

Prospectus



BORGESTAD ASA

Borgestad ASA

(a public limited liability company organized under the laws of the Kingdom of Norway)
Business registration number: 920 639 674

Listing of

Borgestad ASA FRN senior secured NOK 300,000,000 bonds 2020/2023

ISIN NO 0010907736

The information in this prospectus (the "**Prospectus**") relates to, and has been prepared in connection with the listing on Oslo Børs, a stock exchange operated by Oslo Børs ASA (the "**Oslo Stock Exchange**"), of the FRN senior secured NOK 300,000,000 bonds 2020/2023 with ISIN NO 0010907736 (together the "**Bonds**") issued by Borgestad ASA ("**Borgestad**", the "**Issuer**" or "**Company**", and together with its subsidiaries the "**Group**") on 8 December 2020, pursuant to a bond agreement dated 3 December 2020 between the Issuer and Nordic Trustee AS (the "**Bond Trustee**" or "**Trustee**") (the "**Bond Issue**").

This Prospectus does not constitute an offer or an invitation to buy, subscribe or sell the securities described herein. This Prospectus serves as a listing prospectus as required by applicable laws, and no securities are being offered or sold pursuant to this Prospectus.

Investing in the Issuer and the Bonds involves a high degree of risk. Prospective investors should read the entire document and, in particular, consider Section 2 "*Risk factors*" below when considering an investment in the Issuer and the Bonds.

IMPORTANT INFORMATION

For the definition of certain capitalised terms used throughout this Prospectus, see Section 11 "*Definitions and Glossary of Terms*".

This Prospectus has been prepared by the Issuer in connection with the listing of the Bonds on the Oslo Stock Exchange and to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended (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 2003/71/EC, as amended, and as implemented in Norway in accordance with Section 6.1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**").

This Prospectus has been prepared solely in the English language. This Prospectus was approved by the Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*) (the "**NFSA**") on 1 June 2021, as competent authority under the EU Prospectus Regulation.

The NFSA only approves this Prospectus 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 Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. The NFSA has not checked or approved the accuracy or completeness of the information included in this Prospectus. The approval by the NFSA only relates to the information included in accordance with pre-defined disclosure requirements. The NFSA has not conducted any form of review or approval relating to corporate matters described in or referred to in this Prospectus.

This Prospectus has been prepared in accordance with the Norwegian Securities Trading Act, the EU Prospectus Regulation and the bond rules issued by Oslo Stock Exchange and comprises, inter alia, the information requested in the checklist for (i) registration documents applicable for retail non-equity securities (Annex 6) and (ii) the securities notes for retail non-equity securities (Annex 14).

The information contained herein is current as at the date hereof and subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation significant new factors, or material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment by investors of the Bonds between the time of approval of this Prospectus by the NFSA and the listing of the Bonds on the Oslo Stock Exchange, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus shall under any circumstances imply that there has been no change in the Borgestad ASA affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is or has been authorized by the Company to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Bonds, and if given or made, such information or representation must not be relied upon as having been authorized by the Company.

The distribution of this Prospectus in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Bonds in any jurisdiction. This Prospectus may not 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 Prospectus are required to inform themselves of and observe any such restrictions. In addition, the Bonds may be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

The content of this Prospectus is not to be construed as legal, credit, business or tax advice. Each investor should consult its own legal, credit, business or tax advisor as to a legal, credit, business or tax advice. In making an investment decision, investors must rely on their own examination of Borgestad ASA and the Bonds, including the merits and risks involved.

This Prospectus shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo District Court (Nw.: *Oslo tingrett*) as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Prospectus.

TABLE OF CONTENTS

1	SUMMARY	6
1.1	Introduction	6
1.2	Key information on the Issuer	7
1.3	Key information on the Bonds.....	9
1.4	Key information on the admission to trading on a regulated market	11
2	RISK FACTORS	12
2.1	Risk related to the Group and the industries in which the Group operates	12
2.2	Risk related to financing and market risk	13
2.3	Risk related to laws, regulations and litigation	13
2.4	Risks related to the Bonds.....	14
3	RESPONSIBILITY FOR THE PROSPECTUS	15
3.1	Person responsible for the information.....	15
3.2	Declaration of responsibility	15
4	INFORMATION ABOUT THE ISSUER AND ITS BUSINESS	16
4.1	Overview	16
4.2	Corporate information	16
4.3	Legal structure	17
4.4	Historical background and company development	19
4.5	Business strategy.....	19
4.6	Overview of the Group's business areas and the markets in which it operates	19
4.7	Material contracts	24
4.8	Legal Proceedings	25
4.9	Health, safety, environment and quality.....	25
4.10	Credit Rating	26
4.11	Expected financing of the Company's activities	26
5	ORGANISATION, BOARD OF DIRECTORS AND MANAGEMENT.....	28
5.1	Board of directors	28
5.2	Management	30
5.3	Conflict of interest.....	30
6	MAJOR SHAREHOLDERS, SHARE CAPITAL AND ARTICLES OF ASSOCIATION.....	32
6.1	Shareholder structure.....	32
6.2	Disclosure obligations.....	32
6.3	Share capital	33
6.4	Articles of association	33
7	FINANCIAL INFORMATION	34
7.1	Financial Statements	34
7.2	Auditor	34
7.3	Financial performance and position – Statement of no significant changes	34
7.4	Funding structure – Statement of no material changes	34
7.5	Prospects of the Company - Statement of no material adverse changes.....	34
7.6	Recent events relevant to evaluation of the Company's solvency	34
8	INFORMATION ABOUT THE BONDS.....	35
8.1	The terms and details of the Bonds	35
8.2	Advisors	41
8.3	Listing	41
8.4	Interest of natural and legal persons involved in the Bond Issue	41
8.5	Reasons for the application for the admission to trading	41
8.6	Information sourced from third parties and expert opinions.....	41
8.7	Approval of the Prospectus.....	41
9	DESCRIPTION OF THE SECURITY UNDER THE BOND TERMS	42

9.1	Introduction	42
9.2	Description of the Transaction Security	42
9.3	Security granted by the Issuer's Subsidiaries.....	42
10	ADDITIONAL INFORMATION	43
10.1	Auditors and advisors	43
10.2	Documents on display	43
10.3	Incorporation by reference.....	43
11	DEFINITIONS AND GLOSSARY OF TERMS	45

SCHEDULE:

SCHEDULE 1: Bond Terms

SCHEDULE 2: Articles of Association

1 SUMMARY

This prospectus summary (the "**Summary**") has been prepared in accordance with Article 7 of the EU Prospectus Regulations, setting out the key information that investors need in order to understand the nature and the risks of the Issuer and the Bonds, and is to be read together with the other parts of this Prospectus to aid investors when considering whether to invest in the Bonds.

1.1 Introduction

1.1.1 *The name and international securities identification number (ISIN) of the Bonds*

The Prospectus relates to the Borgestad ASA FRN senior secured NOK 300,000,000 bonds 2020/2023 with ISIN NO001 0907736.

1.1.2 *The identity and contact details of the Issuer, including its legal entity identifier (LEI)*

The identity and contact details of the Issuer is as follows:

Borgestad ASA, business registration number 920 639 674, and registered office at Gunnar Knudsens veg 144, 3712 Skien, Norway. The LEI code of the Issuer is 5967007LIEEXZXG3AG53.

1.1.3 *The identity and contact details of the person asking for admission to trading on a regulated market*

The Issuer of the Bonds is asking for admission to trading on Oslo Stock Exchange, its identity and client details being: Borgestad ASA, business registration number 920 639 674, and registered office at Gunnar Knudsens veg 144, 3712 Skien, Norway. The LEI code of the Issuer is 5967007LIEEXZXG3AG53.

1.1.4 *The identity and contact details of the competent authority approving the Prospectus*

The competent authority approving the Prospectus is the Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*) (the "**NFSA**"), business registration number 840 747 972, and registered office at Revierstredet 3, 0107 Oslo, Norway.

1.1.5 *The date of approval of the Prospectus*

The Prospectus was approved by the NFSA on 1 June 2021.

1.1.6 *Applicable warnings*

- (i) This Summary should be read as an introduction to the Prospectus;
- (ii) Any decision to invest in the Bonds should be based on a consideration of the Prospectus as a whole by the investor;
- (iii) An investment in the Bonds involves inherent risk. Before making an investment decision, investors should carefully consider the risk factors and all information contained in the Prospectus, including the Financial Information. An investment in the Bonds 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, as all the invested capital can be lost;
- (iv) Where a claim relating to the Bonds or the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated;
- (v) Civil liability attaches only to those persons who have tabled the Summary including any translation thereof, but only where the Summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Bonds;
- (vi) As an investment product the Bonds are not simple and may be difficult to understand.

1.2 Key information on the Issuer

1.2.1 Who is the Issuer of the Bonds?

1.2.1.1 The Issuer's domicile and legal form, its LEI, the law under which it operates and its country of incorporation

The Issuer, Borgestad ASA, is a public limited liability company, organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company was incorporated in Norway on 11 July 1904. The Company's registered office is in the municipality of Skien; Gunnar Knudsens veg 144, 3712 Skien, Norway. The Issuer's organisation number in the Norwegian Register of Business Enterprises is 920 639 674 and its LEI code is 5967007LIEEXZXG3AG53.

1.2.1.2 The Issuer's principal activities

Borgestad ASA is a holding company with subsidiaries engaged in the following three main segments: (i) real estate investments and management; (ii) production and distribution of refractory products; and (iii) other activities. The Issuer is a holding company and the Group's operative business is carried out through its subsidiaries.

The majority of the Group's property investments are in Poland and Norway, of which the most significant is the shopping centre Agora in Bytom (Poland) with gross leasable areas of more than 30,000 square meters and approximately 115 shops. The Group also owns the headquarter office building in Norway. In addition, the Group owns the development property Borgestad Næringspark with a total land area of 49 acres and with gross leasable areas of 19,000 square meters.

The Group's refractory business (Höganäs Borgestad) is a supplier operating in the Nordic refractory market and has global presence in a number of selected application areas, delivering refractory products, installations and turnkey solutions that enhance the productivity and competitiveness of its industrial customers. The Group's refractory production is localized in Bjuv, outside of Helsingborg in Sweden, and the factory facilities consist of a total land area of 54,000 square meters including office buildings.

Borgestad's most significant other activity is its investment in NBT AS, a wind power operation and development company with substantial development rights in northern China, Pakistan and Ukraine.

1.2.1.3 The Issuer's major shareholders

Shareholders owning 5% or more of the shares have an interest in the Issuer's share capital which is notifiable pursuant to the Norwegian Securities Trading Act.

To the Issuer's knowledge, as at 26 May 2021, the shareholders Christen Knudsen (2,533,530 shares, approx. 19.91%) (directly (1,865 shares) and indirectly through Mentone AS (2,402,493 shares) and his related family (129,172 Shares)), Gudmund Bratrud (2,153,850 shares, approx. 16.93%) (directly (270,183 shares) and indirectly through Regent AS (666,170 shares), Suveren AS (481,794 Shares), Analyseinvest AS (262,000 shares), Substantia AS (215,703 shares) and Myra Matsenter AS (258,000 shares)), Skåla Bær AS (1,100,000 shares, approx. 8.64%), Intertrade Shipping AS (800,000 shares, approx. 6.29%) and Jacob Møller (734,967 shares, approx. 5.78%) (indirectly through Dione AS (684,128 shares) and Ploot Invest AS (50,839 shares)) held more than 5% of the shares.

1.2.1.4 The identity of the Issuers' key managing directors

As at the date of this Prospectus, the Issuer's management team consists of the following individuals:

Name	Position	Served since
Pål Feen Larsen	CEO and CFO of the Group	CEO since 2019 CFO since 2015
Niclas Sjöberg	Refractory Industry Manager and CEO of Höganäs Borgestad	2016

1.2.1.5 The identity of its statutory auditors

The Issuer's independent auditor is Deloitte AS, with company registration number 980 211 282 and registered business address at Dronning Eufemias gate 14, N-0191 Oslo, Norway. Deloitte AS are members of the Norwegian Institute of Public Accountants (Nw.: *Den Norske Revisorforening*).

1.2.2 What is the key financial information regarding the Issuer?

The selected historical consolidated financial information set out below has been derived from the Group's audited Financial Statements for the financial years ended 31 December 2019 and 2020, as well as the unaudited interim financial statements for the three months period ended 31 March 2021 and 2020, respectively.

The selected historical consolidated financial information for the Group set out below should be read in conjunction with the Financial Information in the Prospectus.

Income Statement for non-equity securities

<i>In NOK thousand</i>	Year ended 31 December		Three months ended 31 March	
	2020	2019	2021	2020
Operating result	(116,439)	28,664	(21,055)	(14,818)

Balance sheet for non-equity securities

<i>In NOK thousand</i>	As at 31 December		As at 31 March]	
	2020	2019	2021	2020
Total assets	1,534,153	1,636,140	1,517,547	1,534,153
Total equity	383,758	513,791	373,172	383,758
Net financial debt (long term debt plus short term debt minus cash)	852,495	798,500	835,870	893,141

Cash flow statement for non-equity securities

<i>In NOK thousand</i>	Year ended 31 December		As at 31 March	
	2020	2019	2021	2020
Cash flow from operating activities	(3,277)	10,487	3,906	(7,160)
Cash flow from financial activities	(26,752)	42,928	(704)	(17,172)
Cash flows from investment activities	(11,677)	(6,844)	(5,368)	(6,480)

1.2.3 What are the key risks that are specific to the Issuer?

Below is a brief description of the most material risk factors specific to the Issuer contained in the Prospectus.

Risk related to the Group and the industries in which the Group operates

The commercial real property business is highly competitive and is continuously subject to new market trends and if the Group is unable to attract and retain key tenants the Group could be unable to attract a sufficient number of customers

Within the commercial property market, which with the investment in Agora Bytom constitutes the majority of the Group's real estate investments, frame agreements with key tenants such as international chains and the major local brands are essential to attract customers to the shopping centre. Furthermore, with new trends in the retail business, such as e-commerce, the Group must be able to enter into tenancy agreements with other type of tenants, such as restaurants and experience providers (e.g. cinemas and sport and activity providers) in order to maintain the same level of visitors to Agora Bytom.

In the event of loss of any key tenants which are not replaced with tenants of the same quality, the Group may in the future not be able to attract a sufficient number of customers to generate adequate revenues to cover its operating expenses and/or service its debts. Inability to attract a sufficient number of customers could have a

material adverse effect on the Group's real estate business, results of operations, cash flows, financial condition and/or prospects.

Risk related to financing and market risk

Risks related to the Issuer being a holding Company

The Issuer is a holding company and relies principally on cash generated by its subsidiaries for its cash and financing requirements, including the funds necessary to service any debt it may incur. The Issuer's subsidiaries may be restricted in their ability to transfer funds to the Issuer whether in the form of dividends, loans or advances, and the imposition of such a limitation could materially and adversely limit the Issuer's ability to grow, make investments or acquisitions that could be beneficial to its businesses, pay dividends or otherwise fund and conduct its business. The inability of the subsidiaries to transfer cash to the Issuer may mean that, even though the Issuer may have sufficient resources on a consolidated basis to meet its obligations under its debt agreements, it may not be able to meet such obligations. Defaults by, or the insolvency of, certain subsidiaries of the Issuer could result in the obligation of the Issuer to make payments under parent company financial or performance guarantees in respect of such subsidiaries' obligations, or cause cross-defaults on certain borrowings of the Issuer. There can be no assurance that the Issuer and its assets would be protected from any actions by the creditors of any subsidiary of the Issuer, whether under bankruptcy law, by contract or otherwise.

Risk related to laws, regulations and litigation

The Group's operations are subject to environmental concessions and risks

The Group, and particularly its refractory business operates in an industry which is subject to extensive environmental laws and regulations, which has become more stringent over time. The Group's operations require the Group to obtain and comply with the terms and conditions of multiple environmental permits. Failure to comply with applicable environmental laws, regulations, permits and requirements may result in civil or criminal fines, penalties or enforcement actions. As at the date of this Prospectus, the Group has obtained all necessary concessions for the current operations. However, the current concession according to the IPPC directive (Directive 2008/1/EC) (directive concerning industrial emissions (integrated pollution prevention and control)) expired on 8 September 2017. There are still outstanding issues waiting for final decision from relevant authorities. The outcome of the decision will not influence the Group's production, and installation of equipment will be done during normal shutdown.

Furthermore, the Group has conducted operations at different production sites for a considerable period of time. Even though, the Group has no reason to suspect any liability for soil contamination, it cannot be ruled out that the Group will not incur such liability. No current indications signal an imminent obligation to perform decontamination measures. However, a governmental declaration to perform such measures may disrupt the business operation and negatively impact the Group's business, results of operations, cash flows, financial condition and/or prospects.

1.3 Key information on the Bonds

1.3.1 What are the main features of the Bonds?

The Bonds are senior secured bonds, electronically registered in dematerialized form with the Norwegian central securities depository, Verdipapirsentralen ASA, and with ISIN NO001 0907736. The Bond Issue is governed by the Norwegian law bond terms entered into on 3 December 2020 (the "**Bond Terms**") between the Issuer as issuer and Nordic Trustee AS as the bond trustee on behalf of the bondholders (the "**Bond Trustee**").

The Bonds are issued in Norwegian Kroner (NOK), each with an initial nominal amount of NOK 100,000. The amount of Bonds issued under the Bond Issue is NOK 300,000,000. The tenor of the Bond Issue is two (2) years and one (1) month, with Issue Date on 8 December 2020 and Maturity Date on 8 January 2023.

Each Bond will accrue interest at the rate of 3 months NIBOR plus 8.00% p.a., and in addition the holders of the Bonds will have the right to require that the Issuer purchases all or some of the Bonds held by that bondholder at a price equal to 101.00 per cent. of the nominal amount in the event of a change of control in the Issuer.

The Bonds are secured by the following first priority security:

- A pledge over all the shares in the direct and indirect subsidiaries of the Issuer; Borgestad Industries AS, Borgestad Properties AS and Borgestad Næringspark AS;
- A mortgage in the maximum secured amount of NOK 21,500,000 over certain properties owned by Borgestad Næringspark AS in Skien municipality;
- A pledge over the bank accounts of the Issuer and Borgestad Næringspark AS;
- A pledge over the Issuer's claims under certain intercompany loans; and
- A pledge over the Issuer's subsidiaries' claims under certain subordinated loans to the Issuer.

Except for the security interests referred to above, no direct or indirect Subsidiary of the Issuer has provided any corporate guarantee, or entered into any guarantee agreement or guarantee undertakings as security for the Bonds.

The Bonds will constitute senior debt obligations of the Issuer. The Bonds will rank *pari passu* between themselves and will rank at least *pari passu* with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application) and shall rank ahead of subordinated debt.

Subject to the restrictions set forth in Clause 11 (*Purchase and transfer of Bonds*) of the Bond Terms, the Bonds are freely transferable and may be pledged. Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with local laws and regulations applicable at own cost and expense. Notwithstanding the above, a Bondholder which has purchased the Bonds in contradiction to mandatory restrictions applicable may nevertheless utilize its voting rights under the Bond Terms.

1.3.2 *Where will the securities be traded?*

Pursuant to the Bond Terms the Issuer will apply for a listing of the Bonds on the Oslo Stock Exchange. An application for listing will be submitted as soon as possible after the Prospectus has been approved by the NFSA, and admission to trading is expected to be on or about 1 June 2021.

1.3.3 *What are the key risks that are specific to the Bonds?*

Below is a brief description of the most material risk factors specific to the Bonds.

The Bonds will be structurally subordinated to the present and future liabilities of the Group's subsidiaries which are not granting security for the Bonds

The Company is a holding company and almost all of its operations are conducted by its direct and indirect subsidiaries. As a general matter, it must rely upon distributions and other payments from its subsidiaries to generate the funds necessary to pay the principal of and interest on the Bonds. Borgestad Properties AS and Borgestad Næringspark AS have granted security over certain of its assets as security for the Issuer's obligations under the Bonds, however, save for the security interest created by the Transaction Security, the claims of creditors of the Issuer's subsidiaries, including trade creditors and claims of creditors against subsidiaries in the Group which are not granting any security, will have priority with respect to the assets and earnings of such subsidiary over the claims of creditors of its parent entity, including claims by holders of the Bonds. In the event of any foreclosure, dissolution, winding-up, liquidation, administration, reorganization or other insolvency or bankruptcy proceeding of any such subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of such subsidiaries before any non-secured assets are made available for distribution to its parent entity as a shareholder. As such, the Bonds will be structurally subordinated to the creditors, including trade creditors, of its subsidiaries.

Value of secured assets

Although the Bonds are secured, there can be no assurance that the value of the Issuer's assets or the pledged assets of Borgestad Properties AS and Borgestad Næringspark AS respectively, will be sufficient to cover all the outstanding Bonds together with accrued interest and expenses in case of a default and/or if the Issuer enter into bankruptcy. A liquidation scenario may also make it difficult to obtain full market value for the secured assets, which may leave Bondholders impaired.

1.4 Key information on the admission to trading on a regulated market

1.4.1 Under which conditions and timetable can I invest in the Bonds?

The Bonds are freely transferable and have since the Issue Date on 8 December 2020 been available for trading on the secondary market through VPS.

Pursuant to the Bond Terms the Issuer will apply for a listing of the Bonds on the Oslo Stock Exchange. An application for listing will be submitted as soon as possible after the Prospectus has been approved by the NFSA, and admission to trading is expected to be on or about 1 June 2021.

1.4.2 Who is the offeror and/or the person asking for admission to trading?

The Issuer is the person asking for admission to trading of the Bonds.

1.4.3 Why is this prospectus being produced?

This Prospectus is being produced in connection with the Issuer's application for the admission to trading of the Bonds on Oslo Stock Exchange.

Pursuant to the Bond Terms the Issuer shall, within twelve (12) months of the Issue Date of the Bonds, apply for the Bonds to be listed on either Oslo Stock Exchange or any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and Regulation (EU) No. 600/2014 on markets in financial instruments (MiFIR), as implemented into the Norwegian Securities Trading Act.

The application for admission to trading is put forward by the Issuer to satisfy the conditions of the Bond Terms.

(i) The use and estimated net amount of the proceeds

The Issuer has used, and will use, the net proceeds from the issuance of the Bonds (net of legal costs, fees of the manager and the Bond Trustee and any other agreed costs and expenses) for (a) re-financing of its existing debt, being the outstanding amount under the Borgestad ASA senior secured callable bond issue 2014/2017 with ISIN NO001 0720766, and (b) general corporate purposes of the Group.

(ii) An indication of the most material conflicts of interest pertaining to the admission to trading

There are no material conflicts of interest pertaining to the admission to trading of the Bonds.

2 RISK FACTORS

Investing in the Bonds involves inherent risks. The list of risk factors is not exhaustive and there may be other risks relevant to the Issuer and the operations of the Group which are not stated herein. A prospective investor should carefully consider all the risks related to the Issuer, and should consult his or her own expert advisors as to the suitability of an investment in securities of the Issuer. An investment in the Bonds of the Issuer entails significant risks and is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment. Against this background, an investor should thus make a careful assessment of the Issuer and its prospects before deciding to invest.

Below is a description of the material risks that are specific to the Issuer and the Bonds, and that may affect the Issuer's ability to fulfil its obligations under the Bonds. In each category the most material risks, in the assessment of the Issuer, taking into account the negative impact on the Issuer and the probability of their occurrence, are set out first.

