominee registered shares. In the Company's view, a nominee may not meet or vote for Shares registered on a nominee account ("**NOM-account**"). A shareholders who hold their shares in a nominee account in the VPS and who would like to cast votes for such shares, must transfer the shares to a VPS account in their own name and ensure that this is registered in the VPS to be able to cast votes for such shares at the general meeting.

There are no quorum requirements that apply to the general meetings.

#### 5.3.3 Additional issuances and preferential rights

If the Company issues any new shares, including bonus share issues, the Articles of Association must be amended, which requires the same vote as other amendments to the Articles of Association. In addition, under Norwegian law, the shareholders have a preferential right to subscribe for new shares issued by the Company. Preferential rights may be

derogated from by resolution in a general meeting passed by the same vote required to amend the Articles of Association. A derogation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares. Existing shareholders who do not participate in an issuance of new Shares, including bonus shares, will be diluted.

The general meeting may, by the same vote as is required for amending the Articles of Association, authorize the Board of Directors to issue new shares, and to derogate from the preferential rights of shareholders in connection with such issuances. Such authorization may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered nominal share capital when the authorization is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the shareholders, by transfer from the Company's distributable equity and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be carried out either by issuing new shares to the Company's existing shareholders or by increasing the nominal value of the Company's outstanding Shares.

Issuance of new shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. If a U.S. shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all and the rights would be sold on the shareholder's behalf by the Company. Shareholders in other jurisdictions outside Norway may be similarly affected if the rights and the new Shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. The Company has currently not filed a registration statement under the U.S. Securities Act or sought approvals under the laws of any other jurisdiction outside Norway in respect of any pre-emptive rights or the Shares, does not intend to do so and doing so in the future may be impractical and costly. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new shares nor receive nor trade such subscription rights, the value of their subscription rights will be lost and such shareholders' proportional ownership interests in the Company may be reduced.

#### 5.3.4 *Minority rights*

Norwegian law sets forth a number of protections for minority shareholders of the Company, including, but not limited to, those described in this Section and the description of general meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the Board of Directors or the Company's shareholders made at the general meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 5% or more of the Company's share capital have a right to demand in writing that the Company's Board of Directors convene an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

#### 5.3.5 *Rights of redemption and repurchase of Shares*

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a general meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorization to do so by a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury shares so acquired, and held by the Company must not exceed 10% of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the General Meeting of the Company's shareholders cannot be granted for a period exceeding 2 years.

### 5.3.6 *Shareholder vote on certain reorganizations*

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the General Meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the general meeting. A merger plan, or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the Articles of Association stipulate that, made available to the shareholders on the Company's website, at least one month prior to the general meeting to pass upon the matter.

### 5.3.7 *Liability of members of the Board of Directors*

Board Members owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the Board Members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Board Members may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the General Meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the general meeting passing upon the matter. If a resolution to discharge the Board Members from liability or not to pursue claims against such a person has been passed by the General Meeting with a smaller majority than that required to amend the Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Company's Board Members from liability or not to pursue claims against the Company's Board Members is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

### 5.3.8 *Indemnification of Directors*

Neither Norwegian law nor the Articles of Association contain any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for the Board Members against certain liabilities that they may incur in their capacity as such.

### 5.3.9 *Distribution of assets on liquidation*

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at a general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

### 5.3.10 *Dividends*

#### 5.3.10.1 Legal constraints on the distribution of dividends

Dividends may be paid in cash, or in some instances, in kind. The Norwegian Public Limited Companies Act of 13 June 1997 no. 45 (the "**Norwegian Public Limited Companies Act**") provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Limited Companies Act provides that the Company may distribute dividends to the extent that the Company's net assets, following the distribution covers (i) the share capital, (ii) the reserve for valuation variances and (iii) the reserve for unrealized gains. The amount of any receivable held by the Company which is secured by a pledge over Shares in the Company, as well as the aggregate amount of credit and security which, pursuant to section 8-7 to 8-10 of the Norwegian Public Limited Companies Act fall within the limits of distributable equity, shall be deducted from the distributable amount.
- The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividends shall be applied. Following the approval of the annual accounts for the last financial year, the General Meeting may also authorize the Board of Directors to declare dividends on the basis of the Company's audited annual accounts. Dividends may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date no earlier than six months before the date of the General Meeting's resolution.

- Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound by the Board of Directors, acting prudently.

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account legal restrictions, as set out in the Norwegian Public Limited Companies Act, the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends, and the maintaining of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

Pursuant to the Norwegian Public Limited Companies Act, the time when an entitlement to dividend arises depends on what was resolved by the General Meeting when it resolved to issue new shares in the company. A subscriber of new shares in a Norwegian public limited company will normally be entitled to dividends from the time when the relevant share capital increase is registered with the Norwegian Register of Business Enterprises.

The Norwegian Public Limited Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends.

In addition, U.S. federal securities laws may restrict the Company's ability to offer distributions in kind in the form of securities to certain shareholders.

#### 5.3.10.2 Manner of dividend payment

Any future payments of dividends on the Shares will be made in the currency of the bank account of the relevant shareholder, and will be paid to the shareholders through the Norwegian Central Securities Depository (Nw.: Verdipapirsentralen) ("**VPS**"). Shareholders registered in the VPS who have not supplied the VPS with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS Registrar. The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant shareholder's currency will be DNB's exchange rate on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details, without the need for shareholders to present documentation proving their ownership of the Shares. Shareholders' right to payment of dividends will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with VPS Registrar within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from the VPS Registrar to the Company.



## 6 SECURITIES TRADING IN NORWAY

*Set out below is a summary of certain aspects of securities trading in Norway. The summary is based on the rules and regulations in force in Norway as at the date of this Securities Note, which may be subject to changes occurring after such date. The summary does not purport to be a comprehensive description of securities trading in Norway. Investors who wish to clarify the aspects of securities trading in Norway should consult with and rely upon their own advisors.*

### 6.1 Introduction

The Oslo Stock Exchange was established in 1819 and offers the only regulated market for securities trading in Norway. Oslo Børs ASA is 100% owned by Oslo Børs VPS Holding ASA which was acquired by Euronext on 18 June 2019. Euronext owns seven regulated markets across Europe, including Amsterdam, Brussels, Dublin, Lisbon, London, Oslo and Paris.

As of 31 December 2018, the total capitalization of companies listed on the Oslo Stock Exchange amounted to approximately NOK 2,462 billion. Shareholdings of non-Norwegian investors as a percentage of total market capitalization as at 31 December 2018 amounted to approximately 38.5%.

The Oslo Stock Exchange has entered into a strategic cooperation with the London Stock Exchange group with regards to, inter alia, trading systems and product development across for equities, fixed income and derivatives markets.

### 6.2 Market value of the Shares

The market value of all shares on the Oslo Stock Exchange, including the Shares, may fluctuate significantly, which could cause investors to lose a significant part of their investment. The market value of listed shares could fluctuate significantly in response to a number of factors beyond the respective issuer's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, announcements by the respective issuer or its competitors of new product and service offerings, significant contracts, acquisitions or strategic relationships, publicity about the issuer, its products and services or its competitors, lawsuits against the issuer, unforeseen liabilities, changes in management, changes to the regulatory environment in which the issuer operates or general market conditions.

Furthermore, future issuances of shares or other securities may dilute the holdings of shareholders and could materially affect the price of the shares. Any issuer, including the Company, may in the future decide to offer additional shares or other securities to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes, including for refinancing purposes. There are no assurances that any of the issuers on the Oslo Stock Exchange will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. If a listed company raises additional funds by issuing additional equity securities, the holdings and voting interests of existing shareholders could be diluted, and thereby affect share price.

### 6.3 Trading and settlement

Trading of equities on the Oslo Stock Exchange is carried out in the electronic trading system Millennium Exchange. This trading system is in use by all markets operated by the London Stock Exchange, including the Borsa Italiana, as well as by the Johannesburg Stock Exchange.

Official trading on the Oslo Stock Exchange takes place between 09:00 hours (CET/CEST) and 16:20 hours (CET/CEST) each trading day, with pre-trade period between 08:15 hours (CET/CEST) and 09:00 hours (CET/CEST), closing auction from 16:20 hours (CET/CEST) to 16:25 hours (CET) and a post-trade period from 16:25 hours (CET/CEST) to 17:30 hours (CET/CEST). Reporting of after exchange trades can be done until 17:30 hours (CET/CEST).

The settlement period for trading on the Oslo Stock Exchange is two trading days (T+2). This means that securities will be settled on the investor's account in the VPS two days after the transaction, and that the seller will receive payment after two days.

Oslo Clearing ASA, a wholly-owned subsidiary of SIX x-clear AG, a company in the SIX group, has a license from the Norwegian FSA to act as a central clearing service, and has from 18 June 2010 offered clearing and counterparty services for equity trading on the Oslo Stock Exchange.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from

outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Stock Exchange except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

#### **6.4 Information, control and surveillance**

Under Norwegian law, the Oslo Stock Exchange is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of the Oslo Stock Exchange monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company. Inside information means precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market. A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. The Oslo Stock Exchange may levy fines on companies violating these requirements.

#### **6.5 The VPS and transfer of shares**

The Company's principal share register is operated through the VPS. The VPS is the Norwegian paperless centralised securities register. It is a computerised book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and the Oslo Stock Exchange are both wholly-owned by Oslo Børs VPS Holding ASA.

All transactions relating to securities registered with the VPS are made through computerised book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being, Norway's central bank), authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is prima facie evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the relevant company's articles of association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

## 6.6 Shareholder register – Norwegian law

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote for such Shares unless their ownership is re-registered in their names with the VPS prior to any general meeting. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in the VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners. There is no assurance that beneficial owners of the Shares will receive the notice of any general meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners. See Section 5.3 "Certain aspects of Norwegian corporate law" for more information on nominee accounts.

## 6.7 Foreign investment in shares listed in Norway

Foreign investors may trade shares listed on the Oslo Stock Exchange through any broker that is a member of the Oslo Stock Exchange, whether Norwegian or foreign.

Foreign investors are to note that the rights of holders of listed shares of companies incorporated in Norway are governed by Norwegian law and by the respective company's articles of association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For instance, under Norwegian law, any action brought by a listed company in respect of wrongful acts committed against such company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it may be difficult to prevail in a claim against such company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions. See Section 5.3 "Certain aspects of Norwegian corporate law" for more information on certain aspects of Norwegian law.

## 6.8 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify the Oslo Stock Exchange and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

## 6.9 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Section 3-2 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

## 6.10 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies not including the Company) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and the Oslo Stock Exchange decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Stock Exchange and the company in question accordingly. The notification is required to state whether an offer

will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by the Oslo Stock Exchange before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, the Oslo Stock Exchange may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, the Oslo Stock Exchange may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies not including the Company) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies correspondingly if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

### **6.11 Compulsory acquisition**

Pursuant to the Norwegian Public Limited Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorised to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to Section 4-25 of the Norwegian Public Limited Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline.

#### **6.12 Foreign exchange controls**

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

## 7 TAXATION

*Set out below is a summary of certain Norwegian tax matters related to an investment in the Company. The summary regarding Norwegian taxation is based on the laws in force in Norway as at the date of this Securities Note, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis.*

*The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisors. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisors with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.*

*Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.*

*The tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdictions in which the shareholders are resident for tax purposes may have an impact on the income received from the Shares.*

### 7.1 Taxation of dividends

#### Norwegian Personal Shareholders

Dividends distributed by the Company to shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable in Norway for such shareholders currently at an effective tax rate of 31.68% to the extent the dividend exceeds a tax-free allowance; i.e. dividends received, less the tax free allowance, shall be multiplied by 1.44 which are then included as ordinary income taxable at a flat rate of 22%, increasing the effective tax rate on dividends received by Norwegian Personal Shareholders to 31.68%.

