

PROSPECTUS



BORGESTAD ASA

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

Listing of 5,918,625 new shares issued in connection with private placements competed in December 2019
Subsequent offering of up to 1,000,000 new shares at a subscription price of NOK 20 per share, with subscription rights for eligible shareholders, and listing of such shares

Subscription period for the subsequent offering: From 09:00 hours (CET) on 29 January 2020 to 16:30 hours (CET) on 12 February 2020

This prospectus (the "**Prospectus**") has been prepared in connection with (i) the listing by Borgestad ASA (the "**Company**" or "**Borgestad**"), a public limited liability company incorporated under the laws of Norway, (together with its consolidated subsidiaries, the "**Group**") on Oslo Børs, a stock exchange operated by Oslo Børs ASA (the "**Oslo Stock Exchange**") of 5,000,000 new shares in the Company, each with a par value of NOK 10.00, (the "**Private Placement Shares**") issued at a subscription price of NOK 20.00 per Private Placement Share in connection with a private placement comprising a total of 5,000,000 new shares, divided into two tranches, which were completed on 4 December 2019 and 23 December 2019, respectively, (the "**Private Placement**"), (ii) the listing by the Company on the Oslo Stock Exchange of 118,625 new shares in the Company, each with a par value of NOK 10.00, (the "**Incentive Shares**") issued on 4 December 2019 at a subscription price of NOK 10.00 per Incentive Share in connection with the Company's incentive program for employees etc., (iii) the listing by the Company on the Oslo Stock Exchange of 800,000 new shares in the Company, each with a par value of NOK 10.00, (the "**Redemption Shares**") issued on 23 December 2019 at a subscription price of NOK 20.00 per Redemption Share in connection with a redemption offer to the bondholders of the Company's bond loan with ticker code "BOR03" (the "**Bond Redemption**") and (iv) the subsequent offering (the "**Subsequent Offering**") and listing on the Oslo Stock Exchange of up to 1,000,000 new shares in the Company, each with a par value of NOK 10.00 (the "**Offer Shares**" and, together with the Private Placement Shares, the Incentive Shares and the Redemption Shares, the "**New Shares**"), to be issued at a subscription price of NOK 20.00 per Offer Share (the "**Subscription Price**").

The shareholders of the Company as of 27 November 2019 (being registered as such in the Norwegian Central Securities Depository (the "**VPS**") on 29 November 2019 pursuant to the VPS' standard two days' settlement procedure (the "**Record Date**")), except for shareholders who (i) were allocated Private Placement Shares in the Private Placement or (ii) are resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action (such eligible shareholders jointly the "**Eligible Shareholders**"), will be granted non-transferable subscription rights (the "**Subscription Rights**") that, subject to applicable law, give a preferential right to subscribe for and be allocated Offer Shares at the Subscription Price. The Subscription Rights will be registered on each Eligible Shareholder's VPS account.

Each Eligible Shareholder will be granted 0.50822 Subscription Right for each existing share registered as held by such Eligible Shareholder as of the Record Date, rounded down to the nearest whole Subscription Right. Each Subscription Right will, subject to applicable law, give the right to subscribe for, and be allocated, one Offer Share in the Subsequent Offering. Over-subscription will be permitted, but subscription without Subscription Rights will not be permitted.

The subscription period in the Subsequent Offering will commence on 09:00 hours Central European Time ("**CET**") on 29 January 2020 and expire at 16:30 hours (CET) on 12 February 2020 (the "**Subscription Period**").

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

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

Investing in the Shares, including the New Shares, involves a high degree of risk. Prospective investors should read the entire document and, in particular, consider Section 2 "Risk factors" beginning on page 11 when considering an investment in the Company.

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

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

The due date for the payment of the Offer Shares is expected to be on or about 14 February 2020. Delivery of the Offer Shares is expected to take place on or about 19 February 2020 through the facilities of the VPS. Trading in the Private Placement Shares, the Incentive Shares and the Redemption Shares on the Oslo Stock Exchange is expected to commence on or about 29 January 2020, while trading in the Offer Shares on the Oslo Stock Exchange is expected to commence on or about 19 February 2020.

Managers

Arctic Securities AS

SpareBank 1 Markets AS

Selling agent

Norne Securities AS

The date of this Prospectus is 28 January 2020

IMPORTANT INFORMATION

This Prospectus has been prepared in connection with the (i) Subsequent Offering and (ii) the listing of the New Shares on the Oslo Stock Exchange, based on the simplified disclosure regime for secondary issuances, cf. Article 14 of 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/EC¹, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**").

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including the EU Prospectus Regulation. This Prospectus has been prepared solely in the English language. This Prospectus has been approved by the Financial Supervisory Authority of Norway (*Nw.: Finanstilsynet*) (the "**Norwegian FSA**"), as the competent authority under the EU Prospectus Regulation. The Norwegian FSA 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.

For definitions of certain other terms used throughout this Prospectus, see Section 15 "Definitions and glossary".

The Company has engaged Arctic Securities AS ("**Arctic**") and SpareBank 1 Markets AS, as managers for the Private Placement and the Subsequent Offering (the "**Managers**"). Norne Securities AS ("**Norne**") acted as selling agent in the Private Placement.

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 Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment of the Offer Shares and which arises or is noted between the time when the Prospectus is approved by the Norwegian FSA and the listing of the Offer Shares on the Oslo Stock Exchange, will be included in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus, nor the granting of any Subscription Rights nor the sale of any Offer Share, shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make any representation concerning the Group or in connection with the Subsequent Offering or the sale of the Offer Shares or the Subscription Rights other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or the Managers or by any of the affiliates, representatives, advisors or selling agents of any of the foregoing.

The distribution of this Prospectus and the offer and sale of the Offer Shares and the granting or use of the Subscription Rights in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Offer Shares or to use the Subscription Rights to subscribe for Offer Shares in any jurisdiction in which such offer, sale or subscription would be unlawful. Neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that is in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. In addition, the Shares and the Subscription Rights are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 13 "Selling and transfer restrictions".

This Prospectus and the terms and conditions of the Subsequent Offering as set out herein, and any sale and purchase of Offer Shares and the granting and use of the Subscription Rights hereunder, shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Private Placement, the Subsequent Offering or this Prospectus.

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group and the terms of the Subsequent Offering, including the merits and risks involved. None of the Company or the Managers, or any of their respective representatives or advisers, is making any representation to any offeree or purchaser of the Offer Shares or holder of Subscription Rights regarding the legality of an investment in the Offer Shares or the use of the Subscription Rights to subscribe for Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. An investment in the Offer Shares or use of the Subscription Rights is subject to prevailing tax laws and regulations, which differ between investors and jurisdictions. The Prospectus does not provide a complete overview of applicable tax laws and regulations, nor potential tax implications of an investment in the Offer Shares or the use of Subscription Rights. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares or the use of the Subscription Rights to subscribe for Offer Shares.

All Sections of the Prospectus should be read in context with the information included in Section 4 "General information".

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO INVESTORS IN THE UNITED STATES

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Offer Shares or the Subscription Rights. The Offer Shares and the Subscription Rights have not been and will not be

¹ Means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC.

registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. All offers and sales in the United States will be made only to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act. All offers and sales outside the United States will be made in "offshore transactions" as defined in, and in reliance on, Regulation S. Prospective purchasers are hereby notified that sellers of Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. See Section 13.2 "United States".

Any Offer Shares offered or sold or Subscription Rights offered in the United States will be subject to certain transfer restrictions and each purchaser will be deemed to have made acknowledgements, representations and agreements, as set forth under Section 13.2 "United States".

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

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

NOTICE TO INVESTORS IN THE UNITED KINGDOM

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

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

NOTICE TO INVESTORS IN THE EEA

In any member state of the European Economic Area (the "EEA"), other than Norway (each, a "Relevant Member State"), this communication is only addressed to and is only directed at persons who are "qualified investors" within the meaning of Article 2(e) of the EU Prospectus Regulation. The Prospectus has been prepared on the basis that all offers of Offer Shares outside Norway will be made pursuant to an exemption under the EU Prospectus Regulation from the requirement to produce a prospectus for offer of securities. Accordingly, any person making or intending to make any offer within the EEA of Offer Shares which is the subject of the Subsequent Offering contemplated in this Prospectus within any Relevant Member should only do so in circumstances in which no obligation arises for the Company or the Managers to publish a prospectus pursuant to Article 1 of the EU Prospectus Regulation, or to supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation, in each case, in relation to such offer. Neither the Company nor the Managers have authorised, nor do they authorise, the making of any offer of Shares through any financial intermediary, other than offers made by the Managers which constitute the final placement of Offer Shares contemplated in this Prospectus.

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

- a. it is a "qualified investor" within the meaning of Article 2(e) of the EU Prospectus Regulation; and
- b. in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) such Offer Shares acquired by it in the Subsequent Offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where such Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

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

See Section 13 "Selling and transfer restrictions" for certain other notices to investors.

INFORMATION TO DISTRIBUTORS

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

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

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

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

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

ENFORCEMENT OF CIVIL LIABILITIES

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

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

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

Similar restrictions may apply in other jurisdictions.

AVAILABLE INFORMATION

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

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1 SUMMARY

- Warning* This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. An investment in the Company's Shares involves inherent risk and the investor could lose all or part of its invested capital. Where a claim relating to the information contained in this 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. 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 such securities.
- Securities* The Company has one class of shares in issue. The existing Shares are, and the New Shares will be, registered in book-entry form with the VPS and have ISIN NO 0003111700.
- Issuer* Borgestad ASA's registration number in the Norwegian Register of Business Enterprises (*Nw.: Foretaksregisteret*) is 920 639 674 and its LEI is 5967007LIEEXZXG3AG53. The Company's registered office is located at Gunnar Knudsens veg 144, 3712 Skien, Norway, and the Company's main telephone number at that address is +47 35 54 24 00. The Group's website can be found at www.borgestad.no.
- Offeror* Not applicable. The Company is offering the New Shares.
- Competent authority* The Financial Supervisory Authority of Norway (*Nw.: Finanstilsynet*), with registration number 840 747 972 and registered address at Revierstredet 3, N-0151 Oslo, Norway, and with telephone number +47 22 93 98 00 has reviewed and, on 28 January 2020, approved this Prospectus.

Key information on the issuer

Who is the issuer?

- Corporate information* Borgestad ASA is a public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Liability Companies Act (the "**Norwegian Public Limited Companies Act**"). The Company was incorporated in Norway on 11 July 1904, and the Company's registration number with the Norwegian Register of Business Enterprises is 920 639 674 and its LEI is 5967007LIEEXZXG3AG53.
- 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 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 Scandinavian 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.

Major Shareholders..... Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. As at 14 January 2020, no shareholders other than Christen Knudsen (2,513,530 Shares, approx. 19.6%) (directly (1,1865 Shares) and indirectly through Mentone AS (2,402,493 Shares) and his related family (109,172 Shares)), Gudmund Bratrud (2,076,629 Shares, approx. 16.35%) (directly (270,183 Shares) and indirectly through Regent AS (499,122 Shares), Suveren AS (400,933 Shares), Analyseinvest AS (309,592 Shares), Substantia AS (308,751 Shares) and Myra Matsenter AS (288,048 Shares), Bertel O. Steen (933,761 Shares, approx. 7.35%) (directly (3,133 Shares) and indirectly through Ses AS (453,849 Shares) and Bemacs AS (476,779 Shares)), Dione AS (648,128 Shares, approx. 5.39%) and Sparebank1 Markets market-making (750,000 Shares, approx. 5.9%) held more than 5% of the Shares to the Company's knowledge.

Key managing directors..... The Group's management team consists of Pål Feen Larsen who is Chief Executive Officer and Chief Financial Officer of the Group and Niclas Sjöberg who is Refractory Industry Manager and CEO of Höganäs Borgestad.

Statutory auditor..... The Company'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.

What is the key financial information regarding the issuer?

Income statement

<i>In TNOK</i>	Year ended		Three months' period ended		Nine months' period ended	
	31 December		September 30		September 30	
	2018	2017	2019	2018	2019	2018
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Total revenue.....	827,247	792,865	261,047	252,312	682,427	599,716
Operating profit / loss	23,315	35,953	25,604	12,869	28,583	15,176
Net profit / loss	6,264	23,408	19,081	12,495	-11,956	-10,050

Balance sheet

<i>In TNOK</i>	As at		As at
	31 December		30 September
	2018	2017	2019
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Total assets	1,618,185	1,644,221	1,646,300
Total equity.....	439,303	446,452	450,064
Net financial debt (long term debt plus short term debt minus cash)	1,121,826	1,102,727	1,149,254

Cash flow statement

<i>In TNOK</i>	Year ended		Nine months' period ended	
	31 December		September 30	
	2018	2017	2019	2018
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Cash flow from operating activities.....	-52,386	560	-40,163	-77,971
Cash flow from investing activities	23,311	47,131	-6,000	24,828
Cash flow from financing activities	-9,242	-38,281	42,450	3,374

What are the key risks that are specific to the issuer?

Material risk factors •

The Group's refractory business is dependent on the continuing operation of the Group's refractory facility. The Group produces all of its refractory products at its factory located in Bjuv, outside of Helsingborg, in Sweden. If the production at the factory for any reason is shut down or there is a business interruption, the Group will be unable to deliver pursuant to its contractual obligations with its customers and risk penalties from its customers due to non-performance of its contractual obligations, or that it will have to trade in its competitors' products in order to fulfil its contractual obligations. The Group considers this risk to be substantial because it only has one factory with production facilities and can as such not resume or increase production of the refractory products at other facilities in case of shut down/business interruption. A shut down or business interruption at the Group's facility in Bjuv could therefore have a material adverse effect on the Group's refractory business, result of operations, cash flows, financial condition and/or prospects.

- 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 to generate adequate revenues to cover its operating expenses and/or service its debts. 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. 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 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. The production setup for the Group is based on high utilization volume of the total production capacity, a high utilization is critical to obtain a low cost per ton produced in especially the brick production. The setup for the brick production is not that flexible in terms of decreasing costs, without material investments, if the volume in the production is decreasing. A material decrease in production could have a material adverse effect on the Group's refractory business, results of operations, cash flows, financial condition and/or prospects. 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.
- The Group, and particularly its refractory business, operates in an industry which is subject to extensive environmental laws and regulations. The Group's operations require the Group to obtain and comply with the terms and conditions of multiple environmental permits. Failure to comply with or maintain 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. Inability to comply with environmental laws and regulations could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects. 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. A governmental declaration to perform measures with respect to soil contamination may disrupt the business operation and negatively impact the Group's business, results of operations, cash flows, financial condition and/or prospects.

- If the Group is unable to comply with restrictions and covenants in the agreements governing its indebtedness or in current or future debt financing agreements, there could be a default or cancellation under the terms of those agreements. The occurrence of such events could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.
- The Group's existing or future debt arrangements could limit the Group's liquidity and flexibility in obtaining additional financing, in pursuing other business opportunities or corporate activities or the Company's ability to declare dividends to its shareholders. Such limitations could negatively impact the Group's business, results of operations, cash flows, financial condition and/or prospects.
- The Group is dependent on supply of raw material from a limited number of suppliers in order to produce its refractory products, with which the Group has entered into short to medium term contracts. The raw material market for refractories are in some part concentrated and part of the raw material suppliers are controlled by companies which also are owners of competitors of the Group in the refractory business. The Group's ability to renew or extend existing contracts on favourable terms, or at all, or enter into new contracts will largely depend on prevailing market conditions. If supplier contracts are not renewed or replaced, are terminated or are renewed on less favourable terms, this could have a material adverse effect on the Group's refractory businesses, results of operations, cash flows, financial condition and/or prospects.
- 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. 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.
- 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. 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. Exchange rate fluctuations could have a significant adverse effect on the Group's results of operations, cash flows, financial conditions and prospects.

- Interest rate fluctuations on the Group's placement and financing activities could have a material adverse effect on the Group's businesses, results of operations, cash flows, financial condition and/or prospects.

Key information on the securities

What are the main features of the securities?