2.1 Risk related to the Group and the industries in which the Group operates

The commercial real property business is highly competitive and is continuously subject to new market trends and if the Group is unable to attract and retain key tenants the Group could be unable to attract a sufficient number of customers

Within the commercial property market, which with the investment in Agora Bytom constitutes the majority of the Group's real estate investments, frame agreements with key tenants such as international chains and the major local brands are essential to attract customers to the shopping centre. Furthermore, with new trends in the retail business, such as e-commerce, the Group must be able to enter into tenancy agreements with other type of tenants, such as restaurants and experience providers (e.g. cinemas and sport and activity providers) in order to maintain the same level of visitors to Agora Bytom.

In the event of loss of any key tenants which are not replaced with tenants of the same quality, the Group may in the future not be able to attract a sufficient number of customers to generate adequate revenues to cover its operating expenses and/or service its debts. Inability to attract a sufficient number of customers could have a material adverse effect on the Group's real estate business, results of operations, cash flows, financial condition and/or prospects.

The Covid-19 pandemic may result in a variety of negative consequences for the Group

Any outbreak of Covid-19 or other diseases among the personnel at the Group's facilities could result in a halt of operations. Covid-19 may also have an impact on prices for the Company's products and result in the Group's suppliers not being able to provide raw materials or other supplies on a timely basis. As an example, authorities in the Group's export markets could implement measures that affect the Group's operations, such as in relation to logistics and transportation of products, as well as other parts of the Group's value chain. The Group's sales and profit in 2020 was consequently strongly affected by the Covid-19 pandemic. Prospective investors should however note that the Covid-19 situation is continuously changing, and it is difficult to estimate the effects Covid-19 will have on the Group, its further operations and how it will be affected financially in the long term. In addition, the impact of Covid-19 on the general economy is difficult to predict, and any general economic downturn is also likely to have a negative effect on the Group.

The refractory business is global and highly competitive and is under continuous development which could make the Group unable to attract and retain a sufficient number of customers

The global markets of the refractory business makes it highly competitive and as customer contracts generally are awarded on a competitive bid basis, with pricing often being the decisive factor for being awarded contracts, the entrance of low cost providers of refractory products, especially from Eastern Europe and Asia, may influence the Group's market and lead to higher competition

Furthermore, the introduction of new products and services, market acceptance of products and services based on new or alternative technologies, or the emergence of new industry standards in the refractory business could render the Group's existing products obsolete or make it easier for other products to compete with its products and services. If the Group fails to expand or enhance its product portfolio and/or service range or respond effectively to

technological changes, this could have a material adverse effect on the Group's refractory business, results of operations, cash flows, financial condition and/or prospects.

Some players, either those already active in the refractory space, or those entering the industry, may also have greater resources than the Group, and the failure to maintain a competitive service offering could have a material adverse effect on the Group's refractory business, results of operations, cash flows, financial condition and/or prospects.

The Group's refractory business is exposed to project execution risks

Planning and execution of refractory installation projects requires skilled and qualified personnel. In order for the Group to be able to execute installation projects timely and with a high quality standard, the Group is dependent on having sufficient skilled personnel available, and especially educated and well trained refractory bricklayers. The Group is dependent on the supply of bricklayers from a limited number of suppliers in order to execute the installation projects. The Group's ability to renew or extend existing contracts with suppliers for personnel, or enter into new contracts, is dependent on prevailing market conditions and the number of bricklayers educated. If supplier contracts for the required personnel are not renewed or replaced upon expiry or termination, this could have a material adverse effect on the Group's refractory businesses, results of operations, cash flows, financial condition and/or prospects.

2.2 Risk related to financing and market risk

Risks related to the Issuer being a holding Company

The Issuer is a holding company and relies principally on cash generated by its subsidiaries for its cash and financing requirements, including the funds necessary to service any debt it may incur. The Issuer's subsidiaries may be restricted in their ability to transfer funds to the Issuer whether in the form of dividends, loans or advances, and the imposition of such a limitation could materially and adversely limit the Issuer's ability to grow, make investments or acquisitions that could be beneficial to its businesses, pay dividends or otherwise fund and conduct its business. The inability of the subsidiaries to transfer cash to the Issuer may mean that, even though the Issuer may have sufficient resources on a consolidated basis to meet its obligations under its debt agreements, it may not be able to meet such obligations. Defaults by, or the insolvency of, certain subsidiaries of the Issuer could result in the obligation of the Issuer to make payments under parent company financial or performance guarantees in respect of such subsidiaries' obligations, or cause cross-defaults on certain borrowings of the Issuer. There can be no assurance that the Issuer and its assets would be protected from any actions by the creditors of any subsidiary of the Issuer, whether under bankruptcy law, by contract or otherwise.

The Group is exposed to exchange rate fluctuations

As a consequence of its international operations, including its operations in Norway, Sweden, Finland and Poland the Group is exposed to exchange rate fluctuations since operating revenues and operating costs are denominated in different currencies. By example, a material part of the operating revenues from sales within the refractory business comes from the Group's Norwegian and Swedish operations which are denominated in NOK and SEK, respectively, while a significant part of the raw material cost for such operations are denominated in USD and EUR. Within the property segment the rental income in Agora Bytom is dominated in EUR, while a significant part of the operational cost are dominated in PLN. Furthermore, the Group's consolidated financial statements are presented in NOK, but only a part of the Group's revenues, costs and liabilities are denominated in NOK. The Group may enter into hedging agreements, but there can be no assurance that such arrangements will fully, or at all, protect the Group from exchange rate risk (in particular in the long term) or that the Group is able to enter into such hedging arrangements on commercially reasonable terms. Exchange rate fluctuations could have a significant adverse effect on the Group's results of operations, cash flows, financial conditions and prospects.

2.3 Risk related to laws, regulations and litigation

The Group's operations are subject to environmental concessions and risks

The Group, and particularly its refractory business operates in an industry which is subject to extensive environmental laws and regulations, which has become more stringent over time. The Group's operations require the Group to obtain and comply with the terms and conditions of multiple environmental permits. Failure to comply with applicable

environmental laws, regulations, permits and requirements may result in civil or criminal fines, penalties or enforcement actions. As at the date of this Prospectus, the Group has obtained all necessary concessions for the current operations. However, the current concession according to the IPPC directive (Directive 2008/1/EC) (directive concerning industrial emissions (integrated pollution prevention and control)) expired on 8 September 2017. There are still outstanding issues waiting for final decision from relevant authorities. The outcome of the decision will not influence the Group's production, and installation of equipment will be done during normal shutdown.

Furthermore, the Group has conducted operations at different production sites for a considerable period of time. Even though, the Group has no reason to suspect any liability for soil contamination, it cannot be ruled out that the Group will not incur such liability. No current indications signal an imminent obligation to perform decontamination measures. However, a governmental declaration to perform such measures may disrupt the business operation and negatively impact the Group's business, results of operations, cash flows, financial condition and/or prospects.

2.4 Risks related to the Bonds

The Bonds will be structurally subordinated to the present and future liabilities of the Group's subsidiaries which are not granting security for the Bonds

The Company is a holding company and almost all of its operations are conducted by its direct and indirect subsidiaries. As a general matter, it must rely upon distributions and other payments from its subsidiaries to generate the funds necessary to pay the principal of and interest on the Bonds. Borgestad Properties AS and Borgestad Næringspark AS have granted security over certain of its assets as security for the Issuer's obligations under the Bonds, however, save for the security interest created by the Transaction Security, the claims of creditors of the Issuer's subsidiaries, including trade creditors and claims of creditors against subsidiaries in the Group which are not granting any security, will have priority with respect to the assets and earnings of such subsidiary over the claims of creditors of its parent entity, including claims by holders of the Bonds. In the event of any foreclosure, dissolution, winding-up, liquidation, administration, reorganization or other insolvency or bankruptcy proceeding of any such subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of such subsidiaries before any non-secured assets are made available for distribution to its parent entity as a shareholder. As such, the Bonds will be structurally subordinated to the creditors, including trade creditors, of its subsidiaries.

Value of secured assets

Although the Bonds are secured, there can be no assurance that the value of the Issuer's assets or the pledged assets of Borgestad Properties AS and Borgestad Næringspark AS respectively, will be sufficient to cover all the outstanding Bonds together with accrued interest and expenses in case of a default and/or if the Issuer enter into bankruptcy. A liquidation scenario may also make it difficult to obtain full market value for the secured assets, which may leave Bondholders impaired.

The Issuer's ability to repay its debt dependant on its ability to obtain cash from its subsidiaries

The Issuer's subsidiaries own effectively all of the Group's assets and conduct all of its operations. Accordingly, repayment of the Bonds, and other indebtedness, will be wholly dependent upon the ability of the Issuer's subsidiaries to make such cash available to it, by dividend, debt repayment or otherwise.

3 RESPONSIBILITY FOR THE PROSPECTUS

3.1 Person responsible for the information

This Prospectus has been prepared by the Company in connection with the listing of the Bonds on the Oslo Stock Exchange. The person responsible for the information given in this Prospectus is as follows:

Borgestad ASA
Gunnar Knudsens veg 144
3712 Skien
Norway

3.2 Declaration of responsibility

The Company accepts responsibility for the information contained in this Prospectus. The Company confirms that, after having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

1 June 2021

Borgestad ASA

Pål Feen Larsen

Chief Executive Officer

4 INFORMATION ABOUT THE ISSUER AND ITS BUSINESS

4.1 Overview

Borgestad is a holding company with subsidiaries engaged in the following three main segments: (i) real estate investments and management; (ii) production and distribution of refractory products; and (iii) other activities. Borgestad was incorporated on 11 July 1904, is headquartered in Skien, Norway, and the Group employs as of the date of this Prospectus approximately 270 full time employees, in addition to approximately 130 person who are hired-in and temporary employees.

The majority of the Group's property investments are in Poland and Norway, of which the most significant is the shopping centre Agora in Bytom (Poland) with gross leasable areas ("**GLA**") of more than 30,000 square meters and approximately 115 shops. The Group also owns the headquarter office building in Norway. In addition, the Group owns the development property Borgestad Næringspark with a total land area of 49 acres and GLA of 19,000 square meters.

The Group's refractory business ("**Höganäs Borgestad**") is a supplier operating in the Nordic refractory market and has global presence in a number of selected application areas, delivering refractory products, installations and turnkey solutions that enhance the productivity and competitiveness of its industrial customers.¹ The Group's refractory production is localized in Bjuv, outside of Helsingborg in Sweden, and the factory facilities consist of a total land area of 54,000 square meters including office buildings.

In March 2021 Höganäs Borgestad entered into a strategic agreement for the resale of refractory products with Refratechnik Cement GmbH and Refratechnik Steel GbbH (together, "**Refratechnik**"), a significant supplier of refractory products. The agreement with Refratechnik means that Höganäs Borgestad from 1 April 2021 buys refractory products from Refratechnik for resale. As a result of the agreement with Refratechnik, Höganäs Borgestad is expected to be able to offer its customers reduced lead times, increased flexibility and a larger product range. Höganäs Borgestad will start the process of closing down the production line for standard production of refractory products in Bjuv from and including September 2021. Höganäs Borgestad will continue to produce refractory masses and special products. As a result of the closure of the production line for standard production of refractory products, Höganäs Borgestad's workforce will be reduced by approximately 70 employees.

Borgestad's most significant other activity is its investment in NBT AS, a wind power operation and development company with substantial development rights in northern China, Pakistan and Ukraine.

4.2 Corporate information

Borgestad ASA is a public limited liability company, organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company's registered office is in the municipality of Skien, Norway and its organisation number in the Norwegian Register of Business Enterprises is 920 639 674.

The Company was incorporated on 11 July 1904 in Norway. The Company's shares are listed on Oslo Børs (ticker: BOR) and are registered in VPS under ISIN NO 0010907736. The Company's register of shareholders in VPS is administrated by Nordea Bank Abp, filial i Norge, Essendropsgate 8, N-0368 Oslo, Norway, P.O. Box 1166 Sentrum, N-0107 Oslo, Norway, telephone number +47 23 20 60 02.

At the date of this Prospectus, the Group employs approximately 270 full time employees, in addition to approximately 130 person who are hired-in and temporary employees.

LEI code: 5967007LIEEXZYG3AG53
Registered office: Gunnar Knudsens veg 144, NO-3712 Skien, Norway
Telephone: +47 35 54 24 00
Website: www.borgestad.no

¹ A refractory material or refractory is a heat-resistant material, e.g. a mineral that is resistant to decomposition by heat, sudden changes of temperature, pressure, or chemical attack, most commonly applied to a mineral that retains strength and form at very high temperatures (exceeding 1,250 degrees Celsius). Refractory materials include certain ceramics and superalloys (i.e. high-performance alloys), and are used in, *inter alia*, furnaces, incinerators and reactors, and basic industrial processes which include production stages where high temperatures must be treated.

Please note that the information contained on the website above does not form part of the Prospectus, and the information at the Company's website is not incorporated by reference into this Prospectus.

4.3 Legal structure

Borgestad ASA is a holding company with subsidiaries engaged in the following three main segments: (i) real estate investments and management; (ii) production and distribution of refractory products; and (iii) other activities. The Company is dependent on the dividends paid by its subsidiaries for its cash and financing requirements, including the funds necessary to service any debt it may incur.

The Group has the following legal structure as of the date of the Prospectus:

Borgestad Industries AS	Norway	Borgestad	Refractory	100 %
Borgestad Industries AB	Sweden	Borgestad Industries AS	Refractory	100 %
Borgestad Properties AS	Norway	Borgestad	Property	100 %
Agora Bytom	Poland	Borgestad Properties AS	Property	100 %
Borgestad Næringspark AS	Norway	Borgestad Properties AS	Property	100 %
Idea Property & Asset Management Sp. z o.o.	Poland	Borgestad Næringspark AS	Property	100 %
Höganäs Borgestad Holding AB	Sweden	Borgestad Industries AB	Refractory	61,8 %
Höganäs Borgestad AS	Norway	Höganäs Borgestad Holding AB	Refractory	61,8 %
Höganäs Borgestad AB	Sweden	Höganäs Borgestad Holding AB	Refractory	61,8 %
Höganäs Bjuf Fastighets AB	Sweden	Höganäs Borgestad Holding AB	Refractory	61,8 %
Macon AB	Sweden	Höganäs Borgestad Holding AB	Refractory	61,8 %
Höganäs Borgestad Energi & Ugnsteknik AB	Sweden	Höganäs Borgestad Holding AB	Refractory	61,8 %
Höganäs Bjuf Eastern Europe Sp. z.o.o.	Poland	Höganäs Borgestad AB	Refractory	61,8 %
Höganäs Bjuf Germany GmbH	Germany	Höganäs Borgestad AB	Refractory	61,8 %
Höganäs Bjuf Italia Srl	Italy	Höganäs Borgestad AB	Refractory	61,8 %
Höganäs Bjuf Asia Pacific Sdn Bhd	Malaysia	Höganäs Borgestad AB	Refractory	61,8 %

Höganäs Contracting Asia
Pacific Sdn Bhd

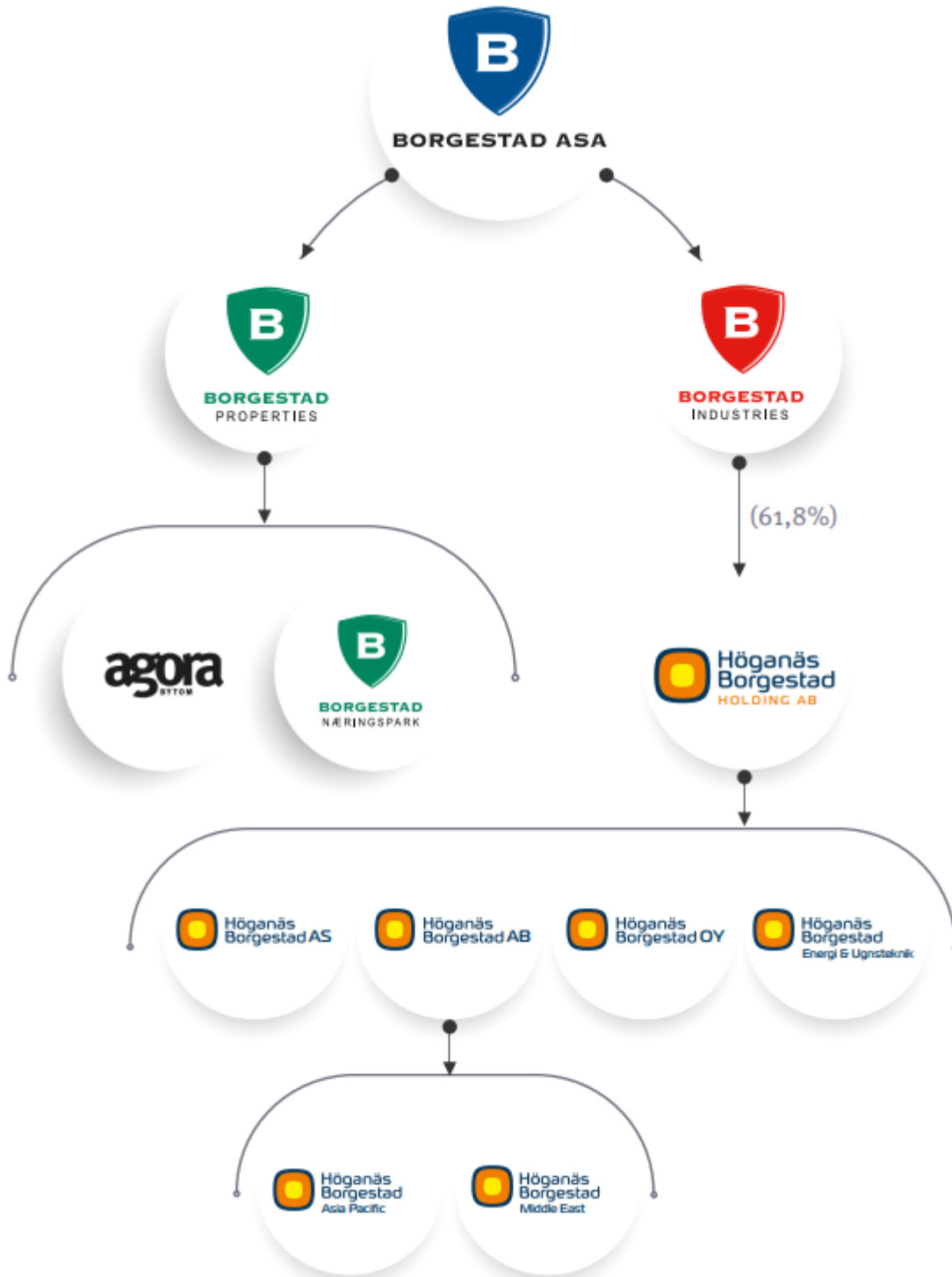
Malaysia

Höganäs Borgestad AB

Refractory

61,8 %

The Group structure is illustrated as follows:



Borgestad’s subsidiaries own effectively all of Borgestad’s assets and conduct all of its operations. Accordingly, repayment of the bonds, and other indebtedness, will be wholly dependent upon on the ability of Borgestad’s subsidiaries to make such cash available to it, by dividend, debt repayment or otherwise.

Borgestad is dependent upon other entities within the Group, in connection with conducting its business in its three main segments, see Section 4.6.1 "Real estate investments and management" for the subsidiaries involved in the property investment management, Section 4.6.2 "Production and distribution of refractory products" for the subsidiaries involved in the refractory business and Section 4.6.3 "Other activities" for the subsidiaries involved in financial investments.

4.4 Historical background and company development

Significant milestones in the development of the Group's current business are summarised below:

Year	Event
1904	Incorporation of the Company
1917	Listing of the Company's shares on Oslo Børs
1998	Acquisition of Höganäs Bjuf
2003	Establishment of Borgestad Næringspark
2006	Divestment of the shareholding in Borgestad Shipping AS
2006	Incorporation of Borgestad Properties AS
2006	Incorporation of Borgestad Næringspark AS
2010	Opening of the shopping center Agora Bytom in Poland
2013	Incorporation of Borgestad Industries AS
2019	Reorganisation of the Borgestad Industries group and the creation of one common brand: Höganäs Borgestad
2021	Höganäs Borgestad entered into a strategic agreement for the resale of refractory products with Refratechnik Cement GmbH and Refratechnik Steel GbbH
2021	Höganäs Borgestad will start the process of closing down its production line for standard production of refractory products

4.5 Business strategy

The Agora Bytom business strategy is to develop the shopping centre to continue to be the preferred market place for local customers in Bytom. By attracting quality tenants and a broad tenant mix from several different branches and services Agora Bytom expect to attract customers, increase turnover among the tenants in the centre and increase rental income for the company and thereby increase the value of the investment for the owner.

Höganäs Borgestad's business strategy is to increase turnover and profitability for through developing, manufacturing and sell refractory products, installations, related technology and turnkey solutions that enhance the productivity and competitiveness of industrial customers. The aim is to contribute to the customers' profitability by being a total and preferred supplier that in addition to delivering the product, offers complementary services as design, engineering, installation, supervision and logistic solutions.

4.6 Overview of the Group's business areas and the markets in which it operates

4.6.1 Real estate investments and management

Borgestad's real estate holdings are organised through its wholly-owned subsidiary Borgestad Properties AS. The subsidiary was founded to manage both Borgestad's local and European real estate portfolio.

Currently, Borgestad Properties AS manages its properties in Poland and Norway through its subsidiaries Agora Bytom Sp. z o.o. and Borgestad Næringspark AS, respectively. The Agora Bytom shopping centre (owned by Agora Bytom Sp. z o.o.) is the Group's most important asset representing more than 50% of the values in the balance sheet in Borgestad as of 31 December 2020. Below is a brief description of each investment.

Agora Bytom

Agora Bytom is Borgestad's most important real estate investment. It is situated in the very inner city of Bytom. The city of Bytom has around 167,000 inhabitants and is a part of the Upper Silesian Metropolitan Union, the most densely populated area in Poland, with a population of approximately 2 million. The shopping centre serves some 150,000 people within a radius of a 10 minutes car travel. Agora Bytom was completed in November 2010, and has a gross acreage of 52,000 square meters, of which 30,936 square meters are leasable area. In addition, the premise includes

a 30,000 square meter parking garage with capacity of approximately 820 cars. As of the year end of 2020, approximately 90% of the leasable area are open units, with leases for the remainder under adaptation for signed leases or negotiation. About 115 stores are currently in operation, with tenants comprised of large international chains such as H&M, Only, RTV Euro AGD and the LPP Group as well as significant polish tenants. Other large tenants include a multiscreen cinema, a fitness centre and a large convenience store. The centre's current tenant mix can therefore offer the public a broad service within dining, culture and shopping.

The situation in Poland related to Covid-19 followed the trend in Europe with increasing infection throughout the autumn of 2020. Polish authorities ordered a new closure of the shopping centre for three weeks in November 2020, as well as a period in connection with Christmas and New Year. Throughout lockdown in Poland, which were introduced in November 2020, pharmacies, grocery stores, sanity ware and service industries such as banking etc. have been excepted from the closure restrictions. This means that only approximately 30 per cent of the tenants in the Agora shopping centre has been open for business since the lockdown was introduced. The cinema and fitness centre have been continuously closed since the introduction of the closure in November 2020. As of Q4 in 2020, the required rate of return for Agora Bytom changed by 0.75%, from an average of 6.25% to an average of 7.00%. Due to the required rate of return, Borgestad implemented a write-down of Agora Bytom of MNOK 106, corresponding to MEUR 9,9 as of 31 December 2020.