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk free interest rate based on the effective rate of interest on treasury bills (*Nw.: statskasserveksler*) with three months maturity plus 0.5 percentage points, after tax. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realization, of the same share.

Norwegian Personal Shareholders may hold the shares through a Norwegian share saving account (*Nw.: aksjesparekonto*). Dividends received on shares held through a share saving account will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the paid in deposit will be regarded as taxable income, regardless of whether the funds are derived from gains or dividends related to the shares held in the account. Such income will be taxed with an effective tax rate of 31.68%, cf. above. Norwegian Personal Shareholders will still be entitled to a calculated tax-free allowance. Please refer to Section 7.2 "Taxation of capital gains on realization of shares – Norwegian Personal Shareholders" for further information in respect of Norwegian share saving accounts.

#### Norwegian Corporate Shareholders

Dividends distributed by the Company to shareholders who are limited companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**"), are effectively taxed at a rate of currently 0.66% (3% of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and ordinary income is subject to tax at a flat rate of currently 22%). For Norwegian Corporate Shareholders that are considered to be "Financial Institutions" under the Norwegian financial activity tax (banks, holding companies), the effective rate of taxation for dividends is 0.75%.

#### Non-Norwegian Personal Shareholders

Dividends distributed by the Company to shareholders who are individuals not resident in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The

withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Personal Shareholders residing within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share, please see 7.1 "Taxation of dividends – Norwegian Personal Shareholders" above. However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation of the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

All Non-Norwegian Personal Shareholders must document their entitlement to a reduced withholding tax rate by obtaining a certificate of residence issued by the tax authorities in the shareholder's country of residence, confirming that the shareholder is resident in that state. The documentation must be provided to either the nominee or the account operator (VPS).

Non-Norwegian Personal Shareholders should consult their own advisors regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

Non-Norwegian Personal Shareholders resident in the EEA for tax purposes may hold their shares through a Norwegian share saving account. Dividends received on, and gains derived upon the realization of, shares held through a share saving account by a Non-Norwegian Personal Shareholder resident in the EEA will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the Non-Norwegian Personal Shareholder's paid in deposit, will be subject to withholding tax at a rate of 25% (unless reduced pursuant to an applicable tax treaty). Capital gains realized upon realization of shares held through the share saving account will be regarded as paid in deposits, which may be withdrawn without taxation. Losses will correspondingly be deducted from the paid in deposit, reducing the amount which can be withdrawn without withholding tax.

The obligation to deduct and report withholding tax on shares held through a saving account, cf. above, lies with the account operator.

### **Non-Norwegian Corporate Shareholders**

Dividends distributed by the Company to shareholders who are limited companies (and certain other entities) domiciled outside of Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders domiciled within the EEA for tax purposes are exempt from Norwegian withholding tax provided that the shareholder is the beneficial owner of the shares and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If a Non-Norwegian Corporate Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted. The same will apply to Non-Norwegian Corporate Shareholders who have suffered withholding tax although qualifying for the Norwegian participation exemption.

All Non-Norwegian Corporate Shareholders must document their entitlement to a reduced withholding tax rate by either (i) presenting an approved withholding tax refund application or (ii) present an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate. In addition, a certificate of residence issued by the tax authorities in the shareholder's country of residence, confirming that the shareholder is resident in that state, must be obtained. Such documentation must be provided to either the nominee or the account operator (VPS).

The withholding obligation in respect of dividends distributed to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Corporate Shareholders should consult their own advisors regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

## **7.2 Taxation of capital gains on realization of shares**

### **Norwegian Personal Shareholders**

Sale, redemption or other disposal of shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. The effective tax rate on gain or loss related to shares realized by Norwegian Personal Shareholders is currently 31.68%; i.e. capital gains (less the tax free allowance) and losses shall be multiplied by 1.44 which are then included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a flat rate of 22%, increasing the effective tax rate on gains/losses realized by Norwegian Personal Shareholders to 31.68%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realization of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 7.1 "Taxation of dividends – Norwegian Personal Shareholders" above for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realization of a share will be annulled. Unused allowance may not be set off against gains from realization of other shares.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Special rules apply for Norwegian Personal Shareholders that cease to be tax-resident in Norway.

Gains derived upon the realization of shares held through a share saving account will be exempt from immediate Norwegian taxation and losses will not be tax deductible. Instead, withdrawal of funds from the share saving account exceeding the Norwegian Personal Shareholder's paid in deposit, will be regarded as taxable income, subject to tax at an effective tax rate of 31.68%. Norwegian Personal Shareholders will be entitled to a calculated tax-free allowance provided that such allowance has not already been used to reduce taxable dividend income, please see Section 7.1 "Taxation of dividends – Norwegian Personal Shareholders" above. The tax-free allowance is calculated based on the lowest paid in deposit in the account during the income year, plus any unused tax-free allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income, and cannot increase or produce a deductible loss. Any excess allowance may be carried forward and set off against future withdrawals from the account or future dividends received on shares held through the account.

Norwegian Personal Shareholders holding shares through more than one share saving account may transfer their shares or securities between the share saving accounts without incurring Norwegian taxation.

### **Norwegian Corporate Shareholders**

Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realization of shares qualifying for participation exemption, including shares in the Company. Losses upon the realization and costs incurred in connection with the purchase and realization of such shares are not deductible for tax purposes.



Special rules apply for Norwegian Corporate Shareholders that cease to be tax-resident in Norway.

### **Non-Norwegian Personal Shareholders**

Gains from the sale or other disposal of shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the Non-Norwegian Personal Shareholder holds the shares in connection with business activities carried out or managed from Norway.

Please refer to Section 7.1 "Taxation of dividends – Non-Norwegian Personal Shareholders" above for a description of the availability of a Norwegian share saving accounts.

### **Non-Norwegian Corporate Shareholders**

Capital gains derived by the sale or other realization of shares by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway unless the shareholding is effectively connected to the conduct of trade or business in Norway.

#### *7.2.1 Taxation of Subscription Rights*

### **Norwegian Personal Shareholders**

A Norwegian Personal Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway. Costs related to the subscription for the shares will be added to the cost price of the shares.

### **Norwegian Corporate shareholders**

A Norwegian Corporate Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway. Costs related to the subscription for the shares will be added to the cost price of the shares.

### **Non-Norwegian Shareholders**

A Non-Norwegian (Personal or Corporate) Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway.

#### *7.2.2 Net wealth tax*

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 0.85% of the value assessed. The value for assessment purposes for listed shares is equal to 75% of the listed value as of 1 January in the year of assessment (i.e. the year following the relevant fiscal year). The value of debt allocated to the listed shares for Norwegian wealth tax purposes is reduced correspondingly (i.e. to 75%).

Norwegian Corporate Shareholders are not subject to net wealth tax.

Non-Norwegian (Personal and Corporate) Shareholders are generally not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders can, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

#### *7.2.3 VAT and transfer taxes*

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

#### *7.2.4 Inheritance tax*

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

## 8 THE COMPLETED PRIVATE PLACEMENT AND THE TERMS OF THE SUBSEQUENT OFFERING

### 8.1 The Private Placement

#### 8.1.1 Overview

On 18 February 2020, the Company announced the placement of the Private Placement, comprising a total of 2,630,000 new shares in the Company, each with a par value of NOK 0.74, at a subscription price of NOK 19.00 per new share, resulting in gross proceeds to the Company of approximately NOK 50 million. The shares in the Private Placement were divided into two tranches, with one tranche comprising 1,186,767 Shares (the "**Tranche 1 Shares**") and one tranche comprising 1,443,233 Shares (the "**Private Placement Shares**" or the "**Tranche 2 Shares**").

The subscription price in the Private Placement was determined through an accelerated bookbuilding process and was set at NOK 19.00 per Share in the Private Placement. The Board of Directors resolved to issue the Tranche 1 Shares on 18 February 2020 and the General Meeting of the Company resolved to issue the Tranche 2 Shares on 11 March 2020.

The minimum subscription and allocation amount in the Private Placement was set to the NOK equivalent of EUR 100,000, provided, however, that the Company reserved the right to allocate an amount below EUR 100,000 to the extent applicable exemptions from the prospectus requirement pursuant to the Norwegian Securities Trading Act and ancillary regulations, or similar legislation in other jurisdictions, were available.

The share issue was carried out as a private placement in order to put the Company in a position to raise capital in an efficient manner in the prevailing volatile capital market, with a lower discount to the current trading price and with significantly lower completion risks compared to a rights issue. As a consequence of the private placement structure, the shareholders' preferential right to subscribe for new Shares was deviated from by the Board of Directors.

The Shares in the Private Placement were placed by the Joint Bookrunners to selected investors in the application period after close of market on 18 February 2020.

The successful placement of the Private Placement was announced through an announcement made by the Company late on 18 February 2020.

#### 8.1.2 Use of proceeds

The expected net proceeds from the Private Placement, will be used to fund future M&A activity, strategic investments and general corporate purposes. The Company sees several tangible opportunities to strengthen its Nordic position and North European footprint. The Company seeks to continue its growth through a combination of organic development and selective bolt-on acquisitions to build on Navamedic's existing platform which may materialize in transactions during 2020.

At the date of the Securities Note, the Company cannot predict all the specific uses for the net proceeds, or the actual amounts that will be spent on the uses described above. The exact amounts and the timing of the actual use of the net proceeds will depend on numerous factors, among others, progress, costs and results of the Group and other market actors, as well as development in the market in general, including changes in the regulatory environment.

#### 8.1.3 Resolution regarding the Private Placement Shares

On 11 March 2020, the General Meeting passed the following resolution to increase the Company's share capital by NOK 1,067,992.42 by issuance of Tranche 2 Shares (translated from Norwegian):

- (i) *The Company's share capital is increased with NOK 1,067,992.42 by the issuance of 1,443,233 new shares, each with a par value of NOK 0.74.*
- (ii) *The subscription price per share is NOK 19.00.*
- (iii) *The new shares shall be subscribed by SpareBank 1 Markets AS on behalf of, and pursuant to, the authorisations received from the investors who have applied for and been allocated offer shares in tranche 2 of the Company's private placement announced on 18 February 2020. The shareholders' pre-emptive right is thus deviated from, cf. section 10-5, cf. section 10-4 of the Norwegian Public Limited Liability Companies Act.*
- (iv) *The shares shall be subscribed for in these minutes.*

- (v) *Payment shall be made to the Company's share issuance account no later than 31 March 2020.*
- (vi) *The new shares carry rights to dividends and other rights in the Company from the time of registration of the share capital increase in the Norwegian Register of Business Enterprises*
- (vii) *The Company's costs and expenses related to the share capital increase are estimated to approximately NOK 2,198,134 (excl. VAT).*
- (viii) *Article 4 of the articles of association shall be amended accordingly.*

#### 8.1.4 *Delivery and listing of the Shares in the Private Placement*

The Tranche 1 Shares were, subject to timely payment of the application amount, delivered to the investors in the Private Placement having been allocated Tranche 1 Shares on 21 February 2020. The Tranche 2 Shares were, subject to timely payment of the application amount, delivered to the investors in the Private Placement having been allocated Tranche 2 Shares on 13 March 2020.

Both the Tranche 1 Shares and the Tranche 2 Shares were settled with existing and unencumbered Shares already listed on the Oslo Stock Exchange, pursuant to share lending agreements entered into between Ingerø Reiten Investment Company AS ("**IRIC**") as lender, SB1M (on behalf of the Joint Bookrunners) as borrower and the Company. Hence, such Shares were tradable immediately after delivery to the investors.

The Tranche 1 Shares were registered with the Norwegian Register of Business Enterprises on 26 February 2020. SB1M on behalf of the Managers, settled the share loan from IRIC once such Shares were issued.

