

# Registration Document

Telio Holding ASA



17.06 2013

**Important notice**

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The Arranger and/or affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Registration Document, and may perform or seek to perform financial advisory or banking services related to such instruments. The Arranger's corporate finance department may act as manager or co-manager for this Issuer in private and/or public placement and/or resale not publicly available or commonly known.

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Other than in compliance with applicable United States securities laws, no solicitations are being made or will be made, directly or indirectly, in the United States. Securities will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

The distribution of the Registration Document may be limited by law also in other jurisdictions, for example in Canada, Japan and in the United Kingdom. The Prospectus has been reviewed and approved by the Norwegian FSA in accordance with sections 7-7 and 7-8, cf. section 7-3 of the Norwegian Securities Trading Act. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information given in this Prospectus. The approval given by the Norwegian FSA only relates to the Issuer's descriptions pursuant to a pre-defined check list of requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or otherwise covered by this Prospectus.

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## 1. Risk factors

The Group is exposed to various risks. Below the Issuer has disclosed all known and significant risk factors the Issuer is aware of.

### **Risks related to the Group and the industry**

#### Competition

The telecommunications industry is highly competitive. The Company faces intense competition from traditional telephone companies, wireless companies, cable companies, alternative voice communication providers and broadband providers. The Company's success is dependent on its ability to retain current and attract new customers. Many of the Company's competitors can use substantial resources to develop competing services that may be more attractive to customers. In addition, some of the Company's competitors offer other telecommunication services and may bundle voice over internet protocol ("VoIP") or broadband services with other products to create a more attractive service offering for customers than the Company's services. The customers are also in general less loyal to its voice telephone operator and hence they have a lower threshold to switch to a new services provider. There can be no assurance that the Company will be able to respond to existing and new sources of competition. The strong competition in the telecommunications industry and competition between alternative voice communications and broadband providers may make it difficult for the Company to attract and retain customers, result in lower prices for the Company's services or a loss of market share. Competition may therefore have material adverse effects on the Company's business, financial condition, results of operations or prospects.

#### Decrease in telecommunication prices

Customers who currently use the Company's services may switch to other service providers if the Company is not able to offer services at attractive prices. A decrease in telecommunication prices in general may thus force the Company to lower its prices to remain competitive and/or result in a loss of customers and market share.

#### VoIP technology acceptance

Some consumers may choose not to adopt the VoIP technology e.g. due to the fact that VoIP services are different from analogue telephony services in some aspects:

- Different from analogue fixed line telephony services (but similar to ISDN), the Company's VoIP service is interrupted in the event of a power failure or loss of internet access by a consumer.
- Access to emergency calling services: similar to ISDN, loss of power or internet access may cause significant delays and even failure of emergency assistance calls. In addition, public safety answering points may not be able to see the caller's actual location information.

#### Technological development

The telecommunications industry is characterized by rapid changes in technology, new evolving standards, emerging competition and frequently new product and service introductions. The Company's future business prospects are to a large degree dependent on its ability to meet changing customer preferences, to anticipate and respond to technological changes and to develop effective and competitive relationships with its customers. There can be no assurance that the Company will be able to successfully respond to new technological developments and challenges or identify and respond to new market opportunities and new services. Future technological development could have material adverse effects on the Company's business, financial condition, results of operations or prospects.

In addition, the Company's efforts to respond to technological innovations and competition may require significant financial investments and resources. Furthermore, there can be no assurance that the Company will have the necessary financial and human resources to respond to new technological changes and innovations and emerging competition.

#### Dependence on retaining and recruiting knowledgeable employees

The Company's success depends in a large part upon its ability to recruit, motivate and retain

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highly skilled employees with the functional and technical skills and experience necessary to develop and deliver the Company's services. There can be no assurance that the Company will be able to recruit, motivate and retain sufficient numbers of qualified employees in the future. A failure to do so could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

Interruptions and dependence on third party facilities and equipment

Parts of the Company's operations are dependent upon facilities and equipment owned and/or operated by third parties and therefore beyond the Company's control. These include a broadband internet connection, alternatively other internet connections such as cable, and electrical power supply. If there are interruptions in the internet connection or electrical power supply the Company's customers may not be able to make or receive calls or make use of other of the Company's services, including emergency calls. Furthermore, the Company is also dependent upon several data connection points operated by third parties. Failure of such connection points may lead to customers experiencing interruptions when making or receiving calls. Interruptions may adversely affect the perceived reliability of the Company's services and may lead to a loss of customers and market share, difficulty in attracting new customers and negative reputation, all of which could have material adverse effects on the Company's business, financial condition, results of operations, or prospects.