The total turnover for Agora Bytom in 2020 was reduced by 31.9%, compared to 2019, and the decline is a direct consequence of the Covid-19 pandemic and periods of closure. The rental income for Q1 2021 was reduced by 26,32 per cent compared to Q1 2020, and the rental income in 2020 was reduced by 36.2 per cent compared with 2019. On 29 April 2021, Polish authorities announced that all shopping centres could re-open on 4 May 2021, meaning that approximately 80 per cent of the tenants in the Agora shopping centre opened again on this date.

The leases for those tenants who were forced by the Polish authorities to close due to infection control were exempted from rent payments as long as the companies were required to be closed down by the Polish authorities, as a compensation for renting the leases were extended by six months plus closed period. As an alternative to extending the lease, the tenants could choose to pay rent during closed periods.

The construction cost of the shopping centre upon completion in November 2010 totalled EUR 90 million. The company has a long term debt financing from Bank Polska Kasa Opieki S.A with a mortgage loan of EUR 47.3 million outstanding as of 30 September 2019. The remaining part of the cost is financed through equity and shareholder loans from Borgestad.

Management (including leasing, technical services etc.) of the Agora Bytom shopping centre is handled internally by 16 employees employed by a Polish Group company.

Borgestad Næringspark AS, Skien

Borgestad Næringspark AS is a Norwegian private limited company organized under the laws of Norway owned 100% by Borgestad through Borgestad Properties AS.

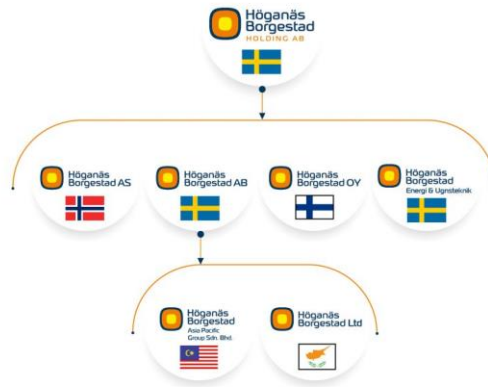
After the closing of Borgestad Fabrikker AS' production site in 2003, Borgestad Næringspark AS established a business park at the site. Borgestad Næringspark AS is centrally located on the river bank between Skien and Porsgrunn, and the premises are suitable for both commercial and residential use. The commercial buildings are currently used as storage, production and offices, and are close to fully leased out. The GLA of the business park is approximately 19,000 square meters, out of which approximately 5,000 square meters have not yet been rehabilitated. Leasing is managed internally by Borgestad, while maintenance and janitorial services are handled externally by a local company in Skien.

4.6.2 Production and distribution of refractory products

Borgestad's refractory business holdings are organised through its wholly-owned subsidiaries Borgestad Industries AS and Borgestad Industries AB. Borgestad Industries AB owns 61,8 % of the shares in Höganäs Borgestad Holding AB, the Group company for the Höganäs Borgestad group. The refractory business comprises the production of refractory materials, which are materials that are chemically and physically stable at very high temperatures. The Group has produced refractory products for almost 200 years thus being a longstanding player in the refractory business. During the last few years the Group has improved research and development focus by recruiting international expertise and established one of Europe's most advanced research centres for refractory science.

The following group chart sets out the group legal structure for the Höganäs Borgestad group:

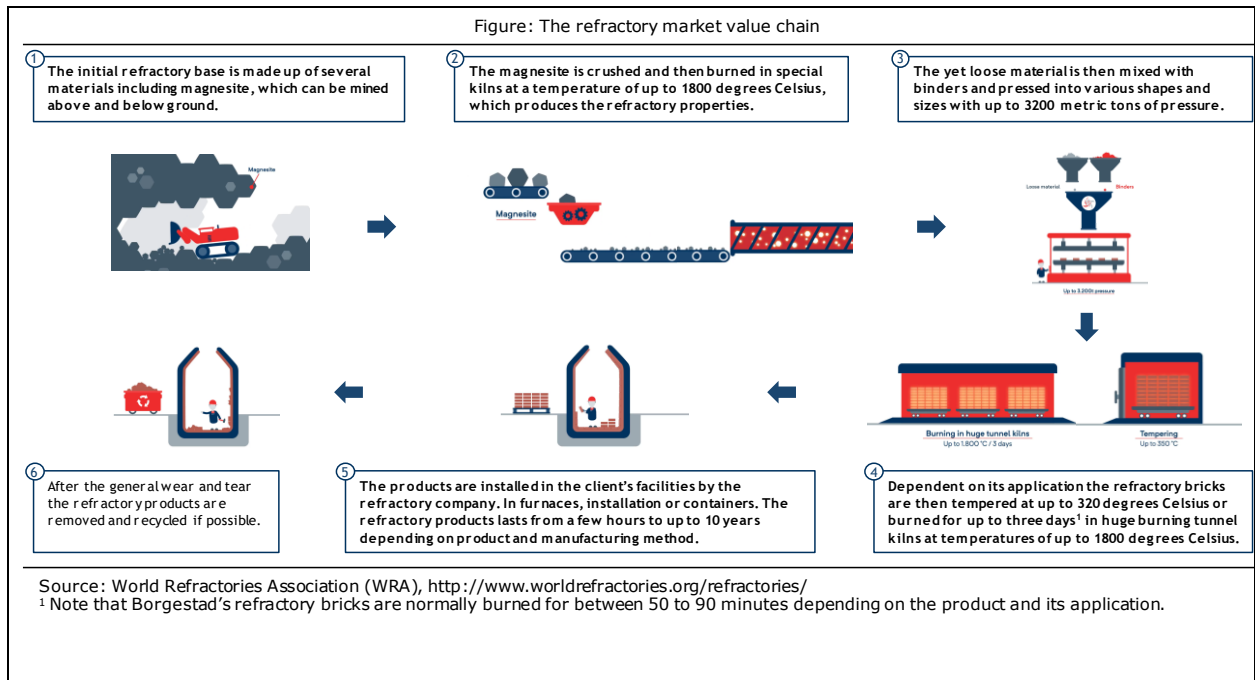
HBH STRUCTURE



Höganäs Borgestad develops, manufactures and sells refractory products (e.g. shaped products (being bricks and high-alumina bricks) and unshaped products (being monolithic products)), installations, related technology and turnkey solutions that enhance the productivity and competitiveness of industrial customers. The aim is to contribute to the customers' profitability by being a total supplier that in addition to delivering the product, offers complementary services as design, engineering, installation, supervision and logistic solutions.

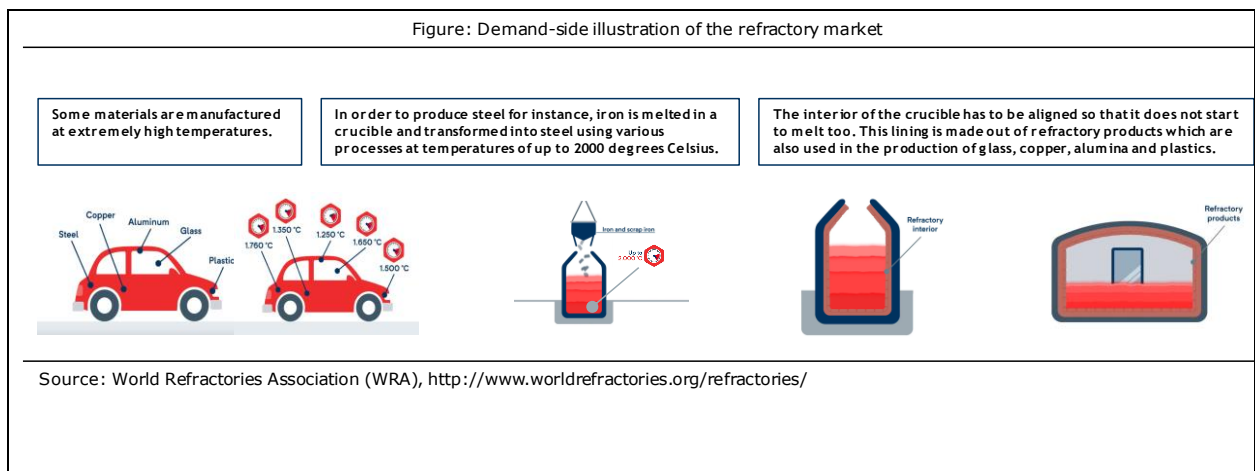
The principal activities of Höganäs Borgestad include research and development, production, trading with and distribution of refractory and insulation materials. The core business also offers refractory installation services including design and engineering, refractory lining and supervision of installation projects. The strength of Höganäs Borgestad is the ability to offer a highly diversified product portfolio of refractory products and services, and to deliver turnkey solutions to industrial customers. Höganäs Borgestad supplies a complete range of refractory and insulation materials. Application driven research and development as well as a highly automated production are cornerstones for the refractory business' activities.

In the refractory market value chain, which is illustrated below, Höganäs Borgestad adds value through step 2-6. Companies providing services at step 1 in the value chain could be considered suppliers of raw material used as refractory base. Höganäs Borgestad's suppliers include, among others, Bosai Europe, Borregaard, Cofermin Rohstoffe, Imerys Refractory Minerals, Imerys Aluminates and Sibelco. On the opposite side of the value chain, illustrated by step 5 in the below figure, the customers of Höganäs Borgestad demand refractory products to be able to manufacture products that require extremely high temperatures during production. Examples of selected customers of Höganäs Borgestad are SSAB, Hydro, Elkem and Heidelberg cement.



The activities of Höganäs Borgestad is divided into the following ten business segments: aluminium, cement, steel, pulp & paper, energy waste, ferro alloy, foundries, petrochemical, crematorium and passive fire protection. The classification of business is based on specialization and activities versus different industrial applications and services.

Through its subsidiaries, Höganäs Borgestad delivers refractory services to industrial customers that require fire and acid-resistant materials. The customers can be from throughout the entire value chain² and across industries, from mining operations to the automotive industry and other manufacturing. Hence, Höganäs Borgestad could be considered a supplier to any value chain in which there is a demand for refractory equipment. As shown in the demand-side illustration of the refractory market below, there is a broad use of products dependent on refractory manufacturing. Further, the installation service may be considered as early in the value chain due to the nature of its purpose. The cement and the steel segments, as examples, may be considered more throughout the value chain since the nature of refractory products is that it eventually will deteriorate and be replaced by new refractory products. The recurring replacement of refractory material vary from material and process. For instance, within the steel industry the general practice is that the refractory material lasts somewhere from just a few hours to several weeks before it needs to be replaced, while within the glass industry the material could last for a decade before it needs to be replaced³.



² <http://www.tekmur.eu/our-services/metal-and-foundries/>, freely available, accessed on 13.12.18.

³ PRE, the European Refractories Producers Federation, <http://www.pre.eu/>, freely available, accessed on 17.12.18.

In 2019, Höganäs Borgestad introduced a new developed brick, Viking 20. The new brick is internally developed by Höganäs Borgestad's R&D department. Viking 20 is a brick developed especially for the aluminium and cement industry, and the Group expects to increase the turnover as a result of the introduction of the new brick. The brick is a product that is environmentally friendly as the majority of the raw material used in the production of the brick is recycled.

2020 has been a challenging year for Höganäs Borgestad due to the Covid-19 pandemic. To minimise the risk of outbreak of Covid-19, it is implemented strict measures at the production premises in Bjuv. A general restriction on visits applies to the production location and specific rules have been introduced for loading/unloading raw materials and finalised products. Exceptions from the restrictions on visits are only approved for the productions critical visits.

During 2020, Höganäs Borgestad had challenges in achieving profitability in the production of refractory products. The consequence of this has been declining profitability in the production of refractory bricks. Several measures have been implemented to increase production utilization, including the launch of more cost-effective and environmentally friendly products. The estimated increase in production utilization in 2020 was not realized due to lower demand for refractory products as a result of the pandemic. In 2020, Höganäs Borgestad has had lower utilization of production capacity, with declining profitability in production as a consequence. The other business areas of Höganäs Borgestad have for a long time generated revenue growth and good profitability. For 2020, this part has also been negatively affected by the fact that several installation projects have been postponed or scaled down due to the risk of infection. As a result of changed market conditions in 2020 and weak results, the administration initiated a strategic review of the group to assess alternatives and ensure better profitability in the future. As a result, Höganäs Borgestad entered into a strategic and exclusive partnership agreement in March 2021 with the German supplier of refractory quality products, Refratechnik GmbH ("**Refratechnik**"), for sales of bricks in the Nordic region. This is an important agreement that will help optimize the company's operations in the future. Refractory brick production requires large volumes to be competitive in a pressured market. The agreement with Refratechnik means that the German manufacturer will supply affordable standard stone products to Höganäs Borgestad. Refratechnik has large and efficient production facilities that enable Höganäs Borgestad's customers to have reduced delivery times, increased flexibility and a larger product range. The production plant in Sweden will focus on special products and refractory monolithic. The close down of the brick production line will be finalized in September/ October 2021.

The agreement with Refratechnik includes an exclusively clause whereby Höganäs Borgestad is restricted from buying refractory bricks from any other than Refratechnik. This means that Höganäs Borgestad is dependent on competitive pricing on the refractory bricks from Refratechnik. Due to the exclusive character of the agreement Höganäs Borgestad, in order to deliver the products to its own customers on time, is dependent on Refratechnik delivering the products on time and in accordance with the agreement.

4.6.3 *Other activities*

In addition to the two most important segments described above, the Group has the following investments:

NBT AS (2,98%)

NBT AS is a wind power development company with substantial development rights in northern China, Pakistan and, as of late, Ukraine. NBT AS' main focus is to develop, build own and operate wind farms in emerging markets. In addition to the company's offices in Oslo and Limassol, the company has been present in Beijing since 2004 and Karachi since 2008. The company's headquarter is situated in Oslo, with its main development hub situated in Beijing, from where it supports technical development in both China and Pakistan. In addition, NBT AS has two Singapore based companies holding their joint venture agreements.

The first two wind parks were, together with Chinese partners, commissioned in 2011 with an additional wind park put in operation in 2012, each of which has a rated capacity of 50 MW. In Pakistan, joint venture agreements were signed in both 2011 and 2012 for projects totalling 650 MW, of which 600 MW is in co-operation with Malaysian Malakoff group. The joint venture initiated in 2012 has a total capacity of 1500 MW, with 100 MW ready for construction in the second quarter of 2013, and an additional 150 + 250 MW by year end 2013. In 2015, the company was refinanced and due to uncertainty related to the emerging wind market the estimated values that lies within the company is of high uncertainty. Together with its partners, two windfarms have been developed and are operational today. The company has a 49% stake in the Linxi Wind Farm (100MW) and 33% in the Baicheng Wind Farm. In addition, the company has access to an additional development project of 1,000 MW in China according to latest available public information.

In 2018 NBT acquired 100% of the shares in Syvashenergoprom LLC in Kherson, Ukraine. At the time Syvashenergoprom LLC had an operating wind farm of 3 MW and land and grid connection capacity for up to 250 MW. During 2018, NBT developed the project to international standards.

During the first half of 2019 financial close was reached for the financing of the Syvash wind farm project as the first internationally project financed wind farm in Ukraine. NBT secured an equity investment of EUR 79 million from Total Eren SA, the renewable energy arm of the French oil company Total SA. Simultaneously NBT invested EUR 35 million as equity in the project. Following these equity contributions, that were made to a Swedish holding company, Total Eren SA acquired 53.5% of the shares in Syvash wind farm.

Following the completed financing of the wind farm, the EPC contractor commenced mobilization for the construction. The Syvash Wind Farm is the largest wind farm in Ukraine and one of the largest onshore wind farms in Europe. The construction of the entire wind farm is expected to be finalized late Q3 2021.

When the completed wind farm is put into full production it is expected to produce about 900 GWh annually and with yearly revenues of about EUR 85 million.

Borgestad owns 2,98% of the shares in NBT AS.

Norwegian Crew Management AS (33.33%)

Norwegian Crew Management AS is a Norwegian private limited liability company organised under the laws of Norway. The company was incorporated on 29 June 1992 with registration number 964 415 099. The company's business is to provide personnel to Norwegian and foreign ships, and assisting shipping companies in the training of personnel to be used at sea and in shipping management. In addition, the company invests in other companies. The company currently has two employees. Borgestad owns 33.33% of the shares in Norwegian Crew Management AS.

4.7 Material contracts

In March 2021 Höganäs Borgestad entered into a strategic agreement for the resale of refractory products with Refratechnik Cement GmbH and Refratechnik Steel GbbH (together, "**Refratechnik**"), a significant supplier of refractory products. The agreement with Refratechnik means that Höganäs Borgestad from 1 April 2021 buys refractory products from Refratechnik for resale. As a result of the agreement with Refratechnik, Höganäs Borgestad is expected to be able to offer its customers reduced lead times, increased flexibility and a larger product range. Höganäs Borgestad will start the process of closing down the production line for standard production of refractory products in Bjuv from and including September 2021. Höganäs Borgestad will continue to produce refractory masses and special products. As a result of the closure of the production line for standard production of refractory products, Höganäs Borgestad's workforce will be reduced by approximately 70 employees.

Other than the agreement entered into with Refratechnik as described above, neither the Company nor any member of the Group has entered into any material contracts outside the ordinary course of business of the Group for the two last years immediately preceding the date of this Prospectus, and no member of the Group has entered into any contracts outside the ordinary course of business of the Group containing obligations or entitlements that are, or may be, material to the Group as of the date of this Prospectus.

Below is an overview of the main categories of contracts entered into by the Group in the ordinary course of business:

Contracts in the refractory segment: The refractory business segment of the Group operates under three different categories of contracts, relating to installation activity and material deliveries. Within installation activities the Group distinguishes between maintenance contracts and project delivery contracts. The majority of the contracts are project delivery contracts.

- *Maintenance contracts* typically have a term of one to eight years, where the Group's installation companies have the responsibility for the maintenance work of any defined installation in the period defined in the contract. The work is normally frequent in the period. A maintenance contract can include only service or both service and material delivery. The maintenance contracts are priced with a specific rate per hours used for regular work, with additions if unexpected work is required.
- *Project delivery contracts* relates to new-build or large scale ad-hoc maintenance, and are contracts concerning specific work within a short time period which is handed over at project end. The contracts are priced based on hours used for the total project or an accord fee. The project delivery contracts are often limited to a specific period of time, and often contain a clause setting forth the agreed number of days for installation of the project. If the installation is finished before the agreed final date/time, the relevant Group company may be entitled to a bonus payment. If the installation is not finished by the agreed date/time,

the relevant Group company may be required to pay a fee. An installation contract often specify the material to be used, the quality of the material (monolithic or brick) and, when installing monolithic, also the thickness of the installation.

- *Material delivery contracts* are normal contracts for delivery of material to customers' asset department or to specific projects. Material delivery can also include supervision of installation of material in projects. Material delivery contracts typically include a specific number of bricks or tonnage of monolithics that shall be produced and delivered to a specific date, at a price that is agreed in the contract. If the Group does not deliver within the agreed time or delivers with production failures in the bricks/monolithics, fees may accrue.

Annual agreements are financially handled on a monthly basis, while project contracts are handled over the project period. Financial cut-off of costs and turnover are handled by delivery terms.

Within the refractory segment, there are no contracts or customers that exceed 10% of the annual turnover of the segment, and the customers are spread though out various types of customers and regions.

Contracts in the property segment: Within the property management and development segment of the Group, there are two main categories of contracts: (i) fixed rent lease agreements and (ii) revenue based lease agreements. The vast majority of the contracts are lease agreement with a fixed term.

4.8 Legal Proceedings

The Group company Macon AB, that operates within the refractory segment, is currently involved in an arbitration dispute in Wien. The dispute relates to a project delivered by Macon AB to a customer in Russia in 2016. The customer has not paid an amount of approximately SEK 25 million for the project to Macon AB. Macon AB and the Company is of the opinion that Macon AB has a claim against the Russian customer for the outstanding amount, and on this basis no provision has been made for loss of claim in connection with this matter. In the opponent party's defence reply, it has presented a counterclaim against Macon AB for damages due to production loss and daily fines of approximately SEK 40 million. In the opinion of Borgestad, there is no basis for the counterclaim and Macon AB has consequently in Borgestad's opinion the right to claim the total outstanding amount of SEK 25 million. The date of arbitration has been set to 6 September 2021 to 10 September 2021.

In July 2018, three Danish companies initiated legal proceedings against Borgestad, Borgestad Properties AS and Agora Bytom Sp. z.o.o before Oslo District Court. They allege to have a claim against the defendants for additional project management fee related to the construction of the shopping centre in Agora Bytom. In July 2019, the Court of Appeal dismissed the case on procedural grounds with regard to one of the Danish companies (lack of legal interest) and Agora Bytom (legal venue/arbitration clause). This decision is final. The proceedings before Oslo District Court took place in December 2020/January 2021. In February 2021, Oslo District Court acquitted Borgestad and Borgestad Properties AS. The Danish companies have appealed the decision and the date of the appeal in the Court of Appeal has been set to 8 March 2022 to 10 March 2022. The maximum liability for the Borgestad companies in this matter is approximately PLN 4 million plus default interest. Borgestad and Borgestad Properties AS are of the opinion that they should be acquitted. They are not parties to the project management services agreement and are of the opinion that they are not liable for the payment of the project management fee. There are also arguments to the effect that the claims for project management fee are not substantiated and in any case time barred. The Group has not made any provision in its accounts related to this claim.

From time to time, the Group is involved in litigation, disputes and other legal proceedings arising in the normal course of its business. However, except from the above described disputes, neither the Company nor any other company in the Group has been involved in any legal, governmental or arbitration proceeding during the course of the preceding twelve months, which may have, or have had in the recent past, significant effects on the Company or Borgestad's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

4.9 Health, safety, environment and quality

The working environment is an important foundation within all parts of the Group and is a priority both in daily and long-term work.

It is the Groups belief that a good working environment and a quality conscious approach contributes to good performance. The work environment of the Group is characterized by respect for the individual and provides a facility that is safe and contributes to efficiency and comfort.

Emphasis is placed on systematic preventive work, which is done in close cooperation between management, employees, work organization and occupational health. Each employee should be locally given the opportunity to participate in the development of a good working environment. Each employee has a personal responsibility for their

safety in their daily work, thus it is everyone's responsibility to follow instructions and procedures and to be alert and report any damage or health risk.

It is in the interest of the company to uphold a higher standard than the minimal requirements for a good work environment and rehabilitation. The Company will maintain an active dialogue with authorities, our employees and our working environment.

The Group is committed to find inventive ways to help the environment through the own production and business processes. One example is to utilize waste heat from the manufacturing processes through a heat exchange system. This system uses waste heat to heat the water distributed in the municipal district heating network.

4.10 Credit Rating

There are no credit ratings assigned to the Company at the request or with the cooperation of the Company in the rating process.

4.11 Expected financing of the Company's activities

The business activities of the Company and the Group are financed by the Bond Issue, the credit facilities of Höganäs Borgestad Holding AB, the Company and Agora Bytom Sp. Z. o.o respectively.

4.11.1 The Bond Issue

The Bond Issue, and the terms and conditions applicable to the Bonds, is further described in Section 8 "*Information about the Bonds*" of the Prospectus.