The Tranche 2 Shares were registered with the Norwegian Register of Business Enterprises on 19 March 2020. The Tranche 2 Shares were upon issuance transferred to IRIC as re-delivery and settlement of the borrowed shares from IRIC. The Tranche 2 Shares were upon issuance registered on a separate ISIN number (ISIN NO 0010877756), but will upon publication of this Securities Note be transferred to the same ISIN as the Shares listed on the Oslo Stock Exchange (ISIN NO 0010205966) and become listed and tradable on the Oslo Stock Exchange as at the time of completion of such transfer.

#### 8.1.5 *The rights conferred by the Shares in the Private Placement*

The Tranche 1 and Tranche 2 Shares are ordinary Shares in the Company, each having a par value of NOK 0.74, and are registered in book-entry form with the VPS on the Company's ISIN NO 0010205966. The Tranche 1 Shares and Tranche 2 Shares carry full shareholder rights, in all respects equal to the Company's existing Shares, from the time of registration of the share capital increase pertaining to each of the Tranche 1 Shares and the Tranche 2 Shares with the Norwegian Register of Business Enterprises. The Tranche 1 Shares and the Tranche 2 Shares became eligible for any dividends which the Company may declare after such registration. Upon transfer of the Tranche 2 Shares from the separate ISIN NO 0010877756 to the Company's ISIN NO 0010205966, the Tranche 2 Shares will become listed and tradable on the Oslo Stock Exchange.

All Shares, including the Private Placement Shares have voting rights and other rights and obligations which are standard under the Norwegian Public Limited Companies Act and are governed by Norwegian law.

#### 8.1.6 *Share capital following the Private Placement*

Following the registration of the share capital increase pertaining to the Tranche 1 Shares with the Norwegian Register of Business Enterprises on 26 February 2020, the number of issued and outstanding Shares in the Company was increased by 1,186,767 Shares from 11,867,673 Shares to 13,054,440 Shares, each with a nominal value of NOK 0.74 and the Company's share capital was increased by NOK 878,207.58 from NOK 8,782,078.02 to NOK 9,660,285.60.

Following the registration of the share capital increase pertaining to the Tranche 2 Shares with the Norwegian Register of Business Enterprises on 19 March 2020 (and the issuance of the 275,000 option shares announced by the Company on 24 January 2020 which was effected between the registration of the Tranche 1 Shares and the Tranche 2 Shares), the number of issued and outstanding Shares in the Company was increased by 1,443,233 Shares from 13,329,440 Shares to 14,772,673 Shares, each with a nominal value of NOK 0.74 and the Company's share capital was increased by NOK 1,067,992.42 from NOK 9,863,785.60 to NOK 10,931,778.02.

**8.1.7 Net proceeds and expenses related to the Private Placement**

The gross proceeds to the Company from the Private Placement was approximately NOK 50 million. The Company's total costs, fees and expenses payable to the Joint Bookrunners and the Company's other advisors, the Norwegian FSA and the Oslo Stock Exchange relating to the Private Placement are estimated to amount to approximately NOK 3.65 million.

Hence, the Company's total net proceeds from the Private Placement was approximately NOK 46.3 million. For a description of the use of such proceeds, see Section 8.1.2 "Use of proceeds".

No expenses or taxes were charged by the Company or the Joint Bookrunners to the subscribers in the Private Placement.

**8.1.8 Interest of natural and legal persons involved in the Private Placement**

The Joint Bookrunners and/or their affiliates have provided from time to time, and may in the future provide, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Joint Bookrunners do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Joint Bookrunners have received a fee consisting of a fixed and a variable element in connection with the Private Placement and, as such, had an interest in the Private Placement.

Except as set out above, the Company is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Private Placement.

**8.1.9 Participation of major shareholders and members of the Company's Management, supervisory and administrative bodies**

The following members of the Company's Management and Board of Directors subscribed for Shares in the Private Placement:

- (i) Lars Hjarrand, CFO in the Company, was allocated 53,000 Shares in the Private Placement. Following this allocation Lars Hjarrand, with his related parties, owns in total 185,882 Shares and 75,000 options in the Company.
- (ii) Ingerø Reiten Investment Company AS (IRIC), represented at the board of directors by Terje Bakken and Narve Reiten, was allocated 646,375 Shares in the Private Placement. Following this allocation Ingerø Reiten Investment Company AS owns 3,563,042 Shares in the Company.

Other than as stated above, no major shareholders, members of the Company's Management, supervisory and administrative bodies subscribed for Shares in the Private Placement.

**8.1.10 Advisors in the Private Placement**

In the Private Placement, SpareBank 1 Markets AS (Olav Vs gate, N-0161 Oslo, Norway) and Carnegie AS (Fjordalléen 16, N-0250 Oslo) acted as joint bookrunners for the Company. Advokatfirmaet Thommessen AS (Haakon VII's gate 10, N-0161 Oslo, Norway) acted as Norwegian legal advisor to the Company in the Private Placement.

**8.2 The Subsequent Offering****8.2.1 Overview**

The Subsequent Offering consists of an offer by the Company to issue up to 526,000 Offer Shares, each with a nominal value of NOK 0.74, at a Subscription Price of NOK 19.00 per Offer Share, being equal to the subscription price in the Private Placement. Subject to all Offer Shares being issued, the Subsequent Offering will result in approximately NOK 10 million in gross proceeds to the Company.

The purpose of the Subsequent Offering is to enable the Eligible Shareholders to subscribe for Shares in the Company at the same price as in the Private Placement, thus limiting the dilution of their shareholding. Eligible Shareholders are shareholders of the Company as of 18 February 2020 (as registered in the VPS on the Record Date) who (i) were not allocated shares in the Private Placement and (ii) are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action. The net proceeds from the Subsequent Offering will be used for the same purposes as the net proceeds from the Private Placement, as further set out in Section 8.1.2 "Use of proceeds".

Eligible Shareholders will be granted non-transferable Subscription Rights that, subject to applicable laws, provide the right to subscribe for, and be allocated, Offer Shares in the Subsequent Offering. Over-subscription will be permitted, but subscription without Subscription Rights will not be permitted.

This Securities Note does not constitute an offer of, or an invitation to purchase, the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. For further details, see "Important Notice" and Section 9 "Selling and transfer restrictions".

### 8.2.2 Eligible Shareholders

Shareholders of the Company as of 18 February 2020, as registered in the Company's shareholder register in the VPS on 20 February 2020 (the Record Date), and who (i) were not allocated shares in the Private Placement and (ii) are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action, will be granted non-transferable Subscription Rights that, subject to applicable law, provide rights to subscribe for, and be allocated, Offer Shares in the Subsequent Offering at the Subscription Price.

Provided that the delivery of traded Shares was made with ordinary T+2 settlement in the VPS, Shares that were acquired on or before 18 February 2020 will give the relevant Eligible Shareholder the right to receive Subscription Rights, whereas Shares that were acquired from and including 19 February 2020 will not give the relevant Eligible Shareholder the right to receive Subscription Rights.

### 8.2.3 Resolution relating to the Subsequent Offering and the issue of the Offer Shares

On 25 May 2020, and pursuant to the authorisation granted to it by the General Meeting held on 11 March 2020, the Board of Directors passed the following resolution to complete the Subsequent Offering (translated from Norwegian):

- (i) *The share capital is increased by minimum NOK 0.74 and maximum NOK 389,240, by the issuance of minimum 1 and maximum 526,000 new shares, each with a nominal value of NOK 0.74.*
- (ii) *The subscription price is NOK 19.00 per share.*
- (iii) *The Company's shareholders as of 18 February 2020 (as registered in the Norwegian Central Depository ("**VPS**") on 20 February 2020) who were not allocated shares in the private placement resolved by the board of directors on 18 February 2020 shall, subject to applicable restrictions in the relevant jurisdictions of such shareholders ("**Eligible Shareholders**") have a preferential right to subscribe for the new shares. The shareholders of the Company shall accordingly not have any preferential rights to subscribe for or be allocated the new shares (cf. Section 10-4 of the Norwegian Public Limited Companies Act). Eligible Shareholders shall receive non-transferable subscription rights corresponding to their shareholding in the Company as of 18 February 2020 as registered in the Company's shareholder register in the VPS as of the expiry of 20 February 2020. The number of subscription rights to be issued to each shareholder will be rounded down to the nearest whole subscription right. Each subscription right will entitle the holder to subscribe for one new share. Over-subscription will be allowed but subscription without subscription rights will not be allowed.*
- (iv) *The Company shall publish a prospectus approved by the Financial Supervisory Authority of Norway in connection with the share capital increase. Unless the board of directors decides otherwise, the prospectus shall not be registered with, or approved by, any foreign prospectus authority. The new shares may not be subscribed for by investors in jurisdictions where such subscription is not permitted or to whom the new shares cannot lawfully be offered without a prospectus or similar documentation.*
- (v) *The subscription period shall commence on 28 May 2020 and expire at 16:30 (Oslo time) on 11 June 2020. If the prospectus is not approved in time to uphold this subscription period, the subscription period shall commence on the first trading day on the Oslo Stock Exchange following the approval and expire at 16:30 hours (Oslo time) two weeks thereafter. The subscription period may not be shortened, but the board of directors may extend the subscription period if this is required by law due to the publication of a supplement prospectus.*
- (vi) *The subscription amount shall be paid in cash. Payment for the new shares shall be made on or prior to 16 June 2020, or the fourth trading day on the Oslo Stock Exchange after the expiry of the subscription period if the subscription period is postponed according to subparagraph (v) above. Subscribers who have a Norwegian bank account must, and will by signing the subscription form, give a one-time irrevocable authorisation to debit a*

*specified Norwegian bank account for the amount payable for the shares which are allocated to the subscriber. The amount will be debited from the specified bank account on or around the payment date. Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the new shares allocated to them is received on or before the payment date.*

(vii) *The following allocation criteria shall apply for the shares:*

- a) *Allocation will be made to subscribers in accordance with the subscription rights validly used to subscribe for new shares in the subscription period. Each subscription right will give the right to subscribe for and be allocated one new share.*
- b) *If not all subscription rights are used in the subscription period, subscribers having used their subscription rights and who have over-subscribed will be allocated the remaining new shares on a pro rata basis based on the number of subscription rights exercised. In the event that pro rata allocation is not possible due to the number of remaining new shares, the Company will determine the allocation by drawing of lots.*

(viii) *The new shares will carry full rights in the Company, including the right to dividend, from the time of the registration of the share capital increase with the Norwegian Register of Business Enterprises.*

(ix) *The Company's expenses in relation to the share capital increase are estimated to approximately NOK 1.15 million assuming that all the shares are subscribed for.*

(x) *Section 4 of the articles of association shall be amended to state the total share capital and the number of shares following the share capital increase.*

#### 8.2.4 *Timetable for the Subsequent Offering*

The timetable set out below provides certain indicative key dates for the Subsequent Offering:

Last day of trading in the Shares including Subscription Rights.....	18 February 2020
First day of trading in the Shares excluding Subscription Rights.....	19 February 2020
Record Date.....	20 February 2020
Subscription Period commences .....	28 May 2020
Subscription Period ends .....	11 June 2020 at 16:30 hours (CET)
Allocation of the Offer Shares .....	Expected on or about 12 June 2020
Publication of the results of the Subsequent Offering.....	Expected on or about 12 June 2020
Distribution of allocation letters .....	Expected on or about 12 June 2020
Payment Date .....	Expected on or about 16 June 2020
Registration of the share capital increase pertaining to the Subsequent Offering.....	Expected on or about 23 June 2020
Delivery of the Offer Shares .....	Expected on or about 23 June 2020
Listing and commencement of trading in the Offer Shares on the Oslo Stock Exchange ..	Expected on or about 23 June 2020

#### 8.2.5 *Subscription Price*

The Subscription Price in the Subsequent Offering is NOK 19.00 per Offer Share, being the same as the subscription price in the Private Placement. No expenses or taxes are charged to the subscribers in the Subsequent Offering by the Company or the Manager.