Implementation of its strategies

The Company's strategy is, inter alia, to become one of the leading telecommunication companies in Norway. Maintaining and expanding the Company's operations and achieving its objectives involve inherent investments, costs and uncertainties and there is no assurance that the Company will achieve its objectives or other anticipated benefits. There is no assurance that the Company will be able to undertake its activities within their expected timeframe, that the investments and costs of the Company's objectives will be at expected levels or that the benefits of its objectives will be achieved within the expected timeframe or at all. The Company's strategy may also be affected by factors beyond its control, such as delays and limited availability of contracting firms and limited availability of acquisition opportunities. Any failures, delays or unexpected costs related to implementation of the Company's strategies could have a material adverse effect on its business, financial condition, results of operations or prospects.

Integration of NextGenTel

The Company's acquisition of NextGenTel will involve the integration of businesses which previously operated independently. Such integration processes can be challenging and involve risks. There can be no assurance that the integration will be successful. Any delays, unexpected liabilities or unexpected costs incurred in the integration processes or failure to achieve synergies and other benefits contemplated by acquisition or the incorporation of NextGenTel in the Group may have a material adverse effect on the Company's business, financial condition, results of operations, or prospects.

Dependency on agreements between NextGenTel and TeliaSonera

As part of the acquisition, TeliaSonera AB and NextGenTel have signed a transitional services agreement, a supply agreement and a letter of intent framework services agreement. The transitional services agreement regulates the continued provision of certain deliverables to and from NextGenTel and entities in the TeliaSonera group during a transitional period until permanent deliverables have been established. The supply agreement regulates the joint execution of certain end customer agreements. The letter of intent framework services agreement sets out the parties' intention to negotiate in good faith to agree on the terms and conditions for NextGenTel's role as TeliaSonera's preferred partner for certain of the TeliaSonera services that NextGenTel provides in the Norwegian market today, as well as provision by NextGenTel of certain access and other products to TeliaSonera in Norway.

The transitional services agreements and the supply agreements entered into force on the closing date of the acquisition. The transitional services agreement and the supply agreement have limited duration, and lapse of these agreements may have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

The negotiations for final agreements for provision of services included in the scope of the letter of intent framework services agreement will start after the closing of the transaction and the outcome of such negotiations are per date not known. The outcome of such negotiations, including the duration and other terms and conditions of the final agreements may have a

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material adverse effect on the Company's business, financial condition, results of operations or prospects.

Risks related to future growth

The Company may acquire or contract companies, enterprises or assets in the future as a part of its growth strategy. The Company may experience difficulties in developing or integrating these additional assets, businesses and/or employees into the Group's existing operations. The Company's future growth will depend upon a number of factors, both within and outside of the Company's control. It may not be successful in expanding its operations, and any expansion may not be profitable, or may result in losses for the Company. This could ultimately have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

If the Group's operations continue to expand, the Group may need to increase the number of employees and enhance the scope of operational and financial systems to handle the increased complexity and a potential expansion of the Group's operations. The Company cannot give any assurance that it will be able to attract and retain qualified management and employees for this purpose or that the Group's current operational and financial systems and controls will be adequate as the Group grows. This could ultimately have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

**Financial risk**

The Group's activities are exposed to certain financial risks: market risk, credit risk and liquidity risk.

Market risk

Foreign exchange risk

The Group operates internationally, but it has a limited foreign exchange risk since most of the revenues (80%) and expenses are in Norwegian kroner (NOK). The Group is exposed to foreign exchange risk as a result of operations in multiple countries with different currencies, although there is a degree of implicit hedging due to the fact that subsidiaries are doing business in the local currency. The net exposure to foreign currency is thus limited. The Group has in 2011 purchased currency futures in Euro and USD to hedge against fluctuations in cost of goods sold (traffic costs). No currency futures have been purchased for 2012. Subsidiaries are exposed to foreign currency risk through intra-group loans in Norwegian kroner (NOK).

Credit risk

The Group has no significant concentrations of credit risk, since the customer base consists of many customers with relatively small balances. The Group has entered into a factoring agreement with Svea Finans NUF. This agreement provides that Svea has recourse against Telio in accordance with the detailed criteria. The credit rating, monitoring and collection routines are subject to continuous evaluation and improvements. We do not perform credit checks on private broadband telephony customers, because the broadband provider has already performed a credit check on most of the customers. A credit check is performed on customers in the business market. A credit check is performed on customers who desire to use Telio mobile, an ordinary GSM service. The Group has appropriate procedures to monitor high consumption, watch out for fraud and disconnect customers who do not settle their accounts with the Company.

Liquidity risk

The Company's management of liquidity risk requires maintenance of adequate liquid reserves and development of the operations in accordance with the budget. Cash reserves are monitored regularly, and an agreement has been entered with a factoring company for the sale of receivables related to consumption and monthly fees. The Company's acquisition of NextGenTel AS make the Group dependent upon having access to long-term funding and other loans and debt facilities to the extent its own cash flow from operations is insufficient to fund its operations and capital expenditures. In turn the Group must secure and maintain sufficient equity capital to support such borrowing facilities.

