

*The following is a translation of the corresponding Danish document entitled 'Praktisk information hvis du overvejer et offentligt udbud af værdipapirer mellem 1.000.000 og 5.000.000 euro' and is for informative purposes only. In the event of divergence between the two documents, the Danish document will prevail. In the event of dispute as to the interpretation of the content, the provisions of the relevant acts, regulations and executive orders apply.*

**15 July 2015**

## **Practical information if you are considering an offer to the public of securities between EUR 1,000,000 and EUR 5,000,000.**

This document offers some useful information on the process of approving prospectuses concerning public offering of securities between EUR 1,000,000 and EUR 5,000,000, cf. Executive Order No. 811 of 1 July 2015 on Prospectuses for Offers to the Public of Certain Securities between EUR 1,000,000 and EUR 5,000,000.

1. Under which circumstances do the rules apply?
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Please refer to the website of the Danish Financial Supervisory Authority (the FSA) for a similar document regarding prospectuses to be admitted to trading on a regulated market and offers to the public of securities of more than EUR 5,000,000.

### **1. Under which circumstances do the rules apply?**

No offer to the public of securities can be made without drawing up a prospectus that must be approved by the Danish FSA before the offer starts.

If the value of the offer of securities ranges from EUR 1,000,000 to EUR 5,000,000, and if the securities are not to be admitted to trading on a regulated market, you have to provide a 'small' prospectus in accordance with the Executive Order on Prospectuses.

It is the total amount that the investors have to pay that determines whether the rules apply. This means that any fees etc. will be included in the calculation of the size of the offer of securities.

### **2. Where can I find the rules?**

In general, the rules governing small prospectuses are found in chapter 12 of the Danish Securities Trading etc. Act, while a more detailed description of the content of the prospectus is found in the Executive Order on Prospectuses.

Please also refer to the guidelines pertaining to this subject which contain information on the interpretation and understanding of the individual provisions of the Executive Order on Prospectuses.

The guidelines and acts can be found on the FSA website, where you can also find other relevant information on prospectuses by clicking on the 'Themes' tab and selecting 'Prospectuses' on the menu to the left.

### **3. What is the estimated processing time?**

As the processing of a prospectus differs from one prospectus to the next, it is impossible to state the exact amount of time the Danish FSA needs to approve a submitted prospectus.

In general, the FSA needs 10 business days to review and comment on the first draft of the prospectus. Each subsequent review will take five business days. On average, a prospectus undergoes four reviews at the FSA before it is ready for approval.

Although not a requirement, we recommend that the issuer or offeror draws up a timetable for the offer and sends it to the FSA, preferably prior to submitting the first draft of prospectus or along with it. This would help to align expectations regarding the progress of the prospectus approval process.

Please note that you should allocate a sufficient amount of time for the processing of the application as well as for incorporation of any comments the FSA may have to the prospectus.

Please note that the prospectus shall be available at least six business days before the end of the offer, cf. section 17 of the Executive Order on Prospectuses.

### **4. How do I submit a prospectus?**

Please send the prospectus to the Danish Financial Supervisory Authority, Aarhusgade 110, DK-2100 Copenhagen or by email to the contact person at the FSA. The FSA will assign you a contact person.

Similarly, the issuer or offeror assigns a contact person so that all communication regarding the prospectus can take place through these two individuals.

You may submit a draft version of the prospectus provided that the overall structure is in place and that no essential sections are left unfinished. Only content that cannot be included because it is unknown or unavailable at the time of submitting the draft (e.g. prices and quantity) may be left out. If there are any unresolved issues in the prospectus you submit, you must also submit a separate note stating that there are unresolved issues, what they are and when they will be added. Please note that the FSA will return the prospectus if too much information is missing.

The prospectus must be written in Danish, cf. section 14 of the Executive Order on Prospectuses.

### **5. What is checked by the FSA?**

The FSA verifies that the prospectus, at a minimum, contains the information that is required pursuant to the Executive Order on Prospectuses. The FSA does not undertake a substantive review of the prospectus; the issuer or offeror is responsible for ensuring that the information contained in the prospectus is correct and complete. The persons responsible for the prospectus are to sign a responsibility statement in the prospectus.

The FSA reviews the prospectus and sends any comments to the contact person assigned by the issuer. The issuer or offeror then incorporates the comments before submitting a revised draft of the prospectus to the FSA. All changes made to the first draft, including any deleted text, must be clearly marked in the revised draft. You must also state the number(s) of the page(s) on which changes have been made. Page references must be to page numbers in the corrected draft version of the prospectus. The FSA prefers to receive drafts in Word format (alternatively as a PDF) with changes made in the actual document (not as comments). If there are many changes, we recommend submitting a corrected version as well as a 'clean' version, i.e. with the unmarked corrections. The FSA then reviews the prospectus again focusing on the changes that have been made.

If the review does not give rise to further comments, the FSA will inform the contact person with the issuer or offeror that there are no further remarks. Subsequently, the issuer or offeror submits a signed copy of the prospectus to the FSA for final approval.

#### **6. How will the final approval and publication be carried out?**

The approval is based on a complete copy of the prospectus containing the signed statements. The final prospectus does not have to be sent by post as the approval may be granted based on faxed or scanned signatures.

The FSA issues a letter of approval which is sent to the issuer or offeror by digital mail. Additionally, the FSA emails a scanned copy of the letter of approval to the contact person.