#### 8.2.6 *Subscription Period*

The Subscription Period will commence on 28 May 2020 and end on 11 June 2020 at 16:30 hours (CET). The Subscription Period cannot be shortened, but the Board of Directors may extend the Subscription Period if this is required by law as a result of the publication of a supplemental prospectus. Subscription of Offer Shares shall be made on a separate subscription form.

#### 8.2.7 *Subscription Rights*

Eligible Shareholders will be granted non-transferable Subscription Rights giving a right to subscribe for, and be allocated, Offer Shares in the Subsequent Offering. Each Eligible Shareholder will, subject to applicable securities laws, be granted 0.0625 Subscription Right for each Share registered as held by such Eligible Shareholder on the Record Date,

rounded down to the nearest whole Subscription Right. Each whole Subscription Right will, subject to applicable securities laws, give the right to subscribe for and be allocated one Offer Share in the Subsequent Offering.

The Subscription Rights will be credited to and registered on each Eligible Shareholder's VPS account on or about 28 May 2020 under the ISIN NO 0010883648. The Subscription Rights will be distributed free of charge to Eligible Shareholders. The Subscription Rights are non-transferable.

**The Subscription Rights must be used to subscribe for Offer Shares before the expiry of the Subscription Period on 11 June 2020 at 16:30 hours (CET). Subscription Rights that are not exercised before 16:30 hours (CET) on 11 June 2020 will have no value and will lapse without compensation to the holder. Holders of Subscription Rights should note that subscriptions for Offer Shares must be made in accordance with the procedures set out in this Securities Note and the Subscription Form (as defined below) attached hereto and that the Subscription Rights does not in itself constitute a subscription of Offer Shares.**

Should any Subscription Rights have been credited to any (i) shareholders resident in jurisdictions where the Securities Note may not be distributed and/or with legislation, regulations or other laws that prohibits or otherwise restrict subscription for Offer Shares and/or (ii) shareholders located in the United States who are not a QIB (the "**Ineligible Shareholders**"), such credit specifically does not constitute an offer to such Ineligible Shareholders.

#### 8.2.8 *Subscription Procedures*

Subscriptions for Offer Shares must be made by submitting a correctly completed subscription form, attached hereto as Appendix A (the "**Subscription Form**") to the Manager during the Subscription Period, or may, for subscribers who are residents of Norway with a Norwegian personal identification number, be made online as further described below.

Correctly completed Subscription Forms must be received by the Manager no later than 16:30 hours (CET) on 11 June 2020 at the following postal or e-mail address:

SpareBank 1 Markets AS  
Olav Vs gate 5  
P.O. Box 1398 Vika  
N-0114 Oslo  
Norway  
Tel: +47 24 14 74 00  
E-mail: [subscription@sb1markets.no](mailto:subscription@sb1markets.no)

**Subscribers who are residents of Norway with a Norwegian personal identification number are encouraged to subscribe for Offer Shares through the VPS online subscription system (or by following the link on [www.sb1markets.no](http://www.sb1markets.no), which will redirect the subscriber to the VPS online subscription system).** All online subscribers must verify that they are Norwegian residents by entering their national identity number (*Nw.: fødselsnummer*). In addition, the VPS online subscription system is only available for individual persons and is not available for legal entities; legal entities must thus submit a Subscription Form in order to subscribe for Offer Shares. Subscriptions made through the VPS online subscription system must be duly registered before the expiry of the Subscription Period.

None of the Company or the Manager may be held responsible for postal delays, unavailable internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by the Manager. Subscription Forms received after the end of the Subscription Period and/or incomplete or incorrect Subscription Forms and any subscription that may be unlawful may be disregarded at the sole discretion of the Company and/or the Manager without notice to the subscriber.

Subscriptions are binding and irrevocable, and cannot be withdrawn, cancelled or modified by the subscriber after having been received by the Manager, or in the case of subscriptions through the VPS online subscription system, upon registration of the subscription. The subscriber is responsible for the correctness of the information filled into the Subscription Form or, in case of applications through the VPS online subscription system, the online subscription form. By signing and submitting a Subscription Form, or by subscribing via the VPS online subscription system, the subscribers confirm and warrant that they have read this Securities Note and are eligible to subscribe for Offer Shares under the terms set forth herein.

There is no minimum subscription amount for which subscriptions in the Subsequent Offering must be made. Over-subscription (i.e. subscription for more Offer Shares than the number of Subscription Rights held by the subscriber entitles the subscriber to be allocated) will be permitted, but subscription without Subscription Rights will not be permitted.

Multiple subscriptions (i.e. subscriptions on more than one Subscription Form) are allowed. Please note, however, that two separate Subscription Forms submitted by the same subscriber with the same number of Offer Shares subscribed for on both Subscription Forms will only be counted once unless otherwise explicitly stated in one of the Subscription Forms. In the case of multiple subscriptions through the VPS online subscription system or subscriptions made both on a Subscription Form and through the VPS online subscription system, all subscriptions will be counted.

All subscriptions in the Subsequent Offering will be treated in the same manner regardless of whether the subscription is made by delivery of a Subscription Form to the Manager or through the VPS online subscription system.

#### 8.2.9 *Mandatory anti-money laundering procedures*

The Subsequent Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 no. 1324 (collectively, the "**Anti-Money Laundering Legislation**").

Subscribers who are not registered as existing customers of the Manager must verify their identity to the Manager in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers who have designated an existing Norwegian bank account and an existing VPS account on the Subscription Form are exempted, unless verification of identity is requested by the Manager. Subscribers who have not completed the required verification of identity prior to the expiry of the Subscription Period will not be allocated Offer Shares.

Furthermore, participation in the Subsequent Offering is conditional upon the subscriber holding a VPS account. The VPS account number must be stated in the Subscription Form. VPS accounts can be established with authorized VPS registrars, who can be Norwegian banks, authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian FSA. Establishment of a VPS account requires verification of identification to the VPS registrar in accordance with the Anti-Money Laundering Legislation.

#### 8.2.10 *Financial intermediaries*

##### 8.2.10.1 *General*

All persons or entities holding Shares or Subscription Rights through financial intermediaries (e.g., brokers, custodians and nominees) should read this Section 8.2.10 "Financial intermediaries". All questions concerning the timeliness, validity and form of instructions to a financial intermediary in relation to the exercise of Subscription Rights should be determined by the financial intermediary in accordance with its usual customer relations procedure or as it otherwise notifies each beneficial shareholder.

The Company is not liable for any action or failure to act by a financial intermediary through which Shares are held.

##### 8.2.10.2 *Subscription Rights*

If an Eligible Shareholder holds Shares registered through a financial intermediary on the Record Date, the financial intermediary will, subject to the terms of the agreement between the Eligible Shareholder and the financial intermediaries, customarily give the Eligible Shareholder details of the aggregate number of Subscription Rights to which it will be entitled and the relevant financial intermediary will customarily supply each Eligible Shareholder with this information in accordance with its usual customer relations procedures. Eligible Shareholders holding Shares through a financial intermediary should contact the financial intermediary if they have received no information with respect to the Subsequent Offering.

Shareholders who hold their Shares through a financial intermediary and who are Ineligible Shareholders will not be entitled to exercise any received Subscription Rights.

##### 8.2.10.3 *Subscription Period*

The time by which notification of exercise instructions for subscription of Offer Shares must validly be given to a financial intermediary may be earlier than the expiry of the Subscription Period. Such deadline will depend on the financial



intermediary. Eligible Shareholders who hold their Shares through a financial intermediary should contact their financial intermediary if they are in any doubt with respect to deadlines.

#### 8.2.10.4 Subscription

Any Eligible Shareholder who is not an Ineligible Shareholder and who holds its Subscription Rights through a financial intermediary and wishes to exercise its Subscription Rights, should instruct its financial intermediary in accordance with the instructions received from such financial intermediary. The financial intermediary will be responsible for collecting exercise instructions from the Eligible Shareholders and for informing the Manager of their exercise instructions.

Please refer to Section 9 "Selling and transfer restrictions" for a description of certain restrictions and prohibitions applicable to the exercise of Subscription Rights in certain jurisdictions outside Norway.

#### 8.2.10.5 Method of Payment

Any Eligible Shareholder who holds its Subscription Rights through a financial intermediary should pay the Subscription Price for the Offer Shares that are allocated to it in accordance with the instructions received from the financial intermediary. The financial intermediary must pay the Subscription Price in accordance with the instructions in this Securities Note. Payment by the financial intermediary for the Offer Shares must be made to the Manager no later than the Payment Date (as defined below). Accordingly, financial intermediaries may require payment to be provided to them prior to the Payment Date.

#### 8.2.11 Allocation of Offer Shares

Allocation of the Offer Shares will take place on or about 12 June 2020 in accordance with the following criteria:

- (i) Allocation will be made to subscribers in accordance with the Subscription Rights validly used to subscribe for new Shares in the Subscription Period. Each Subscription Right will give the right to subscribe for and be allocated one (1) Offer Share.
- (ii) If not all Subscription Rights are used in the Subscription Period, subscribers having used their Subscription Rights and who have over-subscribed will be allocated remaining new Shares on a pro rata basis based on the number of Subscription Rights exercised. In the event that pro rata allocation is not possible due to the number of remaining Offer Shares, the Company will determine the allocation by drawing of lots.

No fractional Shares will be allocated. The Company reserves the right to round off, reject or reduce any subscription for Offer Shares not covered by Subscription Rights and will only allocate such Offer Shares to the extent that Offer Shares are available to cover over-subscription based on Subscription Rights.

Allocation of fewer Offer Shares than subscribed for by a subscriber will not impact on the subscriber's obligation to pay for the number of Offer Shares allocated.

The result of the Subsequent Offering is expected to be published on or about 12 June 2020 in the form of a stock exchange notification from the Company through the Oslo Stock Exchange's information system. Notifications of allocated Offer Shares and the corresponding subscription amount to be paid by each subscriber are expected to be distributed on or about 12 June 2020. Subscribers having access to investor services through their VPS account manager will be able to check the number of Offer Shares allocated to them from 09:00 hours (CET) on 15 June 2020. Subscribers who do not have access to investor services through their VPS account manager may contact the Manager on telephone number +47 24 14 74 00 from 12:00 hours (CET) on 15 June 2020 to obtain information about the number of Offer Shares allocated to them.

#### 8.2.12 Payment for the Offer Shares

The payment for Offer Shares allocated to a subscriber falls due on 16 June 2020 (the "**Payment Date**"). Payment must be made in accordance with the requirements set out in Section 8.2.12.1 "Subscribers who have a Norwegian bank account" or Section 8.2.12.2 "Subscribers who do not have a Norwegian bank account".

##### 8.2.12.1 Subscribers who have a Norwegian bank account

Subscribers who have a Norwegian bank account must, and will by signing the Subscription Form or by submitting the online subscription registration for subscriptions through the VPS online subscription system, provide the Manager with a one-time irrevocable authorisation to debit a specified bank account with a Norwegian bank for the amount payable for the Offer Shares which are allocated to the subscriber.

The specified bank account is expected to be debited on or after the Payment Date. The Manager is only authorised to debit such account once, but reserves the right to make up to three debit attempts, and the authorisation will be valid for up to seven working days after the Payment Date.

The subscriber furthermore authorises the Manager to obtain confirmation from the subscriber's bank that the subscriber has the right to dispose over the specified account and that there are sufficient funds in the account to cover the payment.

If there are insufficient funds in a subscriber's bank account or if it for other reasons is impossible to debit such bank account when a debit attempt is made pursuant to the authorisation from the subscriber, the subscriber's obligation to pay for the Offer Shares will be deemed overdue.

Payment by direct debiting is a service that banks in Norway provide in cooperation. In the relationship between the subscriber and the subscriber's bank, the standard terms and conditions for "Payment by Direct Debiting – Securities Trading", which are set out on page 2 of the Subscription Form, will apply, provided, however, that subscribers who subscribe for an amount exceeding NOK 5 million by signing the Subscription Form provide the Manager with a one-time irrevocable authorisation to manually debit the specified bank account for the entire subscription amount.

