

## STATEMENT FROM THE BOARD OF DIRECTORS OF OSLO BØRS VPS HOLDING ASA IN CONNECTION WITH THE OFFER FROM NASDAQ AB

This statement is made by the Board of Directors (the "**Board**") of Oslo Børs VPS Holding ASA ("**Oslo Børs VPS**" or the "**Company**") in connection with the offer (the "**Offer**") from Nasdaq AB ("**Nasdaq**") to acquire all issued and outstanding shares in Oslo Børs VPS against a consideration of NOK 152 per share in cash (the "**Offer Price**"). The statement is attached as an appendix to the offer document prepared by Nasdaq for the Offer dated 4 February 2019 (the "**Offer Document**").

The Offer is not subject to the take-over rules in chapter 6 of the Norwegian Securities Trading Act, and the Board is not under any legal obligation to make any statements on the Offer. However, pursuant to clause 14 (Takeover) of Oslo Børs VPS' corporate governance policy, the Board shall in the event of a take-over offer arrange for a valuation by an independent expert and issue a statement evaluating the offer, including a recommendation to shareholders as to whether or not they should accept the offer.

### Introduction and background

On 24 December 2018 Euronext N.V. ("**Euronext**") announced its intention to launch an offer in January 2019 for all the outstanding shares in Oslo Børs VPS. Euronext launched such offer on 14 January 2019 by the publication of an offer document (the "**Euronext Offer**").

The Euronext Offer was a result of a compact auction process conducted by Carnegie ASA on the initiative of certain minority shareholders of the Company and without any involvement of the Board and management of the Company. Against this background, and in light of the fact that it surfaced that several relevant parties did not participate in the auction process, the Board announced on 4 January 2019 that it had decided to invite parties that may be interested in the opportunity of making an offer for the shares in Oslo Børs VPS to participate in an offer process. Based on this invitation, and within the time frame and other limitations imposed on the Board by the Euronext Offer, Nasdaq and the Company entered into negotiations regarding a combination of the two companies.

The negotiations between Nasdaq and Oslo Børs VPS resulted in a joint press release on 30 January 2019, announcing that the two parties had entered into a transaction agreement (the "**Transaction Agreement**") whereby Nasdaq agreed to launch the Offer and the Board undertook to announce its unanimous recommendation of the Offer to Oslo Børs VPS's shareholders in this form.

### The Offer

Nasdaq launched the Offer through the Offer Document submitted to Oslo Børs VPS' shareholders on 4 February 2019, with an acceptance period commencing on 4 February 2019 at 08:00 hours (CET) and ending on 4 March 2019 at 16:30 hours (CET), subject to extensions. Completion of the Offer is made subject to fulfilment or waiver of the conditions for the Offer. Detailed information about the Offer, including the conditions for completion of the Offer, is included in the Offer Document.

Pursuant to the Offer, the Oslo Børs VPS shareholders are offered NOK 152 in cash per share (subject to adjustment for any dividends or other distributions declared on the shares in the Company after 29 January 2019). In addition, each accepting shareholder will receive an interest payment at a rate of 6% per annum on the Offer Price, prorated per day from 29 January 2019 until the completion conditions have been fulfilled and/or waived.

The Offer Price (excluding the interest compensation) values the aggregate of Oslo Børs VPS' issued and outstanding shares at NOK 6,537 million (based on 43,004,000 issued and outstanding shares in the Company). The Offer Price represents a premium of 38% to the undisturbed N-OTC closing price per share on 17 December 2018. Further, the Offer Price represents a premium of 5% to the offer price of NOK 145 in the Euronext Offer. Nasdaq has obtained irrevocable undertakings from shareholders representing approximately 35.20% of the Shares to tender their Shares pursuant to the Offer and they are binding, including in the event of any other offer.