<i>Type, class and ISIN</i>	All of the Shares are common shares in the Company and have been created under the Norwegian Public Limited Companies Act. The existing Shares are, and the Offer Shares will be, registered in book-entry form with the VPS and have ISIN NO 0003111700. The Private Placement Shares, the Incentive Shares and the Redemption Shares are registered in book-entry form with the VPS and were upon issue registered on a separate ISIN number (ISIN NO 0010872682), but will upon publication of this Prospectus be transferred to the same ISIN as the other Shares listed on the Oslo Stock Exchange (ISIN NO 0003111700) and become listed and tradable on the Oslo Stock Exchange as at the time of completion of such transfer.
<i>Currency, par value and number of securities.....</i>	The Shares will be traded in NOK on the Oslo Stock Exchange. As of the date of this Prospectus, the Company's share capital is 126,972,350 divided into 12 697 235 Shares, each with a par value of NOK 10.00.
<i>Rights attached to the securities.....</i>	The Company has one class of shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all shares in that class provide equal rights in the Company. Each of the Shares carries one vote.
<i>Transfer restrictions.....</i>	The Shares are freely transferable. The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Shares. Share transfers are not subject to approval by the Board of Directors.
<i>Dividend and dividend policy.....</i>	The Company's goal is to maximize the shareholders' values over time. The Company wishes to distribute a steady and preferential increasing dividend. For the accounting years 2016, 2017 and 2018, no dividend was paid.

What are the key risks that are specific to the securities?

<i>Material risk factors</i>	<ul style="list-style-type: none"> • The Company has one major shareholder and this shareholder will, as the major shareholder of the Company, have the ability to significantly influence the outcome of matters submitted for the vote by the Company's shareholders. The commercial goals of the major shareholder, and those of the Company, may not always remain aligned and this concentration of ownership may not always be in the best interest of the Company's other shareholders. • Exchange rate fluctuations could adversely affect the value of the Shares and any dividends paid on the Shares for an investor whose principal currency is not NOK.
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Key information on the offer of securities to the public and/or the admission to trading on a regulated market

Under which conditions and timetable can I invest in this security?

<i>Terms and conditions of the offering.....</i>	The Subsequent Offering consists of an offer by the Company to issue up to 1,000,000 Offer Shares, each with a par value of NOK 10.00, at a Subscription Price of NOK 20.00 per Offer Share, being equal to the subscription price in the Private Placement.
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Subject to all Offer Shares being issued, the Subsequent Offering will result in NOK 20,000,000 in gross proceeds to the Company.

The purpose of the Subsequent Offering is to enable the Eligible Shareholders to subscribe for Shares in the Company at the same price as in the Private Placement, thus limiting the dilution of their shareholding. Eligible Shareholders are shareholders of the Company as of 27 November 2019 (as registered in the VPS on the Record Date) who (i) were not allocated shares in the Private Placement and (ii) are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action.

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

Eligible Shareholders will be granted non-transferable Subscription Rights giving a preferential right to subscribe for, and be allocated, Offer Shares in the Subsequent Offering. Each Eligible Shareholder will, subject to applicable securities laws, be granted 0.50822 Subscription Right for each Share registered as held by such Eligible Shareholder on the Record Date, rounded down to the nearest whole Subscription Right. Each whole Subscription Right will, subject to applicable securities laws, give the right to subscribe for and be allocated one Offer Share in the Subsequent Offering.

The Subscription Rights will be credited to and registered on each Eligible Shareholder's VPS account on or about 28 January 2020 under the ISIN NO 0010872682. The Subscription Rights will be distributed free of charge to Eligible Shareholders. The Subscription Rights are non-transferable.

The Subscription Period will commence on 29 January 2020 and end on 12 February 2020 at 16:30 hours (CET). The Subscription Period may not be extended or shortened.

The Subscription Rights must be used to subscribe for Offer Shares before the expiry of the Subscription Period on 12 February 2020 at 16:30 hours (CET). Subscription Rights that are not exercised before 16:30 hours (CET) on 12 February 2020 will have no value and will lapse without compensation to the holder. Holders of Subscription Rights should note that subscriptions for Offer Shares must be made in accordance with the procedures set out in this Prospectus and the Subscription Form attached hereto and that the receipt of Subscription Rights does not in itself constitute a subscription of Offer Shares.

The payment date for the Offer Shares is expected to be on or about 14 February 2020. Delivery of the Offer Shares is expected to take place on or about 19 February 2020 through the facilities of the VPS.

Timetable in the offering

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

Last day of trading in the Shares including Subscription Rights	27 November 2019
First day of trading in the Shares excluding Subscription Rights	28 November 2019
Record Date	29 November 2019
Subscription Period commences.....	29 January 2020
Subscription Period ends.....	12 February 2020 at 16:30 hours (CET)
Allocation of the Offer Shares	Expected on or about 12 February 2020

Publication of the results of the Subsequent Offering	Expected on or about 12 February 2020
Distribution of allocation letters	Expected on or about 13 February 2020
Payment Date	Expected on or about 14 February 2020 2020
Registration of the share capital increase pertaining to the Subsequent Offering	Expected on or about 19 February 2020
Delivery of the Offer Shares	Expected on or about 19 February 2020
Listing and commencement of trading in the Offer Shares on the Oslo Stock Exchange	Expected on or about 19 February 2020

Admission to trading The Shares are, or will be, listed on the Oslo Stock Exchange under ISIN NO 0003111700 and ticker code "BOR". The Private Placement Shares, Incentive Shares and Redemption Shares were upon issue registered on a separate ISIN number (ISIN NO 0010872682), but will upon publication of this Prospectus be transferred to the same ISIN as the Shares listed on the Oslo Stock Exchange (ISIN NO 0003111700) and become listed and tradable on the Oslo Stock Exchange as at the time of completion of such transfer. The Offer Shares will be listed on the Oslo Stock Exchange as soon as the share capital increase pertaining to the Subsequent Offering has been registered with the Norwegian Register of Business Enterprises and the Offer Shares have been registered in the VPS. This is expected to take place on or about 19 February 2020.

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

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

No fractional Offer Shares will be allocated. The Company reserves the right to round off, reject or reduce any subscription for Offer Shares not covered by Subscription Rights unless subscribers are given the right to over-subscribe in accordance with the above allocation criteria.

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

	Prior to the issuance of the New Shares	Subsequent to the issuance of the New Shares
Number of Shares each with a par value of NOK 10.00	6,778,610	13,697,235
% dilution		50.50%

The Company's total assets and debt (long term and short term) as at 30 September 2019 and as set out in the Company's consolidated balance sheet as at that date was TNOK 1,646,300 and TNOK 1,196,236, respectively, which translates to approximately NOK 66.40 in net asset value per Share at that date. The Subscription Price is NOK 20.00.

Total expenses of the issue/offer The Company will bear the costs, fees and expenses related to the Subsequent Offering, which are estimated to amount to approximately NOK 1.25 million assuming that all Offer Shares are issued. No expenses or taxes will be charged by the Company or the Managers to the subscribers in the Subsequent Offering.

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

Brief description of the Offeror Not applicable. The Company is offering the New Shares.

Why is this Prospectus being produced?

Reasons for the offer/admission to trading This Prospectus has been prepared in order to facilitate the listing of the New Shares on the Oslo Stock Exchange and to facilitate for the offering of the Offer Shares. The purpose of the Subsequent Offering is to enable the Eligible Shareholders to subscribe for Shares in the Company at the same price as in the Private Placement, thus limiting the dilution of their shareholding.

Use of proceeds..... The net proceeds from the Private Placement and the Subsequent Offering will be used to strengthen the Company's strategic priority areas and to reduce the Company's existing debt.

Underwriting Not applicable. There is no underwriting in the Subsequent Offering.

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

Further, the Managers received a fee in connection with the Private Placement and will receive a fee in connection with the Subsequent Offering, and, as such, had an interest in the Private Placement and will have an interest in the Subsequent Offering. Beyond the abovementioned, the Company is not aware of any interest, including conflicting ones, of natural and legal persons involved in the Private Placement nor the Subsequent Offering.

2 RISK FACTORS

An investment in the Company, thus the Offer Shares, involves inherent risk. Investors should carefully consider the risk factors and all information contained in this Prospectus, including the Financial Information and related notes incorporated by reference hereto. The risks and uncertainties described in this Section 2 are the material known risks and uncertainties faced by the Group as of the date hereof, and represents those risk factors that the Company believes to represent the most material risks for investors when making their investment decision in the Offer Shares. An investment in the Company is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

The risk factors included in this Section 2 are presented in a limited number of categories, where each risk factor is placed in the most appropriate category based on the nature of the risk it represents. Within each category, the risk factors deemed most material for the Group, taking into account their potential negative effect for the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in loss of all or part of an investment in the Offer Shares. Additional factors of which the Company is currently unaware, or which it currently deems not to be risks, may also have corresponding negative effects.

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

The Group's refractory business is dependent on the continuing operation of the Group's refractory facility

The Group produces all of its refractory products at its factory located in Bjuv, outside of Helsingborg, in Sweden. If the production at the factory for any reason is shut down or there is a business interruption, e.g. due to breakdown of the production machinery or equipment failure, breach of, or loss, of required permissions or concessions required to operate the facility, work accidents or fire etc., employee strikes or sit-downs, the Group will be unable to deliver pursuant to its contractual obligations with its customers and risk penalties from its customers due to non-performance of its contractual obligations or that it will have to trade in its competitors' products in order to fulfil its contractual obligations. The Group considers this risk to be substantial because it only has one factory with production facilities and can as such not resume or increase production of the refractory products at other facilities in case of shut down/business interruption. A shut down or business interruption at the Group's facility in Bjuv could therefore have a material adverse effect on the Group's refractory business, result of operations, cash flows, financial condition and/or prospects.

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 to generate adequate revenues to cover its operating expenses and/or service its debts

Within the commercial property marked, 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 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. The production setup for the Group is based on high utilization volume of the total production capacity, a high utilization is critical to obtain a low cost per ton produced in especially the brick production. The setup for the brick production is not that flexible in terms of decreasing costs, without material investments, if the volume in the production is decreasing. A material decrease in production could have a material adverse effect on the Group's refractory business, results of operations, cash flows, financial condition and/or prospects.

Furthermore, could 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 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 dependent upon a limited number of suppliers of raw material for the production of its refractory products

The Group is dependent on supply of raw material from a limited number of suppliers in order to produce its refractory products, with which the Group has entered into short to medium term contracts. The raw material market for refractories are in some part concentrated and part of the raw material suppliers are controlled by companies which also are owners of competitors of the Group in the refractory business. The Group's ability to renew or extend existing contracts on favourable terms, or at all, or enter into new contracts will largely depend on prevailing market conditions. If supplier contracts are not renewed or replaced, are terminated or are renewed on less favourable terms, this could have a material adverse effect on the Group's refractory businesses, 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.

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.

2.2 Risks related to financing and market risk

If the Group is unable to comply with restrictions and the financial covenants in agreements governing its indebtedness, there could be a default under the terms of these agreements, which could result in an acceleration of repayment of funds that have been borrowed

If the Group is unable to comply with restrictions and covenants in the agreements governing its indebtedness or in current or future debt financing agreements, there could be a default or cancellation under the terms of those agreements. The Group's ability to comply with such restrictions and covenants, including meeting financial ratios and measures, is dependent on its future performance. The Group has *inter alia* covenants relating to minimum requirements with respect to equity ratio, changes in shareholders, minimum free liquidity and minimum ratio between EBTIDA and net interest-bearing debt. If a default occurs under these agreements, lenders could terminate their commitments to lend or accelerate the outstanding loans and declare all amounts borrowed due and payable. Borrowings under debt arrangements that contain cross-acceleration or cross-default provisions may also be accelerated and become due and payable. In addition, certain of the Group's financing agreements include change of control provisions which, if triggered, could result in the Group having to immediately prepay all amounts, including interest, accrued and owing under the relevant facility. If any of these events occur, the Group cannot guarantee that its assets will be sufficient to repay in full all of its outstanding indebtedness, and the Group may be unable to find alternative financing. Even if the Group could obtain alternative financing, that financing might not be on terms that are favourable or acceptable. The occurrence of such events could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects

The Group's existing or future debt arrangements could limit the Group's liquidity and flexibility in obtaining additional financing, in pursuing other business opportunities or corporate activities or the Company's ability to declare dividends to its shareholders

The Group's main financing arrangements are the (i) Company's senior secured bond loan (BOR03) (the "**Bond Loan**") of approximately MNOK 300 as per 30 September 2019 (prior to the Private Placement and the Company's repurchase of bonds from the bondholders, including the Bond Redemption) which carries a floating interest rate at NIBOR + a margin of 7.00%, (ii) a mortgage loan with Agora Bytom Sp. z o.o. as borrower of approximately MEUR 47.3 as per 30 September 2019 with an interest rate of EURIBOR + a margin of 2.40 % and (iii) the Company's credit facility of MNOK 50 with SpareBank 1 Telemark.

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 service its debt will depend upon, among other things, its future financial and operating performance, which will be affected by prevailing economic conditions as well as financial, business, regulatory and other factors, some of which are beyond its control. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group will be forced to take action such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, restructuring or refinancing its debt or seeking additional equity capital. The Group may not be able to affect any of these remedies on satisfactory terms, or at all. If any such

risk materialise, it could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

The Group is exposed to interest rate fluctuations

The Group is exposed to interest rate risk through its placement and financing activities. The Group has floating interest rates for most of its deposits, receivables and loans, except for 70% of the loan related to Agora Bytom, which is secured to an interest rate at 0.32% + 2.40% margin. The loan and the interest swap expires in June 2021.

Interest rate fluctuations could have a material adverse effect on the Group's businesses, results of operations, cash flows, financial condition and/or prospects.

2.3 Risks related to laws, regulation 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 Shares

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

Christen Knudsen (the chairman of the Board of Directors) and his close family controls approximately 19.8% of the Shares (directly and indirectly through Mentone AS and other related party entities) and will, as the major shareholder of the Company, have the ability to significantly influence the outcome of matters submitted for the vote by the Company's shareholders, including election of members of the Board of Directors. The commercial goals of Christen Knudsen as shareholder, and those of the Company, may not always remain aligned and this concentration of ownership may not always be in the best interest of the Company's other shareholders.

Exchange rate fluctuations could adversely affect the value of the Shares and any dividends paid on the Shares for an investor whose principal currency is not NOK

The Shares are priced and traded in NOK on the Oslo Stock Exchange, and any future payments of dividends on the Shares will be denominated in the currency of the bank account of the relevant shareholder, and will be paid to the shareholders through Nordea Bank Abp, filial i Norge ("**Nordea**"), being the Company's VPS registrar (the "**VPS Registrar**"). Shareholders registered in the "**VPS**" (an abbreviation of the Norwegian Central Securities Depository (Nw.: *Verdipapirsentralen*)) who have not supplied their VPS account operator with details of their bank account, will not receive payment of dividends unless they register their bank account details of their VPS account, and thereafter inform the VPS Registrar about said account. The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant shareholder's currency will be the VPS Registrar's exchange rate on the payment date. Exchange rate movements of NOK will therefore affect the value of these dividends and distributions for investors whose principal currency is not NOK. Further, the market value of the Shares as expressed in foreign currencies will fluctuate in part as a result of foreign exchange fluctuations. This could affect the value of the Shares and of any dividends paid on the Shares for an investor whose principal currency is not NOK.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the Subsequent Offering described herein and the listing of the New Shares on the Oslo Stock Exchange.

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

28 January 2020

The Board of Directors of Borgestad ASA

Christen Knudsen

Gudmund Joar Bratrud

Anita Ballestad

4 GENERAL INFORMATION

4.1 The approval of this Prospectus by the Norwegian Financial Supervisory Authority

The Financial Supervisory Authority of Norway (*Nw.: Finanstilsynet*) (the "**Norwegian FSA**") has reviewed and approved this Prospectus, as competent authority under Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"). The Norwegian FSA 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. This Prospectus was approved by the Norwegian FSA on 28 January 2020. The Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of Regulation (EU) 2017/1129 (the EU Prospectus Regulation). Investors should make their own assessment as to the suitability of investing in the securities.

4.2 Other important investor information

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

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

Investing in the Shares involves a high degree of risk. Reference is made to Section 2 "Risk Factors".

4.3 Financial information

The Company's audited consolidated financial statements as of and for the year ended 31 December 2018 (the "**Financial Statements**") and the Company's unaudited consolidated interim financial statements as of and for the nine months ended 30 September 2019 (the "**Interim Financial Statements**" and together with the Financial Statements, the "**Financial Information**") have been incorporated by reference hereto, see Section 14.3 "Incorporation by reference".

The Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (the "**EU**") ("**IFRS**"), while the Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU ("**IAS 34**").

The Financial Statements have been audited by Deloitte AS ("**Deloitte**"), as set forth in their report included therein. The Interim Financial Statements have not been audited.

4.4 Presentation of other information

4.4.1 Industry and market data

This Prospectus contains statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's future business and the industries and markets in which it may operate in the future. Unless otherwise indicated, such information reflects the Company's estimates based on analysis of multiple sources, including data compiled by professional organisations, consultants and analysts and information otherwise obtained from other third party sources, such as annual financial statements and other presentations published by listed companies operating within the same industry as the Company may do in the future. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Company's competitive position in the future is based on the Company's own assessment and knowledge of the potential market in which it may operate.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Company does not intend, and does not assume any obligations to update industry or market data set forth in this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk Factors" and elsewhere in this Prospectus.