4.11.2 Credit facilities of the Group

- The NOK 50,000,000 secured facility of the Company with Sparebank 1 Telemark as lender, secured by, *inter alia*, mortgages over the real properties of the Company and Borgestad Næringspark AS. Interest accrues on the bank overdraft facility at an interest rate of 3 months NIBOR plus 2.25 per cent. per annum.
- The EUR 44,900,000 mortgage debt of Agora Bytom Sp. z o.o with Bank Pekao Kasa Opieki S.A. as lender, secured by a mortgage over the real property of Agora Bytom and a parent company guarantee by Borgestad. Interest accrues on the mortgage debt at an interest rate of 1 month EURIBOR plus 2.70 per cent. per annum, and the mortgage debt falls due on 30 June 2024.
- The secured facilities (SEK 93,500,000 mortgage facility, SEK 70,000,000 bank overdraft facility and SEK 30,000,000 season credit facility) with Höganäs Borgestad Holding AB as borrower and Nordea Bank Aps as lender, secured by, *inter alia*, share pledges over the subsidiaries in the Höganäs Borgestad group and mortgage over the real property of Höganäs Borgestad in Bjuv. Interest accrues on the mortgage debt at an interest rate of 1 month STIBOR plus 3,00 per cent. per annum, and the secured facilities fall due on 30 June 2022.

4.11.3 Need for additional funding

Although not planned for at the date of this Prospectus, the Group may incur additional indebtedness in the future. The Group's level of debt at any time may have important consequences for the Group, including but not limited to the following:

- The Group's ability to obtain additional financing for working capital, capital expenditures, acquisitions or other purposes may be impaired or such financing may be unavailable on favourable terms;
- The Group's costs of borrowing could increase as it becomes more leveraged;
- The Group may need to use a substantial portion of its cash from operations to make principal and interest payments on its debt, reducing the funds that would otherwise be available for operations, future business opportunities and dividends to its shareholders;
- The Group's debt level could make it more vulnerable than its competitors with less debt to competitive pressure, a downturn in its business or the economy generally; and
- The Group's debt level may limit its flexibility in responding to changing business and economic conditions.

The Group's ability to meet its payment obligations related to its debt and running operations is dependent on its future performance and may be affected by events beyond its control. If the financing available to the Group is insufficient to meet its financing needs or if the Group is unable to service its debt, the Group will to the best of its abilities attempt to adequately meet its new financing needs by implementing certain measures. For example, it may be forced to reduce or delay capital expenditures, sell assets or businesses at unanticipated times and/or for unfavourable prices or other terms, or, to the extent possible and available as a measure at the relevant time, seek additional equity capital or restructure or refinance its debt.

The Group's future capital requirements and level of expenses depend on several factors, including, among other things, its growth strategy, investment requirements, timing and terms on which contracts can be negotiated, the amount of cash generated from operations, the level of demand for the Group's services and general industry conditions. Some of these events, affecting the Group's ability to generate sufficient cash flow from operations to service its debt and fund future capital requirements and expenses, are beyond the Group's control. In the event that the Group's existing resources are insufficient to fund the Group's business activities, the Group may need to raise additional funds through public offerings or private placements of debt or equity securities, however it is not possible for the Group to predict on what terms, or if at all, such additional funding may be obtained at any given time.

5 ORGANISATION, BOARD OF DIRECTORS AND MANAGEMENT

5.1 Board of directors

5.1.1 Overview of the Board of Directors

The Board of Directors of the Company currently consists of the following persons:

Name	Position	Served since	Term expires	Shares
Christen Knudsen	Chairperson	2019 ¹	2021	2,533,530
Gudmund Bratrud.....	Board member	1997 ²	2021	2,153,850
Anita Ballestad	Board member	2019	2021	-
Anne Sofie Tønseth Markman	Board member	2020	2022	-
Jacob Møller.....	Board member	2009 ³	2022	734,967

1 Knudsen was elected chairperson of the Board of Directors at the annual general meeting in 2019, and resigned as the CEO of Borgestad on the same day. Knudsen is the largest shareholder of the Company. 1,865 of Knudsen's shares are held by him personally, while the remaining shares are held indirectly through Mentone AS (2,402,493 shares) and by related parties (close family) (129,172 shares).

2 270,183 of Bratrud's shares are held by him personally, while the remaining shares are held indirectly through Regent AS (666,170 shares), Myra Matsenter AS (258,000 shares), Analyseinvest AS (262,000 shares), Suveren AS (481,794 shares) and Substantia AS (215,703 shares).

3 Møller was a board member from 2009 until 2017, when he was elected as a deputy board member until 2020 and then elected as a board member. Møller's shares are held indirectly through Dione AS (684,128 shares) and Ploot Invest AS (50,839 shares).

5.1.2 Brief biographies of the Board of Directors

Christen Knudsen, Chairperson

Knudsen is the fourth generation after the founder of the Company. He has the majority shareholding of the Company, and controls 19,91 % of the votes as at the date of this Prospectus. He has held several key positions in the Group since 1990, and has also been the Chief Executive Officer since 1990. Knudsen has an MSc in Business and Economics from the Norwegian School of Economics (*Nw.: Norges Handelshøyskole (NHH)*). He is a Norwegian citizen, currently residing in Norway.

Current directorships and senior management positions outside the Group *Stiftelsen Sjøfartens hus (Chairperson) and Mentone AS (Chairperson and general manager).*

Previous directorships and senior management positions last five years outside the Group..... *BTV-Invest (Board member).*

Gudmund Bratrud, Board Member

Bratrud was first elected as board member of the Board of Directors in 1997, and has thus been a director of the Company for more than 20 consecutive years. In addition to his directorship in the Company, Bratrud is engaged as board member in several other real estate and investment companies. In addition to his directorship in the Company and other corporations, he is also involved investment activities. Bratrud has an MSc in Business and Economics from the Norwegian School of Economics (NHH). He is also a State Authorized Public Accountant. Bratrud is a Norwegian citizen, currently residing in Norway.

Current directorships and senior management positions outside the Group *Nesodden Gjestehus AS (Chairperson), Suveren AS (Chairperson), Regent AS (Chairperson), Analyseinvest AS (Chairperson), Myra Matsenter AS (Chairperson) and Substantia AS (Chairperson).*

Previous directorships and senior management positions last five years outside the Group..... *Coal Glory AS (Board member) and Coal Glory DIS (Board member).*

Anita Ballestad, Board Member

Anita Ballestad was elected to the Board of Directors in 2019. Ballestad has a wide practice from private and public companies, and has since 2003 worked with real estate. She is currently property manager in Skien municipality. She is a Norwegian citizen, currently residing in Norway.

Current directorships and senior management positions outside the Group *Skien Tomteselskap AS (Chairperson).*

Previous directorships and senior management *Skien Lufthavn AS (Board member).*

positions last five years outside the Group.....

Anne Sofie Tønseth Markman, Board member

Markman has been a board member since 2020. She holds a masters' degree from NTH and has also completed her business administration studies at BI. Markman has had a long career in the oil sector and has primarily been employed by Statoil/Equinor. She is a Norwegian citizen, currently residing in Norway.

Current directorships and senior management positions outside the Group Nilsholmen Investering AS (Chairperson), Spring investment Group AS (Board member)

Jacob A. Møller, Board member

Møller has been a board member of the company since 2009, and in 2020 was elected a board member for two years. He has a law degree from the University of Oslo and a Master of Laws from the University of Cambridge. Møller currently runs his own consulting company and is an advisor to several listed companies. Møller has a background as a lawyer in BAHR and head of Schibsted's M&A department. Møller has a masters' degree in law from the University of Oslo, as well as a Master in Law from the University of Cambridge, UK. He is a Norwegian citizen, currently residing in Norway.

Current directorships and senior management positions outside the Group Dione AS (Chairperson), Dione Eiendom AS (Chairperson), Drangedalsveien 102 AS (Chairperson), Konciv AS (Chairperson), Porter AS (Chairperson) Ploot Invest AS (Chairperson), Eljach Invest AS (Board member),, Dokkvegen 20 AS (Board member), Dokkvegen Utvikling AS (Board member), Lendo Part Of Schibsted AS. (Board member).

Previous directorships and senior management positions last five years outside the Group..... Schibsted Marketplaces Invest AS (Chairperson), Schibsted Classified Media AS (Chairperson), SnT Classified ANS (Board member), Drengåsen Utbygging SA (Board member), Schibsted A.G. (Board member).

The business address of the Company's management team is c/o Borgestad ASA, Gunnar Knudsens veg 144, 3712 Skien, Norway.

5.1.3 Directors' shareholdings

The table below presents the number of shares held by members of the Board of Directors as at the date of this Prospectus (including shares held through private investment companies):

Name		Number of shares
<u>Christen Knudsen</u>	Mentone AS	2,402,493
	Randi Thuland	59,724
	Christen Knudsen	1,865
	Severin Knudsen	69,448
		<u>2,533,530</u>
<u>Gudmund Bratrud</u>	Regent AS	666,170
	Myra Matsenter AS	258,000
	Substantia AS	215,703
	Analyseinvest AS	262,000
	Suveren AS	481,794
	Gudmund Bratrud	270,183
	<u>2,153,850</u>	
<u>Jacob Møller</u>	Ploot Invest AS	50,839
	Dione AS	684,128
	<u>734,967</u>	

5.2 Management

5.2.1 Overview of the Management

The Group's executive management is responsible for the daily management and the operations of the Group. As at the date of this Prospectus, the Company's management team consists of the following individuals:

Name	Current position within the Company	Employed with the Company since	Shares
Pål Feen Larsen	Chief Executive Officer / Chief Financial Officer	2013	90,801
Niclas Sjöberg	Refractory Industry Manager / CEO of Höganäs Borgestad	2016 ¹	-

¹ Employed with the Group since 2011.

The table above also presents the number of shares held by the Company's management team as at the date of this Prospectus (including shares held through private investment companies).

The business address of the Company's management team is c/o Borgestad ASA, Gunnar Knudsens veg 144, 3712 Skien, Norway.

5.2.2 Brief biographies of the Management

Pål Feen Larsen, Chief Executive Officer / Chief Financial Officer

Feen Larsen has been with the Company since 2013, when he was appointed for the position as Group Accountant Manager. On 4 June 2019 he was appointed CEO of the Group while continuing his position as Chief Financial Officer ("CFO"), a position he has held since August 2015. Prior to his employment with the Company, Feen Larsen worked in KPMG Audit. Through his employment with KPMG Audit, he has gained auditing and advisory experience, including as auditor and advisor for several listed and international companies. Feen Larsen has an MSc in Accounting and Auditing from the Norwegian Business School (*Nw.: Handelshøyskolen BI*), and is a State Authorized Public Accountant. Feen Larsen is a Norwegian citizen, currently residing in Norway.

Current directorships and senior management positions outside the Group N/A

Previous directorships and senior management positions last five years outside the Group N/A

Niclas Sjöberg, Refractory Industry Manager

Sjöberg has been the CEO of Höganäs Borgestad and the Refractory Industry Manager since September 2016. Through his career, he has gained extensive and valuable experience in the refractory business. He is the founder and CEO of the company Macon AB, which delivers refractory materials, constructions and related services to its customers. Macon AB has been a part of the Group since 2011. Sjöberg is a Swedish citizen, currently residing in Sweden.

Current directorships and senior management positions outside the Group N/A

Previous directorships and senior management positions last five years outside the Group N/A

5.3 Conflict of interest

To the Company's knowledge, there are currently no actual or potential conflicts of interest between any duties to the Company and the private interests or other duties of any of the Board Members, the members of the Management or members of the audit committee of the Company, including any family relationships between such persons.

No Board Member, member of the Management or member of the audit committee has, or had, as applicable, during the last five years preceding the date of the Prospectus:

- any convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, member of the administrative body or supervisory body, director or senior manager of a company.

6 MAJOR SHAREHOLDERS, SHARE CAPITAL AND ARTICLES OF ASSOCIATION

6.1 Shareholder structure

As registered in the VPS as of 26 May 2021⁴, the Company has a total of 12.724.832 registered shareholders. The Company's largest shareholder is Christen Knudsen, through his wholly owned company, Mentone AS, holding approximately 19,91% of the issued shares. All shares in the Company, including shares held by the Company's major shareholders, have equal voting rights.

The top 20 registered shareholders with the largest shareholdings as registered in the VPS as at 26 May 2021 are listed below:

#	Name of shareholder	Number of shares	%
1	Mentone AS	2 402 493	18,88
2	Skåla Bær AS	1 100 000	8,64
3	Intertrade Shipping AS	800 000	6,29
4	Dione AS	684,128	5,38
5	Regent AS	666 170	5,24
6	Suveren AS	481 794	3,79
7	Bemacs AS	476 779	3,75
8	Mexico Invest AS	470 000	3,69
9	SES AS	453 849	3,57
10	HKG Holding AS	423 470	3,33
11	Bratrud, Gudmund	270 183	2,12
12	Analyseinvest AS	262 000	2,06
13	Myra Matsenter AS	258 000	2,03
14	Substantia AS	215 703	1,70
15	Stavanger kommune	176 299	1,39
16	Stave, Frank Endre	149 242	1,17
17	Auris AS	125 000	0,98
18	GN Power Invest AS	103 200	0,81
19	CAM AS	100 000	0,79
20	Bergen kommunale pensjonskasse	97 245	0,76
	Total top 20 shareholders	9 714 555	76,34
	Other	3 012 777	23,68
	Total shareholders	12 724 832	100.00

Shareholders owning 5% or more of the shares have an interest in the Company's share capital which is noticeable pursuant to the Norwegian Securities Trading Act. See 6.2 "*Disclosure obligations*" for a description of the disclosure obligations under the Norwegian Securities Trading Act.

As of the date of this Prospectus, the following shareholders are registered in the VPS as owning more than 5% of the shares in the Company: Mentone AS, Skåla Bær AS, Intertrade Shipping AS, Dione AS and Regent AS.

Except for the shareholders mentioned, including the Directors' shareholdings set out in Section 5.1.3 above, the Company is not aware of any other shareholders or consolidated groups of shareholders owning more than 5% of the shares.

The Company is not aware of any arrangements which may at a subsequent date result in a change of control of the Company. The shares have not been subject to any public takeover bids.

6.2 Disclosure obligations

Pursuant to the Norwegian Securities Trading Act, a person, entity or a group acting in concert acquires or disposes shares or rights to shares, i.e. convertible loans, subscription rights, options to purchase shares and similar rights to shares, which results in beneficial ownership, directly or indirectly, in the aggregate, reaching or exceeding or falling below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital, or a

⁴ Source: Borgestad ASA's website <https://borgestad.no/aksjonaerer/>

corresponding portion of the votes, is obligated to notify Oslo Børs and the issuer immediately. Certain voting rights are counted on equal basis as shares and rights to shares. A change in ownership level due to other circumstances (i.e. other than acquisition or disposal) can also trigger the notification obligations when the said thresholds are passed, e.g. changes in the company's share capital.

6.3 Share capital

The issued share capital of the Company at the date of this Prospectus is NOK 127,248,320 divided amongst 12,724,832 shares each with a par value of NOK 10. The shares are fully paid and issued in accordance with Norwegian law.

The shares are registered in the VPS register with ISIN NO 0003111700. The shares are equal in all respects and each share carries one vote at the Company's general meeting.

6.4 Articles of association

The most recent articles of association of the Company, applicable as of 24 January 2020, are attached to the Prospectus in Schedule 2.

The objective of the Company is to invest in, and operate, companies offering services within construction and maintenance of transport related infrastructure.

7 FINANCIAL INFORMATION

7.1 Financial Statements

The Company's audited consolidated financial statements as of and for the years ended 31 December 2019 and 31 December 2020 (together the "**Financial Statements**"), as well as the Group's unaudited consolidated interim accounts for the first quarter (Q1) of 2021, have been incorporated by reference hereto, see Section 10.3 "*Incorporation by reference*".

The Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**"). For more information regarding accounting policies and the use of estimates and judgments for the Group, please see Note 1 in each of the Financial Statements, which have been incorporated by reference into the Prospectus, see Section 10.3 "*Incorporation by reference*".

The Company has not changed its accounting reference date during the period for the historical financial information incorporated by reference in this Prospectus.

7.2 Auditor

The Company's independent auditor is Deloitte AS, Dronning Eufemias gate 14, 0191 Oslo, Norway, with registration number 980 211 282. Deloitte AS is a member of the Norwegian Institute of Public Accountants (Nw.: *Den Norske Revisorforening*). Deloitte AS has been the Company's independent auditor for the historical financial periods covered by this Prospectus.

The Financial Statements have been audited by Deloitte AS, and the auditor's report is included together with the Financial Statements as incorporated hereto, see Section 10.3 "*Incorporation by reference*".

Apart from the auditor's report included in the Financial Statements Deloitte AS have not audited, reviewed or produced any report on any other information provided in this Prospectus.

There is no financial information in the Prospectus not extracted from the Financial Statements.

7.3 Financial performance and position – Statement of no significant changes

In December 2020, the Company issued the Bonds (the terms of such issue are further described in Section 8.1 "*The terms and details of the Bonds*" below). The net proceeds from the Bond Issue was utilised to partly refinance the Company's senior secured callable bond issue 2014/2017 with ISIN NO 0010720766.

There has been no significant changes in the financial performance or financial position of the Group since the end of the last financial period for which any financial information has been published and to the date of this Prospectus. In accordance with IFRS the Company implemented IFRS 16 accounting for leases effective from January 1, 2019.

7.4 Funding structure – Statement of no material changes

Save for the Bond Issue and the part refinancing of the Company's senior secured callable bond issue 2014/2017 with ISIN NO 0010720766, there have been no material changes to the Issuer's borrowing and funding structure since the last financial year.

7.5 Prospects of the Company - Statement of no material adverse changes

There have been no material adverse changes in the prospects of the Company since the date of its last published audited financial statements.

The Company does not have any information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for the current financial year.

7.6 Recent events relevant to evaluation of the Company's solvency

There have been no recent events particular to the Company that to a material extent are relevant for the evaluation of the Company's solvency.

8 INFORMATION ABOUT THE BONDS

8.1 The terms and details of the Bonds

The Bond Issue is governed by the Norwegian law bond terms entered into on 3 December 2020 (the "**Bond Terms**") between the Issuer as issuer and Nordic Trustee AS as the bond trustee on behalf of the bondholders (the "**Bond Trustee**"). A copy of the Bond Terms is attached to the Prospectus in Schedule1.

In this Section 8.1 "*The terms and details of the Bonds*" capitalized terms used and not defined herein shall have the same meaning as in the Bond Terms.

ISIN code:	NO001 0907736
The Bond Issue:	Borgestad ASA FRN senior secured NOK 300,000,000 bonds 2020/2023
Issuer:	Borgestad ASA, business registration number 920 639 674
LEI code:	5967007LIEEXZXG3AG53
Date of Bond Terms:	3 December 2020
Security type:	Senior secured bonds
Maximum loan amount:	NOK 300,000,000
Outstanding amount:	NOK 300,000,000
The Initial Nominal Amount of each bond:	NOK 100,000
Currency:	NOK
Securities form:	The Bonds are electronically registered in dematerialized form with the CSD.
Issue Date:	8 December 2020
Interest bearing from and including:	Issue Date
Interest bearing until:	Maturity Date
Maturity Date:	8 January 2023
Interest Rate (Floating Rate):	3 months NIBOR plus the Margin
Margin:	8.00% p.a.
Bond Reference Rate:	3 months NIBOR
NIBOR:	Means the Norwegian Interbank Offered Rate being; <ul style="list-style-type: none"> a) the interest rate fixed for a period comparable to the relevant Interest Period published by Global Rate Set Systems (GRSS) at approximately 12.00 (Oslo time) on the Interest Quotation Day; or b) if no screen rate is available for the relevant Interest Period: <ul style="list-style-type: none"> (i) the linear interpolation between the two closest relevant interest periods, and with the same number of decimals, quoted under paragraph (a) above; or (ii) a rate for deposits in the currency of the Bonds for the relevant Interest Period as supplied to the Bond Trustee at its request quoted by a sufficient number of commercial banks reasonably selected by the Bond Trustee; or

- c) if the interest rate under paragraph (a) is no longer available, the interest rate will be set by the Bond Trustee in consultation with the Issuer to:
- (i) any relevant replacement reference rate generally accepted in the market; or
 - (ii) such interest rate that best reflects the interest rate for deposits in the currency of the Bonds offered for the relevant Interest Period.

In each case, if any such rate is below zero, the Reference Rate will be deemed to be zero.

The floating interest may be fluctuating but the variable component, the Reference Rate, will not go below zero.

The information on the past and future performance of the relevant NIBOR is available on the website of Oslo Børs at www.oslobors.no, and can be obtained free of charge.

Current interest rate:	8,46 % p.a.
Interest Period:	Subject to adjustment in accordance with the Business Day Convention, the period between 8 March, 8 June, 8 September and 8 December each year, provided however that an Interest Period shall not extend beyond the Maturity Date.
Calculation of interest:	Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period. Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). The Interest Rate will be reset at each Interest Quotation Day by the Bond Trustee, who will notify the Issuer and the Paying Agent and, if the Bonds are listed, the Exchange, of the new Interest Rate and the actual number of calendar days for the next Interest Period.
Interest Quotation Day:	In relation to any period for which Interest Rate is to be determined, two (2) Quotation Business Days before the first day of the relevant Interest Period.
Quotation Business Date:	A day on which Norges Bank's settlement system is open.
Calculation agent:	The Bond Trustee
Interest Payment Date:	The last day of each Interest Period, the first Interest Payment Date being 8 March 2021 and the last Interest Payment Date being the Maturity Date.
Business Day:	A day on which both the relevant CSD settlement system is open, and the relevant Bond currency settlement system is open.
CSD:	The central securities depository in which the Bonds are registered, being Verdipapirsentralen ASA, P.O. Box 1174 Sentrum, NO-0107 Oslo, Norway.
Business Day Convention:	Means that if the last day of any Interest Period originally falls on a day that is not a Business Day, the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day (Modified Following).
Indication of yield:	The yield on the Bonds is depending on the following three elements: <ul style="list-style-type: none">(i) the applicable Interest Rate during the tenor of the Bonds, the method of calculation is described above in this Section 8.1 of the Prospectus;(ii) the applicable premium payable upon a voluntary early redemption (Call Option), the method of calculation is described below in this Section 8.1 of the Prospectus; and also

the price of the Bonds in the secondary market.

Maturity: The Bonds shall mature in full on the Maturity Date (8 January 2023), and shall be repaid by the Issuer on the Maturity Date at par (100.00% of the Nominal Amount).

Voluntary early redemption - Call Option: The Issuer may redeem all but not only some of the Outstanding Bonds (the "Call Option") on any Business Day from and including:

- (iii) the Interest Payment Date in June 2022 to, but not including, the Interest Payment Date in September 2022 at a price equal to 102 per cent. of the Nominal Amount for each redeemed Bond; and
- (iv) the Interest Payment Date in September 2022 to the Maturity Date at a price equal to 100 per cent. of the Nominal Amount for each redeemed Bond.

Any redemption of Bonds pursuant to Clause 10.2 (*Voluntary early redemption - Call Option*) of the Bond Terms shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.

The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least 10 Business Days prior to the proposed Call Option Repayment Date.

Any notice given in respect of redemptions of Bonds may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent, however, so that any and all such conditions precedent must be fulfilled or waived no later than three (3) Business Days prior to the Call Option Repayment Date or otherwise the call notice shall be null and void.

Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

Call Option Repayment Date: Means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 (*Voluntary early redemption - Call Option*), Clause 10.3 (*Mandatory repurchase due to a Put Option Event*) paragraph (d), or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

Nominal Amount: The Initial Nominal Amount (less the aggregate amount by which each Bond has been partially redeemed, if any, pursuant to Clause 10 (*Redemption and repurchase of Bonds*)), or any other amount following a split of Bonds pursuant to Clause 16.2 (*The duties and authority of the Bond Trustee*), paragraph (j) of the Bond Terms.

First Call Date: Means the Interest Payment Date falling in June 2022.

Put Option Event: The occurrence of a Change of Control Event.