As is further detailed and specified in the Offer Document, the completion of the Offer will be subject to the following conditions being satisfied or waived by Nasdaq (acting in its sole discretion):

- (a) **Minimum acceptance.** The Offer shall have been validly accepted by shareholders of Oslo Børs VPS representing (together with any shares in Oslo Børs VPS already owned by the Offeror or its Affiliates at such point in time) more than 90 per cent (or such lower percentage as the Offeror may determine in its sole discretion) of the issued and outstanding share capital and voting rights of Oslo Børs VPS on a Fully Diluted (as defined below) basis, and such acceptances not being subject to any third party consents in respect of pledges or other rights. If such minimum acceptance has not been satisfied by the end of the acceptance period, the Offeror may, at its sole discretion, elect to seek to satisfy the minimum acceptance condition by re-opening the acceptance period (to no later than 31 December 2019) or by other adequate means. For this purpose, **Fully Diluted** shall mean all issued Oslo Børs VPS Shares together with all shares which Oslo Børs VPS would be required to issue if all rights to subscribe for or otherwise require Oslo Børs VPS to issue additional shares, under any agreement or instrument, existing at or prior to completion of the Offer, were exercised.
- (b) **Board Recommendation.** That the unanimous recommendation from the board of directors of Oslo Børs VPS to its shareholders to accept the Offer has been issued and not been withdrawn or amended or qualified in any manner adverse to the Offeror.
- (c) **Clearances.** The necessary permits, consents, approvals and actions from competent Relevant Authorities (including but not limited to, the Financial Supervisory Authority of Norway, the Norwegian Ministry of Finance and relevant competition authorities, which also shall include a filing to the competition authority in Norway, Sweden and the United Kingdom to the extent such filing is recommended) in connection with the Offer shall have been obtained either without conditions or upon conditions that are acceptable to the Offeror in its reasonable discretion.
- (d) **No action by Relevant Authority.** No Relevant Authority of a competent jurisdiction shall have taken any form of legal action (whether temporary, preliminary or permanent) that is in effect and restrains or prohibits the consummation of the Offer or shall in connection with the Offer have imposed any conditions upon the Offeror, Oslo Børs VPS or any of their respective Affiliates which are not acceptable to the Offeror in its reasonable discretion.
- (e) **Accuracy of information.** That the information relating to Oslo Børs VPS and the Group made public, or disclosed privately to the Offeror or its Affiliates, by Oslo Børs VPS prior to the date of the Transaction Agreement, taken as a whole, was not materially inaccurate or materially misleading.
- (f) **No Material Adverse Change.** That no Material Adverse Change has occurred since 29 January 2019 (whether as a result of facts, circumstances, events or conditions occurring after the date of the Transaction Agreement, or facts circumstances, events or conditions

not publicly disclosed by Oslo Børs VPS nor disclosed by Oslo Børs VPS in writing to the Offeror prior to the date of the Transaction Agreement, or a combination of both).

- (g) **No material breach of the Transaction Agreement.** There shall have been no material breach by Oslo Børs VPS of the Transaction Agreement, provided that, for the purposes of this Condition, any breach of the Transaction Agreement shall be determined without regard to any materiality qualifiers set forth in the Transaction Agreement (including any warranty, representation or covenant), as if such materiality qualifiers were deleted from the applicable provision in the Transaction Agreement, where materiality qualifiers shall mean words or phrases including the term "material", "material adverse change" or "material adverse effect" or other variations of the term "material" set forth in the Transaction Agreement.
- (h) **Completion of Limited Confirmatory Due Diligence.** The Offeror shall have completed a short and limited confirmatory due diligence to the Offeror's satisfaction, limited to certain key contracts, financial and regulatory matters, as identified and communicated to the Board of Oslo Børs VPS

Pursuant to the Norwegian Public Limited Liability Companies Act, Nasdaq will have the right to commence a compulsory acquisition for cash of the Oslo Børs VPS shares not already owned by Nasdaq if Nasdaq becomes the owner of Oslo Børs VPS shares representing more than 90 per cent of the total number of shares issued by Oslo Børs VPS. The Board notes that Nasdaq in such case intends to effectuate a compulsory acquisition upon completion of the Offer.

**Recommendation: The Board recommends the shareholders of Oslo Børs VPS to accept the Offer made by Nasdaq.**

The Board has reviewed the Offer Document and duly considered all factors considered significant when assessing whether the Offer should be accepted by the shareholders of Oslo Børs VPS. Furthermore, the Board has compared the Offer with the Euronext Offer.