## **2. Persons responsible**

Telio Holding ASA confirms that, having taken all reasonable care to ensure that such is the case, the information contained in the registration document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

17.06 2013

Erik Osmundsen  
Chairman of the Board

Eirik Lunde  
Chief Executive Officer

Telio Holding ASA

### 3. Definitions

3G	-	3 <sup>rd</sup> generation mobile telephony
ARPU	-	average revenue per user
Arranger	-	Nordea Markets
HD	-	High Definition
IP	-	Internet Protocol
MVNO	-	Mobile Virtual Network Owner
NOK	-	Norwegian Kroner
Registration Document	-	This document dated 17.06 2013
SIP	-	Session Initiation Protocol
SME	-	Small and Medium sized Enterprises
The Parent / Issuer / The Company	-	Telio Holding ASA
The Group / Telio	-	Telio Holding ASA with subsidiaries
VoIP	-	Voice over Internet Protocol
WLAN	-	Wireless Local Area Network
xDSL	-	Digital Subscriber Line where 'x' could be A; Assymmetric, SH; Single-pair High-speed or V; Very high bit-rate

## **4. Third part information and forward looking statements**

If not otherwise indicated, Telio Holding ASA is the source of information in this Registration Document. Information which has been sourced from a third party has been accurately reproduced. As far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Registration Document is based on sources such as annual reports and publicly available information and forward looking information based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for the Issuer's (including subsidiaries and affiliates) lines of business. Important factors that could cause actual results to differ materially from those expectations include, among others, economic and market conditions in the geographic areas and industries that are or will be major markets for the Issuer's businesses, market acceptance of new products and services, changes in governmental regulations, interest rates, fluctuations in currency exchange rates and such other factors as may be discussed from time to time in the Registration Document. Although it is believed that the expectations are based upon reasonable assumptions, the Issuer can give no assurance that those expectations will be achieved or that the actual results will be as set out in the presentation.

## **5. Statutory auditors**

The Company auditor for the period covered by the historical financial information in this Registration Document has been KPMG AS.

KPMG AS contact information: P.O. Box 7000 Majorstuen, Sørkedalsveien 6, 0306 Oslo, Norway.

KPMG AS is member of The Norwegian Institute of Public Accountants.

The General Meeting elected in May 2013 Deloitte as new auditor for the Company.

## 6. Information about the issuer

Telio Holding ASA is a Norwegian Public Limited Liability Company incorporated on 12 August 2003 and regulated by the Norwegian Companies Act and supplementing Norwegian laws and regulations. The legal and commercial name of Telio is Telio Holding ASA. The Company No is 985 968 098 and its registered business Harbitzalleen 2 a, 0275 Oslo, Norway. Their postal address is P.O. Box 54 Skøyen, 0212 Oslo, Norway. Phone: +47 21 67 49 09. Website: [www.telioholding.no](http://www.telioholding.no).

The Group's activities are to develop and sell IP based services and communications solutions, operate consultancy activities and participate in other enterprises.

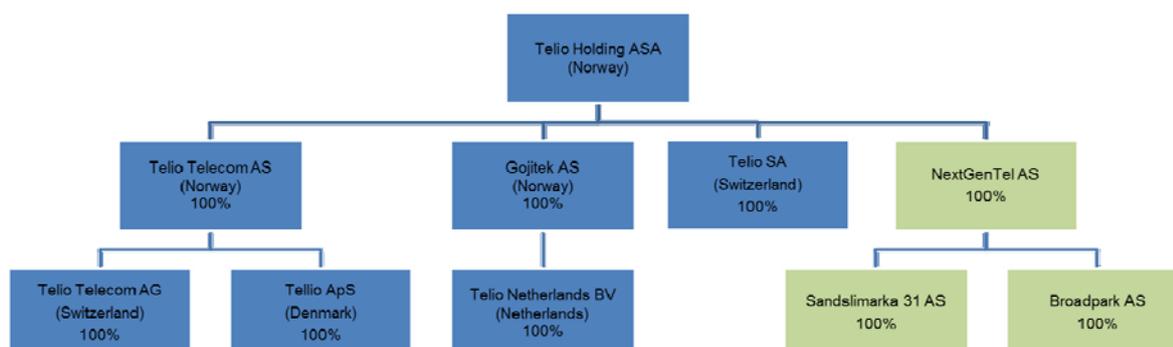
The parent company Telio Holding ASA is the holding company of the Group. The only employees in the Company are the CEO and CFO. The Company's revenues come from the invoicing of intra-group services performed on behalf of subsidiaries. The Company is therefore dependent on other companies in the Group.