#### 8.2.12.2 Subscribers who do not have a Norwegian bank account

Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date.

Prior to any such payment being made, the subscriber must contact the Manager on telephone number +47 24 14 74 00 for further details and instructions.

#### 8.2.13 *Overdue payments*

Overdue payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 no. 100, currently 9.50% per annum as of the date of this Securities Note. If a subscriber fails to comply with the terms of payment, the Offer Shares will, subject to the restrictions in the Norwegian Public Limited Companies Act and at the discretion of the Manager, not be delivered to the subscriber. The Manager, on behalf of the Company, reserves the right, at the risk and cost of the subscriber, at any time, to cancel the subscription and to re-allocate or otherwise dispose of allocated Offer Shares for which payment is overdue, or, if payment has not been received by the third day after the Payment Date, without further notice sell, assume ownership to or otherwise dispose of the allocated Offer Shares on such terms and in such manner as the Manager may decide in accordance with Norwegian law. The subscriber will remain liable for payment of the subscription amount, together with any interest, costs, charges and expenses accrued and the Manager, on behalf of the Company, may enforce payment for any such amount outstanding in accordance with Norwegian law.

The Company and the Manager further reserve the right (but have no obligation) to have the Manager advance the subscription amount on behalf of subscribers who have not paid for the Offer Shares allocated to them within the Payment Date. The non-paying subscribers will remain fully liable for the subscription amount payable for the Offer Shares allocated to them, irrespective of such payment by the Manager.

#### 8.2.14 *Delivery of the Offer Shares*

Subject to timely payment of the entire subscription amount in the Subsequent Offering, the Company expects that the share capital increase pertaining to the Subsequent Offering will be registered with the Norwegian Register of Business Enterprises on or about 23 June 2020 and that the Offer Shares will be delivered to the VPS accounts of the subscribers to whom they are allocated on or about 23 June 2020. The final deadline for registration of the share capital increase pertaining to the Subsequent Offering with the Norwegian Register of Business Enterprises, and, hence, for the delivery of the Offer Shares, is, pursuant to the Norwegian Public Limited Companies Act, three months from the expiry of the Subscription Period (i.e. three months from 11 June 2020).

#### 8.2.15 *Listing of the Offer Shares*

The Shares are listed on the Oslo Stock Exchange under ISIN NO 0010205966 and ticker code "NAVA". The Offer Shares will be listed on the Oslo Stock Exchange as soon as the share capital increase pertaining to the Subsequent Offering has been registered with the Norwegian Register of Business Enterprises and the Offer Shares have been registered in the VPS. This is expected to take place on or about 23 June 2020.

The Offer Shares may not be transferred or traded before they are fully paid and said registrations in the Norwegian Register of Business Enterprises and the VPS have taken place.

For information regarding the listing of the Private Placement Shares on the Oslo Stock Exchange, see Section 8.1.4 "Delivery and listing of the Shares in the Private Placement".

#### 8.2.16 *The rights conferred by the Offer Shares*

The Offer Shares to be issued in the Subsequent Offering will be ordinary Shares in the Company with a nominal value of NOK 0.74 each, and will be issued electronically in registered form in accordance with the Norwegian Public Limited Companies Act.

The Offer Shares will rank *pari passu* in all respects with the existing Shares in the Company and will carry full shareholder rights from the time of registration of the share capital increase pertaining to the Subsequent Offering with the Norwegian Register of Business Enterprises. The Offer Shares will be eligible for any dividends which the Company may declare after such registration. All Shares, including the Offer Shares, will have voting rights and other rights and obligations which are standard under the Norwegian Public Limited Companies Act, and are governed by Norwegian law.

#### 8.2.17 *LEI number*

Legal Entity Identifier ("**LEI**") is a mandatory number for all companies investing in the financial market from January 2018. A LEI is a 20-character identifier that identifies distinct legal entities that engage in financial transactions. The Global Legal Identifier Foundation ("**GLEIF**") is not directly issuing LEIs, but instead it delegates this responsibility to Local Operating Units ("**LOUs**").

Norwegian companies can apply for a LEI number through the website <https://no.nordlei.org/>. The application can be submitted through an online form and signed electronically with BankID. It normally takes one to two working days to process the application.

Non-Norwegian companies can find a complete list of LOUs on the website <https://www.gleif.org/en/about-lei/get-an-lei-find-lei-issuing-organizations>.

#### 8.2.18 *VPS registration*

The Subscription Rights will be registered in the VPS under ISIN NO 0010883648. The Offer Shares will be registered in the VPS with the same International Securities Identification Number (ISIN) as the existing Shares, being ISIN NO 0010205966. The Company's registrar with the VPS is DNB Bank ASA (the VPS Registrar), Dronning Eufemias gate 30, P.O. Box 1600 Sentrum, N-0021 Oslo, Norway, telephone number +47 23 26 80 20.

#### 8.2.19 *Timeliness, validity, form and eligibility of subscriptions*

All questions concerning the timeliness, validity, form and eligibility of any subscription for Offer Shares will be determined by the Board of Directors, whose determination will be final and binding. The Board of Directors, or the Manager upon being authorised by the Board of Directors, may in its sole discretion waive any defect or irregularity in the Subscription Forms, permit such defect or irregularity to be corrected within such time as the Board of Directors or the Manager may determine, or reject the purported subscription of any Offer Shares. It cannot be expected that Subscription Forms will be deemed to have been received or accepted until all irregularities have been cured or waived within such time as the Board of Directors or the Manager shall determine. Neither the Board of Directors, the Company nor the Manager will be under any duty to give notification of any defect or irregularity in connection with the submission of a Subscription Form or assume any liability for failure to give such notification. Further, neither the Board of Directors, the Company nor the Manager are liable for any action or failure to act by a financial intermediary through whom any Eligible Shareholder holds his Shares or by the Manager in connection with any subscriptions or purported subscriptions.

#### 8.2.20 *Share capital following the Subsequent Offering*

The final number of Offer Shares to be issued in the Subsequent Offering will depend on the number of subscriptions received in the Subsequent Offering. The maximum number of Offer Shares to be issued in the Subsequent Offering is 526,000 Offer Shares, each with a nominal value of NOK 0.74. Assuming full subscription, the Subsequent Offering will further increase the Company's registered share capital with NOK 389,240, divided into 526,000 Shares, each with a nominal value of NOK 0.74.

**8.2.21 Net proceeds and expenses related to the Subsequent Offering**

The Company will bear the costs, fees and expenses related to the Subsequent Offering, which are estimated to amount to approximately NOK 1.15 million, assuming that all Offer Shares are issued. No expenses or taxes will be charged by the Company or the Manager to the subscribers in the Subsequent Offering. Hence, the total net proceeds from the Subsequent Offering are estimated to be approximately NOK 8.85 million, assuming that all the Offer Shares are issued. For a description of the use of such proceeds, see Section 8.1.2 "Use of proceeds".

**8.2.22 Interests of natural and legal persons involved in the Subsequent Offering**

The Manager or its affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Manager, their employees and any affiliate may currently own Shares in the Company. Further, in connection with the Subsequent Offering, the Manager, its employees and any affiliate acting as an investor for its own account may receive Subscription Rights (if they are Eligible Shareholders) and may exercise its right to take up such Subscription Rights and acquire Offer Shares, and, in that capacity, may retain, purchase or sell Offer Shares and any other securities of the Company or other investments for its own account and may offer or sell such securities (or other investments) otherwise than in connection with the Subsequent Offering. The Manager does not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Further, the Manager will receive a variable fee in connection with Subsequent Offering, and, as such, have an interest in the Subsequent Offering.

Beyond the abovementioned, the Company is not aware of any interest, including conflicting ones, of natural and legal persons involved in the Subsequent Offering.

**8.2.23 Participation of major existing shareholders and members of the Company's Management, supervisory and administrative bodies in the Subsequent Offering**

The Company is not aware of whether any major shareholders of the Company or members of the Company's Management, supervisory or administrative bodies intend to subscribe for Offer Shares in the Subsequent Offering, or whether any person intends to subscribe for more than 5% of the Subsequent Offering. It is however noted that the Company's Chief Executive Officer, Kathrine Gamborg Andreassen (through Soleglad Invest AS), Chief Operating Officer, Ole Henrik Eriksen (through Leikerane AS) and Chief Scientific Officer, Astrid T. Bratvedt (through Tranbergkollen Invest AS) are Eligible Shareholders and thus have a right to participate in the Subsequent Offering. Additionally, the Company's second largest shareholder Topridge Pharma Ltd. (through its nominee account with UBS Switzerland AG), who is represented at the board of directors with a board member, and the Company's third largest shareholder, Lars Ro, are also Eligible Shareholders and thus have a right to participate in the Subsequent Offering.

**8.2.24 Publication of information relating to the Subsequent Offering**

The Company will use the Oslo Stock Exchange's information system to publish information relating to the Subsequent Offering.

**8.2.25 Advisors in the Subsequent Offering**

In the Subsequent Offering, SpareBank 1 Markets AS (Olav Vs gate, N-0161 Oslo, Norway) will act as manager and Advokatfirmaet Thommessen AS (Haakon VIIs gate 10, N-0161 Oslo, Norway) will act as Norwegian legal advisor to the Company.

**8.3 Dilution**

The following table shows a comparison of participation in the Company's share capital and voting rights for existing shareholders before and after the Private Placement and the Subsequent Offering, with the assumption that existing shareholders do not subscribe for Offer Shares and assuming that all the Offer Shares are issued:

	<b>Prior to the Private Placement and the Subsequent Offering</b>	<b>Subsequent to Tranche 1 of the Private Placement</b>	<b>Subsequent to Tranche 2 of the Private Placement</b>	<b>Subsequent to the Private Placement and the Subsequent Offering</b>
Number of Shares prior to the Private Placement and the Subsequent Offering .....	11,867,673	11,867,673	11,867,673	11,867,673

Exercised options as announced 24 January 2020 .....	275,000	275,000	275,000	275,000
Tranche 1 of the Private Placement .....	-	1,186,767	1,186,767	1,186,767
Tranche 2 of the Private Placement .....	-	-	1,443,233	1,443,233
The Subsequent Offering .....	-	-	-	526,000
<b>Total number of Shares each with a par value of NOK 0.74 .....</b>	<b>12,142,673</b>	<b>13,329,440</b>	<b>14,772,673</b>	<b>15,298,673</b>
% dilution .....			17.8%	20.6%

The Company's total assets (non-current assets and current assets taken together) and liabilities (non-current liabilities and current liabilities taken together) as at 31 March 2020 and as set out in the Company's Q1 financial presentation as at that date were NOK 275.3 million and NOK 149.8 million, respectively, which translates to approximately NOK 8.50 in net asset value per Share at that date. The Subscription Price is NOK 19.00.

#### 8.4 Product Governance

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (MiFID II); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the MiFID II Product Governance Requirements), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the Target Market Assessment).

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares and determining appropriate distribution channels.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Manager will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

#### 8.5 Governing law and jurisdiction

This Securities Note and the terms and conditions of the Subsequent Offering and the Subscription Form shall be governed by, and construed in accordance with, Norwegian law, and the Offer Shares will be issued pursuant to, the Norwegian Public Limited Companies Act. Any dispute arising out of, or in connection with, this Securities Note and the Subsequent Offering shall be subject to the exclusive jurisdiction of the courts of Norway, with Oslo district court as legal venue.

## **9 SELLING AND TRANSFER RESTRICTIONS**

### **9.1 General**

The grant of Subscription Rights and issue of Offer Shares upon exercise of Subscription Rights to persons resident in, or who are citizens of countries other than Norway, may be affected by the laws of the relevant jurisdiction. Investors should consult with their professional advisors as to whether they require any governmental or other consents or need to observe any other formalities to enable them to exercise Subscription Rights or purchase Offer Shares.