Mandatory repurchase - Put Option: Upon the occurrence of a Put Option Event each Bondholder will have the right (the Put Option) to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101.00 per cent. of the Nominal Amount.

Change of Control Event: Means if any person or group of persons under the same Decisive Influence obtains Decisive Influence over the Issuer.

Decisive Influence: Means a person having, as a result of an agreement, understanding and/or other arrangement and/or through the direct and/or indirect ownership of shares and/or ownership interests in another person:

- (i) a majority of the voting rights in that other person; or

- (ii) a right to elect or remove a majority of the members of the board of directors of that other person.

When determining the relevant person's number of voting rights in the other person or the right to elect and remove members of the board of directors, rights held by the parent company of the relevant person and the parent company's Subsidiaries shall be included.

Status of the bonds: The Bonds will constitute senior debt obligations of the Issuer. The Bonds will rank pari passu between themselves and will rank at least pari passu with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

Finance Documents: The Bond Terms, the Bond Trustee Fee Agreement, any Transaction Security Document, and any other document designated by the Issuer and the Bond Trustee as a Finance Document.

Transaction Security: As Security for the due and punctual fulfilment of the Secured Obligations, the Issuer and certain Subsidiaries of the Issuer has granted the Transaction Security in favour of the Security Agent.

For further information on the Transaction Security please see Section 9 "*Description of the Security under the Bond Terms*" of this Prospectus.

No corporate guarantees are issued as Security for the Bonds.

Undertakings: Undertakings apply to the Issuer, including but not limited to certain information undertakings, general undertakings in respect of the business of the Group and certain financial covenants. See Clauses 12 (*Information Undertakings*) and 13 (*General and financial undertakings*) of the Bond Terms for more information.

Listing: The Issuer shall apply for the Bonds to be listed on an Exchange within twelve (12) months after the Issue Date.

Exchange: Means:

(a) Oslo Børs (the Oslo Stock Exchange); or

(b) any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and Regulation (EU) No. 600/2014 on markets in financial instruments (MiFIR).

Listing Failure Event: Means:

(a) that the Bonds have not been admitted to listing on an Exchange within 12 months following the Issue Date, or

(b) in the case of a successful admission to listing, that a period of 6 months has elapsed since the Bonds ceased to be admitted to listing on an Exchange.

Upon the occurrence of a Listing Failure Event and for as long as such Listing Failure Event is continuing, the interest on any principal amount outstanding under the Bond Terms will accrue at the Interest Rate plus 1 percentage point per annum.

Approvals: The Bonds have been issued in accordance with the Issuer's board of directors' approval dated 30 November 2020.

The Prospectus will be sent to the NFSA for review in relation to a listing application of the Bonds.

Use of proceeds: The Issuer will use the net proceeds from the issuance of the Bonds for re-financing of the Existing Debt and general corporate purposes of the Group.

Existing Debt: Means the outstanding amount under the senior secured callable bond issue 2014/2017 with ISIN NO 0010720766, issued by the Issuer pursuant to the bond agreement originally dated 1 October 2014 (as amended from time to time) entered into between the Issuer and the Bond Trustee.

Bond Terms, being the bond agreement for the Bond Issue: The Bond Terms have been entered into by the Issuer and the Bond Trustee and constitute the terms and conditions of the Bond Issue. The Bondholders shall be bound by the terms and conditions of the Bond Terms and any other Finance Document without any further action required to be taken or formalities complied with by the Bond Trustee, the Bondholders, the Issuer or any other party.

The Bond Trustee acts as the representative of all the Bondholders, monitoring the Issuer's performance of obligations pursuant to the Bond Terms, supervising the timely and correct payment of principal or interest, arranging Bondholders' Meetings, and taking action on behalf of all the Bondholders as and if required.

The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

For further details of the Bond Trustee's role and authority as the Bondholders' representative, see Clause 16 (*The Bond Trustee*) of the Bond Terms.

Bondholders' Meeting: At the Bondholders' Meeting each Bondholder may cast one (1) vote for each Voting Bond owned at close of business on the day prior to the date of the Bondholders' Meeting in accordance with the records registered in the Securities Register. The Issuer's Bonds shall not have any voting rights.

At least 50% of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.

Approval of any waiver or amendment of any provision of the Bond Terms requires approval of at least 2/3 of the votes represented at the Bondholders' Meeting.

For further details of the Bondholders' Meeting's authority, procedures, voting rules and written resolutions, see Clause 15 (*Bondholders' Decisions*) of the Bond Terms.

Limitation of claims: Claims for interest and principal shall be limited in time pursuant to the Norwegian statutes of limitation law of 18 May 1979, whereby the general time limit is 3 years for interest and up to 10 years for the principal from the earliest date a claim can be made.

Availability of documentation: www.borgestad.no and www.stamdata.no

Bond Trustee: Nordic Trustee AS, P.O. Box 1470 Vika, NO-0161 Oslo, Norway.

Manager: Arctic Securities AS

Paying Agent and CSD account manager: Means the legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD, at the date of the Prospectus being Nordea Bank Abp, filial i Norge, business registration number 920 058 817, and with registered address Essendrops gate 7, 0368 Oslo, Norway.

Transfer of Bonds: Subject to the restrictions set forth in Clause 11 (*Purchase and transfer of Bonds*) of the Bond Terms, the Bonds are freely transferable and may be pledged.

Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with local laws and regulations applicable at own cost and expense.

Notwithstanding the above, a Bondholder which has purchased the Bonds in of applicable restrictions may nevertheless utilize its voting rights under the Bond Terms.

Tax: The Issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the Finance Documents.

The Issuer shall, if any tax is withheld in respect of the Bonds under the Finance Documents:

- (b) gross up the amount of the payment due from it up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee, as the case may be, receive a net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required; and
- (c) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made.

The Group is subject to taxes in the countries in which it operates. There can be no assurance that the Group's operations will not become subject to increased taxation by national, local or foreign authorities or to new or modified taxation regulations and requirements, including requirements relating to the timing of any tax payments. From time to time the Group's tax payments may be subject to review or investigation by tax authorities of the jurisdictions in which the Group operates. The consequences of such tax reviews or investigations could have a material adverse effect on the Group's business, operating results and financial condition.

Potential investors should be aware that changes in the tax legislation of the investors' and of the Issuer's country of incorporation may have an impact on the income received from the Bonds. There can be changes in the applicable tax legislation, increased taxation by national, local or foreign authorities, new or modified taxation rules and requirements, including requirements relating to the timing of any tax payments, which may have an impact on the on the income received from the Bonds.

Legislation under which the Bonds have been created: Norwegian law governing the issue of the Bonds.

Fees and Expenses: The Issuer shall cover all public fees in connection with the Bonds and the Finance Documents. Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.

Market making: No market making agreement has been entered into in relation to the Bonds.

Rating: No credit rating has been assigned to the Bonds.

Prospectus: This Prospectus dated 1 June 2021.

8.2 Advisors

Advokatfirmaet Thommessen AS is acting as legal adviser to the Issuer in relation to the Listing.

8.3 Listing

The Issuer will apply for a listing of the Bonds on the Oslo Stock Exchange as soon as possible after this Prospectus has been approved by the NFSA, and admission to trading is expected to be on or about 1 June 2021 with ISIN NO001 0907736. Neither the Issuer nor any other members of the Group have securities of the same class of the bonds listed on any EEA regulated market.

The total costs of the Issuer in connection with the issuance of the Bonds and the Listing is approximately NOK 4,625,000 (incl. VAT) in total to Arctic Securities AS, the manager of the Bond Issue, and Advokatfirmaet Thommessen AS.

8.4 Interest of natural and legal persons involved in the Bond Issue

The involved persons in the Issuer have no interest, nor conflicting interests that are material to the Bond Issue.

8.5 Reasons for the application for the admission to trading

This Prospectus is being produced in connection with the Issuer's application for the admission to trading of the Bonds on Oslo Stock Exchange.

Pursuant to the Bond Terms the Issuer shall, within twelve (12) months of the Issue Date of the Bonds, apply for the Bonds to be listed on either Oslo Stock Exchange or any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and Regulation (EU) No. 600/2014 on markets in financial instruments (MiFIR), as implemented into the Norwegian Securities Trading Act.

The application for admission to trading is put forward by the Issuer to satisfy the conditions of the Bond Terms.

8.6 Information sourced from third parties and expert opinions

Any information sourced from third parties in this Prospectus has been accurately reproduced and, as far as the Issuer is aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition the source of such information has been identified where relevant.

The Issuer confirms that no statement or report attributed to a person as an expert is included in this Prospectus.

8.7 Approval of the Prospectus

This Prospectus was approved by the Financial Supervisory Authority of Norway (*Nw.: Finanstilsynet*) (the "NFSA") on 1 June 2021, as competent authority under the EU Prospectus Regulation.

The NFSA only approves this Prospectus 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 Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. The NFSA has not checked or approved the accuracy or completeness of the information included in this Prospectus. The approval by the NFSA only relates to the information included in accordance with pre-defined disclosure requirements. The NFSA has not conducted any form of review or approval relating to corporate matters described in or referred to in this Prospectus.

9 DESCRIPTION OF THE SECURITY UNDER THE BOND TERMS

9.1 Introduction

All defined terms in this Section 9 "*Description of the Security under the Bond Terms*" shall have the meaning prescribed to such terms in the Bond Terms (attached to this Prospectus as Schedule 1).

The Transaction Security (as described below) has been granted by the Issuer and certain direct and indirect Subsidiaries of the Issuer, as security for all present and future obligations and liabilities of the Issuer under the Finance Documents (the "**Secured Obligations**"), which include the Issuer's obligations related to the Bonds.

9.2 Description of the Transaction Security

Pursuant to the Bond Terms, the following Transaction Security has been granted in favour of Nordic Trustee AS, as the bond trustee and security agent on behalf of the Bondholders (the "**Security Agent**"), as security for the due and punctual fulfilment of the Secured Obligations:

- (i) a first priority share pledge granted by the Issuer over all the shares in Borgestad Industries AS;
- (ii) a first priority share pledge granted by the Issuer over all the shares in Borgestad Properties AS;
- (iii) a first priority share pledge granted by Borgestad Properties AS over all the shares in Borgestad Næringspark AS;
- (iv) first priority mortgages in the maximum secured amount of NOK 21,500,000 over each of the following real properties owned by Borgestad Næringspark AS ranking ahead of second priority mortgages over each of the properties granted to Sparebanken Telemark:
 - (A) property no. 69, title no. 4 in Skien municipality;
 - (B) property no. 74, title no. 144 in Skien municipality; and
 - (C) property no. 74, title no. 211 in Skien municipality;
- (v) first priority pledges over the Issuer's and Borgestad Næringspark AS' monetary claims against the relevant account banks for the amount from time to time standing to the credit of the Issuer and Borgestad Næringspark AS in various bank accounts (subject to any permitted netting or set-off arrangement);
- (vi) a first priority pledge granted by the Issuer over any Intercompany Loan; and
- (vii) a first priority pledge by the relevant lender (being a Subsidiary of the Issuer) of any Subordinated Loan.

9.3 Security granted by the Issuer's Subsidiaries

Each of Borgestad Properties AS (being a wholly owned direct Subsidiary of the Issuer) and Borgestad Næringspark AS (being a wholly owned Subsidiary of Borgestad Properties AS, and an indirect Subsidiary of the Issuer) has, each as a third party security provider (*No: Realkausjonist*), granted a security interest over certain of its assets in favour of the Security Agent, as security for the Secured Obligations.

In addition any lender (being a Subsidiary of the Issuer) of any Subordinated Loan is deemed a Security Provider (as defined in the Bond Terms) pursuant to the Bond Terms. As per the date of this Prospectus no Subsidiaries of the Issuer are lenders under a Subordinated Loan.

The Security Providers are all consolidated direct or indirect subsidiaries of the Issuer, and a further description of the business, assets and financial information of the Security Providers may be found in the Company's consolidated Financial Statements, incorporated by reference hereto, see Section 10.3 "*Incorporation by reference*".

Except for the security interests created by the Transaction Security referred to above, no direct or indirect Subsidiary of the Issuer has provided any corporate guarantee, or entered into any guarantee agreement or guarantee undertaking as security for the Bonds.

10 ADDITIONAL INFORMATION

10.1 Auditors and advisors

The Company's independent auditor is Deloitte AS with registration number 980 211 282, and business address Dronning Eufemias gate 14, NO-0191 Oslo, Norway. Deloitte AS is a member of the Norwegian Institute of Public Accountants (Nw.: *Den Norske Revisorforening*).

Advokatfirmaet Thommessen AS, Haakon VIIs gate 10, NO-0161 Oslo, Norway, with registration number 957 423 248 is acting as Norwegian legal counsel to the Company.

10.2 Documents on display

For the life of this Prospectus, the following documents (and copies thereof) are available for inspection at the Company's offices and can be downloaded from the Company's web page www.borgestad.com:

- Articles of Association of the Company;
- All reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in the registration document;
- This Prospectus;
- The Company's audited consolidated financial statements for each of the years ended 31 December 2019 and 31 December 2020;
- The Company's audited financial statements for each of the years ended 31 December 2019 and 31 December 2020; and
- The Company's unaudited consolidated interim accounts for the first quarter (Q1) of 2021.

10.3 Incorporation by reference

The information incorporated by reference in this Prospectus shall be read in connection with the cross-reference list as set out in the table below. Except as provided in this Section, no other information is incorporated by reference into this Prospectus.

The Company incorporates by reference its own and the Group's audited consolidated financial statements for the year ended 31 December 2019 and 31 December 2020, as well as certain other documents set out below.

Section in the Prospectus	Disclosure requirements of the Prospectus	Reference document and link	Page (P) in reference document ¹
Section 7	Consolidated audited historical financial information (Annex 6, section 11)	Financial Statement 2020: https://borgestad.no/wp-content/uploads/2021/04/Borgestad_annual_report_2020.pdf	P 23
		Financial Statement 2019: https://borgestad.no/wp-content/uploads/2020/04/BOR-%C3%85rsrapport-2019.pdf	P 23
Section 7	Company's audited historical financial information (Annex 6, section 11)	Financial Statement 2020: https://borgestad.no/wp-content/uploads/2021/04/Borgestad_annual_report_2020.pdf	P 63
		Financial Statement 2019: https://borgestad.no/wp-content/uploads/2020/04/BOR-%C3%85rsrapport-2019.pdf	P 63
Section 7	Audit report (Annex 6, section 11.3.1)	Auditor's Report 2020: https://borgestad.no/wp-content/uploads/2021/04/Borgestad_annual_report_2020.pdf	P 84
		Auditor's Report 2019: https://borgestad.no/wp-content/uploads/2020/04/BOR-%C3%85rsrapport-2019.pdf	P 80

Section 7	Consolidated unaudited interim financial information (Annex 6, section 11.2.1)	Q1 report 2021 https://borgestad.no/wp-content/uploads/2021/05/BOR-1.-kvartalsrapport-2021.pdf	P 7
Section 7	Accounting principles (Annex 6, section 11.1.3)	Accounting Principles (2020): https://borgestad.no/wp-content/uploads/2021/04/Borgestad_annual_report_2020.pdf	P 69
		Accounting principles (2019): https://borgestad.no/wp-content/uploads/2020/04/BOR-%C3%85rsrapport-2019.pdf	P 68

- 1 The original page number as stated in the reference document. Where only parts of a document have been referenced to, the non-incorporated parts are either not relevant for the investor or covered elsewhere in the Prospectus.

11 DEFINITIONS AND GLOSSARY OF TERMS

Board of Directors/Board	The board of directors of a company
Board Members	The members of a company's Board of Directors
Bonds	The bonds issued in the Borgestad ASA FRN senior secured NOK 300,000,000 bonds 2020/2023 with ISIN NO0010907736
Bond Terms	The bond agreement for the Bond Issue, dated 3 December 2020
Bond Issue	The Borgestad ASA FRN senior secured NOK 300,000,000 bonds 2020/2023 with ISIN NO0010907736
Bond Trustee	Nordic Trustee AS, a Norwegian private limited liability company with company registration number 963 342 624
CEO	Chief executive officer
CFO	Chief financial officer
Chairman	Chairman of the Board of Directors
Company, Issuer or Borgestad	Borgestad ASA
EEA	The European Economic Area.
EU	The European Union
EUR	The lawful 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, repealing Directive 2003/71/EC, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act
Financial Statements/Financial Information	The Group's audited Financial Statements for the financial years 2019 and 2020
GLA	Gross leasable areas
Group	The Company and its subsidiaries as at the date of this Prospectus
Höganäs Borgestad	The Group's refractory business
IFRS	International Financial Reporting Standards
ISIN	International securities identification number of bonds
LEI	Legal Entity Identifier
MiFID II	The Markets in Financial Instruments Directive 2014/65/EU
NFSA	The Financial Supervisory Authority of Norway
NOK	The lawful currency of Norway
Norwegian Public Limited Companies Act	The Norwegian Public Limited Companies Act of 13 June 1997 No.45 (as amended)
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 No. 75 (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.
Prospectus	This Prospectus dated 1 June 2021
Refratechnik	Refratechnik Cement GmbH and Refratechnik Steel GbbH together
Summary	The summary in Section 1 of the Prospectus
VAT	Value Added Tax
VPS	The Norwegian Central Securities Depository (No. Verdipapirsentralen)



BORGESTAD ASA

Borgestad ASA
Gunnar Knudsens veg 144
3712 Skien
Norway

Phone: + 47 35 54 24 00
www.borgestad.com

SCHEDULE 1: THE BOND TERMS

Execution version

BOND TERMS

FOR

Borgestad ASA FRN senior secured NOK 300,000,000 bonds 2020/2023

ISIN NO0010907736

Contents

Clause	Page
1. INTERPRETATION	3
2. THE BONDS	15
3. THE BONDHOLDERS	16
4. ADMISSION TO LISTING	17
5. REGISTRATION OF THE BONDS	17
6. CONDITIONS FOR DISBURSEMENT.....	17
7. REPRESENTATIONS AND WARRANTIES	20
8. PAYMENTS IN RESPECT OF THE BONDS	22
9. INTEREST.....	24
10. REDEMPTION AND REPURCHASE OF BONDS	24
11. PURCHASE AND TRANSFER OF BONDS.....	26
12. INFORMATION UNDERTAKINGS	27
13. GENERAL AND FINANCIAL UNDERTAKINGS	28
14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS	31
15. BONDHOLDERS' DECISIONS	34
16. THE BOND TRUSTEE.....	38
17. AMENDMENTS AND WAIVERS	42
18. MISCELLANEOUS	43
19. GOVERNING LAW AND JURISDICTION.....	45

ATTACHMENT 1 COMPLIANCE CERTIFICATE

ATTACHMENT 2 RELEASE NOTICE – ESCROW ACCOUNT

BOND TERMS between	
ISSUER:	Borgestad ASA, a company existing under the laws of Norway with registration number 920 639 674 and LEI-code 5967007LIEEXZXG3AG53 and
BOND TRUSTEE:	Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624 and LEI-code 549300XAKTM2BMKIPT85.
DATED:	3 December 2020
These Bond Terms shall remain in effect for so long as any Bonds remain outstanding.	

1. INTERPRETATION

1.1 Definitions

The following terms will have the following meanings:

“**Acceptable Bank**” means (a) a commercial bank, savings bank or trust company which has a rating of A- or higher from S&P Global Ratings or A3 or higher from Moody’s Investor Service Limited or a comparable rating from a nationally recognized credit rating agency for its long term debt obligations, or (b) a bank or financial institution which is authorised to carry on banking business in Norway.

“**Account Bank**” means the Paying Agent or another Norwegian bank acceptable to the Bond Trustee.

“**Accounting Standard**” means IFRS.

“**Affiliate**” means, in relation to any person:

- (a) any person which is a Subsidiary of that person;
- (b) any person who has Decisive Influence over that person (directly or indirectly); and
- (c) any person which is a Subsidiary of an entity who has Decisive Influence over that person (directly or indirectly).

“**Agora Bytom**” means the company Agora Bytom Sp. z.o.o.

“**Annual Financial Statements**” means the audited unconsolidated and consolidated annual financial statements of the Issuer for any financial year, prepared in accordance with the Accounting Standard, such financial statements to include a profit and loss account, balance sheet, cash flow statement and report of the board of directors.

“**Assignment of Subordinated Loans**” means a first priority assignment by the relevant lender (being a Subsidiary of the Issuer) of all its present and future monetary claims under any Subordinated Loan.

“**Attachment**” means any schedule, appendix or other attachment to these Bond Terms.

“**Bond Terms**” means these terms and conditions, including all Attachments which shall form an integrated part of these Bond Terms, in each case as amended and/or supplemented from time to time.

“**Bond Trustee**” means the company designated as such in the preamble to these Bond Terms, or any successor, acting for and on behalf of the Bondholders in accordance with these Bond Terms.

“**Bond Trustee Fee Agreement**” means the agreement entered into between the Issuer and the Bond Trustee relating among other things to the fees to be paid by the Issuer to the Bond Trustee for its obligations relating to the Bonds.

“**Bondholder**” means a person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to Clause 3.3 (*Bondholders’ rights*).

“**Bondholders’ Meeting**” means a meeting of Bondholders as set out in Clause 14 (*Bondholders’ Decisions*).

“**Bonds**” means (i) the debt instruments issued by the Issuer pursuant to these Bond Terms and (ii) any overdue and unpaid principal which has been issued under a separate ISIN in accordance with the regulations of the CSD from time to time.

“**Book Equity**” means the aggregate book value (on a consolidated basis) of the Group’s total equity treated as equity in accordance with IFRS, as set out in the most recent Annual Financial Statements or the Interim Accounts (as the case may be) of the Issuer.

“**Borgestad Properties Group**” means Borgestad Properties AS and its Subsidiaries.

“**Business Day**” means a day on which both the relevant CSD settlement system is open, and the relevant currency of the Bonds settlement system is open.

“**Business Day Convention**” means that if the last day of any Interest Period originally falls on a day that is not a Business Day, the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day (*Modified Following*).

“**Call Option**” has the meaning given to it in Clause 10.2 (*Voluntary early redemption – Call Option*).

“**Call Option Repayment Date**” means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 (*Voluntary early redemption – Call Option*), Clause 10.3(d) or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

“**Cash and Cash Equivalents**” means on any date, on a consolidated basis, the aggregate equivalent in NOK on such date of the then current market value of:

- (a) cash in hand or amounts standing to the credit of any current and/or on deposit accounts with an Acceptable Bank;
- (b) time deposits with Acceptable Banks and certificates of deposit issued, and bills of exchange accepted, by an Acceptable Bank;
- (c) unused and freely available credit facilities; and
- (d) readily marketable securities,

in each case to which any Group Company is beneficially entitled at the time and to which any such Group Company has free and unrestricted access and which is not subject to Security.

“**Change of Control Event**” means if any person or group of persons under the same Decisive Influence obtains Decisive Influence over the Issuer.

“**Compliance Certificate**” means a statement substantially in the form as set out in Attachment 1 hereto.

“**CSD**” means the central securities depository in which the Bonds are registered, being Verdipapirsentralen ASA (VPS).

“**Decisive Influence**” means a person having, as a result of an agreement, understanding and/or other arrangement and/or through the direct and/or indirect ownership of shares and/or ownership interests in another person:

- (a) a majority of the voting rights in that other person; or
- (b) a right to elect or remove a majority of the members of the board of directors of that other person.

When determining the relevant person’s number of voting rights in the other person or the right to elect and remove members of the board of directors, rights held by the parent company of the relevant person and the parent company’s Subsidiaries shall be included.