Telio is a European service provider within IP based communication. The Group provides pure IP services and traditional telecommunication services through broadband telephony as substitute for ordinary PSTN telephony and the Company works to continuously develop innovative and customer friendly services. The Group's products can together, using the Internet and broadband, replace, improve and expand traditional fixed and mobile telephony with competitively priced solutions. Telio's flexible, scalable and access independent technology platform enables the Group to quickly develop and commercialize new products and services. The Company has in 2012 also introduced mobile services and fixed broadband services in the Norwegian market.

On 19 December 2012, Telio Holding ASA signed an agreement to acquire 100% of the shares in NextGenTel AS from TeliaSonera. The acquisition was formally completed on 31 January 2013. The acquisition represents a step-change for Telio as the Company more than doubles its size and significantly broadens its product offering in its core Norwegian market.

Telio's mission is to be a major force in defining and providing fixed and mobile internet communications to the consumer and small businesses.

### Telio's legal structure:



Telio have 9 directly and indirectly wholly-owned subsidiaries. In addition, Telio has two dormant subsidiaries (Teliofoni AB, Sweden and Telio IP Services BV, the Netherlands).

The Telio Group has operations in Norway, Denmark, Switzerland and the Netherlands. In 2012, Telio sold services under its own brand to end users in Norway, Denmark and Switzerland. In the Netherlands, distribution is arranged through 'white label' agreements under local brands.

### **History**

Telio was founded in 2003 by Aril Resen, Alan Duric and Espen Fjogstad, which all were veterans from Global IP Sound. The Company started its VoIP service in Norway in February 2004 as the first in Norway and its initial service was a collection of VoIP services which collectively can act as a fixed line replacement service with flat fee pricing covering all fixed

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line destinations in Norway. In May 2006 Telio launched a GSM service available to all Telio VoIP customers in Norway and the company was listed on the Oslo Stock Exchange 2 June 2006 with ticker TELIO. During 2009 and 2010 Telio acquired Bellit AS, launched video telephone, Telio Touch and Teliophone for the Norwegian market and entered the Swiss market. During 2011 and the beginning of 2012 Telio launched the SkyCall mobile apps for iPhone and Android phones (developed for the airline Norwegian Air Shuttle). Telio introduced broadband services in the Norwegian market from January 2012. In January 2013 Telio acquired 100% of the shares in NextGenTel AS from TeliaSonera.

## 7. Business overview

Telio specialises in the development, marketing and sales of IP-based services and communication solutions.

The Company's business concept is to offer voice over IP (VoIP) services at a fixed subscription fee with as much free calling and innovative features as possible. VoIP, also called broadband telephony, is a technology that enables consumers to replace the traditional phone line with a phone service using the internet. Telio differs from traditional telecom operators by using technology that enables the Company to offer the voice services over an internet connection that the subscriber already pays for. In technical terms this is called IP communication based on SIP. Since VoIP utilises the same infrastructure which is used to deliver other types of internet services the infrastructure costs for offering VoIP are significantly lower than the costs of offering traditional telecommunications networks. The Company is therefore able to offer telephone communication services at lower prices than the traditional telecom companies. Internet technology also opens up for a variety of innovative features that can be bundled to VoIP at very low costs.

The Company has developed its own provisioning server for VoIP services. The offerings are tailor-made and targeted towards end users who appreciate simplicity with regard to technical setup. When signing up for the Company's VoIP services, the subscriber receives a telephone adapter or a phone with an integrated adapter which translates the telephone signal to data traffic. The subscriber only need to connect the received device to the broadband socket and the embedded provisioning software ensures that the equipment is immediately connected to the Company's servers and is provisioned with a dialling tone (plug and play installation). This feature is fundamental for the Company's offering because it allows for access independence and enables the customer to move the equipment around irrespective of where in the world he or she has broadband access. The same technology and principles is used for Teliophone where the adapter is pure software based, and embedded in the iOS and Android apps.

In order to provide telecommunication services in Norway Telio has been granted a license to supply such services from the Norwegian Post and Telecommunications Authority. Beside this licence there are no licences, agreements or contracts beside various normal business agreements which are important for the Company's business or profitability.

Through the acquisition of NextGenTel AS, Telio became one of the larger provider of fixed broadband and of xDSL broadband in the Norwegian market. The acquisition represents a step-change for Telio as it will more than double its size and significantly broadens its product offering in the core market in Norway. The Norwegian telecom market is undergoing rapid changes driven by technological developments and altered communication patterns between people. These changes require swift adaptation by the providers of telecommunication services. Telio has provided VoIP services for a number of years in the Norwegian market and has recently expanded its product offering to include related services, including mobile and broadband services (through agreements with NGT and Netcom).

The acquisition will not only secure Telio in-house capabilities and delivery of such broadband services, but also significantly expand Telio's customer base. The combined entity will thus have substantial potential for cross-selling of services to the combined company's customer portfolio. Furthermore, the combined entity will have significant potential for realizing scale benefits and more cost effective operations.