*Terms of the Offer*

The Board has concluded that the Offer Price (i) falls within the valuation ranges derived by a full set of valuation techniques; (ii) represents the highest value received following the Board's invitation to make offers for the shares in the Company; (iii) provides better value relative to the Euronext Offer; and (iv) provides a fair value to the shareholders of Oslo Børs VPS.

The Board has received a fairness opinion from its financial advisor Arctic Securities AS (attached hereto as Appendix 1), which concludes that the Offer Price represents a fair consideration to all the shareholders of Oslo Børs VPS from a financial point of view.

With respect to other terms of the Offer, and in particular the transaction risk relating to completion of the Offer created by the conditions for completion, a public offer for the shares of Oslo Børs VPS Holding will necessarily involve such risk. Both the Offer and the Euronext Offer involve risks relating to the ability of the offerors to complete the offers. Based on an overall assessment, the Board has concluded that the Offer does not involve a higher degree of risk in this respect than the Euronext Offer.

On this basis, the opinion of the Board is that the Offer is made on fair terms and offers a fair consideration to all its shareholders.

### *Future operations of Oslo Børs VPS and the Norwegian capital market*

In order to ensure the function of the Norwegian securities market and the ability to access capital, the Norwegian market must be maintained and further enhanced. It is therefore important for Oslo Børs VPS to become part of a structure that (i) provides good visibility for Norwegian issuers, (ii) offers strong local influence, (iii) demonstrates adaptability to local considerations, and (iv) has a strategy for the further development and modernisation of the central securities depository's functions and products.

The Board is committed to ensuring that the competitive advantages of Oslo Børs VPS and the attractiveness of its local marketplaces are maintained and further enhanced in relation to both Norwegian and international issuers, particularly within the group's sectors of particular strength.

Based on thorough discussions with Nasdaq, it is the view of the Board that there is strong industrial, market and strategic logic to a combination between Nasdaq and Oslo Børs VPS, and that Nasdaq would continue to uphold the strong values of Oslo Børs VPS and enhance the Norwegian capital market through:

- (i) Nasdaq's expressed intent to maintain the Norwegian model of regulation, governance and supervision in combination with a unique Norwegian Advisory Board and Norwegian representation on Nasdaq's Nordic committees;
- (ii) Nasdaq's expressed intent to retain the Oslo Børs brand and to continue to enhance its global leading positions in energy, shipping and seafood, to leverage its talent and experience in these sectors, to further develop Norway as a centre of excellence in commodities and to enable Oslo Børs to benefit from the full global reach of Nasdaq's resources, technology, data and brand;
- (iii) Nasdaq's expressed intent to capitalize on, and develop, VPS in a Nordic perspective and to make it Nasdaq's regional centre of excellence for custody and settlement services;
- (iv) Nasdaq's expressed intent to develop international solution offerings in the post-trade area based on VPS' expertise;
- (v) Nasdaq's expressed intent to maintain and further develop Oslo Børs' marketplaces as venues for the listing and trading of equity, bonds and equity certificates; and
- (vi) Nasdaq's expressed intent to enhance the securities environment with strong expertise in Oslo, including co-location with Nasdaq's commodity exchange as well as to leverage the local talent pool's expertise in exchange and post-trade services, product offerings and IT competence.

The Board is of the opinion that a combination with Nasdaq would combine and strengthen the Nordic region as a capital market with strong international distribution and visibility for Norwegian issuers as well as efficient infrastructure and limited adaptation requirements for Norwegian and Nordic companies. Oslo Børs VPS' largest customers are Nordic financial groups preferring harmonised services in the Nordic region and Nordic delivery models. There is already a well-established collaboration between, inter alia, Nordic banks, brokers, broker associations and supervisory authorities, which will help ensure focus on and development of the Norwegian market following such a combination.

### *Employees*

The employees of the Oslo Børs VPS group have been informed about the Offer through a meeting held on 30 January 2019. We have been informed of the following by Nasdaq. Nasdaq operates on a global basis with a strong local presence leveraging the local talent pool's unique areas of expertise. Nasdaq operates as a meritocracy, and national market employees have the opportunity to assume global roles and responsibilities and a combination with Nasdaq would accord the same benefits to Oslo Børs VPS and its employees. Further, as both Oslo Børs VPS and Nasdaq are highly committed to providing superior service to clients, Nasdaq would seek to ensure that any combination retains and enhances the respective strengths of each business.