“**Default Notice**” means a written notice to the Issuer as described in Clause 14.2 (*Acceleration of the Bonds*).

“**Default Repayment Date**” means the settlement date set out by the Bond Trustee in a Default Notice requesting early redemption of the Bonds.

“**Distribution**” means any dividend payment, repurchase of shares and/or make any loans and/or other equity or capital distributions and/or payments to its shareholders (including servicing of shareholder loans) whether in cash or in kind, including without limitation any total return swaps or instruments with similar effect.

“Escrow Account” means an account with the Account Bank in the name of the Issuer, blocked and pledged on first priority as security for the Issuer’s obligations under the Finance Documents.

“Escrow Account Pledge” means the first priority pledge over the Escrow Account, in favour of the Bond Trustee (on behalf of the Bondholders), where the Account Bank has waived any set-off rights, and which shall be blocked so that no withdrawals can be made from the Escrow Account without the Bond Trustee's prior written consent.

“Event of Default” means any of the events or circumstances specified in Clause 14.1 (*Events of Default*).

“Exchange” means:

- (a) Oslo Børs (the Oslo Stock Exchange); or
- (b) any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and Regulation (EU) No. 600/2014 on markets in financial instruments (MiFIR).

“Existing Bond Agreement” means the bond agreement originally dated 1 October 2014 (as amended from time to time) entered into between the Issuer and the Bond Trustee in relation to the issuance of Existing Bonds.

“Existing Bonds” means the senior secured callable bond issue 2014/2017 with ISIN NO 0010720766 issued by the Issuer pursuant to the Existing Bond Agreement.

“Existing Debt” means the outstanding amount under the Existing Bonds.

“Finance Documents” means these Bond Terms, the Bond Trustee Fee Agreement, any Transaction Security Document, and any other document designated by the Issuer and the Bond Trustee as a Finance Document.

“Financial Indebtedness” means any indebtedness for or in respect of:

- (a) moneys borrowed (and debit balances at banks or other financial institutions);
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including the Bonds;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Standard, be capitalized as an asset and booked as a corresponding liability in the balance sheet;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis provided that the requirements for de-recognition under the Accounting Standard are met);

- (f) any derivative transaction entered into and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of a person which is not a Group Company which liability would fall within one of the other paragraphs of this definition;
- (h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) before the Maturity Date or are otherwise classified as borrowings under the Accounting Standard;
- (i) any amount of any liability under an advance or deferred purchase agreement, if (i) the primary reason behind entering into the agreement is to raise finance or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 120 calendar days after the date of supply;
- (j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise being classified as a borrowing under the Accounting Standard; and
- (k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above.

“Financial Reports” means the Annual Financial Statements and the Interim Accounts.

“Financial Support” means any loans, guarantees, Security or other financial assistance (whether actual or contingent).

“First Call Date” means the Interest Payment Date falling in June 2022.

“Group” means the Issuer and its (directly or indirectly owner) Subsidiaries from time to time.

“Group Company” means any person which is a member of the Group.

“IFRS” means the International Financial Reporting Standards and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof) in force from time to time and to the extent applicable to the relevant financial statement.

“Initial Nominal Amount” means the nominal amount of each Bond as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“Insolvent” means that a person:

- (a) is unable or admits inability to pay its debts as they fall due;
- (b) suspends making payments on any of its debts generally; or

- (c) is otherwise considered insolvent or bankrupt within the meaning of the relevant bankruptcy legislation of the jurisdiction which can be regarded as its centre of main interest as such term is understood pursuant to Regulation (EU) 2015/848 on insolvency proceedings (as amended from time to time).

“Intercompany Loan” means any intercompany loan in excess of NOK 5,000,000 that may be provided by the Issuer to any of its Subsidiaries, other than Agora Bytom (any such intercompany loan shall be senior debt of the borrowers, and rank at least *pari passu* with the claims of its other creditors, except for those obligations which are mandatorily preferred by law).

“Interest Payment Date” means the last day of each Interest Period, the first Interest Payment Date being 8 March 2021 and the last Interest Payment Date being the Maturity Date.

“Interest Period” means, subject to adjustment in accordance with the Business Day Convention, the period between 8 March, 8 June, 8 September and 8 December each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

“Interest Quotation Day” means, in relation to any period for which Interest Rate is to be determined, 2 Quotation Business Days before the first day of the relevant Interest Period.

“Interest Rate” means the percentage rate per annum which is the aggregate of the Reference Rate for the relevant Interest Period plus the Margin.

“Interim Accounts” means the unaudited consolidated quarterly financial statements of the Issuer for the quarterly period ending on each 31 March, 30 June, 30 September and 31 December in each year, prepared in accordance with the Accounting Standard.

“ISIN” means International Securities Identification Number.

“Issue Date” means 8 December 2020.

“Issuer” means the company designated as such in the preamble to these Bond Terms.

“Issuer’s Bonds” means any Bonds which are owned by the Issuer or any Affiliate of the Issuer.

“Liquidity” means, at any given time and on a consolidated basis, the aggregate book value of the Group’s Cash and Cash Equivalents.

“Listing Failure Event” means:

- (a) that the Bonds have not been admitted to listing on an Exchange within 12 months following the Issue Date, or
- (b) in the case of a successful admission to listing, that a period of 6 months has elapsed since the Bonds ceased to be admitted to listing on an Exchange.

“LTV” means, in relation to any Financial Indebtedness, the ratio of loan to value, measured by reference to the proportion (expressed as a percentage) which the principal amount of such

Financial Indebtedness bears to the aggregate market value of all the assets of the Group that secure such Financial Indebtedness.

“**Manager**” means Arctic Securities AS.

“**Mandatory Redemption Amount**” means:

- (a) if a Mandatory Redemption Event occurs as a result of a voluntary sale of shares or other assets by the Group or an issue of new shares in any of its Subsidiaries, an amount equal to the net proceeds received by the Group upon such sale or share issue, after repayment of financial indebtedness secured by such shares or assets (in the case of a sale) and deduction of taxes, cost and expenses incurred in connection with the sale or share issue; and
- (b) if a Mandatory Redemption Event otherwise occurs, including due to an Event of Default, an amount equal to the nominal value of all the Outstanding Bonds.

“**Mandatory Redemption Event**” means if:

- (a) the Issuer ceases to be the owner (directly or indirectly) of 100 per cent. of the shares of Borgestad Properties AS;
- (b) the Issuer ceases to be the owner (directly or indirectly) of 100 per cent. of the shares of Agora Bytom or substantially all of the current assets of Agora Bytom;
- (c) the Issuer ceases to be the owner (directly or indirectly) of 100 per cent. of the shares of Borgestad Industries AS; or
- (d) an Event of Default occurs and is outstanding.

“**Mandatory Redemption Repayment Date**” means the settlement date for the Mandatory Redemption Event pursuant to Clause 10.6 (*Mandatory early redemption due to a Mandatory Redemption Event*).

“**Margin**” means 8 per cent.

“**Material Adverse Effect**” means a material adverse effect on:

- (a) the Issuer’s or any of its Subsidiary’s ability to perform and comply with its obligations under any of the Finance Documents; or
- (b) the validity or enforceability of any of the Finance Documents.

“**Material Subsidiary**” means:

- (a) any Subsidiary whose total consolidated assets represent at least 20 per cent. of the total consolidated assets of the Group, or
- (b) any Subsidiary whose total consolidated turnover represents at least 15 per cent. of the total consolidated turnover of the Group, or

- (c) any other Subsidiary to which is transferred either (A) all or substantially all of the assets of another Subsidiary which immediately prior to the transfer was a Material Subsidiary, or (B) sufficient assets of the Issuer that such Subsidiary would have been a Material Subsidiary had the transfer occurred on or before the relevant date,

always provided that Subsidiaries not being a Material Subsidiary shall in aggregate not exceed 20 per cent. of the consolidated turnover, or total consolidated assets of the Group (as the case may be).

“**Maturity Date**” means 8 January 2023, adjusted according to the Business Day Convention.

“**NBT Sale**” means a sale of the Issuer's shares in NBT AS, a company existing under the laws of Norway with registration number 987 646 977.

“**Net Sales Proceeds**” shall have the meaning ascribed to such term in Clause 10.4 (*Mandatory offer to repurchase Bonds due to a NBT Sale*).

“**Nominal Amount**” means the Initial Nominal Amount (less the aggregate amount by which each Bond has been partially redeemed, if any, pursuant to Clause 10 (*Redemption and repurchase of Bonds*)), or any other amount following a split of Bonds pursuant to Clause 16.2, paragraph (j).

“**Outstanding Bonds**” means any Bonds not redeemed or otherwise discharged.

“**Overdue Amount**” means any amount required to be paid by the Issuer under any of the Finance Documents but not made available to the Bondholders on the relevant Payment Date or otherwise not paid on its applicable due date.

“**Partial Payment**” means a payment that is insufficient to discharge all amounts then due and payable under the Finance Documents.

“**Paying Agent**” means the legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD.

“**Payment Date**” means any Interest Payment Date or any Repayment Date.

“**Permitted Financial Indebtedness**” means:

- (a) the Bonds;
- (b) any Financial Indebtedness under any hedging arrangements entered into on market terms and as part of the ordinary course of business of the Issuer and for non-speculative purposes;
- (c) any Financial Indebtedness under finance or capital leases of vehicles, equipment or computers incurred by the Issuer in the ordinary course of business;
- (d) Financial Indebtedness in the principal amount of up to NOK 200,000,000 (or its equivalent in other currencies) incurred by Borgestad Industries AS or any of its Subsidiaries;

- (e) Financial Indebtedness in the principal amount of up to NOK 50,000,000 (or its equivalent in other currencies) under Borgestad Næringspark AS' existing facility with Sparebanken Telemark;
- (f) any Subordinated Loans pursuant to a Subordinated Loan Agreement, provided such Subordinated Loan is subject to a first priority pledge in favour of the Bond Trustee;
- (g) Financial Indebtedness not permitted by the preceding paragraphs of any member of the Borgestad Properties Group, provided that no additional Financial Indebtedness may be incurred by any member of the Borgestad Properties Group after the Issue Date unless that aggregate LTV for all secured Financial Indebtedness of the Borgestad Properties Group immediately after the time of incurrence of such additional financial indebtedness is no higher than 75 per cent.;
- (h) Financial Indebtedness arising as a result of a contemplated refinancing of the Bonds in full (a "**Refinancing**") provided that such debt is held in escrow until full repayment of the Bonds; and
- (i) Financial Indebtedness not permitted by the preceding paragraphs and the outstanding principal amount of which does not exceed NOK 5,000,000 (or its equivalent in other currencies) in aggregate for the Group at any time.

"Permitted Security" means:

- (a) Security granted in relation to Permitted Financial Indebtedness paragraphs (a) and (b);
- (b) Security granted over assets of Borgestad Industries AS and/or any of its Subsidiaries in relation to Permitted Financial Indebtedness paragraph (e);
- (c) Security granted over assets of any member of the Borgestad Properties Group in relation to Permitted Financial Indebtedness paragraph (g);
- (d) second lien mortgages in the amount of NOK 50,000,000 over each of the properties 74/144 and 74/211, both in Skien municipality, owned by Borgestad Næringspark AS and granted in favour of Sparebanken Telemark;
- (e) any lien arising by operation of law in the ordinary course of business;
- (f) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to the Issuer in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by the Issuer;
- (g) any Security created in the form of a pledge over an escrow account to which the proceeds incurred in relation to a Refinancing are intended to be received;
- (h) any Security created for the benefit of the financing providers in relation to a Refinancing, however, provided always that any perfection requirements in relation thereto are satisfied after repayment of the Bonds in full; and

- (i) any netting or set-off arrangement entered into by the Issuer in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of the Issuer.

“**Put Option**” shall have the meaning ascribed to such term in Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

“**Put Option Event**” means a Change of Control Event.

“**Put Option Repayment Date**” means the settlement date for the Put Option pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

“**Quarter Date**” means each 31 March, 30 June, 30 September and 31 December.

“**Quotation Business Day**” means a day on which Norges Bank’s settlement system is open.

“**Reference Rate**” shall mean NIBOR; (Norwegian Interbank Offered Rate) being;

- (a) the interest rate fixed for a period comparable to the relevant Interest Period published by Global Rate Set Systems (GRSS) at approximately 12.00 (Oslo time) on the Interest Quotation Day; or
- (b) if no screen rate is available for the relevant Interest Period:
 - (i) the linear interpolation between the two closest relevant interest periods, and with the same number of decimals, quoted under paragraph (a) above; or
 - (ii) a rate for deposits in the currency of the Bonds for the relevant Interest Period as supplied to the Bond Trustee at its request quoted by a sufficient number of commercial banks reasonably selected by the Bond Trustee; or
- (c) if the interest rate under paragraph (a) is no longer available, the interest rate will be set by the Bond Trustee in consultation with the Issuer to:
 - (i) any relevant replacement reference rate generally accepted in the market; or
 - (ii) such interest rate that best reflects the interest rate for deposits in the currency of the Bonds offered for the relevant Interest Period.

In each case, if any such rate is below zero, the Reference Rate will be deemed to be zero.

“**Relevant Jurisdiction**” means the country in which the Bonds are issued, being Norway.

“**Relevant Record Date**” means the date on which a Bondholder’s ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time; or

- (b) for the purpose of casting a vote with regard to Clause 15 (*Bondholders' Decisions*), the date falling on the immediate preceding Business Day to the date of that Bondholders' decision being made, or another date as accepted by the Bond Trustee.

"Repayment Date" means any Call Option Repayment Date, the Default Repayment Date, the Put Option Repayment Date, the Tax Event Repayment Date, the Mandatory Redemption Repayment Date or the Maturity Date.

"Secured Obligations" means all present and future obligations and liabilities of the Issuer under the Finance Documents.

"Secured Parties" means the Security Agent and the Bond Trustee on behalf of itself and the Bondholders.

"Securities Trading Act" means the Securities Trading Act of 2007 no.75 of the Relevant Jurisdiction.

"Security" means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Security Agent" means the Bond Trustee or any successor Security Agent, acting for and on behalf of the Secured Parties in accordance with any Security Agent Agreement or any other Finance Document.

"Security Agent Agreement" means any agreement other than these Bond Terms whereby the Security Agent is appointed to act as such in the interest of the Bond Trustee (on behalf of itself and the Bondholders).

"Security Providers" means, in addition to the Issuer, Borgestad Properties AS, Borgestad Næringspark AS and any lender (being a Subsidiary of the Issuer) of any Subordinated Loan.

"Subordinated Loan" means a loan from any of the Issuer's Subsidiaries to the Issuer which shall be governed by a Subordinated Loan Agreement, and:

- (a) fully subordinated to the Bonds;
- (b) without enforcement rights prior to the Maturity Date; and
- (c) subject to an Assignment of Subordinated Loans.

"Subordinated Loan Agreement" means an agreement for any Subordinated Loan in a form satisfactory to the Bond Trustee.

"Subsidiary" means on any date a company over which another company has Decisive Influence.

"Summons" means the call for a Bondholders' Meeting or a Written Resolution as the case may be.

“**Tax Event Repayment Date**” means the date set out in a notice from the Issuer to the Bondholders pursuant to Clause 10.4 (*Early redemption option due to a tax event*).

“**Transaction Security**” means the Security created or expressed to be created in favour of the Security Agent (on behalf of the Secured Parties) pursuant to the Transaction Security Documents.

“**Transaction Security Documents**” means, collectively, the Escrow Account Pledge and all of the documents which shall be executed or delivered pursuant to Clause 2.5 (*Transaction Security*).

“**Voting Bonds**” means the Outstanding Bonds less the Issuer’s Bonds.

“**Written Resolution**” means a written (or electronic) solution for a decision making among the Bondholders, as set out in Clause 15.5 (*Written Resolutions*).

1.2 Construction

In these Bond Terms, unless the context otherwise requires:

- (a) headings are for ease of reference only;
- (b) words denoting the singular number will include the plural and vice versa;
- (c) references to Clauses are references to the Clauses of these Bond Terms;
- (d) references to a time are references to Central European time unless otherwise stated;
- (e) references to a provision of “**law**” is a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;
- (f) references to a “**regulation**” includes any regulation, rule, official directive, request or guideline by any official body;
- (g) references to a “**person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organization, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality;
- (h) references to Bonds being “**redeemed**” means that such Bonds are cancelled and discharged in the CSD in a corresponding amount, and that any amounts so redeemed may not be subsequently re-issued under these Bond Terms;
- (i) references to Bonds being “**purchased**” or “**repurchased**” by the Issuer means that such Bonds may be dealt with by the Issuer as set out in Clause 11.1 (*Issuer’s purchase of Bonds*),
- (j) references to persons “**acting in concert**” shall be interpreted pursuant to the relevant provisions of the Securities Trading Act; and
- (k) an Event of Default is “**continuing**” if it has not been remedied or waived.

2. THE BONDS

2.1 Amount, denomination and ISIN of the Bonds

- (a) The Issuer has resolved to issue a series of Bonds in the amount of NOK 300,000,000.
- (b) The Bonds are denominated in Norwegian Kroner (NOK), being the legal currency of Norway.
- (c) The Initial Nominal Amount of each Bond is NOK 100,000.
- (d) The ISIN of the Bonds is set out on the front page. These Bond Terms apply with identical terms and conditions to (i) all Bonds issued under this ISIN and (ii) any Overdue Amounts issued under one or more separate ISIN in accordance with the regulations of the CSD from time to time.
- (e) Holders of Overdue Amounts related to interest claims will not have any other rights under these Bond Terms than their claim for payment of such interest claim which claim shall be subject to paragraph (b) of Clause 15.1.

2.2 Tenor of the Bonds

The tenor of the Bonds is from and including the Issue Date to but excluding the Maturity Date.

2.3 Use of proceeds

The Issuer will use the net proceeds from the issuance of the Bonds for re-financing of the Existing Debt and general corporate purposes of the Group.

2.4 Status of the Bonds

The Bonds will constitute senior debt obligations of the Issuer. The Bonds will rank *pari passu* between themselves and will rank at least *pari passu* with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

2.5 Transaction Security

- (a) As Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall procure that the following Transaction Security is granted in favour of the Security Agent with first priority within the times agreed in Clause 6 (*Conditions for disbursement*):
 - (i) a first priority share pledge granted by the Issuer over all the shares in Borgestad Industries AS;
 - (ii) a first priority share pledge granted by the Issuer over all the shares in Borgestad Properties AS;
 - (iii) a first priority share pledge granted by Borgestad Properties AS over all the shares in Borgestad Næringspark AS;
 - (iv) first priority mortgages in the maximum secured amount of NOK 21,500,000 over each of the following real properties owned by Borgestad Næringspark AS

ranking ahead of second priority mortgages over each of the properties granted to Sparebanken Telemark:

- (A) property no. 69, title no. 4 in Skien municipality;
 - (B) property no. 74, title no. 144 in Skien municipality; and
 - (C) property no. 74, title no. 211 in Skien municipality;
- (v) first priority pledges over the Issuer's and Borgestad Næringspark AS' monetary claims against the relevant account banks for the amount from time to time standing to the credit of the Issuer and Borgestad Næringspark AS in various bank accounts (subject to any permitted netting or set-off arrangement);
 - (vi) a first priority pledge granted by the Issuer over any Intercompany Loan; and
 - (vii) a first priority pledge by the relevant lender (being a Subsidiary of the Issuer) of any Subordinated Loan.
- (b) The Transaction Security shall be entered into on such terms and conditions as the Bond Trustee in its discretion deems appropriate in order to create the intended benefit for the Secured Parties under the relevant document.
 - (c) The Security Agent shall be irrevocably authorised to release any Transaction Security over assets which are sold or otherwise disposed of (directly or indirectly) (i) in any merger, de-merger or disposal permitted in compliance with these Bond Terms and (ii) following an enforcement.

3. THE BONDHOLDERS

3.1 Bond Terms binding on all Bondholders

- (a) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by these Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with by the Bond Trustee, the Bondholders, the Issuer or any other party.
- (b) The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

3.2 Limitation of rights of action

- (a) No Bondholder is entitled to take any enforcement action, instigate any insolvency procedures, or take other legal action against the Issuer or any other party in relation to any of the liabilities of the Issuer or any other party under or in connection with the Finance Documents, other than through the Bond Trustee and in accordance with these Bond Terms, provided, however, that the Bondholders shall not be restricted from exercising any of their individual rights derived from these Bond Terms, including the right to exercise the Put Option.
- (b) Each Bondholder shall immediately upon request by the Bond Trustee provide the Bond Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Bond Trustee), as the Bond Trustee deems necessary for the

purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Bond Trustee is under no obligation to represent a Bondholder which does not comply with such request.

3.3 Bondholders' rights

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain proof of ownership of the Bonds, acceptable to the Bond Trustee.
- (b) A Bondholder (whether registered as such or proven to the Bond Trustee's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Bond Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 3.3 (*Bondholders' rights*) and may assume that it is in full force and effect, unless otherwise is apparent from its face or the Bond Trustee has actual knowledge to the contrary.

4. ADMISSION TO LISTING

The Issuer shall use its reasonable endeavours to ensure that the Bonds are listed on an Exchange within 12 months of the Issue Date and thereafter remain listed on an Exchange until the Bonds have been redeemed in full.

5. REGISTRATION OF THE BONDS

5.1 Registration in the CSD

The Bonds shall be registered in dematerialised form in the CSD according to the relevant securities registration legislation and the requirements of the CSD.

5.2 Obligation to ensure correct registration

The Issuer will at all times ensure that the registration of the Bonds in the CSD is correct and shall immediately upon any amendment or variation of these Bond Terms give notice to the CSD of any such amendment or variation.

5.3 Country of issuance

The Bonds have not been issued under any other country's legislation than that of the Relevant Jurisdiction. Save for the registration of the Bonds in the CSD, the Issuer is under no obligation to register, or cause the registration of, the Bonds in any other registry or under any other legislation than that of the Relevant Jurisdiction.

