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Borgestad ASA: Conditional conversion offer to bondholders in the Borgestad ASA FRN Senior Secured NOK 300,000,000 Bonds 2020/2023 with ISIN NO0010907736

28 February 2022

To the bondholders in:

ISIN: NO0010907736 Borgestad ASA FRN Senior Secured NOK 300,000,000 Bonds 2020/2023 (the "Bonds")

Capitalized terms used herein shall have the meaning assigned to them in the bond terms for the Bonds dated 3 December 2020, as amended (the "**Bond Terms**"), unless otherwise stated herein.

Borgestad ASA (the "**Company**" or the "**Issuer**") hereby offers the Bondholders to convert Bonds in a maximum aggregate Nominal Amount of NOK 50,000,000 into shares in the Issuer at a price equal to 100.00 per cent. of the Nominal Amount (plus accrued interest up to the Calculation Date (as defined below)) of the converted Bonds, and with a subscription price per share of NOK 1.9231, on the terms and conditions set out herein (the "**Conversion Offer**"). Completion of the Conversion Offer is subject to the Conditions (as defined below). Bonds in a Nominal Amount of NOK 35,300,000 have been pre-committed in the Conversion Offer under a separate bond conversion commitment letter and subject to satisfaction of the Conditions set out herein. Should the aggregate Nominal Amount of Bonds offered for conversion exceed the maximum amount of NOK 50,000,000, the Bonds so offered and the allocation of shares will be scaled back on a pro rata basis.

The Conversion Offer will commence on **28 February 2022 at 16:30 hours (CET), and expire on 1 March 2022 at 16:30 hours (CET)** (the "**Conversion Period**") unless extended at the sole discretion of the Company. No acceptance of the Conversion Offer after the expiry of the Conversion Period is valid (unless otherwise agreed in writing by the Company). The Company may, in its sole discretion, extend the Conversion Offer at any time. Information regarding any such extension will be published on www.stamdata.no and www.borgestad.no.

Bondholders who wish to convert their Bonds into shares must complete and sign the conversion notice (the "**Conversion Notice**") attached hereto as Attachment 1 and deliver it to Arctic Securities AS (the "**Manager**") by no later than the expiry of the Conversion Period (each an "**Offer**"). The calculation date for the conversion of Bonds into shares is expected to be on or about 2 March 2022, being the business day in Norway immediately following the date of the delivery (or deemed delivery) of the relevant Bonds and the Conversion Notice (the "**Calculation Date**").

Any individual or company whose Bonds are registered in the name of brokers, banks, investment companies or other nominees, must contact such persons to submit an Offer. All Bonds converted pursuant to the Conversion Offer are to be transferred free of any encumbrances and any other third party rights and with all rights attached to them. Any third party with such rights over the relevant Bonds or any applicable VPS, Euroclear or Clearstream account must waive its rights in the Bonds and approve the transfer of the Bonds to the Manager. Acceptances may be treated as invalid if any such rights holder has not waived such right and approved the transfer.

The Company will procure that shares to be issued or transferred and delivered on completion of the Conversion Offer will be issued or transferred and delivered to the holder of the Bonds completing the relevant Conversion Notice or his/her nominee. The new shares to be issued upon conversion of Bonds will, subject to satisfaction of the Conditions, be delivered to the relevant Bondholders' VPS account as soon as the capital increase required for the issue of such shares has been registered with the Norwegian Register of Business Enterprises and the VPS. It is expected that delivery will occur on or about 29 March 2022. Fractions of shares will not be issued, transferred or delivered on completion of the Conversion Offer and the number of shares will be rounded down to the nearest whole number of shares.

Acceptances by Bondholders of the Conversion Offer to convert Bonds into shares is irrevocable and may not be withdrawn, modified or altered. The Conversion Offer is not conditional on the acceptance of any minimum number of Bonds. Bondholders who do not participate in the Conversion Offer will continue to hold their Bonds in accordance with the terms of the Bond Terms.

The Conversion Offer is furthermore subject to the Bondholder's proof of holdings is sent to the Manager together with the Conversion Notice and that the relevant Bondholder, upon request, can provide sufficient evidence for delivery of Bonds at the Calculation Date.