The Subscription Rights and Offer Shares being granted and offered, respectively, in the Subsequent Offering have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not and will not be offered, sold, exercised, pledged, resold, granted, delivered, allocated, taken up, transferred or delivered, directly or indirectly, within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act and in compliance with the applicable securities laws of any state or jurisdiction of the United States. Receipt of this Securities Note will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Securities Note is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Securities Note, if an investor receives a copy of this Securities Note in any territory other than Norway, such investor may not treat this Securities Note as constituting an invitation or offer to it, or a grant of, nor should the investor in any event deal in Offer Shares, unless, in the relevant jurisdiction, such an invitation, offer or grant could lawfully be made to that investor, or the Offer Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Securities Note, the investor should not distribute or send the same, or transfer the Offer Shares to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If the investor forwards this Securities Note into any such territories (whether under a contractual or legal obligation or otherwise), the investor should direct the recipient's attention to the contents of this Section 9 "Selling and transfer restrictions".

Except as otherwise noted in this Securities Note and subject to certain exceptions: (i) the Subscription Rights and Offer Shares being granted and offered, respectively, in the Subsequent Offering may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, any jurisdiction in which it would not be permissible to grant the Subscription Rights or offer the Offer Shares, as applicable; (ii) this Securities Note may not be sent to any person in any jurisdiction in which it would not be permissible to offer the Offer Shares; and (iii) the crediting of Subscription Rights to an account of an holder or other person who is a resident of any jurisdiction in which it would not be permissible to offer the Offer Shares does not constitute an offer to such persons of the Offer Shares. Holders of Subscription Rights who are resident in any jurisdiction in which it would not be permissible to offer the Offer Shares may not exercise Subscription Rights.

If an investor exercises Subscription Rights to subscribe for Offer Shares, unless the Company in its sole discretion determines otherwise on a case-by-case basis, that investor will be deemed to have made or, in some cases, be required to make, the following representations and warranties to the Company and any person acting on the Company's or its behalf:

- (a) the investor is not located or residing in a jurisdiction in which it would not be permissible to offer the Offer Shares;
- (b) the investor is not a person to which the Subsequent Offering cannot be unlawfully made;
- (c) the investor is not acting, and has not acted, for the account or benefit of an a person to which the Subsequent Offering cannot be unlawfully made;
- (d) the investor is either a "qualified institutional buyer" as defined in Rule 144A under the U.S. Securities Act (a "QIB"), or acquiring the Offer Shares in an "offshore transaction" outside the United States within the meaning of, and pursuant to, Regulation S;
- (e) the investor understands that the Subscription Rights and the Offer Shares have not been and will not be registered under the U.S. Securities Act and may not be offered, sold, pledged, resold, granted, delivered, allocated, taken up or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, registration under the U.S. Securities Act;

- (f) the investor acknowledges that the Company is not taking any action to permit a public offering of the Offer Shares (pursuant to the exercise of the Subscription Rights or otherwise) in any jurisdiction other than Norway; and
- (g) the investor may lawfully be offered, take up, subscribe for and receive Subscription Rights and Offer Shares in the jurisdiction in which it resides or is currently located.

The Company, the Manager and their affiliates and others will rely upon the truth and accuracy of the above acknowledgements, agreements and representations, and agree that, if any of the acknowledgements, agreements or representations deemed to have been made by its purchase of Offer Shares is no longer accurate, it will promptly notify the Company and the Manager. Any provision of false information or subsequent breach of these representations and warranties may subject the investor to liability.

If a person is acting on behalf of a holder of Subscription Rights (including, without limitation, as a nominee, custodian or trustee), that person will be required to provide the foregoing representations and warranties to the Company with respect to the exercise of Subscription Rights on behalf of the holder. If such person cannot or is unable to provide the foregoing representations and warranties, the Company will not be bound to authorize the allocation of any of the Subscription Rights and Offer Shares to that person or the person on whose behalf the other is acting. Subject to the specific restrictions described below, if an investor (including, without limitation, its nominees and trustees) is located outside Norway and wishes to exercise or otherwise deal in or subscribe for Offer Shares, the investor must satisfy itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

The information set out in this Section 9 "Selling and transfer restrictions" is intended as a general guide only. If the investor is in any doubt as to whether it is eligible to exercise its Subscription Rights and subscribe for the Offer Shares, such investor should consult its professional advisor without delay.

The Company reserves the right to reject any exercise (or revocation of such exercise) in the name of any person who provides an address in a jurisdiction in which the Subsequent Offering cannot be lawfully made, or who is unable to represent or warrant that such person is not located or residing in such jurisdiction. Furthermore, the Company reserves the right, with sole and absolute discretion, to treat as invalid any exercise or purported exercise of Subscription Rights which appears to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws or regulations of any jurisdiction.

Notwithstanding any other provision of this Securities Note, the Company reserves the right to permit a holder to exercise its Subscription Rights if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the laws or regulations giving rise to the restrictions in question. Applicable exemptions in certain jurisdictions are described further below. In any such case, the Company does not accept any liability for any actions that a holder takes or for any consequences that it may suffer as a result of the Company accepting the holder's exercise of Subscription Rights.

Neither the Company nor the Manager, nor any of their respective representatives, is making any representation to any offeree, subscriber or purchaser of Offer Shares regarding the legality of an investment in the Offer Shares by such offeree, subscriber or purchaser under the laws applicable to such offeree, subscriber or purchaser. Each investor should consult its own advisors before subscribing for Offer Shares.

A further description of certain restrictions in relation to the Subscription Rights and the Offer Shares in certain jurisdictions is set out below.

## **9.2 United States**

The Subscription Rights and/or Offer Shares, as applicable, have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold, pledged or otherwise transferred in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. The Offer Shares are being offered (i) within the United States only to QIBs, as defined in Rule 144A of the U.S. Securities Act, pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act, in each case, in accordance with any applicable securities laws

of any state or territory of the United States or any other jurisdiction. Prospective purchasers of the Offer Shares are hereby notified that sellers of the Offer Shares may be relying on the exemption from registration provisions of Section 5 of the U.S. Securities Act provided by Rule 144A.

Except as set out below under "Sales within the United States" (i) neither this Securities Note nor the crediting of Subscription Rights to a stock account constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any Offer Shares in the United States, and this Securities Note will not be sent to any Existing Shareholder with a registered address in the United States and (ii) exercising Subscription Rights or renunciations thereof sent from or post-marked in the United States will be deemed to be invalid and all persons acquiring Offer Shares and wishing to hold such Offer Shares in registered form must provide an address for registration of the Offer Shares, issued upon exercise thereof outside the United States.

Until the expiration of 40 days as from the later of (a) the commencement of the Subsequent Offering, and (b) the commencement of any offering by underwriters of new shares underlying unexercised preferential subscription rights, an offer, sale or transfer of the Offer Shares or preferential subscription rights within the United States by a dealer (whether or not participating in the Subsequent Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the U.S. Securities Act.

In making an investment decision with respect to the Offer Shares, investors must rely on their own examination of the Company and the terms of the Subsequent Offering, including the merits and risks involved. The Subscription Rights and the Offer Shares have not been recommended, approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Subscription Rights and the Offer Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offense in the United States.

### **Sales within the United States**

Notwithstanding the foregoing, the Offer Shares may be offered to and the Subscription Rights may be exercised by or on behalf of, persons in the United States reasonably believed to be QIBs, in offerings exempt from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, provided such persons satisfy the Company that they are eligible to participate on such basis. Persons in the United States exercising Subscription Rights to acquire Offer Shares will be required to execute an investor letter in a form acceptable to the Company and the Manager.

Each person exercising Subscription Rights and each purchaser of Offer Shares from the Company, within the United States pursuant to an exemption from the registration requirements of the U.S. Securities Act, by accepting delivery of this Securities Note, will be deemed to have represented, warranted, agreed and acknowledged that:

- (a) It is (i) a QIB and (ii) exercising such Subscription Rights or acquiring such Offer Shares for its own account or for the account of a QIB as to which it has full investment discretion, in each case for investment purposes, and not with a view to any distribution (within the meaning of the U.S. federal securities laws) of the Shares.
- (b) It understands that such Offer Shares are being offered for sale in a transaction not involving any public offering in the United States and the Subscription Rights and Offer Shares have not been and will not be registered under the U.S. Securities Act or any U.S. securities laws or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold, pledged or otherwise transferred except (i)(A) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (B) in an "offshore transaction" as defined in and in accordance with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act, (C) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder (if available), (D) pursuant to any other available exemption from registration under the U.S. Securities Act or (E) pursuant to an effective registration statement under the U.S. Securities Act, and (ii) in accordance with all applicable federal and state securities laws of the United States.
- (c) It understands that such Offer Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:



THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A)(1) IN ACCORDANCE WITH RULE 144A UNDER THE U.S. SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QIB WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), (4) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, AND (B) IN ACCORDANCE WITH ALL APPLICABLE FEDERAL AND STATE SECURITIES LAWS OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE U.S. SECURITIES ACT FOR REALES OF THIS SECURITY. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THIS SECURITY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF SECURITIES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK.

- (d) The Company, the Manager, and any selling agents and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is exercising any Subscription Rights or acquiring any Offer Shares for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- (e) The Offer Shares have not been offered to it by means of any "general solicitation" or "general advertising" as such terms are used in Regulation D under the U.S. Securities Act.
- (f) The Company shall not recognize any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.

No representation has been, or will be, made by the Company or the Manager as to the availability of Rule 144 under the U.S. Securities Act or any other exemption under the U.S. Securities Act or any state securities laws for the re-offer, sale, pledge or transfer of the Offer Shares for so long as the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act.

Any person in the United States into whose possession this Securities Note comes should inform itself about and observe any applicable legal restrictions; any such person in the United States who is not a QIB is required to disregard this Securities Note. A person in the United States who is not a QIB is an Ineligible Shareholder (as defined in Section 8.2.7 "Subscription Rights"). The credit of Subscription Rights to an Ineligible Shareholder does not constitute an offer to such Ineligible Shareholders.

**Prospective purchasers are hereby notified that sellers of the Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A.**

#### **Sales outside the United States**

Each person that at the time of exercise of Subscription Rights or purchase of Offer Shares from the Company, was outside the United States, by accepting delivery of this Securities Note, will be deemed to have represented, warranted, agreed and acknowledged that:

- (a) It (i) is not within the United States; (ii) is not in any jurisdiction in which it is unlawful to make or accept an offer to acquire the Offer Shares; (iii) is not exercising for the account of any person who is located in the United States, unless: (A) the instruction to exercise was received from a person outside the United States and (B) the person giving such instruction has confirmed that (x) it has the authority to give such instruction, and (y) either (a) has investment discretion over such account or (b) is an investment manager or investment company that is acquiring the Offer Shares in an "offshore transaction" within the meaning of Regulation S under the U.S. Securities Act; and (iv) is not acquiring the Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Offer Shares into the United States.
- (b) It understands that such Subscription Rights and Offer Shares have not been and will not be registered under the U.S. Securities Act or any U.S. securities laws or with any securities regulatory authority of any state or

other jurisdiction in the United States and that it will not offer, sell, pledge or otherwise transfer such Subscription Rights or Offer Shares except (i) in accordance with Rule 144A under the U.S. Securities Act to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of a QIB or (ii) in an offshore transaction as defined in and in accordance with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any State of the United States.

- (c) It understands that such Offer Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER, OR IN A TRANSACTION NOT SUBJECT TO, THE U.S. SECURITIES ACT.

- (d) It is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Securities Note.
- (e) The Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- (f) The Company, the Manager, any selling agents and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.
- (g) The Company shall not recognize any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions.