### Products

Telio has from the start primarily targeted customers who call frequently, particularly to international destinations. The Group is providing both pure IP services and traditional broadband telephony services with interconnect where reduced termination prices to mobile and international to a large extent are being passed on to the end customer in the form of lower tariffs. Telio continues to build distribution for services to the SME market segment. Further development of the product portfolio and the services provided enables the Company to target SMEs with a higher number of lines, expanding the Company's reach to the business segment. The solution offers attractive features and functionalities that increase the efficiency of companies in this segment. Telio has firmly positioned itself on the SME map, with above 13,000 active VoIP lines in Norway at the end of 2012. Telio has undertaken thorough

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analyses of the business market and views this as a market segment with great growth potential.

### Telio Mobile and Broadband

Telio Mobile was re-introduced in the Norwegian market in January 2012 following the MVNO agreement with Netcom. This gave Telio the possibility to take the position as a low cost mobile provider in the residential market with focus on the immigrant segment and offering low price mobile subscriptions combined with cloud based switchboard to the business market.

Telio Mobile for Residential was introduced in the market to primarily target customers, who call frequently, particularly to international destinations. The product allows the customer to call from the same mobile fixed price package regardless if the customers call to national or international destinations. This offering has been successful and Telio has increased its customer base on mobile subscriptions to 17,000 at the end of 2012.

Telio Mobile for Business was introduced in the market to target SMEs with a complete product line expanding the Company's reach to the business segment. The mobile solution offers attractive low cost subscription and cloud based functionalities that increase the efficiency for the customer. The subscription base has grown to 7,000 at the end of 2012.

Telio Bedriftsnett (web-based switchboard) was introduced in the Norwegian market in Q3 2011. This is an intelligent cloud based switchboard for companies. This solution can easily be integrated with both IP and mobile subscriptions and gives the customers an intelligent way of handling their incoming calls. The customer base has grown to 3,800 subscriptions at the end of 2012.

Telio Broadband was introduced in the residential market in January 2012. This service expands Telio's attractive product portfolio. Telio sees the broadband product as a great cross sale opportunity that will increase ARPU (average revenue per user) on existing customers and attract new customers. At the end of 2012, the Company had a customer base of 5,000 subscriptions.

### Telio Touch

Telio Touch was launched in the Norwegian market in the third quarter of 2010. Telio Touch is a high-end telephone with HD voice quality. The product comprises a wireless Dect handset and a base that has a 7-inch touch screen. Through Telio Touch Service Suite, on the touch screen, users can find a wide variety of applications that enable them to keep on track with current news, check the weather forecast, check road traffic and public transport information, as well as watch YouTube videos, among others. At the end of 2012, the Company had 7,000 customers on this product.

### Teliophone

Teliophone was launched in the Norwegian market during the fourth quarter of 2010. Teliophone is an app for iPhone and Android phones enabling unrestricted, high quality video and voice calling. Teliophone features unique set of standards based capabilities and user friendly provisioning. Through WLAN or 3G, with Teliophone it is possible to call any other number on the traditional fixed and mobile network as well as to other video and HD enabled terminals in Telio's network (and soon in other networks). Teliophone is available through Apple's (Norwegian) App store for Telio's existing subscribers (both residential and SME). The Company had 9,500 users of Teliophone at the end of 2012.

### Goji and SkyCall

Goji and SkyCall apps for iPhone and Android phones were introduced during 2011 and the beginning of 2012 (Goji is a brand established in connection with a demerger of the technology part of the Company into a separate entity, Gojitek AS). The SkyCall app is developed for Call Norwegian, a subsidiary of the airline Norwegian Air Shuttle. Norwegian was the first airline to introduce internet on-board the company's flights in Europe and is through the agreement with Telio providing mobile IP telephony services to its passengers in Norway and abroad. The services are based on Telio's highly recognized technology platform which provides a high user experience with HD sound and high quality video communication.

## 8. Administrative, management and supervisory bodies

### BOARD OF DIRECTORS – TELIO HOLDING ASA:

#### Chairman of the Board - Erik Osmundsen

Erik Osmundsen was elected as Chairman of the Board on May 3, 2006. He is the Managing Partner of Creo Advisors AS, an advisory firm focusing on corporate finance services and strategic consulting. Before this, Erik was an Investment Director at Kistefos, and he also has worked as Senior Engagement Manager with McKinsey & Co. Erik has served as Board Member in several companies, including Kelkoo (Vice Chairman), Avenir, Photonyx and Zoomit (Chairman). Erik holds an MBA from Harvard Business School and an MSc in Business (Siviløkonom) from the Norwegian School of Management (BI).