Summary terms and procedure for the Conversion Offer:

Conversion Period:	<ul style="list-style-type: none"> • Commencement: 16:30 (CET) on 28 February 2022 • Expiration: 16:30 (CET) on 1 March 2022
Conversion Price:	100.00% of par value plus accrued and unpaid interest up to but excluding the Calculation Date
Subscription price per share:	NOK 1.9231
Allocation:	<p>Maximum aggregate Nominal Amount of Bonds to be converted is NOK 50 million, with a pro rata scale back in case of Offers in excess of the maximum amount.</p> <p>Conversion may only be exercised in respect of the whole of a Bond.</p>
Acceptances during Conversion Period:	Duly completed Conversion Notice must be submitted to the Manager no later than 16:30 CET on 1 March 2022
Announcement of the result of the Conversion Offer:	To be announced at the latest on 2 March 2022.
Calculation Date:	2 March 2022 (unless delayed due to technical and/or administrative errors).
Delivery of shares:	The new shares to be issued upon conversion of Bonds will, subject to satisfaction of the Conditions, be delivered to the relevant Bondholders' VPS account as soon as the capital increase required for the issue of such shares has been registered with the Norwegian Register of Business Enterprises and the VPS. It is expected that delivery will occur on or about 29 March 2022. The new shares will be tradable on the Oslo Stock Exchange following registration with the Norwegian Register of Business Enterprises and publication of a listing prospectus for the new shares to be approved by the Financial Supervisory Authority of Norway (the " Prospectus "). If issued prior to the publication of the Prospectus, the new shares will be issued on a separate ISIN number in VPS pending approval and publication of the Prospectus and not be tradable on the Oslo Stock Exchange in the intermediate period.
Conditions:	Completion of the Conversion Offer is subject to (i) the corporate resolutions of the Company required to implement the Conversion Offer, including the approval by an extraordinary general meeting of the

	Company expected to be held on or about 23 March 2022, (ii) registration of the share capital increase pertaining to the new shares with the Norwegian Register of Business Enterprises and (iii) the successful completion of the private placement in the Company as described in the announcement made by the Company dated 28 February 2022 (collectively, the " Conditions ").
Conversion Notice:	The Conversion Notice in the form and substance as set out in Attachment 1 to this letter is to be sent to the Arctic Securities AS (the " Manager ") at the following address: Email: borgestad@arctic.com
Contacts:	For further information about the Conversion Offer, please contact the Manager by telephone: +47 22 93 72 24

The Conversion Offer and the Conversion Notice are subject to Norwegian law, with Oslo District Court as the agreed legal venue.

Offer and Distribution Restrictions

The Conversion Offer is not directed to persons in any jurisdiction where the Conversion Offer would be in violation of applicable laws or whose acceptance of the offer requires that (i) further documents are issued in order for the Conversion Offer to comply with local law, or (ii) registration or other measures are taken pursuant to local law. No document or material relating to the Conversion Offer may be distributed in or into any country where such distribution or offering requires any of the aforementioned measures to be taken or would be in conflict with any law or regulation of such country. **No securities are being offered for sale or for subscription to any person in any jurisdiction by this Conversion Offer.**

The distribution of this document in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the Company and the Manager to inform themselves about and to observe any such restrictions.

**Attachment 1
Form of Conversion Notice**

A properly completed copy of this Conversion Notice should be delivered to the Manager at the following address:

Arctic Securities AS by email to: borgestad@arctic.com

Failure to properly and completely deliver this Conversion Notice (in the determination of the Manager) may result in this Conversion Notice being treated as null and void. Once validly delivered, this Conversion Notice is irrevocable.

____/ __, 2022

To: Borgestad ASA

Re: Offer to convert Bonds issued in the Borgestad ASA FRN Senior Secured NOK 300,000,000 Bonds 2020/2023 with ISIN NO0010907736 (the "Bond Issue")

I/We, the undersigned, being the registered holder of Bonds in the above mentioned Bond Issue (the "**Bonds**"), with reference to the offer made by Borgestad ASA (the "**Issuer**") in the offer letter to the bondholders dated 28 February 2022 to convert Bonds into shares in the Issuer ("**Shares**") on the terms and conditions described in the said offer letter (the "**Conversion Offer**"), hereby irrevocably elect to convert Bonds into Shares at the Conversion Price (as defined in the Conversion Offer).