The Company is not required to file periodic reports under Section 13 or 15 of the U.S. Exchange Act. For as long as any of the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and the Company is neither subject to Section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, the Company will upon written request furnish to any holder or beneficial owner of the Offer Shares, or to any prospective purchaser designated by such holder, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the U.S. Securities Act.

### 9.3 United Kingdom

The Manager has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of any Offer Shares in circumstances in which section 21(1) of the FSMA does not apply to the Company; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to everything done by it in relation to the Offer Shares in, from or otherwise involving the United Kingdom.

### 9.4 European Economic Area

In relation to each Relevant Member State, an offer to the public of any Offer Shares may not be made in that Relevant Member State, other than the offers contemplated by this Securities Note in Norway once this Securities Note has been approved by the Norwegian FSA and published in accordance with the EU Prospectus Regulation as implemented in Norway, except that an offer to the public of any Offer Shares in a Relevant Member State may be made at any time under the following exemptions under the EU Prospectus Regulation:

- (a) to persons who are "qualified investors" within the meaning of Article 2(e) of the EU Prospectus Regulation;
- (b) to fewer than 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) per Relevant Member State, with the prior written consent of the Manager for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Offer Shares shall result in a requirement for the Company or any Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplementary prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purpose of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Subsequent Offering and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Offered Shares under, the Offering contemplated hereby will be deemed to have represented, warranted and agreed to and with each of the Company and the Manager that it is a qualified investor within the meaning of Article 2(e) of the EU Prospectus Regulation.

The Company, the Manager and their respective affiliates and its and their respective directors, employees, agents, advisers, subsidiaries and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

#### **9.5 Switzerland**

This Securities Note is not being publicly distributed in Switzerland. Each copy of this Securities Note is addressed to a specifically named recipient and may not be passed on to third parties. The Subscription Rights or Offer Shares are not being offered to the public in or from Switzerland, and neither this Securities Note, nor any other offering material in relation to the Subscription Rights or Offer Shares may be distributed in connection with any such public offering.

#### **9.6 Additional Jurisdictions**

The Subscription Rights or Offer Shares may not be offered, sold, exercised, pledged, resold, granted, allocated, taken up, transferred or delivered, directly or indirectly, in or into, Canada, Japan, Australia, Hong Kong or any other jurisdiction in which it would not be permissible to offer the Subscription Rights or the Offer Shares.

**10 DEFINITIONS AND GLOSSARY**

In the Securities Note, the following defined terms have the following meanings:

Anti-Money Laundering Legislation...	Norwegian Money Laundering Act of 1 June 2018 No. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 No. 1324, collectively.
Articles of Association .....	The Company's articles of association attached as Appendix A to the Registration Document.
Board Members .....	The members of the Company's Board of Directors.
Board of Directors.....	The Board of Directors of the Company.
Carnegie.....	Carnegie AS.
CEO .....	Chief executive officer.
CET .....	Central European Time.
Company .....	Navamedic ASA.
DNB .....	DNB Bank ASA.
EEA .....	The European Economic Area.
Eligible Shareholders.....	The shareholders of the Company as of 18 February 2020 (being registered as such in the VPS on the Record Date), except for shareholders who (i) were allocated Shares in the Private Placement or (ii) are resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action who will be granted Subscription Rights that, subject to applicable law, give a preferential right to subscribe for and be allocated Offer Shares at the Subscription Price.
EU .....	The European Union.
EUR .....	The lawful common currency of the participating member states in the European Union.
EU Prospectus Regulation .....	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC Text with EEA relevance.
FSMA .....	The UK Financial Services and Markets Act 2000.
General Meeting .....	The Company's general meeting of shareholders.
GLEIF.....	The Global Legal Identifier Foundation.
Group .....	The Company taken together with its consolidated subsidiaries.
Ineligible Shareholders.....	Shareholders resident in jurisdictions where the Prospectus may not be distributed and/or with legislation that prohibits or otherwise restricts subscription for Offer Shares and/or (ii) shareholders located in the United States who is not a QIB.
IRIC.....	Ingerø Reiten Investment Company AS.
Joint Bookrunners.....	SpareBank 1 Markets AS and Carnegie AS.
LEI .....	Legal Entity Identifier.
LOUs.....	Local Operating Units.
Management .....	The senior management team of the Company.
Manager .....	SpareBank 1 Markets AS.
MiFID II.....	EU Directive 2014/65/EU on markets in financial instruments, as amended.
MiFID II Product Governance Requirements.....	MiFID II, Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II and local implementing measures.
Navamedic ASA .....	The Company.
NCI.....	National Client Identifier.
NOK.....	Norwegian Kroner, the lawful currency of Norway.
NOM-Account .....	A nominee account.
Non-Norwegian Corporate Shareholders.....	Shareholders who are limited companies and certain similar corporate entities not resident in Norway for tax purposes.
Non-Norwegian Personal Shareholders.....	Shareholders who are individuals not resident in Norway for tax purposes.
Norwegian Corporate Governance Code.....	Norwegian Code of Practice for Corporate Governance dated 17 October 2018.
Norwegian Corporate Shareholders ..	Shareholders who are limited companies and certain similar corporate entities resident in Norway for tax purposes.
Norwegian FSA.....	The Financial Supervisory Authority of Norway ( <i>Nw.: Finanstilsynet</i> ).
Norwegian Personal Shareholders ...	Shareholders who are individuals resident in Norway for tax purposes.

Norwegian Public Limited Companies Act .....	Norwegian Public Limited Companies Act of 13 June 1997 No 45 ( <i>Nw.: allmennaksjeloven</i> ).
Norwegian Securities Trading Act....	The Norwegian Securities Trading Act of 28 June 2007 No 75 ( <i>Nw.: verdipapirhandelloven</i> ).
Offer Shares .....	Up to 526,000 new shares in the Company, each with a par value of NOK 0.74, to be issued in connection with the Subsequent Offering.
Order .....	The UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.
Oslo Stock Exchange.....	Oslo Børs ASA, or, as the context may require, Oslo Børs, a Norwegian regulated stock exchange operated by Oslo Børs ASA.
Payment Date .....	On or about 16 June 2020.
Private Placement.....	A private placement of 2,630,000 new shares in the Company allocated to the investors on 18 February 2020.
Private Placement Shares .....	The 1,443,233 new Shares (the Tranche 2 Shares) in the Company, each with a par value of NOK 0.74, issued at a subscription price of NOK 19.00 per Private Placement Share in connection with the Private Placement.
Prospectus.....	The Prospectus dated 27 May 2020 comprised of the Summary dated 27 May 2020, the Registration Document approved 27 May 2020 and this Securities Note.
QIBs .....	Qualified institutional buyers as defined in Rule 144A.
Record Date.....	20 February 2020.
Registration Document.....	The Registration Document prepared by the Company approved by the Norwegian FSA on 27 May 2020, which together with the Securities Note and the Summary comprises the Prospectus.
Regulation S .....	Regulation S under the U.S. Securities Act.
Relevant Member State .....	Each Member State of the European Economic Area which has implemented the EU Prospectus Regulation.
Relevant Persons.....	Persons in the United Kingdom that are (i) investment professionals falling within Article 19(5) of the Order or (ii) high net worth entities, and other persons to whom the Prospectus may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order.
Rule 144A .....	Rule 144A under the U.S. Securities Act.
SB1M .....	SpareBank 1 Markets AS.
SEC .....	The U.S. Securities and Exchange Commission.
Share(s).....	Means the shares of the Company, each with a par value of NOK 0.74, or any one of them, including the Private Placement Shares and the Offer Shares.
Subscription Form .....	The form for subscription of Offer Shares attached hereto in Appendix A.
Subscription Period .....	From 09:00 hours (CET) on 28 May 2020 to 16:30 hours (CET) on 11 June 2020.
Subscription Price .....	The subscription price for the Offer Shares, being NOK 19.00.
Subscription Rights .....	Subscription rights that, subject to applicable law, provide preferential rights to subscribe for and to be allocated Offer Shares at the Subscription Price.
Subsequent Offering .....	The offer by the Company to the Eligible Shareholders to issue up to 526,00 Offer Shares, each with a par value of NOK 0.74, at a Subscription Price of NOK 19.00 per Offer Share, being equal to the subscription price in the Private Placement, to enable the Eligible Shareholders to subscribe for Shares in the Company at the same price as in the Private Placement, thus limiting the dilution of their shareholding following the completion of the Private Placement.
Summary .....	The Summary document the Company has prepared dated 27 May 2020, which together with the Securities Note and the Registration Document comprises the Prospectus.
Target Market Assessment.....	Has the meaning ascribed to such term on page (ii).
Tranche 1 Shares .....	1,186,767 new Shares in the Private Placement which were, subject to timely payment of the application amount, delivered to the investors in the Private Placement having been allocated Tranche 1 Shares on 20 February 2020.
Tranche 2 Shares .....	1,443,233 new Shares in the Private Placement which were, subject to timely payment of the application amount, delivered to the investors in the Private Placement on 13 March 2020.
UK .....	The United Kingdom.
USD or U.S. Dollar.....	United States Dollars, the lawful currency of the United States of America.
U.S. or United States .....	The United States of America.
U.S. Exchange Act .....	The United States Exchange Act of 1934, as amended.

U.S. Securities Act .....	The United States Securities Act of 1933, as amended.
VPS .....	The Norwegian Central Securities Depository ( <i>Nw.: Verdipapirsentralen</i> ).
VPS Registrar .....	DNB Bank ASA.

# **APPENDIX A**

## **SUBSCRIPTION FORM**

**SUBSCRIPTION FORM**  
Securities number: ISIN NO0010205966

**Subscription procedure:** The subscription period will commence at 09:00 hours (CET) on 28 May 2020 and expire at 16:30 hours (CET) on 11 June 2020 (the "**Subscription Period**"). The Subscription Period may be extended if required by law due to the publication of a supplemental prospectus. Correctly completed Subscription Forms must be received by SpareBank 1 Markets AS (the "**Manager**") at the address set out below, or, in the case of online subscriptions, be registered by no later than 16:30 hours (CET) on 11 June 2020:

<b>SpareBank 1 Markets AS</b>
Olav Vs gate 5
P.O. Box 1398 Vika, Norway
Tel: +47 24 14 74 00
E-mail: <a href="mailto:subscription@sb1markets.no">subscription@sb1markets.no</a>
Website: <a href="http://www.sb1markets.no">www.sb1markets.no</a>

Subscribers who are Norwegian residents with a Norwegian personal identity number (*Nw.: fødselsnummer*) are encouraged to subscribe for Offer Shares through the VPS online subscription system (or by following the link on [www.sb1markets.no](http://www.sb1markets.no) which will redirect the subscriber to the VPS online subscription system). Subscriptions made through the VPS online subscription system must be duly registered before the expiry of the Subscription Period.

**Subscription Price:** The subscription price in the Subsequent Offering is NOK 19.00 per Offer Share (the "**Subscription Price**").

**Payment:** The payment for Offer Shares allocated to a subscriber falls due on 16 June 2020 (the **"Payment Date"**). By signing this Subscription Form, or registering a subscription through the VPS online subscription system, subscribers having a Norwegian bank account provide the Manager with a one-time irrevocable authorisation to debit the bank account specified below for the subscription amount payable for the Offer Shares allocated to the subscriber. The Manager is only authorised to debit such account once, but reserves the right to make up to three debit attempts, and the authorisation will be valid for up to seven working days after the Payment Date. The subscriber furthermore authorises the Manager to obtain confirmation from the subscriber's bank that the subscriber has the right to dispose over the specified account and that there are sufficient funds in the account to cover the payment. If there are insufficient funds in a subscriber's bank account or if it for other reasons is impossible to debit such bank account when a debit attempt is made pursuant to the authorisation from the subscriber, the subscriber's obligation to pay for the Offer Shares will be deemed overdue. Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date. Prior to any such payment being made, the subscriber must contact the Manager on telephone number +47 24 14 74 00 for further details and instructions. Should any subscriber have insufficient funds on his or her account, should payment be delayed for any reason, if it is not possible to debit the account or if payments for any other reasons are not made when due, overdue interest will accrue and other terms will apply as set out under the heading "Overdue and missing payments" below.