Nasdaq also believes in an effective, collaborative and customer-focused integration process. To that end, Nasdaq would work collaboratively with the Oslo Børs VPS management team to approach the integration in a constructive fashion, and to ensure that appropriate arrangements are made, including working to find opportunities in other areas and functions.

The employee elected representatives of the Board of Oslo Børs VPS Holding ASA voted in favour of, and support, the Offer from Nasdaq. They have made the following statement: "In our view, Nasdaq presented the best solution for existing customers and employees of the group. We are looking forward to developing the group further together with Nasdaq. Nasdaq has in a credible manner presented its plans to invest in and develop the group. Furthermore, we envisage mutual exchange of experience and competence with several opportunities for the employees and the Norwegian and Nordic capital market".

### *Other factors*

The Offer must also be considered in light of the situation created by the Euronext Offer and the time limitations and other limitations thereby imposed on the subsequent auction process conducted by the Board.

Furthermore, the Board has noted that shareholders representing 35.20% of the shares in the Company have pre-accepted the Offer, while shareholders representing 45.2% of the shares in the Company have pre-accepted the Euronext Offer (in addition to the shares already acquired by Euronext representing 5.3% of the shares in the Company).

### *Conclusion*

Based on an overall evaluation of the factors considered relevant, the Board considers the Offer as the best alternative for all stakeholders (including shareholders, issuers, banks, investors and investment banks operating in the Norwegian capital market) and therefore recommends the shareholders of Oslo Børs VPS to accept the Offer made by Nasdaq and not to accept the Euronext offer.

The recommendation is unanimous.

### **Own shareholding**

The CEO of the Company and all members of the Board who, directly or indirectly, owns shares in the Company intend to accept the Offer.

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4 February 2019

The Board of Directors of Oslo Børs VPS Holding ASA

Oslo Børs VPS Holding ASA  
Att.: Board of Directors  
Tollbugata 2  
0105 OSLO

29 January 2019

### Independent fairness opinion

This independent fairness opinion (the "Opinion") is made to the Board of Directors (the "Board") of Oslo Børs VPS Holding ASA ("Oslo Børs VPS", the "Company"), related to the offer for all the shares in the Company submitted to the Board by Nasdaq AB (the "Offeror") on 29 January 2019.

The offer describes the Offeror's intent to acquire up to all of the Company's outstanding shares, for cash at NOK 152 per share (the "Offer"). The Offer is subject to certain closing conditions.

Several of the Company's largest shareholders, as reported in the Offer letter presented by the Offeror, have already entered into pre-acceptances of the Offer. We also note that a large number of the company's remaining shareholders have entered into pre-acceptances of an announced offer of NOK 145 per share described in an offer document published by Euronext N.V. on 14 January 2019. A large majority of the current shareholders have therefore already accepted offers of NOK 145 and above. Both offers include similar provisions with regards to price adjustments following any distributions from the Company to its shareholders, and interest compensation to accepting shareholders.

The Board has engaged Arctic Securities AS (hereafter "Arctic") to provide an independent opinion on the fairness of the Offer from a financial point of view. Arctic is an independent Norwegian full-service investment bank under supervision by the Norwegian Financial Supervisory Authority. Arctic initiated work for Oslo Børs VPS following the announcement of a forthcoming offer from Euronext N.V. announced on 24 December 2018 and detailed in the offer document published on 14 January 2019.

### Background for the voluntary offer

The Offeror has followed the Company's activities over several years, and has previously been a significant shareholder indirectly through OMX in the Company. The Offeror is active in the

same industries as Oslo Børs VPS in several countries, including in an entity encompassing the Nordic countries and the Baltics.