When a prospectus has been approved, the issuer or the offeror must make the prospectus available to the public as soon as practicable and at all events within a reasonable time and no later than before the beginning of the offer to the public of the securities in question. Detailed rules are found in section 17 of the Executive Order.

On its website the FSA currently publishes a list of prospectuses approved. The list contains information on the date of approval, the issuer, type of security, and the actual prospectus is also attached.

No fee is payable in respect of the publication of the prospectus by the FSA.

#### **7. Tips for drawing up the prospectus**

- When drafting the prospectus you may want to keep a copy of the Executive Order on Prospectuses and the Checklist found below nearby for easy reference in order to ensure that all items are included. Please note that the Checklist does not fully reflect the Executive Order on Prospectuses.
- While there are no formal requirements regarding the design of the prospectus, it is recommended that you follow the structure of the Executive Order on Prospectuses as far as possible.
- If you have any questions, including whether or not the offer falls within the scope of the Executive Order on Prospectuses, please contact the Securities Division at the FSA.

# **Checklist for prospectuses regarding offers to the public between EUR 1,000,000 and EUR 5,000,000.**

## **Contents of the prospectus:**

Requirements pursuant to Executive Order No. 811 of 1 July 2015

### **Section 1 – Scope**

Is the value of the offer between EUR 1,000,000 and EUR 5,000,000 and are the securities not to be admitted to trading on a regulated market?

### **Section 4 – The persons responsible**

The persons responsible for the prospectus: Full name, position (civil function), address or business address.

A signed and dated statement from the persons responsible pursuant to section 4(2).

### **Section 5 - Contents of the prospectus**

- 1) The purpose of the offer.
- 2) The type of securities offered, cf. section 43(2) of the Securities Trading etc. Act.
- 3) The nominal value of the securities and the number of securities offered.
- 4) The rights attached to the securities.
- 5) Any restrictions on the negotiability of the securities.
- 6) The price at which the securities are offered, or the method by which the price is fixed, including specification of the expected interval for the price.
- 7) More detailed regulations on any subscription rights.
- 8) Date of commencement of the right to dividends on the securities, including interest.
- 9) Tax deducted at source on the dividends.
- 10) Offer period.
- 11) Who, if relevant, has underwritten or is guaranteeing the issue.

12) The possible market, on which the securities can be traded.

13) Payment and time limit for delivery of the securities (disposal). If the securities are not delivered, the date from which the purchaser has the right to dispose of the securities must be specified/stated.

## **Section 6 - Information on the issuer and the capital position of the issuer**

(1)

1) Name and registered office.

2) Date of incorporation.

3) The legal form of the issuer and the current legislation for the company.

4) The object laid down in the articles of association of the issuer

5) If the issuer is registered in a public register, please state (a) where and (b) under which registration number this is.

6) Amount of issuer's present capital and any division hereof into classes.

7) Most important characteristics of the securities making up the capital.

8) Amount of any unpaid part of the capital.

9) Total nominal value of convertible bonds or warrants as well as more detailed provisions on conversion or subscription.

10) If relevant, the group of companies to which the issuer belongs.

(2)

If the issuer is a limited company, the following shall also be disclosed:

1) Any restrictions on voting rights and ownership.

2) The empowerment of the central management body, including whether it is empowered to make further issues, and the duration of such empowerment.

3) The shareholders covered by section 56 of the Danish Companies Act.

## **Sections 7 and 8 - Activities and accountancy matters**

7(1)

Description of the issuer's main activities and financial position, including information on assets and liabilities, significant events, any patents, licenses and agreements of fundamental importance, ongoing

and future significant investments, risk factors for the issuer and the securities as well as any legal proceedings of significant financial importance.

7(2)

If the first annual financial statements have not yet been prepared, the information pursuant to section 7(1) shall be provided for the period in which the undertaking has been operating.

8(1)

Financial statements and any consolidated financial statements.

8(2)

Interim financial statements, if any.

8(3)

Information on the development of the issuer since the end of the last financial year and prospects for the future to the extent that these may be material for assessment of the issuer.

8(4)

Full name and address of the issuer's auditor.

8(5)

Any qualifications or refusal to endorse statements or accounts made by the auditor as well as the reasons given. Any supplementary information given by the auditor in his or her endorsement must also be disclosed.

## **Section 9 - The issuer's board of directors and management**

9(1)

The full name, function, address or business address of the board of directors or supervisory board and board of management and any board of representatives.

9(2)

Any remuneration paid in connection with the offer to the board of directors or supervisory board and board of management and any board of representatives. If no remuneration is paid, please state this.

## **Section 10 - Bonds covered by a guarantee**

If the offer includes bonds for which a guarantee is provided, the information mentioned in sections 6-9 shall be provided for the guarantor.

## **Section 11 - Convertible bonds or warrants**

11(1)

If the offer concerns convertible bonds or warrants, information shall also be provided on the shares or bonds to which they give a right, as well as on the conditions and the regulations for conversion or subscription.

11(2)

If the undertaking, which is ultimately to issue shares or bonds, is different from the issuer of convertible bonds or warrants, the information in sections 6-9 shall also be provided for the ultimate issuer of the shares or bonds.

**Section 14 – Language of the prospectus**

The prospectus must be drafted in Danish.

**Section 17 – End of the offer**

Please note that the prospectus shall be available at least six business days before the end of the offer, cf section 17 of the Executive Order on Prospectuses.