Shares: 615,502 (indirectly via Creo Foundation AS)

Options: 0

#### Board member - Aril Resen

Board member Aril Resen is a co-founder of Telio. He has been on the board of directors since the inception in 2003. Resen's background is as an entrepreneur and angel investor in several technology companies. He holds an MBA (SFSU San Francisco) 1990. He has previously worked at the San Francisco Stock Exchange, derivatives floor and as a stockbroker for Alfred Berg Norge AS.

Shares; 1,500,000 (indirectly via Xfile AS)

Options; 0

#### Board Member – Silje Veen

Silje Veen was elected to the board of directors of Telio Holding ASA in May 2013. Ms. Veen is the Managing Director of T.D Veen AS which is the largest shareholders in the Company. She is founder and owner of Foodstory (restaurants in Norway focusing on ecological food). She holds a number of board positions both as Chairman and member of Boards.

Shares; 2,119,704 (representing T. D. Veen AS)

Options; 0

#### Board Member – Snorre Kjesbu

Snorre Kjesbu was elected to the board of directors of Telio Holding ASA in May 2013. Mr. Kjesbu is the Vice President and General Manager for the Collaboration Endpoint Technology Group (CETG). Prior to this role he led the TelePresence Systems Business Unit (TSBU) where he was responsible for all Cisco TelePresence endpoint products. He has also been Senior Vice President for Tandberg's Endpoint Product Division, and been a Technology Program Manager at ABB. Mr. Kjesbu serves on the board of directors of several IT-companies, and holds more than 20 patents in the area of communications and video conferencing.

Shares; 0

Options; 0

#### Board Member – Ellen M. Hanetho

Ellen Hanetho was elected to the board of directors of Telio Holding ASA in May 2013. Mrs. Hanetho is the CEO at Frigaard Invest. Previous work experience includes partner in Credo Partners, credit analyst Citibank, Senior Associate Corporate Finance in Goldman Sachs International. She also holds several board positions.

Shares; 0

Options; 0

**MANAGEMENT – TELIO HOLDING ASA:**

**Chief Executive Officer (CEO) – Eirik Lunde**

Eirik Lunde was appointed as Chief Executive Officer of Telio in April 2007. He was previous the CEO for Ventelo Norge A/S one of the leading Telecom providers in the Nordic region, which acquired Catch Communication A/S and Bluecom A/S, where Eirik Lunde held the position as respectively Executive Vice President and CEO. Prior to this he held the position as head of PC Broadband Services in Telenor, General Manager for Dell Norway, and various leading positions in Digital Equipment Corporation. He holds a degree as marketing economist from NMH, and executive MBA from Insead and London Business School.

Shares; 134,252  
Options; 280,000

**Chief Technical Officer (CTO) - Sven Ole Skrivervik**

Sven Ole Skrivervik took over the position as Telio's Chief Technology Officer after co-founder Alan Duric 1st of January 2013. He came from the position as Director Customer Services at Proact IT Norway AS, the Norwegian branch of the North European storage, backup and archiving integrator Proact IT Group, listed on the Stockholm stock exchange. Sven Ole Skrivervik came to Proact via Proact's acquisition of Xperion AS, a backup and archiving specialist where he was co-founder and Chief Technology Officer. Before this, he held the position as Chief Technology Officer at Ventelo Norge AS, one of the leading Telecom providers in the Nordic region, which acquired Catch Communication A/S and Bluecom A/S, where he respectively held the position as Chief Technology Officer. Prior to this, he worked in different management positions at Sun Microsystems Norway after leaving the position as Group IT Manager and Group Intranet Manager at Kværner ASA in Oslo. Sven Ole Skrivervik started his career in Skrivervik Data where he worked as a support engineer before he was appointed to several different management positions over the nearly 8 years he worked there. Sven Ole Skrivervik holds a bachelor degree in computer science from University of Bergen and an executive MBA from Norwegian School of Economics (NHH) specializing in management control.

Shares; 22,500  
Options; 75,000

**Chief Financial Officer (CFO) - Tom Nøttveit**

Tom Nøttveit was appointed Chief Financial Officer of Telio in August 2007. He came from the position as CFO of Norman ASA, a listed data security software company, where he has had management positions within accounting and finance since 1997. Prior to this, he had various management positions within accounting and finance in Telenor after he started his career as an auditor at KPMG. He holds a degree in Business Administration (BBA) from Pacific Lutheran University and the Norwegian 'Siviløkonom' degree.

Shares; 57,500 (indirectly via Prosperis Invest AS)  
Options; 75,000

**Sales & Marketing Director - Jens Hetland**

Jens Hetland was appointed Commercial Director of Telio in November 2005. Hetland has more than 15 years of experience from different IT and Telecoms management positions. In the period up to 1992 he worked for Alcatel both in Belgium and Norway. In 1992 he worked as a product manager at Ericsson, before joining NetCom in early 1993. At Netcom he participated in the commercial launch, and held a number of different positions. When leaving he was a director responsible for NetComs wholesale business, product pricing and product development. In 2000 he left and co-founded the telemedicine company Care4you. This company was sold to Locus in 2003, where Hetland was a system development manager before joining Telio. He holds a Master of Science degree in Electronics from NTNU.