4.4.2 *Other information*

In this Prospectus, all references to "**NOK**" are to the lawful currency of Norway, all references to "**USD**" or "**U.S. Dollar**" are to the lawful currency of the United States, all references to "**SEK**" are to the lawful currency of Sweden, all references to "**PLN**" are to the lawful currency of Poland and all references to "**Euro**" or "**EUR**" are to the lawful common currency of the European Union (the "**EU**") member states who have adopted the Euro as their sole national currency. No representation is made that the NOK, USD, SEK, PLN and EUR amounts referred to herein could have been or could be converted into NOK, USD, SEK, PLN or EUR as the case may be, at any particular rate, or at all. The Financial Information is published in NOK.

4.4.3 *Rounding*

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

4.5 **Cautionary note regarding forward-looking statements**

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "should", "projects", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements as a general matter are all statements other than statements as to historic facts or present facts and circumstances. They appear in the Section 5 "Business of the Group" of this Prospectus, and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Group, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Group's future business development and financial performance, and the industry in which the Group operates.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry and potential market in which the Group may operate in the future, may differ materially from those made in, or suggested by, the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. Important factors that could cause those differences include, but are not limited to:

- the effect of changes in demand, pricing and competition for the Group's existing and future products and services;
- the Group's strategy, outlook and growth prospects and the ability of the Group to implement its strategic initiatives;
- the competitive nature of the business the Group operates in and the competitive pressure and changes to the competitive environment in general;
- earnings, cash flows, dividends and other expected financial results and conditions;
- the state of the Group's relationships with major clients, suppliers and affiliated companies;
- technological changes and new products and services introduced into the Group's market and industry;
- fluctuations of interest and exchange rates;
- changes in general economic and industry conditions, including changes to tax rates and regimes;
- political, governmental, social, legal and regulatory changes;
- dependence on and changes in management and failure to retain and attract a sufficient number of skilled personnel;
- access to funding;
- legal proceedings;
- operating costs and other expenses;
- environmental and climatological conditions;
- consequences of consolidation in the industry, resulting in fewer but stronger competitors;
- acquisitions and integration of acquired business; and
- other factors described in Section 1 "Risk factors".

The risks that are currently known to the Company and which could affect the Group's future results and could cause results to differ materially from those expressed in the forward-looking statements are discussed in Section 1 "Risk factors".

The information contained in this Prospectus, including the information set out under Section 1 "Risk factors", identifies additional factors that could affect the Group's financial position, operating results, liquidity and performance. Prospective investors in the Shares and/or the Subscription Rights are urged to read all Sections of this Prospectus and, in particular, Section 1 "Risk factors" for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates when considering an investment in the Company.

These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company

or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

5 BUSINESS OF THE GROUP

5.1 Introduction

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 Scandinavian 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.² 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.

5.2 Overview of the Group's business areas

5.2.1 Real estate management and development

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 30 September 2019. Below is a brief description of each investment.

5.2.1.1 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 third quarter of 2019, approximately 95% of the leasable area are open units, with leases for the remainder under adaptation for signed leases or negotiation. About 122 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.

In the first three quarters of 2019, the turnover increased by 6.5% among the tenants in the centre, compared to the same period in 2018, and the underlying indicators are developing in a positive direction. The turnover effect in

² 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.

Agora Bytom is partially explained by the shopping centre's unique location and the increased purchasing power for consumers in Poland.

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.

5.2.1.2 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.

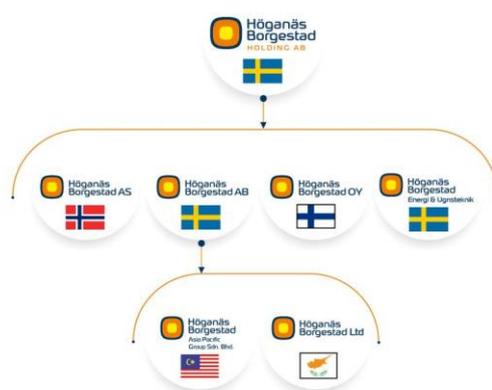
After the closing of Borgestad Fabrikker AS' production site in 2003, Borgestad Næringspark AS established a business park at the site. Borgestad Næringspark AS is centrally located on the river bank between Skien and Porsgrunn, and the premises are suitable for both commercial and residential use. The 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.

5.2.2 Refractory business

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. Höganäs Borgestad is the Nordics largest player within the refractory business. 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 and is a market leader in technological development³. 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. This has been crucial in building Borgestad's strong market position.

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

HBH STRUCTURE

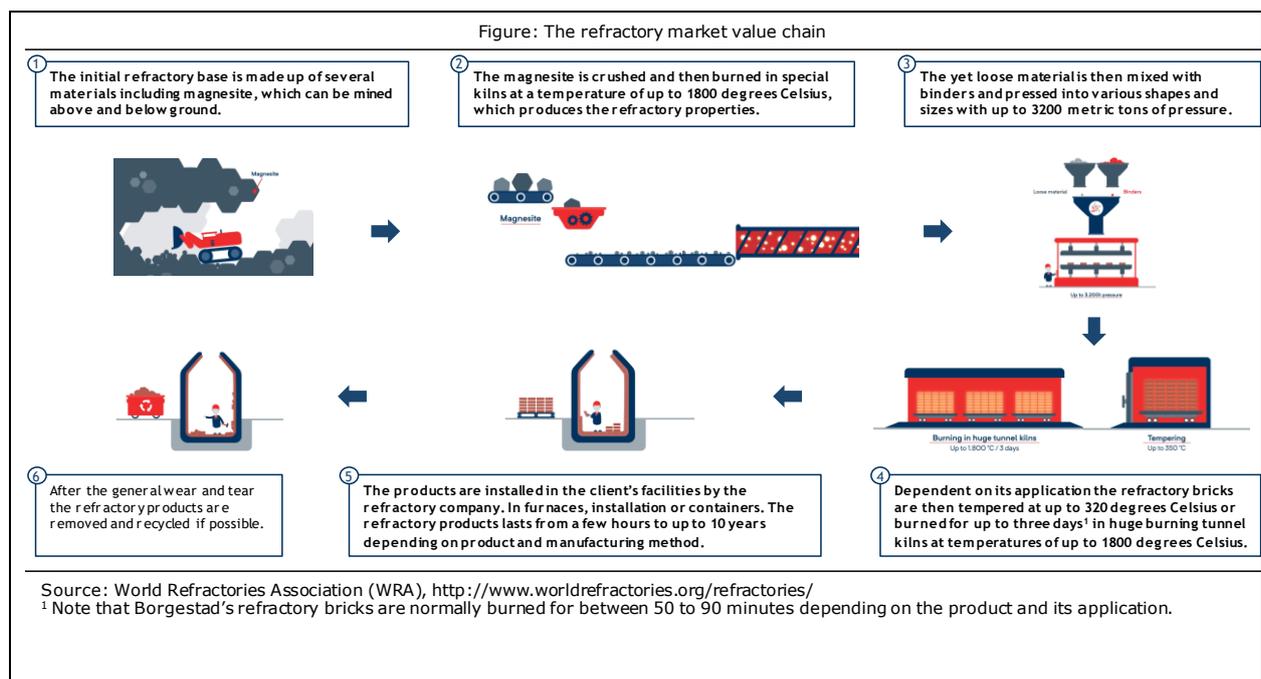


³ Borgestad ASA, Annual Report 2017; company estimates and research

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 LKAB, SSAB, Hydro, Elkem and Heidelberg cement.

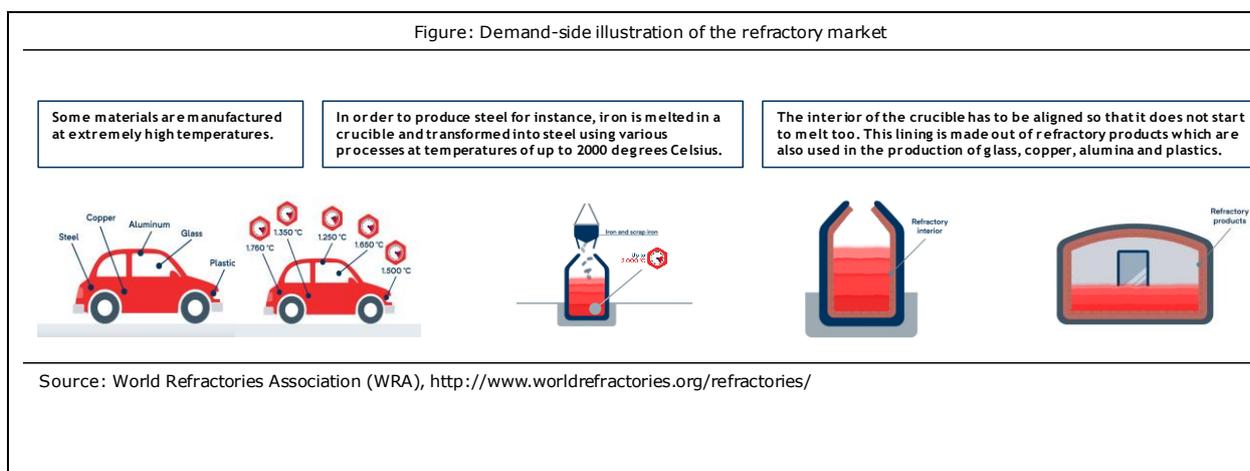


In February 2019, Borgestad together with all the minority shareholders within the different companies in the Borgestad Industries group agreed to reorganize the Borgestad Industries group. As part of the reorganization all shareholders restructured their ownership to one jointly holding company, Höganäs Borgestad Holding AB. Höganäs Borgestad Holding AB has 18 shareholders in total, where Borgestad is the majority shareholder with 61.8% of the shares (the "**Reorganization**").

As part of the agreement between the shareholders when restructuring the ownership structure, a new group structure and branding were introduced. All companies within the former Borgestad Industries group changed logo and branding to Höganäs Borgestad. In Norway Borgestad Fabrikker AS, JH Bjørklund AS and GI Contracting AS were merged to one company, Höganäs Borgestad AS. In Sweden T. Knutsson AB and Höganäs Bjuf AB were merged to Höganäs Borgestad AB, and Mektec i Gävle AB changed the company name to Höganäs Borgestad Energi & Ugnsteknikk AB. Ag Port Oy in Finland, merged with Tekmur Oy 31.12.2018, changed name to Höganäs Borgestad Oy.

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 chain⁴ 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 replaced⁵.



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 and the production volume in the factory in Bjuv 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.

Following the first three quarters in 2019, 2019 is in a position to be the best year for Borgestad's refractory business with respect to turnover and EBIT. The positive development is mainly driven by the Reorganization and increased orders in the installation part of the business.

5.2.3 Other activities

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

5.2.3.1 NTB AS (3.1%)

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, NTB 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

⁴ <http://www.tekmur.eu/our-services/metal-and-foundries/>, freely available, accessed on 13.12.18.

⁵ PRE, the European Refractories Producers Federation, <http://www.pre.eu/>, freely available, accessed on 17.12.18.

signed in both 2011 and 2012 for projects totaling 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. Technical completion of the first phase is expected partly in December 2019 and partly early 2020. Technical completion of the second phase is expected during the summer 2020. The construction of the entire wind farm is expected to be finalized late Q3 / early Q4 2020.

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 3.1% of the shares in NBT AS.

5.2.3.2 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.

5.3 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 20 April 2020 to 24 April 2020.

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 will take place in April 2020. 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.

5.4 Material contracts

Other than the (i) agreements entered into as part of the Reorganisation as further described below, (ii) the purchase of approximately 51% of the shares in Tekmur Oy, (iii) the sale of 15% of the shares in PCO Zarow Sp.z. o.o and (iv) the refinancing of the secured bond loan (BOR03), 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.

As part of the Reorganisation, Borgestad established a new holding company (Höganäs Borgestad Holding AB ("**HB Holding**")) owned by Höganäs Borgestad AB ("**HBAB**"), whereby all of HBAB's shares in all of its directly owned subsidiaries were transferred to HB Holding. The minority shareholders of these subsidiaries (which were GL Contracting AS, Macon AB, Crematec AB, Mectec i Gävle AB and Ag Port Oy) exchanged their shares in the relevant subsidiaries against shares in HB Holding as part of the Reorganisation.

The Reorganisation was documented by a written agreement entered into on arms' length terms between HB Holding, HBAB and each of the minority shareholders (each minority shareholder entered into a separate agreement). Additionally, HBAB and the minority shareholders entered into a new shareholders' agreement for HB Holding.

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.

5.5 Regulatory environment

There has been no material change in the Company's regulatory environment since 31 December 2018 and until the date of this Prospectus.

5.6 Investments

The Company has not since 30 September 2019 made any material investments which are in progress and/or for which firm commitments already have been made.

5.7 Trend information

The Group is not aware of any recent trends in production, sales and inventory, and costs and selling prices that are significant to the Group in the period between 31 December 2018 and to the date of this Prospectus.

Other than an expected increase in brick production in the financial year 2020 in the refractory business which is expected to occur due to marketing efforts made by Höganäs Borgestad, the Group is not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group for the current financial year.

5.8 Significant changes

Other than the (i) Private Placement completed on 27 November 2019 raising gross proceeds of NOK 100 million and (ii) the Group's redemption of the bond loan "BOR03" for an amount totalling approximately NOK 30,000,000, there have been no significant changes in the financial position nor financial performance of the Group in the period between 30 September 2019 and to the date of this Prospectus.

5.9 Related party transactions

The Company has not entered into any related party transactions in the period between 30 September 2019 and the date of this Prospectus.

6 DIVIDENDS AND DIVIDEND POLICY

6.1 Dividend policy

The Company's goal is to maximize the shareholders' values over time. The Company wishes to distribute a steady and preferential increasing dividend. In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account legal restrictions, as set out in the Norwegian Public Limited Companies Act (see Section 6.2 "Legal constraints on the distribution of dividends"), the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its credit agreements or other contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintaining of appropriate financial flexibility. The Company's general meeting of shareholders (the "**General Meeting**") approves the annual dividend, based on the Board of Director's recommendation. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

For the accounting years 2016, 2017 and 2018, no dividend was paid.

6.2 Legal constraints on the distribution of dividends

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

Dividends may be paid in cash or in some instances in kind. The Norwegian Public Limited Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Limited Companies Act regulates what may be distributed as dividend, and provides that the Company may distribute dividends only to the extent that the Company after said distribution still has net assets to cover (i) the share capital and (ii) other restricted equity (i.e. the reserve for unrealized gains and the reserve for valuation of differences).
- The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividend shall be applied. Following the approval of the annual accounts for the last financial year, the General Meeting may also authorise the Board of Directors to declare dividends on the basis of the Company's annual accounts. Dividends may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the General Meeting's resolution.
- Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

Pursuant to the Norwegian Public Limited Companies Act, the time when an entitlement to dividend arises depends on what was resolved by the General Meeting when it resolved to issue new shares in the company. A subscriber of new shares in a Norwegian public limited company will normally be entitled to dividends from the time when the relevant share capital increase is registered with the Norwegian Register of Business Enterprises. The Norwegian Public Limited Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 11 "Taxation".

6.3 Manner of dividend payments

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

7 CAPITALISATION AND INDEBTEDNESS

7.1 Introduction

This Section provides information about the Group's unaudited capitalisation and net financial indebtedness on an actual basis as at 30 September 2019 and, in the "As adjusted" column, the Group's unaudited capitalisation and net financial indebtedness on an adjusted basis to give effect to the material post-balance sheets events and effects of (i) the Private Placement (see Section 12.1 "The Private Placement" for more information) and (ii) the Company's repurchase of its Bond Loan, including the Bond Redemption, for a total amount of NOK 30,000,000. Other than this, there has been no material change to the Group's capitalisation and net financial indebtedness since 30 September 2019.