The Offeror has expressed an intent to maintain the Norwegian model of regulation, governance and supervision of the exchange, to retain the Oslo Børs brand, and continue its global leading position on energy, shipping and seafood. It has expressed an intent to capitalize on, and develop, VPS in a Nordic perspective and to make it Nasdaq's regional centre of excellence for custody and settlement services, as well as to develop international solution offerings in the post-trade area based on VPS' expertise. It will also seek to co-locate Oslo Børs VPS with Nasdaq's commodity exchange, and have presented further priorities for the development of the staff, organisation and offerings of Oslo Børs VPS in its presentation to the management and Board of the Company.

#### **Arctic's mandate**

Arctic was mandated by Oslo Børs VPS shortly after the announcement from Euronext 24 December 2018 to provide an opinion as to the fairness of an offered purchase consideration from a financial point of view, including the conditions Oslo Børs VPS would base its considerations of such an offer on.<sup>1</sup>

Arctic was also mandated to perform a valuation analysis of the Company, and to assist in discussions with the Company's shareholders and such interested parties as approached the Company with the intention to make, or subsequent to them having made, an offer for the Company's shares. Arctic should also provide such other ancillary financial advisory and investment banking services as the Company and Arctic agreed to be appropriate in the circumstances.

This Opinion is prepared for the Board for the purpose of assisting the Board in considering its recommendation to the Company's shareholders, and accordingly cannot be used or relied upon for any other purpose or by any other party. Other than as provided in our engagement letter with the Board, Arctic accepts no responsibility to any other party in relation to the contents of this Opinion. The Opinion is governed by Norwegian law and any dispute relating thereto shall be settled exclusively by Norwegian courts.

Valuation work is not an exact science and the conclusions may be subjective and dependent on the exercise of individual judgement. In providing this Opinion, Arctic does not make any recommendations to any holder of securities of the Company or any person as to how to act in connection with the Offer. An individual shareholder's decision may be influenced by their particular circumstances. Accordingly, shareholders should conduct their own investigation and

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<sup>1</sup> A mandate was signed 16 January 2019.

consult independent experts if such shareholders have questions regarding the Offer. Arctic recommends that the shareholders read the terms and the conditions of any offer carefully.

Our Opinion does not address any legal, regulatory, taxation, accounting matters or other professional advice which may be obtained from appropriate qualified professional sources. Arctic is entitled to receive a fixed fee for the preparation of this Opinion and our other work in relation to this transaction for Oslo Børs VPS. Our fee is not contingent in whole or in part on the conclusions reached or the outcome of the Offer. Arctic's remuneration for investment banking services is independent of whether a transaction occurs or not; at which valuation level and with whom a possible transaction is carried out. Arctic has no financial interest in the Company apart from those of a customer of the Company in an ordinary brokerage capacity. We have no other running or expected mandates with the Company save as those identified above.

This Opinion is made as of 29 January, 2019. Arctic disclaims any responsibility to advise regarding any changes of facts or matters affecting the Opinion, which may occur after this date. Without limiting the foregoing, in the event that there is a material change after the date hereof, Arctic reserves the right to change, modify or withdraw the Opinion. Moreover, Arctic reserves the right to complete any additional analyses that might subsequently be required, following the receipt of additional information.

#### **Access to information and valuation approach**

The Opinion is based on our independent valuation analyses of the Company. The valuation analyses are conducted in order to review whether the Offer is fair from a financial point of view.

For the purpose of this Opinion and Statement, market value is defined in accordance with the International Valuation Standards ("IVS") Framework proposed by the International Valuation Standards Council. On this basis, market value is defined to be the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

In undertaking the valuation analyses, we have applied a combination of widely accepted valuation methods and techniques in order to calculate a value range. The approaches include multiples analyses based on observed market values and transaction values of comparable companies, discounted cash flow ("DCF") analyses, LBO analyses, synergies valuation and studies of control premiums paid in the Norwegian financial market for listed companies. Further, the assessment includes analyses on share price development, liquidity and marketability of the share, and the process leading up to the current Offer.

The valuation analyses are based on information provided to us by the Company and supplemented by publicly available information on the business and the industry. In arriving at our conclusion, we have assumed that all the information is true, accurate, not misleading and complete in all respects as at the date thereof and that all information which is or may be relevant to our engagement has been provided to us.