Shares; 75,000 (indirectly via Avita AS)  
Options; 25,000

**Director Customer Services - Nina Forsberg Mathiesen**

Nina Forsberg Mathiesen was appointed Vice President Customer Support and Services in August 2005. She has more than 10 years experience from different Telecom positions. She has previous experience from Sense Communications Int. AS, Norway's first mobile service provider, as a Customer Care Manager for Norway and Sweden, Country Manager for the Swedish Market. Prior to

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this she worked as a Call Center Director in Direkte Respons Senteret and had various positions in Telia Norge. She holds a Bachelor in economics from Handelshøyskolen BI.

Shares; 0  
Options; 5,000

**Product Director - Erik Trondsen**

Erik Trondsen was appointed Product Director of Telio in April 2012. He has more than 15 years experience from various management positions within the telecom sector. He came from the position as Product and Marketing Director of Phonect, a leading IP telephony company to the business market. He has previous experience from companies like TDC, BaneTele, Enitel and Telia Norge. Trondsen holds a degree in International Marketing from OMH (Oslo Merkantile Høyskole).

Shares; 0  
Options; 0

**NOMINATION COMMITTEE**

The nomination committee shall issue an explained proposal to the general meeting regarding the election of shareholder elected board members.

The nomination committee has the following members:

The chairman **Harald James Otterhaug, Petter Tusvik and Geir Moe**

All the members of the board, management and committee can be reached at the Company's address Harbitzalleen 2 a, 0275 Oslo, Norway.

Other than the above mentioned ownerships positions, there are no conflicts of interests between any duties to the issuing entity of the persons referred to above and their private interests or other duties.

## 9. Major shareholders

The Company's share capital is NOK 2,328,318 divided into 23,283,180 shares, each having a face value of NOK 0.1. Telio has one class of shares, and each share entitles to one vote at the Company's general meeting. All shares in Telio are freely negotiable. The shares are registered in VPS ASA with the ISIN NO0010199052 and are listed at Oslo Børs under the ticker TELIO.

### The 20 largest shareholders in Telio Holding ASA per 03.06.2013:

<b>Investor</b>	<b>Number of shares</b>	<b>% of top 20</b>	<b>% of total</b>	<b>Foreign</b>
VEEN A/S T.D.	2,119,704	12.91%	9.10%	No
TALIR HOLDING AS	1,810,000	11.02%	7.77%	No
XFILE AS	1,500,000	9.14%	6.44%	No
J.P. MORGAN CHASE BANK N.A. LONDON	1,282,894	7.81%	5.51%	Yes
UBS AG	1,028,289	6.26%	4.42%	Yes
FRANK MOHN A/S	930,000	5.66%	3.99%	No
SILJAN INDUSTRIER AS	913,598	5.56%	3.92%	No
AKER PENJONSKASSE	804,887	4.90%	3.46%	No
SYNESI AS	750,000	4.57%	3.22%	No
OPTINVEST II AS	615,502	3.75%	2.64%	No
TELIASONERA NORGE HOLDING AB	567,843	3.46%	2.44%	No
ZICO AS	521,500	3.18%	2.24%	No
MIDELFART INVEST AS	515,000	3.14%	2.21%	No
VERDIPAPIRFONDET ALFRED BERG GAMBA	505,999	3.08%	2.17%	No
SANDNES INVESTERING AS	500,000	3.05%	2.15%	No
STOREBRAND VEKST	478,908	2.92%	2.06%	No
ARCTIC FUNDS PLC	452,636	2.76%	1.94%	Yes
CITIBANK NA LONDON BRANCH	419,551	2.56%	1.80%	Yes
SIRIUS AS	400,000	2.44%	1.72%	No
STOREBRAND OPTIMA NORGE A	303,698	1.85%	1.30%	No
<b>Total number owned by top 20</b>	<b>16,420,009</b>		<b>70.52%</b>	
<b>Total number of shares</b>	<b>23,283,180</b>		<b>100 %</b>	

Telio Holding ASA has agreements with the companies Synesi AS (Espen Fjogstad, shareholder) and Creo Advisors AS (Arne Reinemo) relating to the delivery of consulting services as required. Arne Reinemo owns shares in Telio Holding ASA through Siljan Industrier AS. All services provided by these companies are priced on an arm's length basis and outstanding balances are to be settled in cash within 30 days.