7.2 Capitalisation

<i>In NOK thousand</i>	As of 30 September 2019 (unaudited)	Adjustment for the Private Placement (unaudited)	Adjustment for the Company's repurchase of the Bond Loan (unaudited)	As adjusted (unaudited)
Indebtedness				
<i>Total current debt:</i>				
Guaranteed and secured	-	-	-	-
Guaranteed but unsecured	-	-	-	-
Secured but unguaranteed ^{1, 2, 3}	147,549 ⁶	-	-	147,549
Unguaranteed and unsecured.....	174,988 ⁷	-	-	174,988
Total current debt	322,537	-	-	322,537
<i>Total non-current debt:</i>				
Guaranteed and secured ⁴	50,450	-	-	50,450
Guaranteed but unsecured	-	-	-	-
Secured but unguaranteed ^{1, 3, 5}	792,527	-	30,000 ⁸	762,527
Unguaranteed and unsecured.....	30,722	-	-	30,722
Total non-current debt	873,699	-	-30,000	843,699
Total indebtedness	1,196,236	-	-30,000	1,166,236
Shareholders' equity				
Share capital	67,706	51,186	8,000	126,892
Other contributed capital	59,281	43,000	7,200	109,481
Accumulated other comprehensive income (loss)	79,808	-	-	79,808
Retained earnings (deficit).....	176,283	-	-	176,283
Minority interest.....	66,986	-	-	66,986
Total shareholders' equity	450,064	94,186⁹	15,200¹⁰	559,450
Total capitalisation	1,646,300	94,186	-14,800	1,725,686

1 The mortgage in Agora Bytom Sp. z o.o. is secured with the real estate property and the shares of Agora Bytom Sp. z.o.o.

2 The check credit issued by SpareBank 1 Telemark is secured with the real estate in Borgestad ASA (the headquarter) and the real estate in Borgestad Næringspark AS above NOK 20 million.

3 The mortgage and check credit issued by Nordea Bank Norway Apb, filial Sverige to the refractory segment is secured by shares in Höganäs Borgestad AB, Höganäs Bjuf Fastighets, Höganäs Borgestad AS, Höganäs Borgestad Oy, Höganäs Borgestad Energi & Ugnsteknik AB and Macon AB, and is also secured by receivables, the production property and machinery.

4 The Company has guaranteed EUR 5 million against Bank Pekao S.A.

5 The Bond (BOR03) issued by the Company is secured with shares in Borgestad Properties AS, Borgestad Industries AS, Borgestad Næringspark AS and the real estate in Borgestad Næringspark AS, up to NOK 20 million.

6 TNOK 147,549 is the sum of overdraft and short-term part of mortgage loans as per 30 September 2019.

7 TNOK 174,988 is the remaining short-term debt.

8 TNOK 30,000 is the Bond Redemption (of NOK 16,000,000) and the Company's repurchase of the Bond Loan for an amount of MNOK 14.

9 The increase in shareholders' equity following the Private Placement of TNOK 94,186 is the net proceeds from the Private Placement (MNOK 100 in gross proceeds less costs, fees and expenses related to the Private Placement).

10 The increase in shareholders' equity following the Company's redemption of the Bond Loan of TNOK 15,200 is the net proceeds from the Bond Redemption (MNOK 16 in gross proceeds less costs, fees and expenses related to the Bond Redemption).

7.3 Indebtedness

<i>In NOK thousand</i>	As of 30 September 2019 <i>(unaudited)</i>	Adjustment for the Private Placement <i>(unaudited)</i>	Adjustment for the Company's repurchase of the Bond Loan <i>(unaudited)</i>	As adjusted 30 September 2019 <i>(unaudited)</i>
(A) Cash.....	46,982	94,186	-15,225 ¹	125,943
(B) Cash equivalents.....	-	-	-	-
(C) Trading securities.....	-	-	-	-
(D) Liquidity (A)+(B)+(C).....	46,982	94,186	-15,225	125,943
(E) Current financial receivables.....	184,971	-	-	184,971
(F) Current bank debt	121,195	-	-	121,195
(G) Current portion of non-current debt	26,354	-	-	26,354
(H) Other current financial debt	75,625	-	-	75,625
(I) Current financial debt (F)+(G)+(H)	223,174	-	-	223,174
(J) Net current financial indebtedness (I)- (E)-(D)	-8,779	-94,186	15,225	-87,740
(K) Non-current bank loans	544,422	-	-	544,422
(L) Bonds issued	298,555	-	- 30,000	268, 555
(M) Other non-current loans	1,200	-	-	1,200
(N) Non-current financial indebtedness (K)+(L)+(M)	844,177	-	-30,000	814,177
(O) Net financial indebtedness (J)+(N).....	835,398	-94,186	-14,775	726,437

1 TNOK 14,000 is expenses in connection with the repurchase of the Bond Loan and the excess amount is cost, fees and expenses related to the repurchase of the Bond Loan.

7.4 Working capital statement

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

7.5 Contingent and indirect indebtedness

As of 30 September 2019 and as of the date of the Prospectus, the Group did not have any contingent or indirect indebtedness.

For the sake of completeness, it is noted that the Group has an ongoing court case against a Russian customer, in which the opponent party has raised a counterclaim for damages due to production loss and daily fines of approximately SEK 40 million. However, in the opinion of Borgestad, there is no basis for the counterclaim. Reference is made to Section 5.3 "Legal proceedings" for further description of the ongoing court case.

8 MEMBERS OF THE BOARD OF DIRECTORS AND MANAGEMENT

8.1 Introduction

The General Meeting is the highest authority of the Company. All shareholders of the Company are entitled to attend and vote at General Meetings of the Company and to table draft resolutions for items to be included on the agenda for a General Meeting.

The overall management of the Company is vested in the Company's Board of Directors and the Company's Management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organisation, preparing plans and budgets for its activities, ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's chief executive officer, is responsible for keeping the Company's accounts in accordance with existing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, the Company's CEO must according to Norwegian law, brief the Board of Directors about the Company's activities, financial position and operating results at a minimum of one time per month.

8.2 Board of Directors

8.2.1 The Board of Directors

The names and positions and current term of office of the board members, as at the date of this Prospectus, are presented in the table below. The Company's registered business address, Gunnar Knudsens veg 144, 3712 Skien, Norway, serves as c/o address for the members of the Board of Directors in relation to their directorship in the Company.

Name	Position	Served since	Term expires	Shares
Christen Knudsen	Chairperson	2019 ¹	2021	2,513,530 ¹
Gudmund Bratrud.....	Board member	1997 ²	2021	2,076,629 ²
Anita Ballestad.....	Board member	2019	2021	-
Jacob Møller.....	Deputy board member	2009	2021	734,967 ³

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) (109,172 Shares).

2 518,183 of Bratrud's Shares are held by him personally, while the remaining Shares are held indirectly through Regent AS (499,122 Shares), Myra Matsenter AS (188,048), Analyseinvest AS (251,592 shares), Suveren AS (400,933 Shares) and Substantia AS (218,751 Shares).

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

8.2.2 Brief biographies of the Board Members

Set out below are brief biographies of the Board Members, including their relevant management expertise and experience and an indication of any significant principal activities performed by them outside the Group and names of companies and partnerships of which a Board Member is or has been a member of the administrative, management or supervisory bodies or partner outside the Group the previous five years.

Christen Knudsen, Chairperson

Knudsen is the fourth generation after the founder of the Company. He has the majority shareholding of the Company, and controls 31.3% 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 *BTV-Invest (Board member).*

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

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 positions last five years outside the Group..... Skien Lufthavn AS (Board member).

Jacob A. Møller, Deputy board member

Møller has been a member of the Board of Directors since 2009, until he was elected as deputy board member in 2017. Besides his directorship with the Company, Møller has worked several years as an attorney in the Norwegian law firm Advokatfirmaet BA-HR AS. He is currently the Head of M&A in Schibsted ASA. 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 Schibsted Marketplaces Invest AS (Chairperson), Schibsted Classified Media AS (Chairperson), Ploot Invest AS (Chairperson), Eljach Invest AS (Board member), SnT Classified ANS (Board member), Drengåsen Utbygging SA (Board member), Schibsted A.G. (Board member).

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

8.3 Management

8.3.1 Overview

The former Chief Executive Officer of Borgestad, Christen Knudsen, resigned from the position as of 4 June 2019. On the same date, he was elected chairperson of the Board of Directors. Hence, the Company's senior management has since 4 June 2019 consisted of two individuals. The names of the members of the Management as at the date of this Prospectus, and their respective positions, are presented in the table below:

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 Company's registered business address, Gunnar Knudsens veg 144, 3712 Skien, Norway, serves as the business address for the members of the Management in relation to their employment with the Company.

8.3.2 Brief biographies of the members of Management

Set out below are brief biographies of the members of Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Group and names of companies and partnerships of which a member of Management is or has been a member of the administrative, management or supervisory bodies or partner outside the Group the previous five years.

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

8.4 Lock-up

There are no general restrictions concerning the members of the Board of Directors and Management's right to dispose of their respective Shares.

However, the Shares set out in the table below as held by Pål F. Larsen and Jacob A. Møller, through Ploot Invest AS, are restricted from being sold for a period of three years from the date they were allocated:

Shareholder	Number of shares subject to lock-up	Expiry of lock-up period
Pål F. Larsen	3,418 Shares	15 May 2020
Pål F. Larsen	3,361 Shares	14 May 2021
Pål F. Larsen	67,786 Shares	27 November 2022
Jacob A. Møller (through Ploot Invest AS)	50,839 Shares	27 November 2022

8.5 Conflicts of interests etc.

No Board Member or member of the Management 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.

To the Company's knowledge there are no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any Board Member or member of Management was selected as a member of the Board of Directors or Management nor other actual or potential conflicts of interest between the Company and the private interests or other duties of any of the Board Members and the members of the Management, including any family relationships between such persons.

9 CORPORATE INFORMATION AND DESCRIPTION OF THE SHARE CAPITAL

9.1 Company corporate information

The legal name of the Company is Borgestad ASA, and the commercial name is Borgestad. The Company is a public limited liability company organised under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company's registered office and domicile is in the municipality of Skien, Norway. The Company was incorporated in Norway on 11 July 1904 and listed on Oslo Børs on 2 January 1920. The Company's organization number in the Norwegian Register of Business Enterprises is 920 639 674. The Company's legal entity identifier (LEI) is 5967007LIEEXZXG3AG53. The Shares are registered in book-entry form with the VPS under ISIN NO 0003111700. The Company's register of shareholders in the 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 (the "**VPS Registrar**"). The Company's registered office is at Gunnar Knudsens veg 144, 3712 Skien, Norway. Telephone: +47 35 54 24 00 and its website address is www.borgestad.no. The content of www.borgestad.no is not incorporated by reference into and does not otherwise form part of this Prospectus.

9.2 Listing on the Oslo Stock Exchange

The Shares are, and the Private Placement Shares, Incentive Shares, Redemption Shares and Offer Shares will be, admitted to trading on the Oslo Stock Exchange. The Company currently expects commencement of trading in the Private Placement Shares, Incentive Shares and Redemption Shares on the Oslo Stock Exchange on or about on the date of this Prospectus and the Offer Shares on or about 19 February 2020. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

9.3 Major shareholders

There are no differences in voting rights between the shareholders.

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. As at 14 January 2020, no shareholders other than Christen Knudsen (2,513,530 Shares, approx. 19.6%) (directly (1,1865 Shares) and indirectly through Mentone AS (2,402,493 Shares) and his related family (109,172 Shares)), Gudmund Bratrud (2,076,629 Shares, approx. 16.35%) (directly (270,183 Shares and indirectly through Regent AS (499,122 Shares), Suveren AS (400,933 Shares), Analyseinvest AS (309,592 Shares), Substantia AS (308,751 Shares) and Myra Matsenter AS (288,048 Shares), Bertel O. Steen (933,761 Shares, approx. 7.35%) (directly (3,133 Shares) and indirectly through Ses AS (453,849 Shares) and Bemacs AS (476,779 Shares)), Dione AS (648,128 Shares, approx. 5.39%) and Sparebank1 Markets market-making (750,000 Shares, approx. 5.9%) held more than 5% of the Shares to the Company's knowledge.

The Company is not aware of any persons or entities that, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

The Company's Articles of Association do not contain any provisions that would have the effect of delaying, deferring or preventing a change of control of the Company. The Shares have not been subject to any public takeover bids during the current or last financial year.

9.4 Authorisation to increase the share capital and issue Shares

At the annual General Meeting in 2019, the Board of Directors was granted the following authorisations to increase the Company's share capital. It is noted that the two authorisations listed below were used by the Board of Directors in connection with the Private Placement and the issuance of the Incentive Shares, and that any amount outstanding under the authorisations became void following the registration of the authorisation to complete the Subsequent Offering granted at the extraordinary General Meeting on 20 December 2019, as further described in item (iii) below

- (i) Authorisation to increase the share capital with up to NOK 30,000,000 in connection with development of the Group's focus areas and in connection with mergers and acquisitions. The authorisation is valid until the earliest of the annual General Meeting in 2020 and 30 June 2020.

- (ii) Authorisation to increase the share capital with up to NOK 1,186,256 in connection with issuance of shares under the Company's incentive scheme for key employees. The authorisation is valid until the earliest of the annual General Meeting in 2020 and 30 June 2020.

Further, at an extraordinary General Meeting held on 20 December 2019, the Board of Directors was granted the following authorisations to increase the Company's share capital:

At an extraordinary General Meeting held 20 December 2019, the Board of Directors was granted the following authorisations to increase the Company's share capital:

- (iii) An authorisation to increase the share capital with up to NOK 10,000,000 by issuing up to 1,000,000 Shares (the Offer Shares), each with a par value of NOK 10.00, in connection with the Subsequent Offering. The authorisation may only be used to issue new shares to the Eligible Shareholders. The price to be paid per share was set to NOK 20.00. The shareholders' pre-emptive right to the shares issued upon exercise of the authorisation may be deviated from. The authorisation may only be used in connection with share capital increase with cash consideration. Upon registration of the authorisation with the Norwegian Register of Business Enterprises, all unexercised previous authorisations granted to the Board of Directors prior to 20 December 2019 shall become void. The authorisation is valid until the earliest of the annual General Meeting in 2020 and 30 June 2020.
- (iv) An authorisation to increase the share capital with up to NOK 25,000,000 by issuing up to 2,500,000 Shares, each with a par value of NOK 10.00, in connection with the Bond Redemption. The price to be paid per share was set to NOK 20.00. The shareholders' pre-emptive right to the shares issued upon exercise of the authorisation may be deviated from. The authorisation comprises share capital increases against contribution in kind, including set-off, and the right to incur specific obligations on behalf of the company but not in connection with mergers. The authorisation is valid until the earliest of the annual General Meeting in 2020 and 30 June 2020.
- (v) An authorisation to increase the share capital with up to NOK 9,609,235 in connection with financing of further growth, development of the Group's focus areas and in connection with mergers and acquisitions. The authorisation comprises share capital increases against contribution in kind and the right to incur specific obligations on behalf of the company and in connection with mergers. The shareholders' pre-emptive right to the new shares may be deviated from upon exercise of the authorisation. The authorisation is valid until the earliest of the annual General Meeting in 2020 and 30 June 2020.

9.5 Authorisation to acquire treasury shares

At the annual General Meeting in 2019, the Board of Directors was granted an authorisation to purchase treasury shares for an nominal amount of NOK 6,778,610 representing 10% of the Company's share capital at the time. The highest amount that can be paid per share under the authorisation is NOK 150 and the lowest amount that can be paid per share is NOK 10. The authorisation is valid until the earliest of the annual General Meeting in 2020 and 30 June 2020.

9.6 Other financial instruments

Neither the Company nor any of its subsidiaries have issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any shares in the Company or its subsidiaries.

9.7 Shareholder rights

The Company has only one class of Shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all Shares in that class provide/will provide equal rights in the Company, including the rights to any dividend. Each of the Shares carries one vote. The shares are freely transferable.

9.8 Regulatory disclosures

The table below set outs a short summary of the information the Company has disclosed under Regulation (EU) No 596/2014, which is relevant as at the date of the Prospectus, in the 12 months' period prior to the date of this Prospectus.

Date disclosed	Category	Summary of the information given
18 January 2019	Inside information	The Reorganization was announced completed.
22 January 2019	Notification of trade by primary insiders	<p>In connection with the Company's rights issue, the following primary insiders exercised their subscription rights:</p> <ul style="list-style-type: none"> • Mentone AS, a company indirectly controlled by Christen Knudsen, had subscribed for 1,030,000 offer shares for a subscription price of NOK 10.00 per offer share. • Christen Knudsen had subscribed for 1,000 offer shares for a subscription price of NOK 10.00 per offer share. • Pål Feen Larsen had subscribed for 10,000 offer shares for a subscription price of NOK 10.00 per offer share. • Hanna Landell had subscribed for 1,953 offer shares for a subscription price of NOK 10.00 per offer share.
23 January 2019	Notification of trade by primary insiders	<p>In connection with the Company's rights issue, the following primary insiders exercised their subscription rights:</p> <ul style="list-style-type: none"> • Dione AS, a company which Mona Elisabeth Møller represented at the Board of Directors, had subscribed for 500,000 offer shares for a subscription price of NOK 10.00 per offer share.
1 February 2019	Notification of trade by primary insiders	<p>In connection with the Company's rights issue, the following primary insiders exercised their subscription rights:</p> <ul style="list-style-type: none"> • Niclas Sjöberg subscribed for 8,656 offer shares for a subscription price of NOK 10.00 per offer share. • Pål Feen Larsen, transferred 3,000 subscription rights to Lingen Invest AS (a company controlled by family relations), to a price per subscription right of NOK 6.25.
4 February 2019	Notification of trade by primary insiders	<p>In connection with the Company's rights issue, the following primary insiders exercised their subscription rights:</p> <ul style="list-style-type: none"> • SES AS, a company controlled by Bertel O. Steen, had subscribed for 1,100,000 offer shares for a subscription price of NOK 10.00 per offer shares. • AS Bemacs, a company controlled by Bertel O. Steen and his related parties, had subscribed for 400,000 offer shares for a subscription price of NOK 10.00 per offer share. • Bertel O. Steen had subscribed for 3,000 offer shares for a subscription price of NOK 10.00 per offer share.
5 February 2019	Notification of trade by primary insiders	<p>In connection with the Company's rights issue, the following primary insiders exercised their subscription rights:</p> <ul style="list-style-type: none"> • Regent AS, a company controlled by Gudmund Bratud and his related parties, had subscribed for 125,000 offer shares for a subscription price of NOK

Date disclosed	Category	Summary of the information given
		<p>10.00 per offer share.</p> <ul style="list-style-type: none"> • Analyseinvest AS, a company controlled by Gudmund Bratud and his related parties, had subscribed for 155,000 offer shares for a subscription price of NOK 10.00 per offer share. • Substantia AS, a company controlled by Gudmund Bratud and his related parties, had subscribed for 133,000 offer shares for a subscription price of NOK 10.00 per offer share. • Myra Matsenter AS, a company controlled by Gudmund Bratud and his related parties, had subscribed for 115,000 offer shares for a subscription price of NOK 10.00 per offer share. • Suveren AS, a company controlled by Gudmund Bratud and his related parties, had subscribed for 127,000 offer shares for a subscription price of NOK 10.00 per offer share. • Gudmund Bratud had subscribed for 330,000 offer shares for a subscription price of NOK 10.00 per offer share.
6 February 2019	Notification of trade by primary insiders	<p>In connection with the Company's rights issue, the following primary insiders had been allocated offer shares at a subscription price of NOK 10.00 per offer share:</p> <ul style="list-style-type: none"> • Christen Knudsen was allocated 972 offer shares. Following the issue of the offer shares, Christen Knudsen had a direct holding of 1,865 shares in the Company. • Gro Randi Thuland, Christen Knudsen's spouse, was allocated 10,000 offer shares. Following the issue of the offer shares, Gro Randi Thuland had a holding of 19,724 shares in the Company. • Mentone AS, a company indirectly controlled by Christen Knudsen, was allocated 1,030 offer shares. Following the issue of the offer shares, Mentone had a holding of 2,102,493 shares in the Company. • Pål Feen Larsen was allocated 10,000 offer shares. Following the issue of the offer shares, Pål Feen Larsen had a holding of 23,015 shares in the Company. • Hanna Landell was allocated 1,953 offer shares. Following the issue of the offer shares, Hanna Landell had a holding of 3,906 shares in the Company. • Niclas Sjöberg was allocated 8,656 offer shares. Following the issue of the offer shares, Niclas Sjöberg had a holding of 17,312 shares in the Company. • Bertel O. Steen was allocated 1,633 offer shares. Following the issue of the offer shares, Bertel O. Steen had a direct holding of 3,133 shares in the

Date disclosed	Category	Summary of the information given
		<p>Company.</p> <ul style="list-style-type: none"> • SES AS, a company controlled by Bertel O. Steen, was allocated 80,217, offer shares. Following the issue of the offer shares, SES AS had a holding of 153,849 shares in the Company. • AS Bemacs, a company controlled by Bertel O. Steen and his related parties, was allocated 248,595, offer shares. Following the issue of the offer shares, AS Bemacs had a holding of 476,779 shares in the Company. • Dione AS, a company represented on the Board of Directors, was allocated 226,357 offer shares. Following the issue of the offer shares, Dione AS had a holding of 434,128 shares in the Company. • Gudmund Bratrud was allocated 270,183 offer shares. Following the issue of the offer shares, Gudmund Bratrud had a direct holding of 518,183 shares in the Company. • Regent AS, a company controlled by Gudmund Bratrud and his related parties, was allocated 103,822, offer shares. Following the issue of the offer shares, Regent AS had a holding of 199,122 shares in the Company. • Analyseinvest AS, a company controlled by Gudmund Bratrud and his related parties, was allocated 131,181, offer shares. Following the issue of the offer shares, Analyseinvest AS had a holding of 251,592 shares in the Company. • Substantia AS, a company controlled by Gudmund Bratrud and his related parties, was allocated 114,058, offer shares. Following the issue of the offer shares, Substantia AS had a holding of 218,751 shares in the Company. • Myra Matsenter AS, a company controlled by Gudmund Bratrud and his related parties, was allocated 98,048, offer shares. Following the issue of the offer shares, Myra Matsenter AS had a holding of 188,048 shares in the Company. • Suveren AS, a company controlled by Gudmund Bratrud and his related parties, was allocated 104,766, offer shares. Following the issue of the offer shares, Suveren AS had a holding of 200,933 shares in the Company.
10 May 2019	Other information	Pål Feen Larsen was appointed as CEO of the Group while continuing to be CFO of the Group.
22 August 2019	Other information	Subsidiaries of Höganäs Borgestad entered into contracts for the delivery of refractory products and services for four CFB boilers for the production of electricity in South East Asia with a financially robust contracting party. The order comprises both own products and installation services to be delivered in the period from 2020 to 2022. The contract has a value of approx. MNOK 100 million.

Date disclosed	Category	Summary of the information given
27 November 2019	Other information	The Company gave a financial update for the year's 10 first months, notified about the possible Private Placement, the Incentive Shares and the Bond Redemption.
28 November 2019	Other information and Notification of trade by primary insiders	<p>The Company announced the successful completion of the Private Placement and the issuance of the Incentive Shares.</p> <p>Furthermore it was given notice of the following subscription of Private Placement Shares by primary insiders:</p> <ul style="list-style-type: none"> • Dione AS, a company represented on the Board of Directors, was allocated 250,000 Private Placement Shares. Following the issue of the Private Placement Shares, Dione AS had a holding of 684,128 shares in the Company. • Jacob Møller, an alternate to the Board of Directors, subscribed, through Ploot Invest AS, for 50,839 Incentive Shares. Following the issue of his Incentive Shares, Ploot Invest had a holding of 50,839 shares in the Company. • Mentone AS, a company indirectly controlled by Christen Knudsen, was allocated 250,000 Private Placement Shares. Following the issue of the Private Placement Shares, Mentone had a holding of 2,402,493 shares in the Company. • Pål Feen Larsen was subscribed for 67,786 Incentive Shares. Following the issue of the Incentive Shares, he had a holding of 90,801 shares in the Company. • Regent AS and Suveren AS, companies controlled by Gudmund Bratrud, was allocated 300,000 and 200,000 Private Placement Shares, respectively. Following the issue of the Private Placement Shares, Regent AS and Suveren AS will have a holding of 499,122 and 400,933 shares, respectively, in the Company.
28 November 2019	Major shareholding notification	<p>Following the allocation of the Private Placement Shares, the following major shareholding notification was sent:</p> <ul style="list-style-type: none"> • AS Bemacs, a company controlled by Bertel O. Steen and his related parties, owns 476,779 shares in the Company, comprising 4.96% of the shares following the issuance of the Tranche 1 Shares. • SES AS, a company controlled by Bertel O. Steen and his related parties, will own 453,849 shares in the Company, comprising 3.85% of the shares following the issue of the Tranche 2 Shares. • Bertel O. Steen and his related parties will following the abovementioned transactions, in total own 930,628 shares in the Company, equal to 7.9% of the shares and votes in the Company.
28 November 2019	Major shareholding notification	<p>Following the allocation of the Private Placement Shares, the following major shareholding notification was sent:</p> <ul style="list-style-type: none"> • Intertrade Shipping AS, will own 770,893 shares in the Company, comprising 6.54% of the shares following the issue of the Tranche 2 Shares.

Date disclosed	Category	Summary of the information given
29 November 2019	Inside information and notification of trade by primary insiders	<p>In connection with the notice regarding the result of the Bond Redemption, the following primary insiders sent notice of its allocation of Redemption Shares:</p> <ul style="list-style-type: none"> <li data-bbox="879 327 1430 488">• Gro Randi Thuland, Christen Knudsen's spouse, accepted redemption of bonds for a total nominal value of NOK 500,000 and was allocated 25,00 Redemption Shares. Following the issuance of the Redemption Shares, Gro Randi Thuland had a holding of 44,724 shares in the Company. <li data-bbox="879 528 1430 689">• Severin Knudsen, a related party to Christen Knudsen's, accepted redemption of bonds for a total nominal value of NOK 500,000 and was allocated 25,00 Redemption Shares. Following the issuance of the Redemption Shares, Severin Knudsen had a holding of 44,724 shares in the Company.
19 December 2019	Major shareholding notification	<p>In connection with the extraordinary general meeting in the Company on 20 December 2019, a major shareholding notification was sent informing that the chairman of the board of directors, Christen Knudsen, had received proxies to vote for 3,167,491 shares in the Company at the general meeting. Knudsen controlled at the time 2,104,358 shares in the Company and would represent approximately 54.9% of the shares having voting interest at the general meeting.</p>
23 December 2019	Major shareholding notification	<p>Gudmund Bratrud, primary insider in the Company, transferred on 23 December 2019 100,000 shares to Myra Matsenter AS, 90,000 shares to Substantia AS and 58,000 shares to Analyseinvest AS from Bratrud personally. The transactions were completed at a price of NOK 40 per share. The total number of shares owned/controlled by Bratrud of 1,157,629 shares, remained unchanged following the transactions.</p>

9.9 Certain aspects of Norwegian law

9.9.1 General meetings

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

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

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

9.9.2 *Voting rights – amendments to the Articles of Association*

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

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

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

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

9.9.3 *Additional issuances and preferential rights*

If the Company issues any new Shares, including bonus share issues, the Articles of Association must be amended, which requires the same vote as other amendments to the Articles of Association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. Preferential rights may be derogated from by resolution in a general meeting passed by the same vote required to amend the Articles of Association. A derogation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

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

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

Issuance of new Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. If a U.S. shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all and the rights would be sold on the shareholder's behalf by the Company.

9.9.4 *Minority rights*

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

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

9.9.5 *Rights of redemption and repurchase of Shares*

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

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

9.9.6 *Shareholder vote on certain reorganisations*

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

9.9.7 *Liability of members of the Board of Directors*

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

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

9.9.8 Indemnification of Board Members

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

9.9.9 Distribution of assets on liquidation

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

10 SECURITIES TRADING IN NORWAY

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

10.1 Introduction

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

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

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

10.2 Market value of the Shares

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

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

10.3 Trading and settlement

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

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

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

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

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

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

10.4 Information, control and surveillance

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

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

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

10.5 The VPS and transfer of Shares

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

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

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

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could

not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

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

10.6 Shareholder register

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote for such Shares unless their ownership is re-registered in their names with the VPS prior to any General Meeting. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in the VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners. There is no assurance that beneficial owners of the Shares will receive the notice of any General Meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners. See Section 9.8 – "Certain aspects of Norwegian corporate law" under the subheading "Voting rights – amendments to the articles of association" for more information on nominee accounts.

10.7 Foreign investment in shares listed in Norway

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

Foreign investors are to note that the rights of holders of listed shares of companies incorporated in Norway are governed by Norwegian law and by the respective company's articles of association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For instance, under Norwegian law, any action brought by a listed company in respect of wrongful acts committed against such company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it may be difficult to prevail in a claim against such company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions. See Section 9.8 – "Certain aspects of Norwegian corporate law" for more information.

10.8 Disclosure obligations

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

10.9 Insider trading

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

10.10 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies not including the Company) to, within four weeks, make an

unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and the Oslo Stock Exchange decides that this is regarded as an effective acquisition of the shares in question.

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

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

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

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

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

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

10.11 Compulsory acquisition

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

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition

of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorised to provide such guarantees in Norway.

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

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

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

10.12 Foreign exchange controls

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

11 TAXATION

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

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

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

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

11.1 Taxation of dividends

Norwegian Personal Shareholders

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

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

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

Norwegian Personal Shareholders may hold the shares through a Norwegian share saving account (*Nw.: aksjesparekonto*). Dividends received on shares held through a share saving account will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the paid in deposit, will be regarded as taxable income, regardless of whether the funds are derived from gains or dividends related to the shares held in the account. Such income will be taxed with an effective tax rate of 31.68%, cf. above. Norwegian Personal Shareholders will still be entitled to a calculated tax-free allowance. Please refer to Section 11.2 "Taxation of capital gains on realisation of shares – Norwegian Personal Shareholders" for further information in respect of Norwegian share saving accounts.

Norwegian Corporate Shareholders

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

Non-Norwegian Personal Shareholders

Dividends distributed by the Company to shareholders who are individuals not residing in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

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

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

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

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

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

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

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

Non-Norwegian Corporate Shareholders

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

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

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

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

apply to Non-Norwegian Corporate Shareholders who have suffered withholding tax although qualifying for the Norwegian participation exemption.

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

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

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

11.2 Taxation of capital gains on realisation of shares

Norwegian Personal Shareholders

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

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

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realization of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 11.1 "Taxation of dividends" above for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realization of a share will be annulled. Unused allowance may not be set off against gains from realisation of other shares.

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

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

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

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

Norwegian Corporate Shareholders

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

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

Non-Norwegian Personal Shareholders

Gains from the sale or other disposal of shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the Non-Norwegian Personal Shareholder holds the shares in connection with business activities carried out or managed from Norway. Please refer to Section 11.1 "Taxation of dividends – Non-Norwegian Personal Shareholders" above for a description of the availability of a Norwegian share saving accounts.

Non-Norwegian Corporate Shareholders

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

11.2.1 Taxation of subscription rights

Norwegian Personal Shareholders

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

Sale and other transfer of subscription rights are considered a realisation for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholders through a realisation of subscription rights is taxable or tax deductible in Norway and subject to the same taxation as a capital gain or loss generated through realisation of shares, please refer "Taxation of capital gains on realisation of shares – Norwegian Personal Shareholders" above. Please note that capital gains related to subscription rights will not be comprised by the Norwegian share saving account as described in section 11.2 "Taxation of capital gains on realisation of shares – Norwegian Personal Shareholders" above.

Norwegian Corporate shareholders

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

Sale and other transfer of subscription rights are considered a realisation for Norwegian tax purposes. Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realisation of subscription rights qualifying for the Norwegian participation exemption. Losses upon the realisation and costs incurred in connection with the purchase and realisation of such subscription rights are not deductible for tax purposes.

Non-Norwegian Shareholders

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

Capital gains derived by the sale or other transfer of subscription rights by Non-Norwegian Shareholders are not subject to taxation in Norway unless the Non-Norwegian Shareholder holds the subscription rights in connection with business activities carried out or managed from Norway. Such taxation may be limited according to an applicable tax treaty or other specific regulations.

Please note that capital gains related to subscription rights are not comprised by the Norwegian share saving account scheme for Non-Norwegian Personal Shareholders resident within the EEA, as further described above in Section 11.1 "Taxation of dividends – Non-Norwegian Personal Shareholders".

11.2.2 Net wealth tax

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

Norwegian Corporate Shareholders are not subject to net wealth tax.

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

11.2.3 VAT and transfer taxes

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

11.2.4 Inheritance tax

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

12 THE COMPLETED PRIVATE PLACEMENT AND SHARE ISSUES IN CONNECTION WITH THE INCENTIVE PROGRAM AND THE BOND REDEMPTION; THE TERMS OF THE SUBSEQUENT OFFERING

12.1 The Private Placement

12.1.1 Overview

On 28 November 2019, the Company announced the placement of the Private Placement, comprising a total of 5,000,000 new shares in the Company, each with a par value of NOK 10.00, at a subscription price of NOK 20.00 per new share, resulting in gross proceeds to the Company of NOK 100 million. The Private Placement Shares were divided into two tranches, with one tranche comprising 2,712,000 Private Placement Shares (the "**Tranche 1 Shares**") and one tranche comprising 2,288,000 Private Placement Shares (the "**Tranche 2 Shares**").

The subscription price in the Private Placement was NOK 20.00 per Private Placement Share. The Board of Directors resolved to issue the Tranche 1 Shares on 27 November 2019 and the General Meeting of the Company resolved to issue the Tranche 2 Shares on 20 December 2019.

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

The share issue was carried out as a private placement in order to secure required capital for the Company in a timely manner. This would not have been possible through a rights issue. Further, a private placement can normally be completed without the significant discount typically seen in rights issues, and without having the transaction underwritten. As a consequence of the private placement structure, the shareholders' preferential right to subscribe for new Shares was deviated from by the Board of Directors.

The Private Placement Shares were placed by the Managers to selected investors in the application period after close of market on 27 November 2019.

The successful placing of the Private Placement was announced through an announcement made by the Company immediately after midnight on 28 November 2019. The issue of the Tranche 2 Shares was conditional upon the approval of such share issue by the Company's extraordinary general meeting.

The Company had prior to launch of the Private Placement received binding commitments from the shareholders Mentone AS, Dione AS, AS Bemacs and companies controlled by Gudmund Bratrud for a total amount of NOK 27,000,000.

12.1.2 Use of proceeds

The proceeds from the Private Placement will be used to strengthen the Company's strategic priority areas for an amount up to approximately NOK 50 million and any excess amount will be used to reduce the Company's existing debt (the Bond Loan).

12.1.3 Resolutions to issue the Private Placement Shares

12.1.3.1 The Tranche 1 Shares

On 27 November 2019, and pursuant to the authorisation granted to it by the General Meeting held on 4 June 2019, the Board of Directors passed the following resolution to increase the Company's share capital by NOK 27,120,000 by issuance of the Tranche 1 Shares (translated from Norwegian):

- (i) The share capital is increased with NOK 27,120,000 by issuance of 2,712,000 new shares, each with a nominal value of NOK 10.*
- (ii) The subscription price is NOK 20 per share.*
- (iii) The share contribution shall be settled by way of cash payment to the Company's bank account no later than on 2 December 2019.*

- (iv) *The new shares shall be subscribed for by Arctic Securities AS, Sparebank 1 Markets AS and Norne Securities AS on behalf of, and according to proxies granted by, investors who have ordered and been allocated shares in tranche 1 of the Company's private placement, as set forward in Appendix 1.*
- (v) *The new shares shall be subscribed for in separate subscription forms no later than on 29 November 2019.*
- (vi) *The existing shareholders' preferential rights to the new shares, provided for in section 10-4 (1) of the Norwegian Public Companies Act, are deviated from, cf. section 10-5.*
- (vii) *The new shares will give full shareholder rights in the Company, including rights to dividends, from the time the new shares have been subscribed for.*
- (viii) *Section 4 of the Company's articles of association is amended to reflect the new share capital.*
- (ix) *The costs related to the share capital increase are estimated to NOK 3,050,000.*

12.1.3.2 The Tranche 2 Shares

On 20 December 2019, the General Meeting passed the following resolution to increase the Company's share capital by NOK 22,880,000 by issuance of the Tranche 2 Shares (translated from Norwegian):

- (i) *The share capital is increased with NOK 22,880,000 by issuance of 2,288,000 new shares, each with a nominal value of NOK 10.*
- (ii) *The subscription price is NOK 20 per share. The share contribution shall be settled in cash.*
- (iii) *The new shares shall be subscribed by Arctic Securities AS, Sparebank 1 Markets AS and Norne Securities AS on behalf of, and according to proxies granted by, investors who have ordered and been allocated shares in tranche 2 in the Company's private placement which was announced on 27 November 2019.*
- (iv) *The existing shareholders' preferential rights to the new shares, provided for in section 10-4 (1) of the Norwegian Public Companies Act, are deviated from, cf. section 10-5.*
- (v) *The new shares shall be subscribed for in separate subscription forms no later than on 20 December 2019.*
- (vi) *The share contribution shall be settled to the Company's bank account no later than on 23 December 2019.*
- (vii) *The new shares will give full shareholder rights in the Company, including rights to dividends, from the time the share capital increase has been registered with the Norwegian Register of Business Enterprises.*
- (viii) *Section 4 of the Company's articles of association is amended to reflect the new share capital and number of shares following the share capital increase.*
- (ix) *The costs related to the share capital increase are estimated to NOK 3,700,000.*

12.1.4 Delivery and listing of the Private Placement Shares

The Tranche 1 Shares were, subject to timely payment of the application amount, delivered to the investors in the Private Placement having been allocated Tranche 1 Shares on 2 December 2019. The Tranche 2 Shares were, subject to timely payment of the application amount, delivered to the investors in the Private Placement on 27 December 2019.

The Tranche 1 Shares were settled with existing and unencumbered Shares already listed on the Oslo Stock Exchange, pursuant to a share lending agreement between Dione AS, Mentone AS, Regent AS and Suveren AS as lenders, Arctic, on behalf of the Managers, as borrower and the Company. Hence, the Tranche 1 Shares were tradable immediately after delivery to investors on 2 December 2019.

The Tranche 1 Shares were registered with the Norwegian Register of Business Enterprises on 4 December 2019. Arctic, on behalf of the Managers, settled the share loan from Dione AS, Mentone AS, Regent AS and Suveren AS once such Shares were issued. The Tranche 2 Shares were registered with the Norwegian Register of Business Enterprises on 23 December 2019, and delivered on 27 December 2019.

The Private Placement Shares were upon issue registered on a separate ISIN number (ISIN NO 0010872682), but will upon publication of this Prospectus be transferred to the same ISIN as the Shares listed on the Oslo Stock Exchange (ISIN NO 0003111700) and become listed and tradable on the Oslo Stock Exchange as at the time of completion of such transfer.

12.1.5 The rights conferred by the Private Placement Shares

The Private Placement Shares are ordinary Shares in the Company, each having a par value of NOK 10.00, and are registered in book-entry form with the VPS. The Private Placement Shares carry full shareholder rights, in all respects equal to the Company's existing Shares, from the time of subscription of the Private Placement Shares for the Tranche 1 Shares and from the time of registration with the Norwegian Register of Business Enterprises for the Tranche 2 Shares. However the Private Placement Shares have not been listed and tradable on the Oslo Stock Exchange prior to the date of this Prospectus. Upon transfer of the Private Placement Shares from the separate ISIN NO 0010872682 to the Company's ISIN NO 0003111700, the Private Placement Shares will become listed and tradable on the Oslo Stock Exchange.

12.1.6 Share capital following the issuance of the Private Placement Shares

Following the registration of the share capital increase pertaining to the Tranche 1 Shares with the Norwegian Register of Business Enterprises on 4 December 2019, the number of issued and outstanding Shares in the Company was increased by 2,712,000 Shares from 6,778,610 Shares to 9,490,610 Shares, each with a par value of NOK 10.00 and the Company's share capital was increased by NOK 27,120,000 from NOK 67,786,100 to NOK 94,906,100.

Following the registration of the share capital increase pertaining to the Tranche 2 Shares with the Norwegian Register of Business Enterprises on 23 December 2019 (and after the registration of the share capital increases pertaining to the Tranche 1 Shares and the Incentive Shares), the number of issued and outstanding Shares in the Company was increased by 2,288,000 Shares from 9,609,235 Shares to 11,897,235 Shares, each with a par value of NOK 10.00 and the Company's share capital was increased by NOK 22,880,000 from NOK 96,092,350 to NOK 118,972,350.

12.1.7 Net proceeds and expenses related to the Private Placement

The gross proceeds to the Company from the Private Placement was NOK 100 million. The Company's costs, fees and expenses related to the Private Placement amounted to approximately NOK 7 million, of which approximately NOK 6.15 million were fees to the Managers and approximately NOK 850,000 were other fees, costs and expenses.

Hence, the Company's total net proceeds from the Private Placement was approximately NOK 93 million. See Section 12.1.2 "Use of proceeds" for a description of the use of such proceeds.

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

12.1.8 Interest of natural and legal persons involved in the Private Placement

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

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

12.2 The completed share issue under an incentive program

12.2.1 Overview

On 27 November 2019, the Board of Directors resolved to issue 118,625 Incentive Shares, at a subscription price of NOK 10.00 per Incentive Share, in connection with an incentive program for employees etc., resulting in gross proceeds to the Company of NOK 1,186,250. 67,786 of the Incentive Shares were subscribed for by Pål Feen Larsen (CEO of the Group) and 50,839 of the Incentive Shares were subscribed for by Jacob Møller (alternate to the Board of Directors and a consultant to the Company) through Ploot Invest AS. Pål Feen Larsen and Ploot Invest AS are restricted from selling the Incentive Shares for a period of three years from their date of issue.

12.2.2 Resolution to issue the Incentive Shares

On 27 November 2019, and pursuant to the authorisation granted to it by the General Meeting held on 4 June 2019, the Board of Directors passed the following resolution to increase the Company's share capital by NOK 1,186,250 by issuance of the Incentive Shares (translated from Norwegian):

- (i) The share capital is increased with NOK 1,186,250 by issuance of 118,625 new shares, each with a nominal value of NOK 10.*
- (ii) The subscription price is NOK 10 per share.*
- (iii) The share contribution shall be settled by way of cash payment to the Company's bank account no later than on 2 December 2019.*
- (iv) The new shares shall be subscribed for as follows:*
 - Pål Feen Larsen: 67,786 shares (total subscription amount of NOK 677,860)*
 - Ploot Invest AS: 50,839 shares (total subscription amount of NOK 508,390)*
- (v) The new shares shall be subscribed for in separate subscription forms no later than on 29 November 2019.*
- (vi) The existing shareholders' preferential rights to the new shares, provided for in section 10-4 (1) of the Norwegian Public Companies Act, are deviated from, cf. section 10-5.*
- (vii) The new shares will give right to dividends, from the time the shares have been registered with the Norwegian Register of Business Enterprises.*
- (viii) Section 4 of the Company's articles of association is amended to reflect the new share capital.*
- (ix) The costs related to the share capital increase are estimated to NOK 10,000*

12.2.3 Delivery and listing of the Incentive Shares

The Shares allocated in the incentive program were delivered to the subscribers on 4 December 2019 following the registration of the Incentive Shares with the Norwegian Register of Business Enterprises on that date.

The Incentive Shares were upon issue registered on a separate ISIN number (ISIN NO 0010872682), but will upon publication of this Prospectus be transferred to the same ISIN as the other Shares listed on the Oslo Stock Exchange (ISIN NO 0003111700) and become listed and tradable on the Oslo Stock Exchange as at the time of completion of such transfer.

12.2.4 The rights conferred by the Incentive Shares

The Incentive Shares are ordinary Shares in the Company, each having a par value of NOK 10.00, and are registered in book-entry form with the VPS. The Incentive Shares carry full shareholder rights, in all respects equal to the Company's existing Shares, from the time of registration of the share capital increase pertaining to the Incentive Shares with the Norwegian Register of Business Enterprises. However the Incentive Shares have not been listed and tradable on the Oslo Stock Exchange prior to the date of this Prospectus. Upon transfer of the Incentive Shares from

the separate ISIN NO 0010872682 to the Company's ISIN NO 0003111700, the Incentive Shares will become listed and tradable on the Oslo Stock Exchange.

12.2.5 Share capital following the issuance of the Incentive Shares

Following the registration of the share capital increase pertaining to the Incentive Shares with the Norwegian Register of Business Enterprises on 4 December 2019 (and after the registration of the share capital increase pertaining to the Tranche 1 Shares), the number of issued and outstanding Shares in the Company was increased by 118,625 Shares from 9,490,610 Shares to 9,609,235 Shares, each with a par value of NOK 10.00 and the Company's share capital was increased by NOK 1,186,250 from NOK 94,906,100 to NOK 96,092,350.

12.3 The completed share issue in connection with the Bond Redemption

12.3.1 Overview

On 27 November 2019, the Board of Directors resolved to offer the existing bondholders of the Company's bond "BOR03" as of 27 November 2019 to redeem their bonds for a total aggregate amount of NOK 50 million in exchange for new Shares (the Redemption Shares) in the Bond Redemption. The Bond Redemption was offered at par value and at a subscription price of NOK 20.00 per Redemption Share.

Upon the expiry of the acceptance period for the Bond Redemption on 29 November 2019 at 16:30 hours CET, the Company had received acceptance from bondholders constituting a total aggregate amount of NOK 16,000,000, constituting 800,000 Redemption Shares. All applicants received full allocation in the Bond Redemption.

12.3.2 Resolution to issue the Redemption Shares

On 20 December 2019, and pursuant to the authorisation granted to it by the General Meeting on 20 December 2019, the Board of Directors passed the following resolution to increase the Company's share capital by NOK 8,000,000 by issuance of the Redemption Shares (translated from Norwegian):

- (i) *The share capital is increased with NOK 8,000,000 by issuance of 800,000 new shares, each with a nominal value of NOK 10.*
- (ii) *The subscription price is NOK 20 per share.*
- (iii) *The share contribution shall be settled by way of set-off against the bonds owned by the bondholders in the company's bond loan BOR03, named in Appendix 1, to the bonds' nominal value NOK 500,000, cf. the Norwegian Public Limited Companies Act section 10-2 (1). The set-off shall be deemed declared and completed by subscription of the share capital increase.*
- (iv) *The new shares shall be subscribed by Arctic Securities AS, Haakon VIIs gate 5, 0161 Oslo, on behalf of, and according to proxies granted by, bondholders in the company's bond loan BOR03 who have accepted the redemption offer, as listed in Appendix 1.*
- (v) *The new shares shall be subscribed for in separate subscription forms no later than on 23 December 2019.*
- (vi) *The contribution in kind is described in further details in the auditor's statement prepared in accordance with the Norwegian Public Companies Act section 10-2 cf. section 2-6. The auditor's statement is attached to the minutes as Appendix 2.*
- (vii) *The new shares will give full shareholder rights in the Company, including rights to dividends, from the time the share capital increase has been registered with the Norwegian Register of Business Enterprises.*
- (viii) *Section 4 of the Company's articles of association is amended to reflect the new share capital and number of shares following the share capital increase.*
- (ix) *The company's costs related to the share capital increase are estimated to NOK 900,000. The costs are covered by the company.*

12.3.3 Delivery and listing of the Redemption Shares

The Shares allocated in the Bond Redemption were delivered to applicants on 27 December 2019 following the registration of the Redemption Shares with the Norwegian Register of Business Enterprises on 23 December 2019.

The Redemption Shares were upon issue registered on a separate ISIN number (ISIN NO 0010872682), but will upon publication of this Prospectus be transferred to the same ISIN as the other Shares listed on the Oslo Stock Exchange (ISIN NO 0003111700) and become listed and tradable on the Oslo Stock Exchange as at the time of completion of such transfer.

12.3.4 The rights conferred by the Redemption Shares

The Redemption Shares are ordinary Shares in the Company, each having a par value of NOK 10.00, and are registered in book-entry form with the VPS. The Redemption Shares carry full shareholder rights, in all respects equal to the Company's existing Shares, from the time of registration of the share capital increase pertaining to the Redemption Shares with the Norwegian Register of Business Enterprises. However the Redemption Shares have not been listed and tradable on the Oslo Stock Exchange prior to the date of this Prospectus. Upon transfer of the Redemption Shares from the separate ISIN NO 0010872682 to the Company's ISIN NO 0003111700, the Redemption Shares will become listed and tradable on the Oslo Stock Exchange.

12.3.5 Share capital following the issuance of the Redemption Shares

Following the registration of the share capital increase pertaining to the Redemption Shares with the Norwegian Register of Business Enterprises on 23 December 2019, the number of issued and outstanding Shares in the Company was increased by 800,000 Shares from 11,987,235 Shares to 12,697,235 Shares, each with a par value of NOK 10.00 and the Company's share capital was increased by NOK 8,000,000 from NOK 118,972,350 to NOK 126,972,350 (after all of the other share capital increases pertaining to the Private Placement Shares and the Incentive Shares).

12.4 The Subsequent Offering

12.4.1 Overview

The Subsequent Offering consists of an offer by the Company to issue up to 1,000,000 Offer Shares, each with a par value of NOK 10.00, at a Subscription Price of NOK 20.00 per Offer Share, being equal to the subscription price in the Private Placement. Subject to all Offer Shares being issued, the Subsequent Offering will result in NOK 20,000,000 in gross proceeds to the Company.

The purpose of the Subsequent Offering is to enable the Eligible Shareholders to subscribe for Shares in the Company at the same price as in the Private Placement, thus limiting the dilution of their shareholding. Eligible Shareholders are shareholders of the Company as of 27 November 2019 (as registered in the VPS on the Record Date) who (i) were not allocated shares in the Private Placement and (ii) are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action. The net proceeds from the Subsequent Offering will be used for the same purposes as the net proceeds from the Private Placement, as further set out in Section 12.1.2 "Use of proceeds".

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

This Prospectus does not constitute an offer of, or an invitation to purchase, the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. For further details, see "Important Notice" and Section 13 "Selling and transfer restrictions".

12.4.2 Eligible Shareholders

Shareholders of the Company as of 27 November 2019, as registered in the Company's shareholder register in the VPS on 29 November 2019 (the Record Date), and who (i) were not allocated shares in the Private Placement and (ii) are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action, will be granted non-transferable Subscription Rights that, subject to applicable law, provide preferential rights to subscribe for, and be allocated, Offer Shares in the Subsequent Offering at the Subscription Price.

Provided that the delivery of traded Shares was made with ordinary T+2 settlement in the VPS, Shares that were acquired on or before 27 November 2019 will give the relevant Eligible Shareholder the right to receive Subscription Rights, whereas Shares that were acquired from and including 28 November 2019 will not give the relevant Eligible Shareholder the right to receive Subscription Rights.

12.4.3 Resolution relating to the Subsequent Offering and the issue of the Offer Shares

On 24 January 2020, and pursuant to the authorisation granted to it by the General Meeting held on 20 December 2019, the Board of Directors passed the following resolution to complete the Subsequent Offering (translated from Norwegian):

- (i) *The share capital is increased by minimum NOK 10 and maximum of NOK 10,000,000, by issuance of minimum 1 and maximum 1,000,000 new shares (the "Offer Shares"), each with a nominal value of NOK 10.*
- (ii) *The subscription price per Offer Share is NOK 20. The subscription amount must be paid in cash.*
- (iii) *The Company's existing shareholders as of 27 November 2019 (as registered in the Norwegian Central Securities Depository (VPS) on 29 November 2019), who (a) were not allocated shares in the private placement completed in two tranches, on 4 December 2019 and on 23 December 2019, respectively, and (b) who are not resident in a jurisdiction where such offering would be unlawful, or (for jurisdictions other than Norway), would require any filing, registration or similar action of a registration document or prospectus (the "Eligible Shareholders") will receive non-transferable subscription rights which will give a preferential right to subscribe for and be allocated Offer Shares.*
- (iv) *The shareholders' preferential right to subscribe for the Offer Shares is deviated from, cf. section 10-5, cf. section 10-4 of the Norwegian Public Limited Liability Companies Act.*
- (v) *The Offer Shares may be subscribed for by Eligible Shareholders. Each Eligible Shareholder will receive 0.50822 non-transferable subscription rights for each share registered on such Eligible Shareholder in the Company's Shareholder Register in the VPS as of 29 November 2019. The number of subscription rights granted to each Eligible Shareholder will be rounded down to the nearest whole subscription right. Each subscription right will, subject to applicable securities laws, give the right to subscribe for and be allocated one (1) new share. Over-subscription is permitted. Subscription without subscription rights is not permitted.*
- (vi) *Allocation of the new shares will be made according to the following allocation criteria:*
 - (a) *Allocation of shares to subscribers will be made on the basis of granted subscription rights which have been validly exercised during the subscription period. Each subscription right will give the right to subscribe for and be allocated one (1) new share.*
 - (b) *If not all subscription rights are validly exercised during the subscription period, subscribers who have exercised their subscription rights and who have over-subscribed will be allocated the remaining Offer Shares on a pro rata basis based on the number of subscription rights exercised by each of them. To the extent that pro rata allocation is not possible due to the number of remaining Offer Shares, the Company will determine the allocation by drawing lots.*
- (vii) *The Company shall publish a prospectus in connection with the share capital increase, which shall be approved by the Norwegian Financial Supervisory Authority. The prospectus shall not be registered with, or approved by, any foreign prospectus authorities. The new shares cannot be subscribed for by investors in jurisdictions in which it will not be permitted to offer new shares to such investors without the registration and approval of a prospectus.*
- (viii) *The subscription period is from 29 January 2020 at 09:00 hours (CET), to 12 February 2020 at 16:30 hours (CET). If the prospectus is not approved by the Norwegian Financial Supervisory Authority in time for the subscription period to commence on 29 January 2020, the subscription period shall commence on the third trading day on the Oslo Stock Exchange after such approval has been obtained, and end at 16:30 hours (CET) on the fourteenth day thereafter. The subscription period cannot be shortened, but the Board of Directors may extend the subscription period if this is required by law as a result of the publication of a supplemental prospectus. Subscription of Offer Shares shall be made on a separate subscription form.*

- (ix) *The due date for payment of the new shares is 14 February 2020, or the second trading day on the Oslo Stock Exchange after expiry of the subscription period in accordance with item (viii) above. When subscribing for shares, subscribers residing in Norway will grant Arctic Securities AS a one-time irrevocable authorisation to debit a specified bank account with a Norwegian bank for the subscription amount corresponding to the number of shares allocated. The amount payable will be debited on or around the due date for payment. For other subscribers, payment must be made in accordance with the instructions included in the subscription form.*
- (x) *The Offer Shares give the right to dividends and other shareholder rights in the Company from the time of registration of the share capital increase with the Norwegian Register of Business Enterprises.*
- (xi) *The Company's expenses related to the share capital increase are estimated to amount to approximately up to NOK 1.25 million.*
- (xii) *Section 4 of the articles of association is amended to reflect the new share capital.*

12.4.4 Timetable for the Subsequent Offering

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

Last day of trading in the Shares including Subscription Rights	27 November 2019
First day of trading in the Shares excluding Subscription Rights	28 November 2019
Record Date	29 November 2019
Subscription Period commences.....	29 January 2020
Subscription Period ends.....	12 February 2020 at 16:30 hours (CET)
Allocation of the Offer Shares	Expected on or about 12 February 2020
Publication of the results of the Subsequent Offering	Expected on or about 12 February 2020
Distribution of allocation letters	Expected on or about 13 February 2020
Payment Date.....	Expected on or about 14 February 2020
Registration of the share capital increase pertaining to the Subsequent Offering	Expected on or about 19 February 2020
Delivery of the Offer Shares	Expected on or about 19 February 2020
Listing and commencement of trading in the Offer Shares on the Oslo Stock Exchange.....	Expected on or about 19 February 2020

12.4.5 Subscription Price

The Subscription Price in the Subsequent Offering is NOK 20.00 per Offer Share, being the same as the subscription price in the Private Placement. No expenses or taxes are charged to the subscribers in the Subsequent Offering by the Company or the Managers.

12.4.6 Subscription Period

The Subscription Period will commence on 29 January 2020 and end on 12 February 2020 at 16:30 hours (CET). The Subscription Period cannot be shortened, but the Board of Directors may extend the Subscription Period if this is required by law as a result of the publication of a supplemental prospectus. Subscription of Offer Shares shall be made on a separate subscription form.

12.4.7 Subscription Rights

Eligible Shareholders will be granted non-transferable Subscription Rights giving a preferential right to subscribe for, and be allocated, Offer Shares in the Subsequent Offering. Each Eligible Shareholder will, subject to applicable securities laws, be granted 0.50822 Subscription Right for each Share registered as held by such Eligible Shareholder on the Record Date, rounded down to the nearest whole Subscription Right. Each whole Subscription Right will, subject to applicable securities laws, give the right to subscribe for and be allocated one Offer Share in the Subsequent Offering.

The Subscription Rights will be credited to and registered on each Eligible Shareholder's VPS account on or about 28 January 2020 under the ISIN NO 0010872682. The Subscription Rights will be distributed free of charge to Eligible Shareholders. The Subscription Rights are non-transferable.

The Subscription Rights must be used to subscribe for Offer Shares before the expiry of the Subscription Period on 12 February 2020 at 16:30 hours (CET). Subscription Rights that are not exercised before 16:30 hours (CET) on 12 February 2020 will have no value and will lapse without compensation to the holder. Holders of Subscription Rights should note that subscriptions for Offer Shares must be made in accordance with the procedures set out in this Prospectus and the Subscription Form (as defined below) attached hereto and that the receipt of Subscription Rights does not in itself constitute a subscription of Offer Shares.

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

12.4.8 Subscription procedures

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

Correctly completed Subscription Forms must be received by one of the Managers at the following address or e-mail address, or in the case of online subscriptions be registered, no later than 16:30 hours (CET) on 12 February 2020:

Arctic Securities AS Haakon VIIs gate 5 P.O. Box 1833 Vika N-0123 Oslo Norway Tel: +47 21 01 30 40 E-mail: subscription@arctic.com	SpareBank 1 Markets AS Olav Vs gate 5 P.O. Box 1398 Vika N-0114 Oslo Norway Tel: +47 24 14 74 00 E-mail: subscription@sb1markets.no
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Subscribers who are residents of Norway with a Norwegian personal identification number are encouraged to subscribe for Offer Shares through the VPS online subscription system (or by following the link on www.arctic.com or www.sb1markets.no, which will redirect the subscriber to the VPS online subscription system). All online subscribers must verify that they are Norwegian residents by entering their national identity number (Nw.: fødselsnummer). In addition, the VPS online subscription system is only available for individual persons and is not available for legal entities; legal entities must thus submit a Subscription Form in order to subscribe for Offer Shares. Subscriptions made through the VPS online subscription system must be duly registered before the expiry of the Subscription Period.

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

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

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

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

All subscriptions in the Subsequent Offering will be treated in the same manner regardless of which of the above Managers the subscriptions are placed with. Furthermore, all subscriptions in the Subsequent Offering will be treated in the same manner regardless of whether the subscription is made by delivery of a Subscription Form to one of the Managers or through the VPS online subscription system.

12.4.9 Mandatory Anti-Money Laundering Procedures

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

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

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

12.4.10 Financial intermediaries

12.4.10.1 General

All persons or entities holding Shares or Subscription Rights through financial intermediaries (e.g., brokers, custodians and nominees) should read this Section 12.4.10 "Financial intermediaries". All questions concerning the timeliness, validity and form of instructions to a financial intermediary in relation to the exercise of Subscription Rights should be determined by the financial intermediary in accordance with its usual customer relations procedure or as it otherwise notifies each beneficial shareholder.

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

12.4.10.2 Subscription Rights

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

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

12.4.10.3 Subscription Period

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

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

12.4.10.4 Subscription

Any Eligible Shareholder who holds its Subscription Rights through a financial intermediary and wishes to exercise its Subscription Rights, should instruct its financial intermediary in accordance with the instructions received from such financial intermediary. The financial intermediary will be responsible for collecting exercise instructions from the Eligible Shareholders and for informing the Managers of their exercise instructions.

Please refer to Section 13 "Selling and transfer restrictions" for a description of certain restrictions and prohibitions applicable to the exercise of Subscription Rights in certain jurisdictions outside Norway.

12.4.10.5 Method of Payment

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

12.4.11 Allocation of Offer Shares

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

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

No fractional Offer Shares will be allocated. The Company reserves the right to round off, reject or reduce any subscription for Offer Shares not covered by Subscription Rights unless subscribers are given the right to over-subscribe in accordance with the above allocation criteria.

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

The result of the Subsequent Offering is expected to be published on or about 12 February 2020 in the form of a stock exchange notification from the Company through the Oslo Stock Exchange's information system. Notifications of allocated Offer Shares and the corresponding subscription amount to be paid by each subscriber are expected to be distributed on or about 13 February 2020. Subscribers having access to investor services through their VPS account manager will be able to check the number of Offer Shares allocated to them from 12:00 hours (CET) on 13 February 2020. Subscribers who do not have access to investor services through their VPS account manager may contact the Managers (Arctic on telephone number +47 21 01 30 40 or SpareBank 1 Markets on +47 24 14 74 00) from 12:00 hours (CET) on 13 February 2020 to obtain information about the number of Offer Shares allocated to them.

12.4.12 Payment for the Offer Shares

The payment for Offer Shares allocated to a subscriber falls due on 14 February 2020 (the "**Payment Date**"). Payment must be made in accordance with the requirements set out in Section 12.4.12.1 "Subscribers who have a Norwegian bank account" or Section 12.4.12.2 "Subscribers who do not have a Norwegian bank account".

12.4.12.1 Subscribers who have a Norwegian bank account

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

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

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

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

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

12.4.12.2 Subscribers who do not have a Norwegian bank account

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

Prior to any such payment being made, the subscriber must contact the Settlement Agent (Arctic) on telephone number +47 21 01 30 40 for further details and instructions.

12.4.13 *Overdue payments*

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

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

12.4.14 *Delivery of the Offer Shares*

Subject to timely payment of the entire subscription amount in the Subsequent Offering, the Company expects that the share capital increase pertaining to the Subsequent Offering will be registered with the Norwegian Register of Business Enterprises on or about 19 February 2020 and that the Offer Shares will be delivered to the VPS accounts of the subscribers to whom they are allocated on or about the same day. The final deadline for registration of the share capital increase pertaining to the Subsequent Offering with the Norwegian Register of Business Enterprises,

and, hence, for the delivery of the Offer Shares, is, pursuant to the Norwegian Public Limited Companies Act, three months from the expiry of the Subscription Period (i.e. 12 May 2020).

12.4.15 Listing of the Offer Shares

The Shares are listed on the Oslo Stock Exchange under ISIN NO 0003111700 and ticker code "BOR". The Offer Shares will be listed on the Oslo Stock Exchange as soon as the share capital increase pertaining to the Subsequent Offering has been registered with the Norwegian Register of Business Enterprises and the Offer Shares have been registered in the VPS. This is expected to take place on or about 19 February 2020.

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

For information regarding the listing of the Private Placement Shares on the Oslo Stock Exchange, see Section 12.1.4 "Delivery and listing of the Private Placement Shares".

12.4.16 The rights conferred by the Offer Shares

The Offer Shares to be issued in the Subsequent Offering will be ordinary Shares in the Company with a par value of NOK 10.00 each, and will be issued electronically in registered form in accordance with the Norwegian Public Limited Companies Act.

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

12.4.17 NCI code and LEI number

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

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

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

12.4.18 VPS registration

The Subscription Rights will be registered in the VPS under ISIN NO 0010872682. The Offer Shares will be registered in the VPS with the same ISIN as the existing Shares, i.e. ISIN NO 0003111700.

The Company's registrar with the VPS is Nordea Bank Abp, filial i Norge (the VPS Registrar), Essendropsgate 8, N-0368 Oslo, Norway, P.O. Box 1166 Sentrum, N-0107 Oslo, Norway, telephone number +47 23 20 60 02.

12.4.19 Timeliness, validity, form and eligibility of subscriptions

All questions concerning the timeliness, validity, form and eligibility of any subscription for Offer Shares will be determined by the Board of Directors, whose determination will be final and binding. The Board of Directors, or the Managers upon being authorised by the Board of Directors, may in its or their sole discretion waive any defect or irregularity in the Subscription Forms, permit such defect or irregularity to be corrected within such time as the Board of Directors or the Managers may determine, or reject the purported subscription of any Offer Shares. It cannot be expected that Subscription Forms will be deemed to have been received or accepted until all irregularities have been cured or waived within such time as the Board of Directors or the Managers shall determine. Neither the Board of Directors, the Company nor the Managers will be under any duty to give notification of any defect or irregularity in

connection with the submission of a Subscription Form or assume any liability for failure to give such notification. Further, neither the Board of Directors, the Company nor the Manager are liable for any action or failure to act by a financial intermediary through whom any Eligible Shareholder holds his Shares or by the Manager in connection with any subscriptions or purported subscriptions.

12.4.20 Share capital following the Subsequent Offering

The final number of Offer Shares to be issued in the Subsequent Offering will depend on the number of subscriptions received in the Subsequent Offering. The maximum number of Offer Shares to be issued in the Subsequent Offering is 1,000,000 Offer Shares, each with a par value of NOK 10.00. Assuming full subscription, the Subsequent Offering will further increase the Company's registered share capital with NOK 10,000,000, divided into 1,000,000 Shares, each with a par value of NOK 10.00.

12.4.21 Net proceeds and expenses related to the Subsequent Offering

The Company will bear the costs, fees and expenses related to the Subsequent Offering, which are estimated to amount to approximately NOK 1.25 million assuming that all Offer Shares are issued. No expenses or taxes will be charged by the Company or the Managers to the subscribers in the Subsequent Offering. Hence, the total net proceeds from the Subsequent Offering are estimated to be approximately NOK 18.75 million, assuming that all the Offer Shares are issued. See Section 12.1.2 "Use of proceeds" for a description of the use of such proceeds.