6. CONDITIONS FOR DISBURSEMENT

6.1 Conditions precedent for disbursement to the Issuer

- (a) Payment of the net proceeds from the issuance of the Bonds (net of any fees and legal costs of the Manager and the Bond Trustee, any costs and expenses incurred in connection with the Bonds and the amount of any original issue discount and premium payable to investors that deliver Existing Bonds in exchange of Bonds) to the Escrow Account shall be conditional on the Bond Trustee having received, no later than two

Business Days prior to the Issue Date (or such later date as the Bond Trustee may agree) each of the following documents, in form and substance satisfactory to the Bond Trustee:

- (i) these Bond Terms duly executed by all parties hereto;
 - (ii) copies of all necessary corporate resolutions of the Issuer to issue the Bonds and execute the Finance Documents to which it is a party;
 - (iii) a copy of a power of attorney (unless included in the corporate resolutions) from the Issuer to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of the Issuer;
 - (iv) copies of the Issuer's articles of association and of a full extract from the relevant company register in respect of the Issuer evidencing that the Issuer is validly existing;
 - (v) the Escrow Account Pledge (including all applicable notices, acknowledgements and consents from the Account Bank) duly executed by all parties thereto and perfected in accordance with applicable law;
 - (vi) copies of the Issuer's latest Financial Reports (if any);
 - (vii) confirmation that the applicable prospectus requirements (ref the EU prospectus regulation ((EU) 2017/1129)) concerning the issuance of the Bonds have been fulfilled;
 - (viii) confirmation that the Bonds are registered in the CSD (by obtaining an ISIN for the Bonds);
 - (ix) copies of any written documentation used in marketing the Bonds or made public by the Issuer or any Manager in connection with the issuance of the Bonds;
 - (x) the Bond Trustee Fee Agreement duly executed by the parties thereto; and
 - (xi) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of these Bond Terms and the Finance Documents).
- (b) The net proceeds from the Bond (on the Escrow Account, net of any legal costs and fees of the Manager and the Bond Trustee not covered pre-settlement as described in paragraph (a)) will not be disbursed to the Issuer unless the Bond Trustee has received or is satisfied that it will receive no later than two Business Days prior to such disbursement to the Issuer (or such later date as the Bond Trustee may agree) each of the following documents, in form and substance satisfactory to the Bond Trustee:
- (i) a duly executed release notice from the Issuer, as set out in Attachment 2;

- (ii) unless included in the release notice referred to in paragraph (i) above, a written confirmation from the Issuer that no Event of Default is continuing or would result from the disbursement of such proceeds from the Escrow Account;
 - (iii) unless delivered under this Clause 6.1 (Conditions precedent for disbursement to the Issuer) paragraph (a) as pre-settlement conditions precedent:
 - (A) copies of all necessary corporate resolutions of each Security Provider required to provide the Transaction Security and execute the Finance Documents to which it is a party;
 - (B) a copy of a power of attorney (unless included in the relevant corporate resolutions) from each Security Provider to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of the relevant Security Provider;
 - (C) copies of each Security Provider's articles of association and of a full extract from the relevant company register in respect of each Security Provider evidencing that the Security Providers are validly existing;
 - (iv) copies of any Subordinated Loan Agreements;
 - (v) the Transaction Security Documents (except for the Escrow Account Pledge) duly executed by all parties thereto and evidence of the establishment and perfection of the Transaction Security (or satisfactory evidence that the Transaction Security Documents will be executed and perfected in connection with, and simultaneously with, the release of the funds from the Escrow Account, subject, in certain circumstances, to perfection promptly following the release of funds from the Escrow Account);
 - (vi) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Security Providers and the legality, validity and enforceability of the Finance Documents (unless delivered under this Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) paragraph (a) as pre-settlement conditions precedent); and
 - (vii) any other Finance Documents being duly executed and perfected in form and substance satisfactory to the Bond Trustee.
- (c) The Bond Trustee, acting in its sole discretion, may, regarding this Clause 6.1 (*Conditions precedent for disbursement to the Issuer*), waive the requirements for documentation or decide that delivery of certain documents shall be made subject to an agreed closing procedure between the Bond Trustee and the Issuer.

6.2 Disbursement of the proceeds

Disbursement of the proceeds from the issuance of the Bonds is conditional on the Bond Trustee's confirmation to the Paying Agent that the conditions in Clause 6.1 (*Conditions*

precedent for disbursement to the Issuer) have been either satisfied in the Bond Trustee's discretion or waived by the Bond Trustee pursuant to paragraph (c) of Clause 6.1 above.

7. REPRESENTATIONS AND WARRANTIES

The Issuer makes the representations and warranties set out in this Clause 7 (*Representations and warranties*), in respect of itself to the Bond Trustee (on behalf of the Bondholders) at the following times and with reference to the facts and circumstances then existing:

- (a) at the date of these Bond Terms;
- (b) at the Issue Date; and
- (c) on each date of disbursement of proceeds from the Escrow Account.

7.1 Status

It is a public limited liability company, duly incorporated and validly existing and registered under the laws of its jurisdiction of incorporation, and has the power to own its assets and carry on its business as it is being conducted.

7.2 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated by those Finance Documents.

7.3 Valid, binding and enforceable obligations

These Bond Terms and each other Finance Document to which it is a party constitutes (or will constitute, when executed by the respective parties thereto) its legal, valid and binding obligations, enforceable in accordance with their respective terms, and (save as provided for therein) no further registration, filing, payment of tax or fees or other formalities are necessary or desirable to render the said documents enforceable against it.

7.4 Non-conflict with other obligations

The entry into and performance by it of these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated thereby do not and will not conflict with (i) any law or regulation or judicial or official order; (ii) its constitutional documents; or (iii) any agreement or instrument which is binding upon it or any of its assets.

7.5 No Event of Default

- (a) No Event of Default exists or is likely to result from the making of any drawdown under these Bond Terms or the entry into, the performance of, or any transaction contemplated by, any Finance Document.
- (b) No other event or circumstance has occurred which constitutes (or with the expiry of any grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which has or is likely to have a Material Adverse Effect.

7.6 Authorizations and consents

All authorisations, consents, approvals, resolutions, licenses, exemptions, filings, notarizations or registrations required:

- (a) to enable it to enter into, exercise its rights and comply with its obligations under these Bond Terms or any other Finance Document to which it is a party; and
- (b) to carry on its business as presently conducted and as contemplated by these Bond Terms,

have been obtained or effected and are in full force and effect.

7.7 Litigation

No litigation, arbitration or administrative proceedings or investigations of or before any court, arbitral body or agency which, if adversely determined, is likely to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.

7.8 Financial Reports

Its most recent Financial Reports fairly and accurately represent the assets and liabilities and financial condition as at their respective dates, and have been prepared in accordance with the Accounting Standard, consistently applied.

7.9 No Material Adverse Effect

Since the date of the most recent Financial Reports, there has been no change in its business, assets or financial condition that is likely to have a Material Adverse Effect.

7.10 No misleading information

Any factual information provided by it to the Bondholders or the Bond Trustee for the purposes of the issuance of the Bonds was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

7.11 No withholdings

The Issuer is not required to make any deduction or withholding from any payment which it may become obliged to make to the Bond Trustee or the Bondholders under these Bond Terms.

7.12 Pari passu ranking

Its payment obligations under these Bond Terms or any other Finance Document to which it is a party ranks as set out in Clause 2.4 (*Status of the Bonds*).

7.13 Security

No Security exists over any of the present assets of any Group Company in conflict with these Bond Terms.

8. PAYMENTS IN RESPECT OF THE BONDS

8.1 Covenant to pay

- (a) The Issuer will unconditionally make available to or to the order of the Bond Trustee and/or the Paying Agent all amounts due on each Payment Date pursuant to the terms of these Bond Terms at such times and to such accounts as specified by the Bond Trustee and/or the Paying Agent in advance of each Payment Date or when other payments are due and payable pursuant to these Bond Terms.
- (b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD at the Relevant Record Date, by, if no specific order is made by the Bond Trustee, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.
- (c) Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under these Bond Terms will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its securities account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.
- (d) If a Payment Date or a date for other payments to the Bondholders pursuant to the Finance Documents falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary have been set out for such payment in the relevant Finance Document.

8.2 Default interest

- (a) Default interest will accrue on any Overdue Amount from and including the Payment Date on which it was first due to and excluding the date on which the payment is made at the Interest Rate plus 3 percentage points per annum.
- (b) Default interest accrued on any Overdue Amount pursuant to this Clause 8.2 (*Default interest*) will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full.
- (c) Upon the occurrence of a Listing Failure Event and for as long as such Listing Failure Event is continuing, the interest on any principal amount outstanding under these Bonds Terms will accrue at the Interest Rate plus 1 percentage point per annum.

8.3 Partial Payments

- (a) If the Paying Agent or the Bond Trustee receives a Partial Payment, such Partial Payment shall, in respect of the Issuer's debt under the Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:
 - (i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee (and any Security Agent);
 - (ii) secondly, towards accrued interest due but unpaid; and
 - (iii) thirdly, towards any other outstanding amounts due but unpaid under the Finance Documents.
- (b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders, shall, after the above mentioned deduction of outstanding fees, liabilities and expenses, be applied (i) firstly towards any principal amount due but unpaid and (ii) secondly, towards accrued interest due but unpaid, in the following situations:
 - (i) the Bond Trustee has served a Default Notice in accordance with Clause 14.2 (*Acceleration of the Bonds*), or
 - (ii) as a result of a resolution according to Clause 15 (*Bondholders' decisions*).

8.4 Taxation

- (a) The Issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the Finance Documents and the issuance of the Bonds.
- (b) The Issuer shall, if any tax is withheld in respect of the Bonds under the Finance Documents:
 - (i) gross up the amount of the payment due from it up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee, as the case may be, receive a net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required; and
 - (ii) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made.
- (c) Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.

8.5 Currency

- (a) All amounts payable under the Finance Documents shall be payable in the denomination of the Bonds set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*). If, however, the denomination differs from the currency of the bank account connected to

the Bondholder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.

- (b) Any specific payment instructions, including foreign exchange bank account details, to be connected to the Bondholder's account in the CSD must be provided by the relevant Bondholder to the Paying Agent (either directly or through its account manager in the CSD) within 5 Business Days prior to a Payment Date. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place, provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.

8.6 Set-off and counterclaims

The Issuer may not apply or perform any counterclaims or set-off against any payment obligations pursuant to these Bond Terms or any other Finance Document.

9. INTEREST

9.1 Calculation of interest

- (a) Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.
- (b) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). The Interest Rate will be reset at each Interest Quotation Day by the Bond Trustee, who will notify the Issuer and the Paying Agent and, if the Bonds are listed, the Exchange, of the new Interest Rate and the actual number of calendar days for the next Interest Period.

9.2 Payment of interest

Interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued interest on the principal amount then due and payable, on each Repayment Date.

10. REDEMPTION AND REPURCHASE OF BONDS

10.1 Redemption of Bonds

The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100 per cent. of the Nominal Amount.

10.2 Voluntary early redemption - Call Option

- (a) The Issuer may redeem all but not only some of the Outstanding Bonds (the "**Call Option**") on any Business Day from and including:
 - (i) the Interest Payment Date in June 2022 to, but not including, the Interest Payment Date in September 2022 at a price equal to 102 per cent. of the Nominal Amount for each redeemed Bond; and

- (ii) the Interest Payment Date in September 2022 to the Maturity Date at a price equal to 100 per cent. of the Nominal Amount for each redeemed Bond.
- (b) Any redemption of Bonds pursuant to Clause 10.2 (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.
- (c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least 10 Business Days prior to the proposed Call Option Repayment Date.
- (d) Any notice given in respect of redemptions of Bonds may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent, however, so that any and all such conditions precedent must be fulfilled or waived no later than three (3) Business Days prior to the Call Option Repayment Date or otherwise the call notice shall be null and void.
- (e) Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

10.3 Mandatory repurchase due to a Put Option Event

- (a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the "**Put Option**") to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101 per cent. of the Nominal Amount.
- (b) The Put Option must be exercised within 15 Business Days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 12.3 (*Put Option Event*). Once notified, the Bondholders' right to exercise the Put Option is irrevocable.
- (c) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the third Business Day after the end of the 15 Business Days exercise period referred to in paragraph (b) above. However, the settlement of the Put Option will be based on each Bondholders holding of Bonds at the Put Option Repayment Date.
- (d) If Bonds representing more than 90 per cent. of the Outstanding Bonds have been repurchased pursuant to this Clause 10.3 (*Mandatory repurchase due to a Put Option Event*), the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 10 Business Days after the Put Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.

10.4 Mandatory offer to repurchase Bonds due to an NBT Sale

- (a) If net proceeds received in the form of cash (after deduction of taxes, transaction fees, costs and expenses) received by the Issuer from an NBT Sale (whether in a single transaction or a series of transactions) ("**Net Sales Proceeds**") exceed NOK 10,000,000, the Issuer shall no later than 30 calendar days following the receipt of Net Sales Proceeds from such NBT Sale, make an offer to the Bondholders to buy back Bonds at 102 per

cent. of the Nominal Amount (plus accrued interest) for an amount equal to 100 per cent. of such Net Sales Proceeds.

- (b) In the event that the aggregate buy-back price for the Bonds tendered into the offer exceeds the Net Sales Proceeds, allocation will be made to the Bondholders participating in the offer on a *pro rata* basis based on the Bondholders aggregate holdings of Bonds.

10.5 Early redemption option due to a tax event

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (*Taxation*) as a result of a change in applicable law implemented after the date of these Bond Terms, and such withholding tax cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 60 Business Days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.

10.6 Mandatory early redemption due to a Mandatory Redemption Event

Upon a Mandatory Redemption Event, the Issuer shall, on or about the day the Group receives the proceeds following the relevant Mandatory Redemption Event, but in any event within 90 days (unless there is an Event of Default, in which case it will be promptly), redeem Outstanding Bonds with a nominal amount equal to the Mandatory Redemption Amount at the following prices:

- (a) if occurring anytime from the Issue Date to, but not including, the Interest Payment Date falling one (1) year after the Issue Date, at a price equal to 106 per cent. of the Nominal Amount (plus accrued interest on the redeemed amount);
- (b) if occurring anytime from and including the Interest Payment Date falling one (1) year after to, but not including, the Interest Payment Date falling two (2) years after the Issue Date, at a price equal to 104 per cent. of the Nominal Amount (plus accrued interest on the redeemed amount); and
- (c) if occurring anytime from and including the Interest Payment Date falling two (2) years after to, but not including, the Maturity Date, at a price equal to 102 per cent. of the Nominal Amount (plus accrued interest on the redeemed amount).

For the avoidance of doubt, the redemption price shall be determined based on the date the Mandatory Redemption Event occurred and not based on the date the repayment is carried out.

11. PURCHASE AND TRANSFER OF BONDS

11.1 Issuer's purchase of Bonds

The Issuer may purchase and hold Bonds and such Bonds may be retained, or sold or cancelled in the Issuer's sole discretion, (including with respect to Bonds purchased pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*)).

11.2 Restrictions

- (a) Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible to ensure compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.
- (b) A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to these Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

12. INFORMATION UNDERTAKINGS

12.1 Financial Reports

- (a) The Issuer shall, without being requested to do so, prepare Annual Financial Statements in the English language and make them available on its website (alternatively by arranging for publication at Stamdata) as soon as they become available, and not later than 4 months after the end of the financial year.
- (b) The Issuer shall, without being requested to do so, prepare Interim Accounts in the English language and make them available on its website (alternatively by arranging for publication at Stamdata) as soon as they become available, and not later than 2 months after the end of the relevant interim period.

12.2 Requirements as to Financial Reports

- (a) The Issuer shall supply to the Bond Trustee, in connection with the publication of its Financial Reports pursuant to Clause 12.1 (*Financial Reports*), a Compliance Certificate with a copy of the Financial Reports attached thereto. The Compliance Certificate shall also include (i) a confirmation of the Issuer's compliance with the information undertakings set out in Clause 12 (*Information Undertakings*), (ii) a list of all Material Subsidiaries at the date of the Compliance Certificate being delivered, and (iii) calculations and figures in respect of compliance with Clause 13.14 (*Financial Covenants*).
- (b) The Compliance Certificate shall be duly signed by the chief executive officer or the chief financial officer of the Issuer, certifying inter alia that the Financial Reports are fairly representing its financial condition as at the date of those financial statements.
- (c) The Issuer shall procure that the Financial Reports delivered pursuant to Clause 12.1 (*Financial Reports*) are prepared using the Accounting Standard consistently applied.

12.3 Put Option Event

The Issuer shall inform the Bond Trustee in writing as soon as possible after becoming aware that a Put Option Event has occurred.

12.4 Listing Failure Event

The Issuer shall promptly inform the Bond Trustee in writing if a Listing Failure Event has occurred. However, no Event of Default shall occur if the Issuer fails (i) to list the Bonds in accordance with Clause 4 (*Listing*) or (ii) to inform of such Listing Failure Event, only default interest in accordance with Clause 8.2 paragraph (c) will accrue as long as such Listing Failure Event is continuing.

12.5 Information: Miscellaneous

The Issuer shall:

- (a) without being requested to do so, promptly inform the Bond Trustee in writing of any Event of Default, any event of circumstance which could reasonably be expected to lead to an Event of Default and any other event which could reasonably be expected to have a Material Adverse Effect;
- (b) without being requested to do so, inform the Bond Trustee in writing if the Issuer agrees to sell or dispose of all or a substantial part of its assets or operations, or change the nature of its business;
- (c) at the request of the Bond Trustee, report the balance of the Issuer's Bonds (to the best of its knowledge, having made due and appropriate enquiries);
- (d) without being requested to do so, send the Bond Trustee copies of any statutory notifications of the Issuer, including but not limited to in connection with mergers, demergers and reduction of the Issuer's share capital or equity;
- (e) if the Bonds are listed on an Exchange, without being requested to do so, send a copy to the Bond Trustee of its notices to the Exchange;
- (f) if the Issuer and/or the Bonds are rated, without being requested to do so, inform the Bond Trustee of its and/or the rating of the Bonds, and any changes to such rating;
- (g) without being requested to do so, inform the Bond Trustee of changes in the registration of the Bonds in the CSD; and
- (h) within a reasonable time, provide such information about the Issuer's business, assets and financial condition as the Bond Trustee may reasonably request.

13. GENERAL AND FINANCIAL UNDERTAKINGS

The Issuer undertakes to (unless the Trustee or the Bondholders' Meeting (as the case may be) in writing has agreed to otherwise) comply with the undertakings set forth in this Clause 13 (*General and financial Undertakings*).

13.1 Compliance with laws

The Issuer shall, and shall ensure that all other Group Companies will, carry on its business in accordance with acknowledged, careful and sound practices in all aspects and comply in all respects with all laws and regulations it or they may be subject to from time to time. Breach of

these obligations under this Clause 13.1 shall be regarded as non-compliance only if such breach would have a Material Adverse Effect.

13.2 Continuation of business

The Issuer shall not, and shall ensure that no Material Subsidiary will, cease to carry on its business. The Issuer shall procure that no substantial change is made to the general nature of the business of the Group from that carried on at the date of these Bond Terms.

13.3 Corporate status

The Issuer shall not, and shall ensure that no Material Subsidiary will, change its type of organization or jurisdiction of incorporation.

13.4 Mergers and de-mergers

The Issuer shall not, and shall procure that no other Group Company will, carry out:

- (a) any merger or other business combination or corporate reorganisation involving the consolidation of assets and obligations of the Issuer or any other Group Company with any other companies or entities; or
- (b) any demerger or other corporate reorganisation having the same or equivalent effect as a demerger involving the Issuer and any Group Company;

if such merger, demerger, combination or reorganisation would have a Material Adverse Effect.

13.5 Financial Indebtedness

The Issuer shall not, and shall procure that no Material Subsidiary will, incur, create or permit to subsist any Financial Indebtedness other than the Permitted Financial Indebtedness.

13.6 Negative pledge

The Issuer shall not, and shall procure that no Material Subsidiary will, create permit to subsist or allow to exist any Security over any of its/their assets (whether present or future) (including shares in the Subsidiaries) or its revenues, other than the Permitted Security.

13.7 Financial support

The Issuer shall not grant any Financial Support to or for the benefit of any third party other than Financial Support:

- (a) in connection with Permitted Financial Indebtedness;
- (b) in relation to the Permitted Security;
- (c) in the form of an Intercompany Loan, provided such Intercompany Loan is subject to a first priority pledge in favour of the Bond Trustee; or
- (d) other than in the form of an Intercompany Loan, to or for the benefit of a Group Company.

13.8 Dividend restrictions

The Issuer shall not declare and/or make any Distribution, except that the Issuer may repurchase shares for an aggregate consideration of up to NOK 2,000,000 in any financial year and/or make interest payments in kind on any Subordinated Loan by adding it to the principal amount (PIK interest).

13.9 Transaction Security Documents

The Issuer undertakes to do all acts which may be necessary to ensure that the Security created by any Transaction Security Document to which it is a party remains duly created, enforceable and perfected on the required priority, at the expense of the Issuer or the relative security provider (as the case may be).

13.10 Insurances

The Issuer shall, and shall ensure that all Material Subsidiaries will, maintain insurances on and in relation to its business and assets against those risks and to the extent as is commercially available and usual for companies carrying on the same or substantially similar business.

13.11 Disposal of business

The Issuer shall not, and shall procure that no other Group Company will, sell or otherwise dispose of all or a substantial part of the Group's assets (including shares or other securities in any person) or operations, unless (i) the transaction is carried out at fair market value, on terms and conditions customary for such transactions, (ii) such transaction would not have a Material Adverse Effect, and (iii) the Bonds are redeemed, subject to and in accordance with Clause 10.6 (*Mandatory early redemption due to a Mandatory Redemption Event*).

13.12 Arm's length transactions

The Issuer shall not, and the Issuer shall ensure that no other Group Company will, enter into any transaction with any person except on arm's length terms and for fair market value.

13.13 Liquidation of Borgestad Industries AB

The covenants set out in Clause 13.1 through 13.12 above shall not apply to a partial or total liquidation of Borgestad Industries AB so long as any payments or assets distributed as a result of such liquidation are distributed to other Group Companies.

13.14 Financial Covenants

13.14.1 Liquidity

The Issuer shall ensure that the Group maintains a minimum Liquidity of NOK 25,000,000.

13.14.2 Book Equity

The Issuer shall ensure that the Group maintains a Book Equity of no less than NOK 350,000,000.

13.14.3 Compliance with financial covenants

The financial covenants following from Clause 13.14.1 and 13.14.2 shall be complied with at all times, and such compliance shall be measured on each Quarter Date by reference to, and certified by a Compliance Certificate with each Financial Report.

14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

14.1 Events of Default

Each of the events or circumstances set out in this Clause 14.1 shall constitute an Event of Default:

(a) Non-payment

The Issuer fails to pay any amount payable by it under the Finance Documents when such amount is due for payment, unless:

- (i) its failure to pay is caused by administrative or technical error in payment systems or the CSD and payment is made within 5 Business Days following the original due date; or
- (ii) in the discretion of the Bond Trustee, the Issuer has substantiated that it is likely that such payment will be made in full within 5 Business Days following the original due date.

(b) Breach of other obligations

The Issuer or any Material Subsidiary does not comply with any provision of the Finance Documents other than set out under paragraph (a) (*Non-payment*) above, unless such failure is capable of being remedied and is remedied within 20 Business Days after the earlier of the Issuer's actual knowledge thereof, or notice thereof is given to the Issuer by the Bond Trustee.

(c) Misrepresentation

Any representation, warranty or statement (including statements in Compliance Certificates) made by the Issuer and/or any Material Subsidiary under or in connection with any Finance Documents is or proves to have been incorrect, inaccurate or misleading in any material respect when made.

(d) Cross default

If for the Issuer or any Material Subsidiary:

- (i) any Financial Indebtedness is not paid when due nor within any applicable grace period; or
- (ii) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or
- (iii) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described), or

- (iv) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity as a result of an event of default (however described),

provided however that the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) through (iv) above exceeds a total of NOK 50,000,000 (or the equivalent thereof in any other currency).

(e) *Insolvency and insolvency proceedings*

The Issuer or any Material Subsidiary:

- (i) is Insolvent; or
- (ii) is object of any corporate action or any legal proceedings is taken in relation to:
 - (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganization; or
 - (B) a composition, compromise, assignment or arrangement with any creditor which may materially impair its ability to perform its obligations under these Bond Terms; or
 - (C) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or
 - (D) enforcement of any Security over any of its or their assets having an aggregate value exceeding the threshold amount set out in paragraph 14.1 (d) (*Cross default*) above; or
 - (E) for (A) - (D) above, any analogous procedure or step is taken in any jurisdiction in respect of any such company,

however this shall not apply to any petition which is frivolous or vexatious and is discharged, stayed or dismissed within 20 Business Days of commencement.

(f) *Creditor's process*

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Issuer or any Material Subsidiary having an aggregate value exceeding the threshold amount set out in paragraph (d) (*Cross default*) above and is not discharged within 20 Business Days.