### DETAILS OF THE SUBSCRIPTION

Subscriber's VPS account	Subscriber's LEI code (20 digits):	Number of Subscription Rights	Number of Offer Shares subscribed (incl. over-subscription)



Subscription Price per Offer Share  <b>NOK 19.00</b>	Subscription amount to be paid  <b>= NOK</b> _____
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Norwegian bank account to be debited for the payment for Offer Shares allocated (number of Offer Shares allocated x NOK 19.00).										
	(Norwegian bank account no.)									

**Place and date**  
Must be dated in the Subscription Period

**Binding signature**  
The subscriber must have legal capacity. When signed on behalf of a company or pursuant to an authorisation, documentation in the form of a company certificate or power of attorney must be attached.

INFORMATION ON THE SUBSCRIBER – ALL FIELDS MUST BE COMPLETED	
First name:	
Surname/company:	
Street address:	
Post code/district/country:	
Personal ID number/company organisation number:	
Legal Entity Identifier ("LEI")/National Client Identifier ("NCI"):	
Nationality:	
E-mail address:	
Daytime telephone number:	



## ADDITIONAL GUIDELINES FOR THE SUBSCRIBER

### THE DISTRIBUTION OF THIS SUBSCRIPTION FORM IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW.

**Regulatory Issues:** In accordance with the Markets in Financial Instruments Directive (MiFID II) of the European Union, Norwegian law imposes requirements in relation to business investments. In this respect, the Manager must categorise all new clients in one of three categories: eligible counterparties, professional and non-professional clients. All subscribers in the Subsequent Offering who are not existing clients of the Manager will be categorised as non-professional clients. Subscribers can, by written request to the Manager, ask to be categorised as a professional client if the subscriber fulfils the applicable requirements of the Norwegian Securities Trading Act. For further information about the categorisation, the subscriber may contact the Manager. **The subscriber represents that he/she/it is capable of evaluating the merits and risks of an investment decision to invest in the Company by subscribing for Offer Shares, and is able to bear the economic risk, and to withstand a complete loss, of an investment in the Offer Shares.**

The Manager will receive a consideration from the Company in connection with the Subsequent Offering and will in conducting its work have to take into consideration the requirements of the Company and the interests of the investors subscribing under the Subsequent Offering and the rules regarding inducements pursuant to the requirements of the Norwegian MiFID II Regulations (implementing the European Directive for Markets in Financial Instruments (MiFID II)).

**Selling and Transfer Restrictions:** The attention of persons who wish to subscribe for Offer Shares is drawn to Section 9 of the Securities Note "Selling and transfer restrictions". The making or acceptance of the Subsequent Offering to or by persons who have registered addresses outside Norway, or who are resident in, or citizens of, countries outside Norway, may be affected by the laws of the relevant jurisdiction. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to subscribe for Offer Shares. It is the responsibility of any person outside Norway wishing to subscribe for Offer Shares under the Subsequent Offering to satisfy himself/herself/itself as to the full observance of the laws of any relevant jurisdiction in connection therewith, including obtaining any governmental or other consent which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. The Subscription Rights and the Offer Shares have not been registered and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or under the securities law of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, delivered or transferred, directly or indirectly, within the United States, except pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. There will be no public offer of the Subscription Rights and Offer Shares in the United States. Notwithstanding the foregoing, the Offer Shares may be offered to and the Subscription Rights may be exercised by or on behalf of, persons in the United States reasonably believed to be "qualified institutional buyers" (QIBs) as defined by the U.S. Securities Act, in offerings exempt from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, provided such persons satisfy the Company that they are eligible to participate on such basis. Persons in the United States exercising Subscription Rights to acquire Offer Shares will be required to execute an investor letter in a form acceptable to the Company and the Manager. The Subscription Rights and the Offer Shares have not been and will not be registered under the applicable securities laws of Australia, Canada, the Hong Kong Special Administrative Region of the People's Republic of China, South Africa or Japan and may not be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, the Hong Kong Special Administrative Region of the People's Republic of China, South Africa or Japan except pursuant to an applicable exemption from applicable securities laws. This Subscription Form does not constitute an offer to sell or a solicitation of an offer to buy Offer Shares in any jurisdiction in which such offer or solicitation is unlawful. Subject to certain exceptions, the Prospectus will not be distributed in the United States, Australia, Canada, the Hong Kong Special Administrative Region of the People's Republic of China, South Africa or Japan. Except as otherwise provided in the Prospectus, the Subscription Rights and the Offer Shares may not be transferred, sold or delivered in the United States, Australia, Canada, the Hong Kong Special Administrative Region of the People's Republic of China, South Africa or Japan. A notification of exercise of Subscription Rights and subscription of Offer Shares in contravention of the above restrictions may be deemed to be invalid.

**Execution Only:** The Manager will treat the Subscription Form as an execution-only instruction. The Manager is not required to determine whether an investment in the Offer Shares is appropriate or not for the subscriber. Hence, the subscriber will not benefit from the protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

**Information Exchange:** The subscriber acknowledges that, under the Norwegian Securities Trading Act and the Norwegian Financial Undertakings Act and foreign legislation applicable to the Manager, there is a duty of secrecy between the different units of the Manager, as well as between the Manager and other entities in the Manager's group. This may entail that other employees of the Manager or the Manager's group may have information that may be relevant to the subscriber and to the assessment of the Offer Shares, but which the Manager will not have access to in their capacity as Manager for the Subsequent Offering.

**Information Barriers:** The Manager is securities firm that offers a broad range of investment services. In order to ensure that assignments undertaken in the Manager's corporate finance departments are kept confidential, the Manager's other activities, including analysis and stock broking, are separated from the Manager's corporate finance department by information walls. The subscriber acknowledges that the Manager's analysis and stock broking activity may conflict with the subscriber's interests with regard to transactions of the Shares, including the Offer Shares, as a consequence of such information walls.

**VPS Account and Mandatory Anti-Money Laundering Procedures:** The Subsequent Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act No. 23 of 1 June 2018 and the Norwegian Money Laundering Regulations No. 1324 of 14 September 2018 (collectively, the "**Anti-Money Laundering Legislation**"). Subscribers who are not registered as existing customers with the Manager must verify their identity to the Manager in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers who have designated an existing Norwegian bank account and an existing VPS account on the Subscription Form are exempted, unless verification of identity is requested by the Manager. The verification of identity must be completed prior to the end of the Subscription Period. Subscribers that have not completed the required verification of identity may not be allocated Offer Shares. Further, participation in the Subsequent Offering is conditional upon the subscriber holding a VPS account. The VPS account number must be stated on the Subscription Form. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the European Economic Area (the "**EEA**"). Non-Norwegian investors may, however, use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Financial Supervisory Authority of Norway. Establishment of a VPS account requires verification of identity to the VPS registrar in accordance with the Anti-Money Laundering Legislation.

**Personal data:** The applicant confirms that it has been provided information regarding the Manager's processing of personal data, and that it is informed that the Manager will process the applicant's personal data in order to manage and carry out the Subsequent Offering and the application from the applicant, and to comply with statutory requirements.

The data controller who is responsible for the processing of personal data is the Manager. The processing of personal data is necessary in order to fulfil the application and to meet legal obligations. The Norwegian Securities Trading Act and the Anti-Money Laundering Legislation require that the Manager processes and stores information about clients and trades, and control and document activities. The applicant's data will be processed confidentially, but if it is necessary in relation to the purposes, the personal data may be shared between the Manager, the company(ies) participating in the offering, with companies within the Manager's group, the VPS, stock exchanges and/or public authorities. The personal data will be processed as long as necessary for the purposes, and will subsequently be deleted unless there is a statutory duty to keep it.

If the Manager transfers personal data to countries outside the EEA, that have not been approved by the EU Commission, the Manager will make sure the transfer takes place in accordance with the legal mechanisms protecting the personal data, for example the EU Standard Contractual Clauses.

As a data subject, the applicants have several legal rights. This includes inter alia the right to access its personal data, and a right to request that incorrect information is corrected. In certain instances, the applicants will have the right to impose restrictions on the processing or demand that the information is deleted. The applicants may also complain to a supervisory authority if they find that the Manager's processing is in breach of the law. Supplementary information on processing of personal data and the applicants' rights can be found at the Manager's website.

**Terms and Conditions for Payment by Direct Debiting - Securities Trading:** Payment by direct debiting is a service the banks in Norway provide in cooperation. In the relationship between the payer and the payer's bank the following standard terms and conditions will apply:

- The service "Payment by direct debiting – securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.
- Costs related to the use of "Payment by direct debiting – securities trading" appear from the bank's prevailing price list, account information and/or information given by other appropriate manner. The bank will charge the indicated account for costs incurred.
- The authorisation for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.
- In case of withdrawal of the authorisation for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Norwegian Financial Contracts Act, the payer's bank shall assist if the payer withdraws a payment instruction that has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
- The payer cannot authorise payment of a higher amount than the funds available on the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall immediately be covered by the payer.
- The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorisation for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorisation has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.
- If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Norwegian Financial Contracts Act.

**Overdue Payment:** Overdue payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 No. 100, currently 9.50% per annum as of the date of the Prospectus. If a subscriber fails to comply with the terms of payment, the Offer Shares will, subject to the restrictions in the Norwegian Public Limited Companies Act, not be delivered to such subscriber.

The Manager, on behalf of the Company, reserves the right, at the risk and cost of the subscriber to, at any time, cancel the subscription and to re-allocate or otherwise dispose of allocated Offer Shares for which payment is overdue, or, if payment has not been received by the third day after the Payment Date, without further notice sell, assume ownership to or otherwise dispose of the allocated Offer Shares on such terms and in such manner as the Manager may decide in accordance with Norwegian law. The subscriber will remain liable for payment of the subscription amount, together with any interest, costs, charges and expenses accrued and the Manager, on behalf of the Company, may enforce payment for any such amount outstanding in accordance with Norwegian law.

The Company and the Manager further reserve the right (but have no obligation) to have the Manager advance the subscription amount on behalf of subscribers who have not paid for the Offer Shares allocated to them within the Payment Date. The non-paying subscribers will remain fully liable for the subscription amount payable for the Offer Shares allocated to them, irrespective of such payment by the Manager.

**National Client Identifier and Legal Entity Identifier:** In order to participate in the Subsequent Offering, subscribers will need a global identification code. Physical persons will need a so-called National Client Identifier ("**NCTI**") and legal entities will need a so-called Legal Entity Identifier ("**LEI**").

**NCI code for physical persons:** Physical persons will need a NCI code to participate in a financial market transaction, i.e. a global identification code for physical persons. For physical persons with only a Norwegian citizenship, the NCI code is the 11 digit personal ID (Nw: "*fødselsnummer*"). If the person in question has multiple citizenships or another citizenship than Norwegian, another relevant NCI code can be used. Subscribers are encouraged to contact their bank for further information.

**LEI code for legal entities:** Legal entities will need a LEI code to participate in a financial market transaction. A LEI code must be obtained from an authorized LEI issuer, and obtaining the code can take some time. Subscribers should obtain a LEI code in time for the subscription. For more information visit [www.gleif.org](http://www.gleif.org). Further information is also included in Section 8.2.17 ("**LEI number**") of the Securities Note.

## REGISTERED OFFICE AND ADVISORS



### **Navamedic ASA**

Henrik Ibsens gate 90  
0255 Oslo  
Norway

### **Legal Advisor to the Company**

Advokatfirmaet Thommessen AS  
Haakon VIIIs gate 10  
N-0161 Oslo  
Norway

### **Manager**

SpareBank 1 Markets AS  
Olav Vs gate 5  
N-0161 Oslo  
Norway