We have not conducted an independent investigation to determine the truth, accuracy or completeness of the information provided to us, nor conducted any in-depth investigation into the business affairs of the Company. Further, we have not prepared or obtained an independent evaluation or appraisal of the assets or liabilities of the Company. To the extent the information provided to us is incomplete and/or inaccurate our Opinion could change.

The Opinion and Statement are based on, but not limited to, the following information:

- Letter of intent received from Nasdaq on 21 January 2019;
- Offer letter received from Nasdaq on 29 January 2019;
- Transaction Agreement between Nasdaq and Oslo Børs VPS, dated 29 January;
- Presentation from Nasdaq to the Board, dated 15 January 2019;
- Supplemental answers received from Nasdaq, dated 22 January 2019.

In addition, Arctic has reviewed the following information:

- Offer letter received from Euronext on 24 December 2018;
- Offer document published by Euronext on 14 January 2019 together with an accompanying letter to the Board of the Company;
- Presentation from Euronext to the Board, dated 22 January and previously shared with the management of the Company;
- Supplemental answers received from Euronext, dated 22 January 2019 and 24 January 2019.
- Euronext’s application to Finanstilsynet (redacted), dated 14 January 2019

Arctic has also participated in Q&A sessions between Nasdaq and Euronext and the management of Oslo Børs VPS; and between the offeror and the Board of Oslo Børs VPS. Arctic has also had direct interaction with, and information exchanges with, the advisers of Nasdaq and Euronext.

Arctic has received financial information from Oslo Børs VPS including preliminary 2018 accounts and 2019 budgets; annual/quarterly reports available on the Oslo Børs VPS website; analyst’s reports on the Company; trading (current and historic prices and volumes) on the Company’s share price and responses to inquiries to the management of the Company.

With respect to the financial forecasts and estimates as referred to above, we have assumed, that they have been reasonably prepared on a basis reflecting the best currently available estimates and judgements as to the future performance of the Company. We have discussed key assumptions with the Company's management, and had access to information made available to us in relation to a previous valuation of the Company.

In analyses and in preparing this Opinion, we have made various assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of both us and the Company. Our conclusions are rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at 29 January 2019 and the condition and prospects, financial and otherwise, of the Company as they were reflected in the information and as they have been presented to us in discussions with Management of the Company.

We assume that the Company is not involved in any legal disputes that will materially affect our Opinion. Further, we have also assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Offer will be obtained without any material adverse effect on the Company. We note, however, based on input from legal counsel that the offer from Nasdaq will differ from the offer from Euronext in the event that the Norwegian regulatory authorities should decide to use the possibility available to make their approval conditional upon the ownership of 2/3 or more.

#### **Our analysis**

The Offer price represents an equity value of the Company of NOK 6 537 million and represents a takeover premium of 38 % to the undisturbed closing price of the Oslo Børs VPS shares on the NOTC on 17 December 2018. Control premium studies on transactions in Norway and the Nordic indicate a premium in the interval of 20% to 40%, measured over several different pricing intervals as illustrated in our presentation to the board, which is in line with the premium represented in the Offer.

The Offer price is at or above the maximum stand-alone value as we assess it in our valuation; based on what a shareholder could reasonably expect the share to trade at in the open market.

The Offer price realizes some of the synergies value, control premium, illiquidity rebate and information rebate that may increase the value of the Company above the stand-alone traded equity value. An offer process initiated by some shareholders has, however, prevented a properly and orderly process in which the timeline allows a process that may realize the full strategic value of the Company. To which extent an appropriately run process would have increased shareholder value cannot accurately be estimated.

Based on our valuation the Offer price of NOK 152 per share is above the top end of what shareholders could expect the share to be valued at freely traded, and reflects some additional control premium representing part of the full company value. Some scenarios based on Management's forecasts result in a higher value interval than the Offer price, as a stand-alone company valuation.

The different valuation approaches indicate a wide interval for the share price. However, the Offer price is within what we consider a reasonable valuation interval. Taking all of the above into consideration, we consider the Offer fair from a financial point of view.

**Our conclusion:**

Our independent valuation analysis concludes that the Offer is fair from a financial point of view, as at the date hereof.

Arctic Securities AS



Fridtjof Berents  
Deputy CEO



Jon Gunnar Pedersen  
Director