## 10. Financial information concerning the issuer's assets and liabilities, financial position and profits and losses

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS), as stipulated by the EU, and in accordance with the interpretations stipulated by the International Accounting Standards Board (IASB), as well as additional Norwegian information requirements pursuant to the Norwegian Accounting Act.

The financial information is incorporated by reference to as follow:

	Financial reports			
	2012	2011	Q1 2013	Q1 2012
<b>Telio Holding ASA - Parent</b>				
Income statement	Page 46	Page 43		
Balance sheet	Page 47 - 48	Page 44 - 45		
Cash flow statement	Page 49	Page 46		
Notes	Page 52 - 62	Page 47- 52		
<b>Telio Holding ASA - Group</b>				
Income statement	Page 10	Page 12	Page 5	Page 5
Balance sheet	Page 9	Page 11	Page 4	Page 4
Cash flow statement	Page 12	Page 14	Page 7	Page 7
Notes	Page 13 - 44	Page 15 - 41	Page 8 - 13	Page 8 - 13
Accounting principles	Page 13 - 18	Page 15 - 21		
Auditors report	Page 63 - 64	Page 54 - 55		

### 2012 -

<http://www.telioholding.no/content/download/3211/19176/version/4/file/Telio+Holding+ASA+2012.pdf>

### 2011 -

<http://www.telioholding.no/content/download/3157/18908/version/2/file/Telio+Holding+ASA.pdf>

### Q1 2013 -

<http://www.telioholding.no/content/download/3215/19197/version/1/file/Telio+Holding+Q1+2013+financial+report.pdf>

### Q1 2012 -

<http://www.telioholding.no/content/download/3184/19057/version/1/file/Telio+Holding+Q1+2012+financial+report.pdf>

The historical financial information for 2012 and 2011 for the Company has been audited. The historical financial information for the interim reports has not been audited.

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Issuer and/or Group's financial position or profitability.

The acquisition of NextGenTel AS was completed on 31 January 2013. NextGenTel AS and its subsidiaries are consolidated in the Telio Group financial statements from 1 February 2013. Reference is made to note 9 to the Q1 2013 financial statements for a specification of the purchase price allocation.

Telio Holding ASA issued in April an unsecured bond issue of NOK 300 million with maturity in April 2017.

Apart from the above, there are no significant changes in the financial or trading position of the Group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published. And there has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements.

## 11. Documents on display

For the life of the registration document the following documents (or copies thereof), where applicable, may be inspected:

- (a) the memorandum and articles of association of the issuer;
- (b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document;
- (c) the historical financial information of the issuer or, in the case of a group, the historical financial information of the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the registration document.

The documents may be inspected at [www.telioholding.no](http://www.telioholding.no) or at the Issuer office Harbitzalleen 2 a, 0275 Oslo, Norway.

## 12. Cross reference list:

In section 10 in the Registration Document information regarding a specification of the NextGenTel AS purchase price is incorporated by reference to note 9 to the Q1 2013 financial statements.

In section 10 in the Registration Document the financial information is incorporated by reference to as follow:

	Financial reports			
	2012	2011	Q1 2013	Q1 2012
<b>Telio Holding ASA - Parent</b>				
Income statement	Page 46	Page 43		
Balance sheet	Page 47 - 48	Page 44 - 45		
Cash flow statement	Page 49	Page 46		
Notes	Page 52 - 62	Page 47- 52		
<b>Telio Holding ASA - Group</b>				
Income statement	Page 10	Page 12	Page 5	Page 5
Balance sheet	Page 9	Page 11	Page 4	Page 4
Cash flow statement	Page 12	Page 14	Page 7	Page 7
Notes	Page 13 - 44	Page 15 - 41	Page 8 - 13	Page 8 - 13
Accounting principles	Page 13 - 18	Page 15 - 21		
Auditors report	Page 63 - 64	Page 54 - 55		

Information concerning the Company's 2012 figures is incorporated by reference from the Company's Annual Report 2012.

Information concerning the Company's 2011 figures is incorporated by reference from the Company's Annual Report 2011.

Information concerning the Company's 2013 - Q1 figures is incorporated by reference from the Company's Q1 - 2013 report.

Information concerning the Company's 2012 - Q1 figures is incorporated by reference from the Company's Q1 -2012 report.

The Company's financial reports are available at:

**2012 -**

<http://www.telioholding.no/content/download/3211/19176/version/4/file/Telio+Holding+ASA+2012.pdf>

**2011 -**

<http://www.telioholding.no/content/download/3157/18908/version/2/file/Telio+Holding+ASA.pdf>

**Q1 2013 -**

<http://www.telioholding.no/content/download/3215/19197/version/1/file/Telio+Holding+Q1+2013+financial+report.pdf>

**Q1 2012 -**

<http://www.telioholding.no/content/download/3184/19057/version/1/file/Telio+Holding+Q1+2012+financial+report.pdf>