(g) *Unlawfulness*

It is or becomes unlawful for the Issuer or any Material Subsidiary to perform or comply with any of its obligations under the Finance Documents to the extent this may materially impair:

- (i) the ability of the Issuer or any Material Subsidiary to perform its obligations under these Bond Terms; or
- (ii) the ability of the Bond Trustee or any Security Agent to exercise any material right or power vested to it under the Finance Documents.

14.2 Acceleration of the Bonds

If an Event of Default has occurred and is continuing, the Bond Trustee may, in its discretion in order to protect the interests of the Bondholders, or upon instruction received from the Bondholders pursuant to Clause 14.3 (*Bondholders' instructions*) below, by serving a Default Notice:

- (a) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or
- (b) exercise (or direct the Security Agent to exercise) any or all of its rights, remedies, powers or discretions under the Finance Documents or take such further measures as are necessary to recover the amounts outstanding under the Finance Documents.

14.3 Bondholders' instructions

The Bond Trustee shall serve a Default Notice pursuant to Clause 14.2 (*Acceleration of the Bonds*) if:

- (a) the Bond Trustee receives a demand in writing from Bondholders representing a simple majority of the Voting Bonds, that an Event of Default shall be declared, and a Bondholders' Meeting has not made a resolution to the contrary; or
- (b) the Bondholders' Meeting, by a simple majority decision, has approved the declaration of an Event of Default.

14.4 Calculation of claim

The claim derived from the Outstanding Bonds due for payment as a result of the serving of a Default Notice will be calculated at the call prices set out in Clause 10.2 (*Voluntary early redemption – Call Option*), as applicable at the following dates (and regardless of the Default Repayment Date set out in the Default Notice);

- (a) for any Event of Default arising out of a breach of Clause 14.1 (*Events of Default*) paragraph (a) (*Non-payment*), the claim will be calculated at the call price applicable at the date when such Event of Default occurred; and
- (b) for any other Event of Default, the claim will be calculated at the call price applicable at the date when the Default Notice was served by the Bond Trustee.

However, if the situations described in (a) or (b) above takes place prior to the First Call Date, the calculation shall be based on the call price applicable on the First Call Date.

15. BONDHOLDERS' DECISIONS

15.1 Authority of the Bondholders' Meeting

- (a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.
- (b) The Bondholders' Meeting cannot resolve that any overdue payment of any instalment shall be reduced unless there is a pro rata reduction of the principal that has not fallen due, but may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.
- (c) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.
- (d) Subject to the power of the Bond Trustee to take certain action as set out in Clause 16.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.
- (e) At least 50 per cent. of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.
- (f) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (g) below.
- (g) Save for any amendments or waivers which can be made without resolution pursuant to Clause 17.1 (*Procedure for amendments and waivers*) paragraph (a), section (i) and (ii), a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of these Bond Terms.

15.2 Procedure for arranging a Bondholders' Meeting

- (a) A Bondholders' Meeting shall be convened by the Bond Trustee upon the request in writing of:
 - (i) the Issuer;
 - (ii) Bondholders representing at least 1/10 of the Voting Bonds;
 - (iii) the Exchange, if the Bonds are listed and the Exchange is entitled to do so pursuant to the general rules and regulations of the Exchange; or
 - (iv) the Bond Trustee.

The request shall clearly state the matters to be discussed and resolved.

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within 10 Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the requesting party may call the Bondholders' Meeting itself.

- (c) Summons to a Bondholders' Meeting must be sent no later than 10 Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the Bond Trustee (alternatively by press release or other relevant information platform).
- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.
- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.
- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting, unless the acquisition of Bonds is made by the Issuer pursuant to Clause 10 (*Redemption and Repurchase of Bonds*).
- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and be chaired by a representative elected by the Bondholders' Meeting (the Bond Trustee or such other representative, the "**Chairperson**").
- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "**Representative**"). The Chairperson may grant access to the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt with regard to whether a person is a Representative or entitled to vote, the Chairperson will decide who may attend the Bondholders' Meeting and exercise voting rights.
- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.
- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the Chairperson. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the

results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the Chairperson and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.

- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronically platform or press release).
- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

15.3 Voting rules

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, ref. Clause 3.3 (*Bondholders' rights*). The Chairperson may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.
- (b) Issuer's Bonds shall not carry any voting rights. The Chairperson shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.
- (c) For the purposes of this Clause 15 (*Bondholders' decisions*), a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 3.3 (*Bondholders' rights*), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*) stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.
- (d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the Chairperson will have the deciding vote.

15.4 Repeated Bondholders' Meeting

- (a) Even if the necessary quorum set out in paragraph (e) of Clause 15.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within 10 Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.
- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 15.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (d) of Clause 15.1 (*Authority of the Bondholders' Meeting*) shall not apply

to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.

- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 15.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

15.5 Written Resolutions

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 15.1 (*Authority of the Bondholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.
- (b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.
- (c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons is sent from the CSD and published at the Bond Trustee's web site, or other relevant electronic platform or via press release.
- (d) The provisions set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), 15.2 (*Procedure for arranging a Bondholder's Meeting*), Clause 15.3 (*Voting Rules*) and Clause 15.4 (*Repeated Bondholders' Meeting*) shall apply *mutatis mutandis* to a Written Resolution, except that:
 - (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 15.2 (*Procedure for arranging Bondholders Meetings*); or
 - (ii) provisions which are otherwise in conflict with the requirements of this Clause 15.5 (*Written Resolution*),shall not apply to a Written Resolution.
- (e) The Summons for a Written Resolution shall include:
 - (i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
 - (ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority (the "**Voting Period**"), which shall be at least 10 Business Days but not more than 15 Business Days from the date of the Summons.

- (f) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*), will be counted in the Written Resolution.
- (g) A Written Resolution is passed when the requisite majority set out in paragraph (e) or paragraph (f) of Clause 15.1 (*Authority of Bondholders' Meeting*) has been obtained, based on a quorum of the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution will also be resolved if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.
- (h) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being obtained.
- (i) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the close of business on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (e) to (g) of Clause 15.1 (*Authority of Bondholders' Meeting*).

16. THE BOND TRUSTEE

16.1 Power to represent the Bondholders

- (a) The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.
- (b) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders' rights and/or carrying out its duties under the Finance Documents.

16.2 The duties and authority of the Bond Trustee

- (a) The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.
- (b) The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Event of Default has occurred. The Bond Trustee is not responsible for the valid execution or enforceability of the Finance Documents, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of these Bond Terms.

- (c) The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.
- (d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents.
- (e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.
- (f) The Bond Trustee will ensure that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to implement resolutions that may be in conflict with these Bond Terms, any other Finance Document, or any applicable law.
- (g) Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:
 - (i) complying with instructions of the Bondholders; or
 - (ii) taking any action at its own initiative,

will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or the relevant Bondholders pursuant to paragraphs (e) and (g) of Clause 16.4 (*Expenses, liability and indemnity*), the Bond Trustee may refrain from acting in accordance with such instructions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

- (i) The Bond Trustee shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Finance Documents.
- (j) The Bond Trustee may instruct the CSD to split the Bonds to a lower nominal amount in order to facilitate partial redemptions, restructuring of the Bonds or other situations.

16.3 Equality and conflicts of interest

- (a) The Bond Trustee shall not make decisions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders. The Bond Trustee shall, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.

- (b) The Bond Trustee may act as agent, trustee, representative and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The Bond Trustee is entitled to delegate its duties to other professional parties.

16.4 Expenses, liability and indemnity

- (a) The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage caused by the Bond Trustee acting in accordance with instructions given by the Bondholders in accordance with these Bond Terms.
- (b) The Bond Trustee will not be liable to the Issuer for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss.
- (c) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other person.
- (d) The Bond Trustee shall not be considered to have acted negligently in:
 - (i) acting in accordance with advice from or opinions of reputable external experts;
or
 - (ii) taking, delaying or omitting any action if acting with reasonable care and provided the Bond Trustee considers that such action is in the interests of the Bondholders.
- (e) The Issuer is liable for, and will indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Bond Trustee's obligations under the Finance Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the issuance of the Bonds, the entering into or performance under the Finance Documents, and for as long as any amounts are outstanding under or pursuant to the Finance Documents.
- (f) The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Finance Documents. The Bond Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents. The Bond Trustee's obligations under the Finance Documents are conditioned upon the due payment of such fees and indemnifications. The fees of the Bond Trustee will be further set out in the Bond Trustee Fee Agreement.

- (g) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Bond Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or any of the Finance Documents which the Bond Trustee reasonably believes may constitute or lead to a breach of any of the Finance Documents or otherwise be detrimental to the interests of the Bondholders under the Finance Documents.
- (h) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to the Issuer, may be covered by making an equal reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee or the Security Agent in connection therewith. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person, irrespective of such funds being subject to Transaction Security, and to set-off and cover any such costs and expenses from those funds.
- (i) As a condition to effecting any instruction from the Bondholders (including, but not limited to, instructions set out in Clause 14.3 (*Bondholders' instructions*) or Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*)), the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those Bondholders who have given that instruction and/or who voted in favour of the decision to instruct the Bond Trustee.

16.5 Replacement of the Bond Trustee

- (a) The Bond Trustee may be replaced by a majority of 2/3 of Voting Bonds in accordance with the procedures set out in Clause 15 (*Bondholders' Decisions*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval.
- (b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 16.5 (*Replacement of the Bond Trustee*), initiated by the retiring Bond Trustee.
- (c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 16.5 (*Replacement of the Bond Trustee*). The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) above.
- (d) The change of Bond Trustee shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, and the retiring Bond Trustee undertakes to co-operate in all reasonable manners without delay to such effect. The retiring Bond Trustee shall be discharged from any further obligation in respect of the Finance Documents from the change takes effect, but shall remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits and any unpaid fees or expenses under the Finance Documents before the change has taken place.

- (e) Upon change of Bond Trustee the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

16.6 Security Agent

- (a) The Bond Trustee is appointed to act as Security Agent for the Bonds, unless any other person is appointed. The main functions of the Security Agent may include holding Transaction Security on behalf of the Secured Parties and monitoring compliance by the Issuer and other relevant parties of their respective obligations under the Transaction Security Documents with respect to the Transaction Security on the basis of information made available to it pursuant to the Finance Documents.
- (b) The Bond Trustee shall, when acting as Security Agent for the Bonds, at all times maintain and keep all certificates and other documents received by it, that are bearers of right relating to the Transaction Security in safe custody on behalf of the Bondholders. The Bond Trustee shall not be responsible for or required to insure against any loss incurred in connection with such safe custody.
- (c) Before the appointment of a Security Agent other than the Bond Trustee, the Issuer shall be given the opportunity to state its views on the proposed Security Agent, but the final decision as to appointment shall lie exclusively with the Bond Trustee.
- (d) The functions, rights and obligations of the Security Agent may be determined by a Security Agent Agreement to be entered into between the Bond Trustee and the Security Agent, which the Bond Trustee shall have the right to require the Issuer and any other party to a Finance Document to sign as a party, or, at the discretion of the Bond Trustee, to acknowledge. The Bond Trustee shall at all times retain the right to instruct the Security Agent in all matters, whether or not a separate Security Agent Agreement has been entered into.
- (e) The provisions set out in Clause 16.4 (*Expenses, liability and indemnity*) shall apply *mutatis mutandis* to any expenses and liabilities of the Security Agent in connection with the Finance Documents.

17. AMENDMENTS AND WAIVERS

17.1 Procedure for amendments and waivers

- (a) The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:
 - (i) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or

- (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (*Bondholders' Decisions*).
- (b) Any changes to these Bond Terms necessary or appropriate in connection with the appointment of a Security Agent other than the Bond Trustee shall be documented in an amendment to these Bond Terms, signed by the Bond Trustee (in its discretion). If so desired by the Bond Trustee, any or all of the Transaction Security Documents shall be amended, assigned or re-issued, so that the Security Agent is the holder of the relevant Security (on behalf of the Bondholders). The costs incurred in connection with such amendment, assignment or re-issue shall be for the account of the Issuer.

17.2 Authority with respect to documentation

If the Bondholders have resolved the substance of an amendment to any Finance Document, without resolving on the specific or final form of such amendment, the Bond Trustee shall be considered authorised to draft, approve and/or finalise (as applicable) any required documentation or any outstanding matters in such documentation without any further approvals or involvement from the Bondholders being required.

17.3 Notification of amendments or waivers

- (a) The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 17 (*Amendments and waivers*), setting out the date from which the amendment or waiver will be effective, unless such notice according to the Bond Trustee's sole discretion is unnecessary. The Issuer shall ensure that any amendment to these Bond Terms is duly registered with the CSD.
- (b) Prior to agreeing to an amendment or granting a waiver in accordance with Clause 17.1(a)(i) (*Procedure for amendments and waivers*), the Bond Trustee may inform the Bondholders of such waiver or amendment at a relevant information platform.

18. MISCELLANEOUS

18.1 Limitation of claims

All claims under the Finance Documents for payment, including interest and principal, will be subject to the legislation regarding time-bar provisions of the Relevant Jurisdiction.

18.2 Access to information

- (a) These Bond Terms will be made available to the public and copies may be obtained from the Bond Trustee or the Issuer. The Bond Trustee will not have any obligation to distribute any other information to the Bondholders or any other person, and the Bondholders have no right to obtain information from the Bond Trustee, other than as explicitly stated in these Bond Terms or pursuant to statutory provisions of law.
- (b) In order to carry out its functions and obligations under these Bond Terms, the Bond Trustee will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.
- (c) The information referred to in paragraph (b) above may only be used for the purposes of carrying out their duties and exercising their rights in accordance with the Finance

Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

18.3 Notices, contact information

Written notices to the Bondholders made by the Bond Trustee will be sent to the Bondholders via the CSD with a copy to the Issuer and the Exchange (if the Bonds are listed). Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD.

- (a) The Issuer's written notifications to the Bondholders will be sent to the Bondholders via the Bond Trustee or through the CSD with a copy to the Bond Trustee and the Exchange (if the Bonds are listed).
- (b) Notwithstanding paragraph (a) above and provided that such written notification does not require the Bondholders to take any action under the Finance Documents, the Issuer's written notifications to the Bondholders may be published by the Bond Trustee on a relevant information platform only.
- (c) Unless otherwise specifically provided, all notices or other communications under or in connection with these Bond Terms between the Bond Trustee and the Issuer will be given or made in writing, by letter, e-mail or fax. Any such notice or communication will be deemed to be given or made as follows:
 - (i) if by letter, when delivered at the address of the relevant party;
 - (ii) if by e-mail, when received;
 - (iii) if by fax, when received; and
 - (iv) if by publication on a relevant information platform, when published.
- (d) The Issuer and the Bond Trustee shall each ensure that the other party is kept informed of changes in postal address, e-mail address, telephone and fax numbers and contact persons.
- (e) When determining deadlines set out in these Bond Terms, the following will apply (unless otherwise stated):
 - (i) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
 - (ii) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and
 - (iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

18.4 Defeasance

- (a) Subject to paragraph (b) below and provided that:
- (i) an amount sufficient for the payment of principal and interest on the Outstanding Bonds to the relevant Repayment Date (including, to the extent applicable, any premium payable upon exercise of a Call Option), and always subject to paragraph (c) below (the “**Defeasance Amount**”) is credited by the Issuer to an account in a financial institution acceptable to the Bond Trustee (the “**Defeasance Account**”);
 - (ii) the Defeasance Account is irrevocably pledged and blocked in favour of the Bond Trustee on such terms as the Bond Trustee shall request (the “**Defeasance Pledge**”); and
 - (iii) the Bond Trustee has received such legal opinions and statements reasonably required by it, including (but not necessarily limited to) with respect to the validity and enforceability of the Defeasance Pledge,
- then:
- (A) the Issuer will be relieved from its obligations under Clause 12.2 (*Requirements as to Financial Reports*) paragraph (a), Clause 12.3 (*Put Option Event*), Clause 12.5 (*Information: Miscellaneous*) and Clause 13 (*General and financial undertakings*);
 - (B) any Transaction Security shall be released and the Defeasance Pledge shall be considered replacement of the Transaction Security.
- (b) The Bond Trustee shall be authorised to apply any amount credited to the Defeasance Account towards any amount payable by the Issuer under any Finance Document on the due date for the relevant payment until all obligations of the Issuer and all amounts outstanding under the Finance Documents are repaid and discharged in full.
- (c) The Bond Trustee may, if the Defeasance Amount cannot be finally and conclusively determined, decide the amount to be deposited to the Defeasance Account in its discretion, applying such buffer amount as it deems necessary.

A defeasance established according to this Clause 18.4 may not be reversed.

19. GOVERNING LAW AND JURISDICTION

19.1 Governing law

These Bond Terms are governed by the laws of the Relevant Jurisdiction, without regard to its conflict of law provisions.

19.2 Main jurisdiction

The Bond Trustee and the Issuer agree for the benefit of the Bond Trustee and the Bondholders that the City Court of the capital of the Relevant Jurisdiction shall have jurisdiction with respect to any dispute arising out of or in connection with these Bond Terms. The Issuer agrees for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising

out of or in connection with these Bond Terms against the Issuer or any of its assets may be brought in such court.

19.3 Alternative jurisdiction

Clause 19 (*Governing law and jurisdiction*) is for the exclusive benefit of the Bond Trustee and the Bondholders and the Bond Trustee have the right:

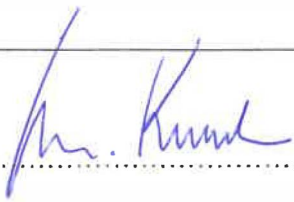

- (a) to commence proceedings against the Issuer or any of its assets in any court in any jurisdiction; and
- (b) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.

-----000-----

These Bond Terms have been executed in two originals, of which the Issuer and the Bond Trustee shall retain one each.

SIGNATURES:

[See separate signature page]

	
By: Christen Knudsen	By: Lars Erik Lærum
Position: <i>Chairman of the Board</i>	Position: <i>Director</i>

**ATTACHMENT 1
COMPLIANCE CERTIFICATE**

[date]

FRN Borgestad ASA Senior Secured Callable Bond Issue 2020/2023 ISIN 001 0907736

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer. Pursuant to Clause 12.2(a) of the Bond Terms a Compliance Certificate shall be issued in connection with each delivery of Financial Reports to the Bond Trustee.

This letter constitutes the Compliance Certificate for the period [●].

Capitalised terms used herein will have the same meaning as in the Bond Terms.

With reference to Clause 12.2 (*Requirements as to Financial Reports*) of the Bond Terms we hereby certify that all information delivered under cover of this Compliance Certificate is true and accurate. Copies of our latest consolidated [Annual Financial Statements] / [Interim Accounts] are enclosed.

[The financial covenants set out in Clause 13.14 (*Financial Covenants*) of the Bond Terms are met, please see the calculations and figures in respect of the ratios attached hereto.]

We confirm compliance with the information undertakings set out in Clause 12 (*Information undertakings*) of the Bond Terms.

We further confirm that, to the best of our knowledge, no Event of Default has occurred or is likely to occur.

As at the date of this letter, the following companies are Material Subsidiaries:

[●]

Yours faithfully,

Borgestad ASA

Name of authorised person

Enclosure: Annual Financial Statements / Interim Accounts; [and any other written documentation]

ATTACHMENT 2
RELEASE NOTICE – ESCROW ACCOUNT

[date]

Dear Sirs,

FRN Borgestad ASA Senior Secured Callable Bond Issue 2020/2023 ISIN 001 0907736

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer.

Capitalised terms used herein will have the same meaning as in the Bond Terms.

We hereby give you notice that we on [date] wish to draw an amount of [currency and amount] from the Escrow Account applied pursuant to the purpose set out in the Bond Terms, and request you to instruct the bank to release the above mentioned amount.

We hereby represent and warrant that (i) no Event of Default has occurred and is continuing or is likely to occur as a result of the release from the Escrow Account, and (ii) we repeat the representations and warranties set out in the Bond Terms as being still true and accurate in all material respects at the date hereof.

Yours faithfully,

Borgestad ASA

Name of authorized person

Enclosure: [copy of any written documentation evidencing the use of funds]

SCHEDULE 2: THE ISSUER'S ARTICLES OF ASSOCIATION

VEDEKTER

BORGESTAD ASA

ORG NR 920 639 674

per 24. januar 2020

§ 1

Selskapets navn er Borgestad ASA. Selskapet er et allmennaksjeselskap.

§ 2

Selskapets forretningskontor er i Skien.

§ 3

Selskapets formål er å drive skipsrederi og virksomhet innen industri, eiendom, handel samt hva hermed står i forbindelse, herunder deltagelse i andre selskaper og administrativ tjenesteyting.

§ 4

Aksjekapitalen er kr 127 248 320, fordelt på 12 724 832 aksjer, hver pålydende kr 10,-.

§ 5

Selskapets styre består av tre til seks medlemmer. I tillegg kan det veiges inntil to varamedlemmer. Styret velger selv sin leder. Selskapets firma tegnes av styrets leder og administrerende direktør hver for seg og for øvrig av to styremedlemmer i fellesskap. Styret kan meddele prokura.

For at styret skal være beslutningsdyktig, må flere enn halvparten av samtlige medlemmer være til stede.

§ 6

Ordinær generalforsamling holdes hvert år innen utgangen av juni. Ekstraordinær generalforsamling holdes når det besluttes av styret, eller skriftlig forlanges av selskapets revisor eller en eller flere aksjeeiere som til sammen representerer minst 1/20 av aksjekapitalen, for å få behandlet et bestemt angitt emne.

Generalforsamlingen innkalles av styret med minst tre ukers varsel ved brev til alle aksjonærer med kjent adresse. Når dokumenter som gjelder saker som skal behandles på generalforsamlingen er gjort tilgjengelige for aksjeeierne på selskapets nettsider, gjelder ikke lovens krav om at dokumentene skal sendes til aksjeeierne. Dette gjelder også for dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen. En aksjeeier kan likevel kreve å få tilsendt dokumenter som gjelder saker som skal behandles på generalforsamlingen.

Aksjeeier som ønsker å delta eller være representert ved fullmektig i generalforsamlingen, må melde fra til selskapet senest to virkedager før generalforsamlingen avholdes.

Styrets leder, eller den han utpeker, leder generalforsamlingen. I generalforsamlingen gir hver aksje én stemme.

Alle beslutninger treffes med alminnelig flertall av de avgitte stemmer, hvis ikke aksjeloven bestemmer noe annet.

§ 7

Selskapets generalforsamling avholdes på Borgestad eller i Porsgrunn, med mindre styret av særlige grunner finner det nødvendig å holde generalforsamling et annet sted.

Den ordinære generalforsamling skal:

1. godkjenne årsregnskapet og årsberetningen, herunder utdeling av utbytte,
2. velge styremedlemmer og eventuelt varamedlemmer, og ved ledighet revisor,
3. fastsette godtgjørelse til medlemmer av styret, samt varamedlemmer og godkjenne revisors honorar,
4. behandle andre saker som er nevnt i innkallelsen.

§ 8

Valgkomiteen består av to medlemmer som skal være aksjeeiere eller representanter for aksjeeiere. Valgkomiteens medlem og leder velges av generalforsamlingen, og tjenestetiden er to år.

Ved stemmelikhet har lederen dobbeltstemme. Valgkomiteen avgir innstilling til generalforsamlingen om valg av styrets aksjonærvalgte medlemmer og om fastsettelse av styrets godtgjørelse.

Styrets leder og/eller administrerende direktør skal, uten å ha stemmerett, innkalles til minst ett møte i valgkomiteen før valgkomiteen avgir sin endelige innstilling.

Generalforsamlingen skal vedta retningslinjer for valgkomiteens arbeid. Generalforsamlingen fastsetter valgkomiteens godtgjørelse basert på styrets innstilling.