1. The total number of Bonds and the principal amount to which this Conversion Notice applies:

Number of Bonds: _____

Total Nominal Amount: _____

2. I/We request the Shares to be issued on conversion of the Bonds mentioned above to be delivered to the account in the Norwegian Central Securities Depository (the "**VPS**") set out below, held in the name set out below:

VPS Account number: _____

Name of holder: _____

The Bonds will to be delivered to the the Manager from:

VPS account number: _____

By (name of agent or Account Manager): _____

Please note:

- (i) This Conversion Notice will be void unless the details in sections 1 and 2 above are completed.
- (ii) Your attention is drawn to the offer letter published by the Issuer with respect to the conditions relating to the Conversion Offer.
- (iii) This Conversion Notice may be completed by or on behalf of the account holder of any account in the VPS in which the Bonds are held, and should be delivered to the Manager via the relevant account manager for such account in the VPS. Any beneficial holder of Bonds that holds its Bonds through a nominee or agent, must instruct such nominee or agent to arrange for the completion and delivery of this Conversion Notice.

- (iv) Terms used in this Conversion Notice and not otherwise defined herein have the meaning set out in the Conversion Offer.

Representations and warranties:

I/We hereby represent and warrant that:

- (i) the Bonds to which this Conversion Notice relates are free from all liens, charges, encumbrances or any other third party rights;
- (ii) I/we are in compliance with all applicable fiscal or other laws or regulations; and
- (iii) I/we have paid to the relevant authorities all taxes and capital, stamp, issue and registration duties (if any) arising on conversion in respect thereof required to be paid by me/us.

I/We hereby irrevocably instruct and authorise the Manager to subscribe for any shares to be issued upon conversion of the Bonds and to execute all relevant instruments of title and serve transfer form(s) on my/our behalf in relation to the Bonds to which this Conversion Notice relates.

By delivering this Conversion Notice, I/we confirm and accept the following:

- Each converting Bondholder is deemed to have sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Company by delivering the Conversion Notice, and is able to bear the economic risk, and to withstand a complete loss of an investment in the Company.
- I/we have had access to such financial and other information concerning the Company as I/we deem necessary or desirable in connection with the conversion of the Bonds, and has made such investigation with respect thereto as I/we deem necessary. I/we have made my/our own assessments of the Company, the Bonds and the terms of the conversion based only on the Conversion Offer and such information as is publicly available, including the Company's financial statements and other announcements and reports available on www.borgestad.no and under the Company's ticker on www.newsweb.no (together "**Public Disclosures**"), and, to the extent deemed necessary having consulted with my/our own independent advisors, have satisfied myself/ourselves concerning the relevant tax, legal, currency and other economic considerations relating to the conversion and an investment in the Company. I/we acknowledge and accept having read and understood the terms of the Conversion Offer, and having been urged to review the further disclosures of the Company included in the Public Disclosures.
- That no prospectus or similar disclosure document has been prepared in connection with the Conversion Offer, and that the information published in respect of the Conversion Offer only provides certain summary information and does not, and is not intended to, provide similar level of disclosure compared to any prospectus, offering memorandum or similar document or provide all information relevant for an investment decision. I/we acknowledge that a listing document may be prepared by the Company for a listing of the issued shares, and accepts not to have had access to such when delivering the Conversion Notice and that it will remain bound by the Conversion Notice following the publication of such listing document regardless of its content and any new or other information which may be contained therein.
- Neither the Company nor the Manager makes any representation or warranty, express or implied, to me/us regarding the accuracy or completeness of the Conversion Offer and other information (whether written or oral), concerning the Company or the Conversion Offer received by me/us whether such information was received through the Manager or otherwise. I/we have not been induced to deliver this Conversion Notice by any representation, warranty or undertaking by any of the aforementioned.
- I/we acknowledge having been provided with information regarding processing of personal data, and that it is informed that the Manager will process the my/our personal data in order to manage and carry out the Conversion Offer and subscribe for the shares in the Company, and to comply with statutory requirements. I/we further confirm and accept that all acceptances, confirmations, representations, warranties and undertakings given by me/us pursuant to this Conversion Notice may be enforced against me/us by the Manager.

- No due diligence (neither legal, financial, commercial nor technical) has been carried out by the Manager or by any other parties in connection with the Conversion Offer, and the Manager has not taken any steps to verify the information in the Conversion Offer or other Public Disclosures other than obtaining certain customary written confirmations from the Company confirming, inter alia, that that the Company to the best of its knowledge has disclosed to the market all inside information that directly concerns the Company and that such information in all material respects is correct and no material information has been omitted.

TO BE COMPLETED BY THE THE MANAGER:

Date of delivery of complete Conversion Notice to the Manager:

Calculation Date: 2 March 2022

Yours truly,

Name:

By: _____

Name:

Title: