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# Key IPO Terms

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# Typical IPO Term Sheet (using Euronext Growth Oslo as an example)

## Complete overview

Issuer	• [●] (the "Company").
ISIN	• [●].
Pre-money share capital	• <b>Shares outstanding:</b> [●] shares (each with a par value of NOK [●]). • <b>Undiluted equity value:</b> Approx. NOK [●] million (based on shares outstanding and Offer Price).
Dilutive instruments	• <b>Options:</b> [●] options with volume-weighted average strike of [●] and maturity of [●]. • <i>[Please see the Investor Presentation for more information about the dilutive instruments].</i>
Offer structure	• Equity private placement (the "Private Placement").
Offer price	• NOK [●] per Offer Share (the "Offer Price").
Offer size	• <b>Primary:</b> Up to [●] new shares (the "New Shares") to raise gross proceeds to the Company of approx. NOK [●] million. • <b>Secondary:</b> Up to [●] existing shares (the "Sale Shares") from the Selling Shareholders which is equivalent to approx. NOK [●] million. • <b>Over-Allotment:</b> Up to approx. [●]% of the sum of the New Shares and the Sale Shares allocated in the Private Placement may be over-allotted by the Manager which is equivalent to up to [●] additional shares (the "Additional Shares") or approx. NOK [●] million. • <b>Total:</b> Up to [●] shares (the "Offer Shares") which is equivalent to approx. NOK [●] million.
Over-allotment, stabilisation and greenshoe	• The over-allotment of the Additional Shares will be facilitated by a share lending arrangement whereby [●] (the "Lending Shareholders") will lend (subject to certain conditions) the Manager (also known as the "Stabilisation Manager") a number of existing shares in the Company equal to the number of Additional Shares allocated in the Private Placement. • The borrowed Additional Shares will be redelivered to the Lending Shareholders by the Stabilisation Manager prior to or upon the expiry of a 30-day stabilisation period commencing at the time of the Listing (the "Stabilisation Period"). The Stabilisation Manager may engage in stabilisation activities during the Stabilisation Period through buying shares in the Company on Euronext Growth Oslo at prices equal to or lower than (but not above) the Offer Price. • The [●] has granted (subject to certain conditions) the Stabilisation Manager an option to acquire, at the Offer Price, a number of shares in the Company equal to the number of Additional Shares allocated in the Private Placement (the "Greenshoe Option") to cover short positions resulting from any over-allotments made in the Private Placement not covered through share repurchases made by the Stabilisation Manager as part of any stabilisation activities conducted during the Stabilisation Period.
Selling shareholders	• Consortium of existing shareholders in the Company (jointly the "Selling Shareholders"). • <i>[Please see the Investor Presentation for more information about the Selling Shareholders].</i>
Use of proceeds	• The net proceeds to the Company from the Private Placement will be used for [●]. • <i>[Not sufficient to fully finance the equity story and thus reliant on future equity offerings].</i>
Pre-commitments	• [●] cornerstone investors have (subject to certain conditions) undertaken to subscribe for, and will be allocated Offer Shares for, a total amount of NOK [●] million distributed as follows: NOK [●] million from [●], NOK [●] million from [●], and NOK [●] million from [●]. • Certain members of the Company's management and board of directors, as well as certain existing shareholders and new investors, have jointly pre-committed to subscribe for approx. NOK [●] million. • <i>[Please see the Investor Presentation for more information about the pre-commitments].</i>
Listing	• The Company has applied for its shares to be admitted to trading on Euronext Growth Oslo, a multilateral trading facility (MTF) operated by the Oslo Stock Exchange, in connection with the Private Placement (the "Listing"). The shares in the Company are expected to commence trading on or about [●] 2022. • [The Company's board of directors has resolved to pursue an up-listing to a regulated market operated by the Oslo Stock Exchange, and aims to complete such up-listing between 6-12 months post Listing, subject to (inter alia) favourable market conditions and the satisfaction of applicable listing requirements].
Lock-ups	• <b>Company:</b> [●] months. • <b>Members of the Company's management and board of directors:</b> [●] months. • <b>Selling Shareholders:</b> [●] months. • <b>Certain other existing shareholders:</b> [●] months. • <i>More than [●]% of the outstanding shares prior to completion of the Private Placement have been locked up based on the agreements referred to above.</i> • <i>[Please see the Investor Presentation for more information about the lock-ups].</i>

Minimum order and allocation	• NOK equivalent of EUR 100,000 (not applicable for the pre-committing investors)). • <i>The Company may offer and allocate an amount below the NOK equivalent of EUR 100,000 in the Private Placement to the extent exemptions from prospectus requirements, in accordance with Regulation (EU) 2017/1129, are available.</i>
Application period (subject to changes)	• <b>Start of application period:</b> [●] 2022 at [09:00] CET. • <b>Close of application period:</b> [●] 2022 at [16:30] CET. • <i>The Company may extend or shorten the application period at any time and for any reason on short notice. If the application period is extended or shortened, the other dates referred to herein might be changed accordingly.</i>
Settlement dates (subject to changes)	• <b>Notification of allocation:</b> Expected on or about [●] 2022. • <b>First day of trading on Euronext Growth Oslo:</b> Expected on or about [●] 2022. • <b>Payment and delivery:</b> Expected on or about [●] 2022. Delivery vs. Payment (DVP). • <i>DVP settlement of New Shares is expected to be facilitated by a pre-funding agreement between the Company and the Manager.</i>
Conditions for completion	• <b>Completion of the Private Placement is subject to:</b> (i) all necessary corporate resolutions being validly made by the Company, including without limitation, the Company's board of directors resolving to proceed with the Private Placement as well as to allocate the Offer Shares and issue the New Shares; (ii) registration of the share capital increase pertaining to the New Shares with the Norwegian Register of Business Enterprises (BRREG); (iii) the issuance of the New Shares in the Norwegian Central Securities Depository (VPS); and (iv) the Oslo Stock Exchange resolving to approve the Listing]. • <i>The Company reserves the right, at any time and for any reason, to cancel, and/or modify the terms of, the Private Placement. Neither the Company nor the Manager will be liable for any losses incurred by applicants if the Private Placement is cancelled and/or modified, irrespective of the reason.</i>
Allocation criteria	• The allocation of Offer Shares will be made at the sole discretion of the Company's board of directors, in consultation with the Manager. • The Company's board of directors will focus on criteria such as (but not limited to) pre-commitments, timeliness of the application, relative order size, sector knowledge, perceived investor quality and investment horizon.
Investor documentation	• The investor documentation comprises of an [investor presentation (the "Investor Presentation"), an application agreement and this term sheet] (all dated [●] 2022), as well as all currently available public information (the "Investor Documentation"). • <i>An information document, prepared in connection with the Listing, is expected to be published on or about [●] 2022. This will take place after the application period in the Private Placement and the applicants will hence not be able to review or base their investment decision on such information document.</i>
Due diligence investigations	• [Only limited legal and financial due diligence investigations of the Company, customary for admission on Euronext Growth Oslo, have been conducted prior to the Private Placement]. The Manager has not taken any steps to verify the information in the Investor Documentation other than obtaining certain customary written confirmations from the Company and its representatives, hereunder a declaration of completeness signed by Company representatives whereby the Company has confirmed, to the best of its knowledge, that the Investor Documentation in all material respect is correct and that there are no material omissions. Investors who apply for Offer Shares in the Private Placement will by making their application agree that they have made all the necessary investigations and analysis of the current publicly available information to arrive at an investment decision on their own.
Selling restrictions	• Directed towards investors subject to, in each case, applicable exemptions from relevant prospectus, filing and registration requirements, (i) outside the United States in reliance on Regulation S under the US Securities Act of 1933 as amended (the "US Securities Act") and (ii) in the United States to "qualified institutional buyers" ("QIBs") as defined in Rule 144A under the US Securities Act and to major U.S. institutional investors under SEC Rule 15a-6 under the United States Exchange Act of 1934.
Target market	• Non-Professional, Professional and Eligible Counterparties (all distribution channels) with at least a common/normal understanding of the capital markets. • <b>Negative Target Market:</b> An investment in the Offer 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.
Manager	• Pareto Securities AS (the "Manager").

## MAIN COMPONENTS

- 1 Offer Price / Pre-Money Valuation
- 2 Pre-Commitments
- 3 Dilutive Instruments
- 4 Offer Size
  - Primary + Use of Proceeds
  - Secondary + Selling Shareholders
  - Over-Allotment + Greenshoe
- 5 Lock-Ups
- 6 Investor Documentation + Selling Restrictions
- 7 IPO Settlement + Oslo Stock Exchange Listing

# Typical IPO Term Sheet (using Euronext Growth Oslo as an example)

Summary of main commercial terms (I/II) -> #1 Offering Price / Pre-Money Valuation

<b>Offer price</b>	<ul style="list-style-type: none"> <li>NOK [●] per Offer Share (the "Offer Price").</li> </ul>
<b>Pre-money share capital</b>	<ul style="list-style-type: none"> <li><b>Shares outstanding:</b> [●] shares (each with a par value of NOK [●]).</li> <li><b>Undiluted equity value:</b> Approx. NOK [●] million (based on the shares outstanding and the Offer Price).</li> </ul>
<b>Pre-commitments</b>	<ul style="list-style-type: none"> <li>[●] cornerstone investors have (subject to certain conditions) undertaken to subscribe for, and will be allocated Offer Shares for, a total amount of NOK [●] million distributed as follows: NOK [●] million from [●], NOK [●] million from [●], and NOK [●] million from [●].</li> <li>Certain members of the Company's management and board of directors, as well as certain existing shareholders and new investors, have jointly pre-committed to subscribe for approx. NOK [●] million.</li> <li><i>[Please see the Investor Presentation for more information about the pre-commitments].</i></li> </ul>
<b>Dilutive instruments</b>	<ul style="list-style-type: none"> <li><b>Options:</b> [●] options with volume-weighted average strike of [●] and maturity of [●].</li> <li><i>[Please see the Investor Presentation for more information about the dilutive instruments].</i></li> </ul>
<b>Offer size</b>	<ul style="list-style-type: none"> <li><b>Primary:</b> Up to [●] new shares (the "New Shares") to raise gross proceeds to the Company of approx. NOK [●] million.</li> <li><b>Secondary:</b> Up to [●] existing shares (the "Sale Shares") from the Selling Shareholders which is equivalent to approx. NOK [●] million.</li> <li><b>Over-Allotment:</b> Up to approx. [●]% of the sum of the New Shares and the Sale Shares allocated in the Private Placement may be over-allotted by the Manager which is equivalent to up to [●] additional shares (the "Additional Shares") or approx. NOK [●] million.</li> <li><b>Total:</b> Up to [●] shares (the "Offer Shares") which is equivalent to approx. NOK [●] million.</li> </ul>
<b>Over-allotment, stabilisation and greenshoe</b>	<ul style="list-style-type: none"> <li>The over-allotment of the Additional Shares will be facilitated by a share lending arrangement whereby [●] (the "Lending Shareholders") will lend (subject to certain conditions) the Manager (also known as the "Stabilisation Manager") a number of existing shares in the Company equal to the number of Additional Shares allocated in the Private Placement.</li> <li>The borrowed Additional Shares will be redelivered to the Lending Shareholders by the Stabilisation Manager prior to or upon the expiry of a 30-day stabilisation period commencing at the time of the Listing (the "Stabilisation Period"). The Stabilisation Manager may engage in stabilisation activities during the Stabilisation Period through buying shares in the Company on Euronext Growth Oslo at prices equal to or lower than (but not above) the Offer Price.</li> <li>The [●] has granted (subject to certain conditions) the Stabilisation Manager an option to acquire, at the Offer Price, a number of shares in the Company equal to the number of Additional Shares allocated in the Private Placement (the "Greenshoe Option") to cover short positions resulting from any over-allotments made in the Private Placement not covered through share repurchases made by the Stabilisation Manager as part of any stabilisation activities conducted during the Stabilisation Period.</li> </ul>
<b>Selling shareholders</b>	<ul style="list-style-type: none"> <li>Consortium of existing shareholders in the Company (jointly the "Selling Shareholders").</li> <li><i>[Please see the Investor Presentation for more information about the Selling Shareholders].</i></li> </ul>
<b>Use of proceeds</b>	<ul style="list-style-type: none"> <li>The net proceeds to the Company from the Private Placement will be used for [●].</li> <li><i>[Not sufficient to fully finance the equity story and thus reliant on future equity offerings].</i></li> </ul>

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## OFFER PRICE / PRE-MONEY VALUATION

- **One of the most important commercial IPO terms.**
- **Format will be concluded during the pre-sounding.**
- **Main alternatives:**
  - Fixed price (*preferred*).
  - Price range.
  - [Bookbuilding].
- **Heavily affected by negotiations with the pre-committers in pre-sound.**
- **Methods typically used:**
  - Discounted cash flow.
  - Public peer multiples.
  - M&A multiples.
  - Mark-up on total invested equity as well as previous equity round valuations.
- **Research analysts will contribute with opinions.**
- **Timing the market is vital.**
- **It is all about equity story.**
- **IPO discount = +/- 10-20%.**
- **Be "long-term greedy".**

# Typical IPO Term Sheet (using Euronext Growth Oslo as an example)

## Summary of main commercial terms (I/II) -> #2 Pre-Commitments

Offer price	• NOK [●] per Offer Share (the "Offer Price").
Pre-money share capital	• <b>Shares outstanding:</b> [●] shares (each with a par value of NOK [●]). • <b>Undiluted equity value:</b> Approx. NOK [●] million (based on the shares outstanding and the Offer Price).
Pre-commitments	• [●] cornerstone investors have (subject to certain conditions) undertaken to subscribe for, and will be allocated Offer Shares for, a total amount of NOK [●] million distributed as follows: NOK [●] million from [●], NOK [●] million from [●], and NOK [●] million from [●]. • Certain members of the Company's management and board of directors, as well as certain existing shareholders and new investors, have jointly pre-committed to subscribe for approx. NOK [●] million. • <i>[Please see the Investor Presentation for more information about the pre-commitments].</i>
Dilutive instruments	• <b>Options:</b> [●] options with volume-weighted average strike of [●] and maturity of [●]. • <i>[Please see the Investor Presentation for more information about the dilutive instruments].</i>
Offer size	• <b>Primary:</b> Up to [●] new shares (the "New Shares") to raise gross proceeds to the Company of approx. NOK [●] million. • <b>Secondary:</b> Up to [●] existing shares (the "Sale Shares") from the Selling Shareholders which is equivalent to approx. NOK [●] million. • <b>Over-Allotment:</b> Up to approx. [●]% of the sum of the New Shares and the Sale Shares allocated in the Private Placement may be over-allotted by the Manager which is equivalent to up to [●] additional shares (the "Additional Shares") or approx. NOK [●] million. • <b>Total:</b> Up to [●] shares (the "Offer Shares") which is equivalent to approx. NOK [●] million.
Over-allotment, stabilisation and greenshoe	• The over-allotment of the Additional Shares will be facilitated by a share lending arrangement whereby [●] (the "Lending Shareholders") will lend (subject to certain conditions) the Manager (also known as the "Stabilisation Manager") a number of existing shares in the Company equal to the number of Additional Shares allocated in the Private Placement. • The borrowed Additional Shares will be redelivered to the Lending Shareholders by the Stabilisation Manager prior to or upon the expiry of a 30-day stabilisation period commencing at the time of the Listing (the "Stabilisation Period"). The Stabilisation Manager may engage in stabilisation activities during the Stabilisation Period through buying shares in the Company on Euronext Growth Oslo at prices equal to or lower than (but not above) the Offer Price. • The [●] has granted (subject to certain conditions) the Stabilisation Manager an option to acquire, at the Offer Price, a number of shares in the Company equal to the number of Additional Shares allocated in the Private Placement (the "Greenshoe Option") to cover short positions resulting from any over-allotments made in the Private Placement not covered through share repurchases made by the Stabilisation Manager as part of any stabilisation activities conducted during the Stabilisation Period.
Selling shareholders	• Consortium of existing shareholders in the Company (jointly the "Selling Shareholders"). • <i>[Please see the Investor Presentation for more information about the Selling Shareholders].</i>
Use of proceeds	• The net proceeds to the Company from the Private Placement will be used for [●]. • <i>[Not sufficient to fully finance the equity story and thus reliant on future equity offerings].</i>

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### PRE-COMMITMENTS

- Will be concluded during the pre-sounding of the IPO.
- Main types:
  - Primary insiders (management & board).
  - Other employees.
  - Existing shareholders.
  - Friends & Family.
  - Close industrial / strategic collaboration partners.
  - NEW ANCHORS.
  - NEW CORNERSTONES.
- Cornerstones (and possibly some of the others) will be used publicly in marketing while the others will be kept as private pre-commitments.
- The sum of pre-coms will give the manager confidence with regards to "gap-to-close" vs. the total IPO size.
- Pre-coms may spark "fear of missing out", help to validate the equity story / valuation and function as "commercial due diligence" for others.

# Typical IPO Term Sheet (using Euronext Growth Oslo as an example)

## Summary of main commercial terms (I/II) -> #3 Dilutive Instruments

Offer price	<ul style="list-style-type: none"> <li>NOK [●] per Offer Share (the "Offer Price").</li> </ul>
Pre-money share capital	<ul style="list-style-type: none"> <li><b>Shares outstanding:</b> [●] shares (each with a par value of NOK [●]).</li> <li><b>Undiluted equity value:</b> Approx. NOK [●] million (based on the shares outstanding and the Offer Price).</li> </ul>
Pre-commitments	<ul style="list-style-type: none"> <li>[●] cornerstone investors have (subject to certain conditions) undertaken to subscribe for, and will be allocated Offer Shares for, a total amount of NOK [●] million distributed as follows: NOK [●] million from [●], NOK [●] million from [●], and NOK [●] million from [●].</li> <li>Certain members of the Company's management and board of directors, as well as certain existing shareholders and new investors, have jointly pre-committed to subscribe for approx. NOK [●] million.</li> <li><i>[Please see the Investor Presentation for more information about the pre-commitments].</i></li> </ul>
Dilutive instruments	<ul style="list-style-type: none"> <li><b>Options:</b> [●] options with volume-weighted average strike of [●] and maturity of [●].</li> <li><i>[Please see the Investor Presentation for more information about the dilutive instruments].</i></li> </ul>
Offer size	<ul style="list-style-type: none"> <li><b>Primary:</b> Up to [●] new shares (the "New Shares") to raise gross proceeds to the Company of approx. NOK [●] million.</li> <li><b>Secondary:</b> Up to [●] existing shares (the "Sale Shares") from the Selling Shareholders which is equivalent to approx. NOK [●] million.</li> <li><b>Over-Allotment:</b> Up to approx. [●]% of the sum of the New Shares and the Sale Shares allocated in the Private Placement may be over-allotted by the Manager which is equivalent to up to [●] additional shares (the "Additional Shares") or approx. NOK [●] million.</li> <li><b>Total:</b> Up to [●] shares (the "Offer Shares") which is equivalent to approx. NOK [●] million.</li> </ul>
Over-allotment, stabilisation and greenshoe	<ul style="list-style-type: none"> <li>The over-allotment of the Additional Shares will be facilitated by a share lending arrangement whereby [●] (the "Lending Shareholders") will lend (subject to certain conditions) the Manager (also known as the "Stabilisation Manager") a number of existing shares in the Company equal to the number of Additional Shares allocated in the Private Placement.</li> <li>The borrowed Additional Shares will be redelivered to the Lending Shareholders by the Stabilisation Manager prior to or upon the expiry of a 30-day stabilisation period commencing at the time of the Listing (the "Stabilisation Period"). The Stabilisation Manager may engage in stabilisation activities during the Stabilisation Period through buying shares in the Company on Euronext Growth Oslo at prices equal to or lower than (but not above) the Offer Price.</li> <li>The [●] has granted (subject to certain conditions) the Stabilisation Manager an option to acquire, at the Offer Price, a number of shares in the Company equal to the number of Additional Shares allocated in the Private Placement (the "Greenshoe Option") to cover short positions resulting from any over-allotments made in the Private Placement not covered through share repurchases made by the Stabilisation Manager as part of any stabilisation activities conducted during the Stabilisation Period.</li> </ul>
Selling shareholders	<ul style="list-style-type: none"> <li>Consortium of existing shareholders in the Company (jointly the "Selling Shareholders").</li> <li><i>[Please see the Investor Presentation for more information about the Selling Shareholders].</i></li> </ul>
Use of proceeds	<ul style="list-style-type: none"> <li>The net proceeds to the Company from the Private Placement will be used for [●].</li> <li><i>[Not sufficient to fully finance the equity story and thus reliant on future equity offerings].</i></li> </ul>

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### DILUTIVE INSTRUMENTS

- Main dilutive instruments:**
  - Options / Warrants.
  - Convertible loans.
- Clean up as much as possible before, or in connection with, the IPO.**
- In-the-money and ready-for-conversion instruments will be seen as already issued shares and will thus affect price / valuation (dilution).**
- All outstanding instruments at IPO must be described in detail: size / strike / maturity.**
- Employee / Management / Board incentive programs in-line with market practice important for value creation.**
- The organization should "get rich" together with the investors - but not before.**
- All shareholders' agreements must be terminated and different share classes must merge.**

# Typical IPO Term Sheet (using Euronext Growth Oslo as an example)

## Summary of main commercial terms (I/II) -> #4 Offering Size

Offer price	<ul style="list-style-type: none"> <li>NOK [●] per Offer Share (the "Offer Price").</li> </ul>
Pre-money share capital	<ul style="list-style-type: none"> <li><b>Shares outstanding:</b> [●] shares (each with a par value of NOK [●]).</li> <li><b>Undiluted equity value:</b> Approx. NOK [●] million (based on the shares outstanding and the Offer Price).</li> </ul>
Pre-commitments	<ul style="list-style-type: none"> <li>[●] cornerstone investors have (subject to certain conditions) undertaken to subscribe for, and will be allocated Offer Shares for, a total amount of NOK [●] million distributed as follows: NOK [●] million from [●], NOK [●] million from [●], and NOK [●] million from [●].</li> <li>Certain members of the Company's management and board of directors, as well as certain existing shareholders and new investors, have jointly pre-committed to subscribe for approx. NOK [●] million.</li> <li><i>[Please see the Investor Presentation for more information about the pre-commitments].</i></li> </ul>
Dilutive instruments	<ul style="list-style-type: none"> <li><b>Options:</b> [●] options with volume-weighted average strike of [●] and maturity of [●].</li> <li><i>[Please see the Investor Presentation for more information about the dilutive instruments].</i></li> </ul>
Offer size	<ul style="list-style-type: none"> <li><b>Primary:</b> Up to [●] new shares (the "New Shares") to raise gross proceeds to the Company of approx. NOK [●] million.</li> <li><b>Secondary:</b> Up to [●] existing shares (the "Sale Shares") from the Selling Shareholders which is equivalent to approx. NOK [●] million.</li> <li><b>Over-Allotment:</b> Up to approx. [●]% of the sum of the New Shares and the Sale Shares allocated in the Private Placement may be over-allotted by the Manager which is equivalent to up to [●] additional shares (the "Additional Shares") or approx. NOK [●] million.</li> <li><b>Total:</b> Up to [●] shares (the "Offer Shares") which is equivalent to approx. NOK [●] million.</li> </ul>
Over-allotment, stabilisation and greenshoe	<ul style="list-style-type: none"> <li>The over-allotment of the Additional Shares will be facilitated by a share lending arrangement whereby [●] (the "Lending Shareholders") will lend (subject to certain conditions) the Manager (also known as the "Stabilisation Manager") a number of existing shares in the Company equal to the number of Additional Shares allocated in the Private Placement.</li> <li>The borrowed Additional Shares will be redelivered to the Lending Shareholders by the Stabilisation Manager prior to or upon the expiry of a 30-day stabilisation period commencing at the time of the Listing (the "Stabilisation Period"). The Stabilisation Manager may engage in stabilisation activities during the Stabilisation Period through buying shares in the Company on Euronext Growth Oslo at prices equal to or lower than (but not above) the Offer Price.</li> <li>The [●] has granted (subject to certain conditions) the Stabilisation Manager an option to acquire, at the Offer Price, a number of shares in the Company equal to the number of Additional Shares allocated in the Private Placement (the "Greenshoe Option") to cover short positions resulting from any over-allotments made in the Private Placement not covered through share repurchases made by the Stabilisation Manager as part of any stabilisation activities conducted during the Stabilisation Period.</li> </ul>
Selling shareholders	<ul style="list-style-type: none"> <li>Consortium of existing shareholders in the Company (jointly the "Selling Shareholders").</li> <li><i>[Please see the Investor Presentation for more information about the Selling Shareholders].</i></li> </ul>
Use of proceeds	<ul style="list-style-type: none"> <li>The net proceeds to the Company from the Private Placement will be used for [●].</li> <li><i>[Not sufficient to fully finance the equity story and thus reliant on future equity offerings].</i></li> </ul>

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### OFFERING SIZE

- **Minimum 15% free float post IPO (primary insiders and 10%+ owners are excluded).**
- **Primary offering (new money to the company) must have reasonable use of proceeds in sync with the equity story.**
- **Preferably no secondary offering (sale of shares from existing shareholders) since it "contaminates" the story.**
- **Arguments which may work:**
  - Removing selling overhang.
  - Covering option strikes.
  - Covering IPO tax bill.
  - Attracting new lock-ups.
- **However - Better to conduct structured blocks post IPO.**
- **10-15% greenshoe on top of base deal is vital to facilitate post IPO price stabilization through 30-day "buy-back program" at the IPO price.**
- **Total IPO size should add up to a "meaningful amount" but must be "placeable".**



# Typical IPO Term Sheet (using Euronext Growth Oslo as an example)

## Summary of main commercial terms (II/II) -> #5 Lock-Ups

Lock-ups	<ul style="list-style-type: none"> <li>• <b>Company:</b> [●] months.</li> <li>• <b>Members of the Company's management and board of directors:</b> [●] months.</li> <li>• <b>Selling Shareholders:</b> [●] months.</li> <li>• <b>Certain other existing shareholders:</b> [●] months.</li> <li>• <i>More than [●]% of the shares outstanding in the Company have been locked up based on the agreements referred to above.</i></li> <li>• <i>[Please see the Investor Presentation for more information about the lock-ups].</i></li> </ul>
Investor documentation	<ul style="list-style-type: none"> <li>• The investor documentation comprises of an [investor presentation (the "<b>Investor Presentation</b>")], an application agreement and this term sheet] (all dated [●] 2022), as well as all currently available public information (the "<b>Investor Documentation</b>").</li> <li>• <i>An information document, prepared in connection with the Listing, is expected to be published on or about [●] 2022. This will take place after the application period in the Private Placement and the applicants will hence not be able to review or base their investment decision on such information document.</i></li> </ul>
Minimum order and allocation	<ul style="list-style-type: none"> <li>• NOK equivalent of EUR 100,000 ([not applicable for the pre-committing investors]).</li> <li>• <i>The Company may offer and allocate an amount below the NOK equivalent of EUR 100,000 in the Private Placement to the extent exemptions from prospectus requirements, in accordance with Regulation (EU) 2017/1129, are available.</i></li> </ul>
Target market	<ul style="list-style-type: none"> <li>• Non-Professional Investors, Professional Investors and Eligible Counterparties (all distribution channels) with at least a common / normal understanding of the equity capital markets.</li> <li>• <b>Negative Target Market:</b> An investment in the Offer 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.</li> </ul>
Selling restrictions	<ul style="list-style-type: none"> <li>• Directed towards investors subject to, in each case, applicable exemptions from relevant prospectus, filing and registration requirements, (i) outside the United States in reliance on Regulation S under the US Securities Act of 1933 as amended (the "US Securities Act") and (ii) in the United States to "qualified institutional buyers" ("QIBs") as defined in Rule 144A under the US Securities Act and to major U.S. institutional investors under SEC Rule 15a-6 under the United States Exchange Act of 1934.</li> </ul>
Settlement dates (subject to changes)	<ul style="list-style-type: none"> <li>• <b>Notification of allocation:</b> Expected on or about [●] 2022.</li> <li>• <b>First day of trading on Euronext Growth Oslo:</b> Expected on or about [●] 2022.</li> <li>• <b>Payment and delivery:</b> Expected on or about [●] 2022. Delivery vs. Payment (DVP).</li> <li>• <i>DVP settlement of New Shares is expected to be facilitated by a pre-funding agreement between the Company and the Manager.</i></li> </ul>
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### LOCK-UPS

- Lock-ups bars shareholders from selling shares in the company over a given time.
- Often applies to shares owned pre IPO / shares bought in the IPO / shares bought in the lock-up period.
- Lock-ups show commitment and removes both potential selling overhang and public primary insider sale notices.
- Typical lock-up lengths:
  - Company: 6m.
  - Primary insiders: 12m.
  - Selling shareholders: 6m.
  - Other shareholders: 6m.
- The 3 first are often easy to land but the 4th is difficult.
- However, without the 4th existing shareholders might dump shares in aftermarket due to sudden access to liquidity "tanking" the price.
- Usually OK in exchange for secondary sale participation.

# Typical IPO Term Sheet (using Euronext Growth Oslo as an example)

Summary of main commercial terms (II/II) -> #6 Investor Documentation + Selling Restrictions

Lock-ups	<ul style="list-style-type: none"> <li>• <b>Company:</b> [●] months.</li> <li>• <b>Members of the Company's management and board of directors:</b> [●] months.</li> <li>• <b>Selling Shareholders:</b> [●] months.</li> <li>• <b>Certain other existing shareholders:</b> [●] months.</li> <li>• <i>More than [●]% of the shares outstanding in the Company have been locked up based on the agreements referred to above.</i></li> <li>• <i>[Please see the Investor Presentation for more information about the lock-ups].</i></li> </ul>
Investor documentation	<ul style="list-style-type: none"> <li>• The investor documentation comprises of an [investor presentation (the "<b>Investor Presentation</b>"), an application agreement and this term sheet] (all dated [●] 2022), as well as all currently available public information (the "<b>Investor Documentation</b>").</li> <li>• <i>An information document, prepared in connection with the Listing, is expected to be published on or about [●] 2022. This will take place after the application period in the Private Placement and the applicants will hence not be able to review or base their investment decision on such information document.</i></li> </ul>
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## INVESTOR DOCUMENTATION + SELLING RESTRICTIONS

- **Base case constraint is prospectus requirements:**
  - No prospectus = <EUR1m.
  - National format = EUR1-8m
  - EU format = >EUR8m.
- **However, a prospectus is often avoided by requiring a minimum order and allocation of EUR100k.**
- **OSE demands a prospectus on regulated lists but not on Euronext Growth Oslo (only info document post IPO).**
- **Main marketing documents:**
  - Investor Presentation.
  - Term Sheet.
  - Application Agreement.
- **Since the company will be publicly listed there are usually "no" constraints relating to which investors who can participate in IPO (except some jurisdictions).**
- **EUR100k min may be waived for pre-com (max 150 pax).**



# Typical IPO Term Sheet (using Euronext Growth Oslo as an example)

Summary of main commercial terms (II/II) -> #7 IPO Settlement + Oslo Stock Exchange Listing

Lock-ups	<ul style="list-style-type: none"> <li>• <b>Company:</b> [●] months.</li> <li>• <b>Members of the Company's management and board of directors:</b> [●] months.</li> <li>• <b>Selling Shareholders:</b> [●] months.</li> <li>• <b>Certain other existing shareholders:</b> [●] months.</li> <li>• <i>More than [●]% of the shares outstanding in the Company have been locked up based on the agreements referred to above.</i></li> <li>• <i>[Please see the Investor Presentation for more information about the lock-ups].</i></li> </ul>
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## IPO SETTLEMENT + OSE LISTING

- **Settlement of the IPO must be structured attractively:**
  - Highly rapid execution meaning limited time between close of books and settlement (2-5 days).
  - Delivery vs. Payment (DVP) meaning swapping money for shares directly (upfront payment not acceptable).
  - The IPO shares must be tradable on Euronext Growth Oslo upon delivery.
- **Key necessary tools:**
  - Proxy from an EGM allowing the board to issue shares in the company.
  - Pre-funding agreement with the manager ensuring timely payment of the IPO proceeds to the company.
  - Access to existing shares sold either directly or via share lending agreement.
- **Might consider to promise uplisting within 6-12 months.**

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