12.4.22 Interests of natural and legal persons involved in the Subsequent Offering

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

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

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

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

The Company is not aware of whether any major shareholders of the Company or members of the Company's Management, supervisory or administrative bodies intend to subscribe for Offer Shares in the Subsequent Offering, or whether any person intends to subscribe for more than 5% of the Subsequent Offering. It is however noted that Substantia AS og Myra Matsenter AS in which the Board Member Gudmund Bratrud has ownership interests in, are Eligible Shareholders and thus have a right to participate in the Subsequent Offering.

12.4.24 Publication of information relating to the Subsequent Offering

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

12.4.25 Advisors in the Subsequent Offering

In the Subsequent Offering, Arctic (Haakon VIIs gate 5, N-0161 Oslo, Norway) and SpareBank 1 Markets AS (Olav Vs gate, N-0161 Oslo, Norway) will act as managers and Advokatfirmaet Thommessen AS (Haakon VIIs gate 10, N-0161 Oslo, Norway) will act as Norwegian legal advisor to the Company.

12.5 Dilution

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

	Prior to the issuance of the New Shares	Subsequent to the issuance of the New Shares
Number of Shares each with a par value of NOK 10.00	6,778,610	13,697,235
% dilution		50.50%

The Company's total assets and debt (long term and short term) as at 30 September 2019 and as set out in the Company's consolidated balance sheet as at that date was TNOK 1,646,300 and TNOK 1,196,236, respectively, which translates to approximately NOK 66.40 in net asset value per Share at that date. The Subscription Price is NOK 20.00.

12.6 Product Governance

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

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

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

12.7 Governing law and jurisdiction

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

13 SELLING AND TRANSFER RESTRICTIONS

13.1 General

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

The Subscription Rights and Offer Shares being granted and offered, respectively, in the Subsequent Offering have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not and will not be offered, sold, exercised, pledged, resold, granted, delivered, allocated, taken up, transferred or delivered, directly or indirectly, within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act and in compliance with the applicable securities laws of any state or jurisdiction of the United States. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any territory other than Norway, such investor may not treat this Prospectus as constituting an invitation or offer to it, or a grant of, nor should the investor in any event deal in Offer Shares, unless, in the relevant jurisdiction, such an invitation, offer or grant could lawfully be made to that investor, or the Offer Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer the Offer Shares to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If the investor forwards this Prospectus into any such territories (whether under a contractual or legal obligation or otherwise), the investor should direct the recipient's attention to the contents of this Section 13 "Selling and transfer restrictions".

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

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

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

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

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

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

The information set out in this Section 13 "Selling and transfer restrictions" is intended as a general guide only. If the investor is in any doubt as to whether it is eligible to exercise its Subscription Rights and subscribe for the Offer Shares, such investor should consult its professional advisor without delay.

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

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

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

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

13.2 United States

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

transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act, in each case, in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Prospective purchasers of the Offer Shares are hereby notified that sellers of the Offer Shares may be relying on the exemption from registration provisions of Section 5 of the U.S. Securities Act provided by Rule 144A.

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

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

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

Sales within the United States

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

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

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

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

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

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

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

Any person in the United States into whose possession this Prospectus comes should inform itself about and observe any applicable legal restrictions; any such person in the United States who is not a QIB is required to disregard this Prospectus. A person in the United States who is not a QIB is an Ineligible Shareholder (as defined in Section 12.4.7 "Subscription Rights"). The credit of Subscription Rights to an Ineligible Shareholder does not constitute an offer to such Ineligible Shareholders.

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

Sales outside the United States

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

- (a) It (i) is not within the United States; (ii) is not in any jurisdiction in which it is unlawful to make or accept an offer to acquire the Offer Shares; (iii) is not exercising for the account of any person who is located in the United States, unless: (A) the instruction to exercise was received from a person outside the United States and (B) the person giving such instruction has confirmed that (x) it has the authority to give such instruction, and (y) either (a) has investment discretion over such account or (b) is an investment manager

or investment company that is acquiring the Offer Shares in an "offshore transaction" within the meaning of Regulation S under the U.S. Securities Act; and (iv) is not acquiring the Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Offer Shares into the United States.

- (b) It understands that such Subscription Rights and Offer Shares have not been and will not be registered under the U.S. Securities Act or any U.S. securities laws or with any securities regulatory authority of any state or other jurisdiction in the United States and that it will not offer, sell, pledge or otherwise transfer such Subscription Rights or Offer Shares except (i) in accordance with Rule 144A under the U.S. Securities Act to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of a QIB or (ii) in an offshore transaction as defined in and in accordance with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any State of the United States.
- (c) It understands that such Offer Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER, OR IN A TRANSACTION NOT SUBJECT TO, THE U.S. SECURITIES ACT.
- (d) It is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Prospectus.
- (e) The Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- (f) The Company, the Manager, any selling agents and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.
- (g) The Company shall not recognize any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions.

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

13.3 United Kingdom

Each Manager has represented, warranted and agreed that:

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

13.4 European Economic Area

In relation to each Relevant Member State, an offer to the public of any Offer Shares may not be made in that Relevant Member State, other than the offers contemplated by this Prospectus in Norway once this Prospectus has

been approved by the Norwegian FSA and published in accordance with the EU Prospectus Regulation as implemented in Norway, except that an offer to the public of any Offer Shares in a Relevant Member State may be made at any time under the following exemptions under the EU Prospectus Regulation:

- (a) to persons who are "qualified investors" within the meaning of Article 2(e) of the EU Prospectus Regulation;
- (b) to fewer than 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) per Relevant Member State, with the prior written consent of the Managers for any such offer;
or
- (c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

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

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

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

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

13.5 Switzerland

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

13.6 Additional Jurisdictions

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

14 ADDITIONAL INFORMATION

14.1 Auditor and advisors

The Company's independent auditor is Deloitte AS with registration number 980 211 282, and business address Dronning Eufemias gate 14, N-0191 Oslo, Norway. Deloitte is a member of Den Norske Revisorforening (The Norwegian Institute of Public Accountants).

Arctic Securities AS (Haakon VII's gate 5, N-0161 Oslo, Norway) and SpareBank 1 Markets AS (Olav Vs gate, N-0161 Oslo, Norway) are acting as managers for the Private Placement and the Subsequent Offering. Norne Securities AS (Jonsvollsgaten 2, N-5011 Bergen, Norway) acted as selling agent in the Private Placement.

Advokatfirmaet Thommessen AS (Haakon VII's gate 10, N-0161 Oslo, Norway) is acting as Norwegian legal counsel to the Company.

14.2 Documents on display

Copies of the following documents will be available for inspection at the Company's offices at Gunnar Knudsens veg 114, N-3712 Skien, Norway, during normal business hours from Monday to Friday each week (except public holidays) and on the Company's website www.borgestad.no for a period of twelve months from the date of this Prospectus:

- the Company's certificate of incorporation and Articles of Association; and
- 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 this Prospectus.

14.3 Incorporation by reference

The information incorporated by reference in this Prospectus should be read in connection with the cross reference table set out below. Except as provided in this Section 14.3 "Incorporation by reference", no information is incorporated by reference into this Prospectus.

Section in the Prospectus	Disclosure requirement	Reference document and link	Page (P) in reference document
Sections 4.3 and 7	Annex 3, item 11.1	Annual Report 2018: https://borgestad.no/wp-content/uploads/2019/04/BOR-%C3%A5rsrapport-2018.pdf	Page 23 – 63 (Accounts and notes)
Section 4.3 and 7	Annex 3, item 11.2	Auditor's report 2018: https://borgestad.no/wp-content/uploads/2019/04/BOR-%C3%A5rsrapport-2018.pdf	Page 76 - 79
Section 4.3 and 7	Annex 3, item 11.1	Interim Financial Statements Q3 2019: https://borgestad.no/wp-content/uploads/2019/10/BOR-Q3-2019.pdf	Page 6 – 15 (Accounts and notes)
N/A	Annex 3, item 11.1	Interim Financial Statements H1 2019 https://borgestad.no/wp-content/uploads/2019/09/Korr-BOR-Q2-2019.pdf	Page 5 – 13 (Accounts and notes)

15 DEFINITIONS AND GLOSSARY

Anti-Money Laundering Legislation ...	Norwegian Money Laundering Act of 1 June 2018 No. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 No. 1324, collectively.
Arctic	Arctic Securities AS.
Articles of Association	The Company's articles of association attached as Appendix A of this Prospectus.
Board Members	The members of the Company's Board of Directors.
Board of Directors	The Board of Directors of the Company.
Bond Loan	The Company's senior secured bond loan (BOR03) of approximately MNOK 300 as per 30 September 2019 (prior to the Private Placement and the Company's repurchase of bonds from the bondholders, including the Bond Redemption).
Bond Redemption	The redemption offer to the bondholders of the Bond Loan with an offer period which expired on 29 November 2019.
Borgestad	Borgestad ASA.
Höganäs Borgestad	The Group's refractory business or Höganäs Borgestad, the holding company of the Group's refractory business.
CEO	Chief executive officer.
CFO	Chief financial officer.
CET	Central European Time.
Company	Borgestad ASA.
Deloitte	Deloitte AS.
EEA	The European Economic Area.
Eligible Shareholders	The shareholders of the Company as of 27 November 2019 (being registered as such in the VPS on the Record Date), except for shareholders who (i) were allocated Private Placement Shares in the Private Placement or (ii) are resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action who will be granted Subscription Rights that, subject to applicable law, give a preferential right to subscribe for and be allocated Offer Shares at the Subscription Price.
EU	The European Union.
EUR	The lawful common currency of the participating member states in the European Union.
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC Text with EEA relevance.
Financial Statements	The Company's audited consolidated financial statements as of and for the year ended 31 December 2018.
Financial Information	The Financial Statements and the Interim Financial Statements.
FSMA	The UK Financial Services and Markets Act 2000.
General Meeting	The Company's general meeting of shareholders.
GLA	Gross leasable area.
GLEIF	The Global Legal Identifier Foundation.
Group	The Company taken together with its consolidated subsidiaries.
HBAB	Höganäs Borgestad AB.
HB Holding	Höganäs Borgestad Holding AB.
IAS 34	International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU.
IFRS	International Financial Reporting Standards as adopted by the EU.
Incentive Shares	The 2118,625 new shares in the Company, each with a par value of NOK 10.00, issued on 4 December 2019 at a subscription price of NOK 10.00 per share in connection with the Company's incentive program for employees etc.
Ineligible Shareholders	Shareholders resident in jurisdictions where the Prospectus may not be distributed and/or with legislation that prohibits or otherwise restricts subscription for Offer Shares and/or (ii) shareholders located in the United States who is not a QIB.
Interim Financial Statements	The Company's unaudited consolidated interim financial statements as of and for the nine month period ended 30 September 2019.

LEI	Legal Entity Identifier.
LOUs	Local Operating Units.
Management	The senior management team of the Company.
Managers	Arctic Securities AS and SpareBank 1 Markets.
MiFID II	EU Directive 2014/65/EU on markets in financial instruments, as amended.
MiFID II Product Governance Requirements	MiFID II, Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II and local implementing measures.
Monolithic	Unshaped refractory product.
NCI	National Client Identifier.
New Shares	Means the Private Placement Shares, the Incentive Shares, the Redemption Shares and the Offer Shares.
NOK	Norwegian Kroner, the lawful currency of Norway.
NOM-Account	A nominee account.
Non-Norwegian Corporate Shareholders	Shareholders who are limited liability companies and certain similar corporate entities not resident in Norway for tax purposes.
Non-Norwegian Personal Shareholders	Shareholders who are individuals not resident in Norway for tax purposes.
Nordea	Nordea Bank Abp, filial i Norge.
Norne	Norne Securities AS.
Norwegian Corporate Shareholders	Shareholders who are limited liability companies and certain similar corporate entities resident in Norway for tax purposes.
Norwegian FSA	The Financial Supervisory Authority of Norway (<i>Nw.: Finanstilsynet</i>).
Norwegian Personal Shareholders ..	Shareholders who are individuals resident in Norway for tax purposes.
Norwegian Public Limited Companies Act	Norwegian Public Limited Liability Companies Act of 13 June 1997 No 45 (<i>Nw.: allmennaksjeloven</i>).
Norwegian Securities Trading Act ...	The Norwegian Securities Trading Act of 28 June 2007 No 75 (<i>Nw.: verdipapirhandelloven</i>).
Offer Shares	Up to 1,000,000 new shares in the Company, each with a par value of NOK 10.00, to be issued in connection with the Subsequent Offering.
Order	The UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.
Oslo Stock Exchange	Oslo Børs ASA, or, as the context may require, Oslo Børs, a Norwegian regulated stock exchange operated by Oslo Børs ASA.
Payment Date	On or about 19 February 2020.
PLN	Polish Zloty, the lawful currency of Poland.
Private Placement	A private placement of 5,000,000 new shares in the Company allocated to the investors on 27 November 2019.
Private Placement Shares	The 5,000,000 new shares in the Company, each with a par value of NOK 10.00, issued at a subscription price of NOK 20.00 per Private Placement Share in connection with the Private Placement, divided into two tranches, which were completed on 4 November December 2019 and 23 December 2019, respectively.
Prospectus	This Prospectus dated 28 January 2020.
QIBs	Qualified institutional buyers as defined in Rule 144A.
Record Date	29 November 2019.
Redemption Shares	The 800,000 new shares in the Company, each with a par value of NOK 10.00, issued on 23 December 2019 at a subscription price of NOK 20.00 per Redemption Share in connection with the Bond Redemption.
Refractory	Heat-resistant material that retains strength and form at very high temperatures.
Regulation S	Regulation S under the U.S. Securities Act.
Relevant Member State	Each Member State of the European Economic Area which has implemented the EU Prospectus Regulation.
Relevant Persons	Persons in the United Kingdom that are (i) investment professionals falling within Article 19(5) of the Order or (ii) high net worth entities, and other persons to whom the Prospectus may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order.

Reorganisation	The internal reorganisation of the Group as further described in Section 5.4 "Material contracts".
Rule 144A	Rule 144A under the U.S. Securities Act.
SEC.....	The U.S. Securities and Exchange Commission.
SEK.....	Swedish Kroner, the lawful currency of Sweden.
Settlement Agent.....	Arctic Securities AS.
Share(s)	Means the shares of the Company, each with a par value of NOK 10, or any one of them, including the Private Placement Shares, the Incentive Shares, the Redemption Shares and the Offer Shares.
SpareBank 1 Markets	SpareBank 1 Markets AS.
Subscription Form.....	The form for subscription of Offer Shares attached hereto in Appendix B.
Subscription Period	From 09:00 hours (CET) on 29 January 2020 to 16:30 hours (CET) on 12 February 2020.
Subscription Price	The subscription price for the Offer Shares, being NOK 20.00.
Subscription Rights	Subscription rights that, subject to applicable law, provide preferential rights to subscribe for and to be allocated Offer Shares at the Subscription Price.
Subsequent Offering.....	The offer by the Company to the Eligible Shareholders to issue up to 1,000,000 Offer Shares, each with a par value of NOK 10.00, at a Subscription Price of NOK 20.00 per Offer Share, being equal to the subscription price in the Private Placement, to enable the Eligible Shareholders to subscribe for Shares in the Company at the same price as in the Private Placement, thus limiting the dilution of their shareholding following the completion of the Private Placement.
Target Market Assessment	Has the meaning ascribed to such term on page III.
Tranche 1 Shares.....	2,712,000 of the Private Placement Shares which were, subject to timely payment of the application amount, delivered to the investors in the Private Placement having been allocated Tranche 1 Shares on 20 December 2019.
Tranche 2 Shares.....	288,000 of the Private Placement Shares which were, subject to timely payment of the application amount, delivered to the investors in the Private Placement on 27 December 2019.
UK	The United Kingdom.
USD or U.S. Dollar	United States Dollars, the lawful currency of the United States of America.
U.S. or United States.....	The United States of America.
U.S. Exchange Act	The United States Exchange Act of 1934, as amended.
U.S. Securities Act	The United States Securities Act of 1933, as amended.
VPS.....	The Norwegian Central Securities Depository (<i>Nw.: Verdipapirsentralen</i>).
VPS Registrar	Nordea Bank Abp, filial i Norge.

APPENDIX A:

ARTICLES OF ASSOCIATION OF BORGESTAD ASA

APPENDIX B

SUBSCRIPTION FORM FOR THE SUBSEQUENT OFFERING



BORGESTAD ASA

Borgestad ASA

Gunnar Knudsens veg 144
N-3712 Skien
Norway

Managers

Arctic Securities AS
Haakon VIIIs gate 5
N-0123 Oslo
Norway

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

Legal Adviser to the Company

(as to Norwegian law)

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